

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection on the City of Oxnard website. Commission agendas are available on the City of Oxnard website 7 days prior to regular meetings, at www.oxnard.org/city-meetings

AGENDA
MOBILE HOME PARK RENT
REVIEW BOARD
Special Meeting
City Council Chambers, 305 W.
Third St., Oxnard, CA 93030
April 25, 2024
5:30 P.M.



To join remotely, click on the link below:

https://us06web.zoom.us/j/86033623596?pwd=4I_jsUKPH3ZNW3TdoJGnGp6Q5f5Fqw.ppo1DPC4HHa_kIqSW

Or telephone (toll-free): 877 853 5257
Meeting ID: 860 3362 3596
Passcode: 082282

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call in steps listed above. Once the Chair calls for public speakers, press *9 to raise your hand, or if online, click the raise hand icon in the Zoom interface to inform the Chair you would like to speak during the public speaking section for that particular item on the agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE OR VIA ZOOM
2. EMAIL COMMENTS OR REQUESTS TO SPEAK BEFORE THE MEETING
 - a. Submit a request to speak no later than 1:00 p.m. on the day of the meeting by contacting the Commission Secretary Christian Lopez at christian.lopez@oxnard.org. Please indicate the agenda item number in the subject line.
3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING
 - a. To provide a public comment during the meeting dial 877 853 5257 and enter the Meeting ID and Passcode listed above as the Zoom details for this meeting. When the Chair announces the particular item on the agenda you want to speak on, press *9 to raise your hand. Once called on, press *6 to unmute your phone.
 - b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public shall have three minutes to register or otherwise be recognized for the purpose of providing public comment.

A. ROLL CALL/PLEDGE OF ALLEGIANCE

B. APPROVAL OF MINUTES

1. SUBJECT: Minutes of the meeting of April 10, 2024
RECOMMENDATION: Approve.

C. COMMISSION BUSINESS

1. SUBJECT: Stipulation, Order and Settlement Agreement for Kona Kai Estates
RECOMMENDATION: That the Mobile Home Park Rent Review Board approve the Stipulation and Order for Kona Kai Estates and confirm the Mobile Home Park Rent Review Board's acceptance of the Settlement Agreement and Mutual Release

D. REPORT OF THE COMMISSION SECRETARY

The Commission Secretary shall report on items of interest to the Commission occurring since the last meeting. The Commission cannot enter into detailed discussion or take action on any items presented during this report. Such items may only be referred to the Secretary for administrative action or scheduled on a subsequent agenda for discussion.

E. COMMISSIONER COMMENTS

Commissioners may individually report on items of interest or concern outside of Ad Hoc Committee reports. The Commission cannot enter into detailed discussion or take action on any item presented during these reports. The Commissioner's report shall not exceed three minutes.

F. ITEMS FOR FUTURE CONSIDERATION

Commissioners may request that items be placed on future agendas for extended discussion.

G. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact (805) 200-5941. Notification at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

DRAFT MINUTES
Mobile Home Park Rent Review Board
Meeting
April 10, 2024

A. ROLL CALL/PLEDGE OF ALLEGIANCE

At 6:02 p.m., the meeting of the Mobile Home Park Rent Review Board convened in the Oxnard City Council Chambers. Commissioners Cynthia Daniels, Efrain Jimenez, Yukio Okano and Martin L. Remmen were present. Commissioner Felipe Flores was absent. Staff members present were Emilio Ramirez, Housing Director; Albert Ramirez, Assistant Housing Director; and Christian Lopez, Recording Secretary. Chair Daniels presided and called the meeting to order.

B. APPROVAL OF MINUTES

1. SUBJECT: Minutes of the meeting of December 5, 2022.
RECOMMENDATION: Approve.
ACTION: Commissioner Jimenez moved approval as recommended. Commissioner Remmen seconded and the motion carried unanimously with Commissioner Flores absent.

C. PUBLIC COMMENTS

No public comments.

D. REPORTS

1. SUBJECT: Mobile Home Park Rent Stabilization System Annual Activity Report for Calendar Year 2023
RECOMMENDATION: That the Board review and adopt the Fiscal Year 2023 Annual Activity Report to City Council, and authorize the Chair to submit the reports to City Council.
DISCUSSION: Commissioner Okano made staff aware of typos on the Annual Activity Report for correction.
ACTION: Commissioner Remmen moved approval as recommended. Commissioner Okano seconded and the motion carried unanimously with Commissioner Flores absent.

E. COMMISSION BUSINESS

1. SUBJECT: Election of Chair and Vice-Chair
RECOMMENDATION: That the Board elect a Chair and Vice-Chair to serve for 2024.
DISCUSSION: Chair Daniels opened nominations for Chair and Vice-Chair of the Board.
ACTION: Commissioner Jimenez nominated himself for Chair. Commissioner Daniels seconded and the motion carried unanimously with Commissioner Flores absent. Commissioner Jimenez nominated Commissioner Daniels to serve as Vice-Chair. Commissioner Daniels seconded and the motion carried unanimously with Commissioner Flores absent.
Chair Jimenez convened the meeting after this action.

F. AD-HOC COMMITTEE REPORTS

No reports.

G. REPORT OF THE COMMISSION SECRETARY

The Commission Secretary reported on the next meeting of Mobile Home Park Rent Review Board scheduled for April 25, 204

H. COMMISSIONER COMMENTS

1. Commissioner Okano: Thanked the Board for the warm welcome, as this was his first meeting serving on the Board. Informed the Board that he previously served on the Commission on Homelessness.

I. ITEMS FOR FUTURE CONSIDERATION

No items.

J. ADJOURNMENT

At 6:16 p.m. Chair Jimenez called for a motion to meeting adjourn. Vice-Chair Daniels moved as recommend. Commissioner Remmen seconded and the motion carried unanimously.

Christian Lopez, Secretary

Efrain Jimenez, Chairman



TO: Honorable Members of the Mobile Home Park Rent Review Board

FROM: Albert Ramirez, Assistant Housing Director

DATE: April 25, 2024

SUBJECT: Stipulation, Order and Settlement Agreement for Kona Kai Estates

RECOMMENDATION

That the Mobile Home Park Rent Review Board approve the Stipulation and Order for Kona Kai Estates and confirm the Mobile Home Park Rent Review Board’s acceptance of the Settlement Agreement and Mutual Release.

BACKGROUND AND DISCUSSION

Kona Kai Estates is one of the twenty (20) mobile home parks within the City of Oxnard that is subject to the City’s Mobile Home Park Rent Stabilization Ordinance (“Ordinance”). The Ordinance requires the owner of Kona Kai Estates (Kona Kai Mobile Home Park Associated, dba Kona Kai Estates; hereafter, the “Parkowner”) to submit a rent increase application to the City of Oxnard (“City”) at least 60 days before April 1 to raise rents on the Kona Kai homeowners (“Homeowners”).

In February 2023, the Parkowner gave notice of an impending 9.74% rent increase, which included the Consumer Price Index (“CPI”) rent increases for 2022 and 2023, to become effective in April 2023. (A copy of the notice is attached as **Exhibit A.**) The Homeowners, represented by Barbara Macri-Ortiz, timely appealed the proposed 9.74% rent increase. (A copy of the appeal is attached as **Exhibit B.**)

Consistent with the Ordinance, Hearing Officer David Hart held an evidentiary hearing regarding the appeal in May 2023. Hart rendered his decision on the matter in September 2023. A copy of the decision is attached to this report as **Exhibit C.**

In October 2023, the Parkowner timely filed an appeal of Hart’s decision. The appeal is attached to this report as **Exhibit D.** Subsequently, the Parkowner and the Homeowners requested that the appeal hearing slated to be presented to the Mobile Home Rent Review Board (“MHRRB”) be continued on multiple occasions as the parties engaged in serious settlement negotiations to resolve the matter.

After months of negotiations, the parties reached a settlement agreement and requested that the City of Oxnard be a party to the settlement. On April 16, 2024, the Oxnard City Council considered the settlement agreement in closed session. At the end of the closed session, the City Attorney reported out that the City Council unanimously approved the settlement agreement and



copies of the settlement agreement were made available to the public.

The settlement agreement, attached as **Exhibit E**, includes the following notable terms:

1. Rent Adjustments: The parties have agreed to a total rent increase of 5.74% over the period from April 1, 2022, to March 31, 2025, averaging less than a 2% annual increase, which is below the consumer price index (“CPI”) allowable rent adjustments.
2. Waivers: All parties agree to waive any legal claims concerning current and past rent adjustments.

The stipulation and order, attached to this report as **Exhibit F**, is also before the MHRRB for consideration.

Staff recommends that the MHRRB:

1. Approve the Stipulation and Order negotiated between the Parkowner and the Homeowners; and
2. Confirm the Settlement Agreement between the Parkowner, the Homeowners, and the City, resolving all related disputes.

Exhibit A- Notice of rent increase

Exhibit B- Homeowner’s Appeal

Exhibit C- David Hart’s Decision (September 2023)

Exhibit D- Parkowner’s Appeal

Exhibit E- Settlement Agreement and Mutual Release

Exhibit F- Stipulation and Order

Exhibit G- PowerPoint Presentation

Exhibit A- Notice of rent increase

NOTICE OF C.P.I. FORMULA RENT INCREASE
(Date of this Notice: February 15, 2023)

Pursuant to the City of Oxnard Mobilehome Park Rent Stabilization System, notice is hereby given that the owners of **KONA KAI MOBILE ESTATES** ("the Park") have filed an application requesting administrative approval of rent increases under the Combined Consumer Price Index (C.P.I.) Formula.

- In each of the past two years, the Park provided homeowners with timely notice of a rent increase calculated consistent with the CPI formula prescribed by law;
- Last year, as well as this year, the Park submitted to the City a CPI increase application;
- The City has no record of having received last year's application;
- During the period of the Covid-19 pandemic, both the Park and the City experienced illness of personnel resulting in missed work days and changes in personnel, creating some confusion;
- There is no way to be certain whether last year's application was received by the City or, if so, to what extent the application was processed;
- As of April 1, 2022, the CPI space-rent increase of which the Park had previously notified homeowners went into effect, and homeowners have been paying rent at that increased level without having expressed any objection or claim of irregularity until recently, when the City's absence of any record having processed last year's application came to light;
- Rather than dispute the status of last year's application, the Park has submitted last year's calculation along with this year's application;
- Because it is possible that the Park did submit last year's application, the City has processed the current year's application that includes a calculation of rents affected by the CPI increase prescribed by law for the past two years, with the increase stated in the application to go into effect as of April 1, 2023.
- But because it is possible that the Park did not submit last year's application, ***the Park will refund to all homeowners the increased rent that was collected as the result of the April 1, 2022 increase. The Park will do this in the form of a rent credit no later than April 1, 2023.***

The requested increase, as well as the refund, will be authorized to go into effect on April 1, 2023, unless residents representing 25% or more of the spaces under the jurisdiction of the Rent Stabilization System in the park file a protest asserting that the application is in error or that services have been reduced (identifying the specific services said to have been reduced), and requesting that the application be reviewed in accordance with the Mobilehome Park Rent Stabilization ordinance. Petitions must be delivered by no later than 5:00 p.m. on Monday, March 20, 2023 to the following address:

Mobilehome Park Rent Stabilization System

Oxnard Housing Department, 435 South "D" Street, Oxnard CA 93030

Notwithstanding the above, any individual resident who makes an objection, based on an error in calculation, to the proposed CPI Formula increase for his or her space rent, prior to the increase being approved, may contact Emilio Ramirez at (805) 385-8096, who shall determine the accuracy and amount of the allowable increase for that resident's space.

Copies of the C.P.I. Formula rent increase application are available to any resident requesting it from the City or at:

Kona Kai Mobile Estates
1853 Ives
Oxnard, CA 93033

KONA KAI MOBILE ESTATES' application for a combined C.P.I. Formula increase has been reviewed and found to be in compliance with Mobilehome Park Rent Stabilization System, to the extent that it includes provision for a refund of increased rent collected as the result of the 2022 increase. Information pertinent to the application is summarized below:

1. CPI adjustment period: August 2021 to August 2022 (adjustment based on previous year's adjustment period of August 2020 to August 2021).
2. Permissible C.P.I. Adjustment: 5.74% (which will be added to last year's CPI adjustment of 4.00%)
3. CPI adjustment permitted only upon the refund described in this notice, above.
4. Individual Space Rent Increases, as proposed by the park, to go into effect on April 1, 2021, unless protested in accordance with the procedure described in this notice, above. Proposed increases appear on the attached pages.

Note: The inflation rate for Southern California for the 12-month period from August 2020 to August 2021 was 4.00%. Pursuant to the Oxnard Rent Stabilization Ordinance, the permissible rent increase for calendar year 2023 will be 5.74%.

Note: Park owners are permitted to round proposed rent levels to the nearest fifty cents; for example, for an amount from \$0.75 to \$1.24 can be rounded to \$1.00; and amount from \$1.25 to \$1.74 can be rounded to \$1.50.

NOTIFICACIÓN DE AUMENTO DEL ALQUILER SEGÚN LA FÓRMULA DEL C.P.I. (Fecha de este Aviso: 15 de febrero de 2023)

De acuerdo con el Sistema de Estabilización de Alquileres de los Parques de Casas Móviles de la Ciudad de Oxnard, por la presente se notifica que los propietarios de **KONA KAI MOBILE ESTATES** ("el Parque") han presentado una solicitud pidiendo la aprobación administrativa de los aumentos de alquiler bajo la Fórmula del Índice de Precios al Consumidor Combinado (C.P.I. por sus iniciales en inglés)

- En cada uno de los dos últimos años, el Parque notificó oportunamente a los propietarios un aumento del alquiler calculado con arreglo a la fórmula del C.P.I. prescrita por la ley;
- El año pasado, así como este año, el Parque presentó a la Ciudad una solicitud de aumento del C.P.I.;
- El Ayuntamiento no tiene constancia de haber recibido la solicitud del año pasado;
- Durante el período de la pandemia de Covid-19, tanto el Parque como la Ciudad experimentaron enfermedades del personal que resultaron en días de trabajo perdidos y cambios de personal, creando cierta confusión;
- No hay forma de saber con certeza si el Ayuntamiento recibió la solicitud del año pasado o, en caso afirmativo, en qué medida se tramitó;
- A partir del 1 de abril de 2022 entró en vigor el incremento del C.P.I. en el alquiler de espacios que el Parque había notificado previamente a los propietarios, y éstos han estado pagando el alquiler a ese nivel incrementado sin haber expresado ninguna objeción o reclamación de irregularidad hasta hace poco, cuando salió a la luz la ausencia de constancia por parte del Ayuntamiento de haber tramitado la solicitud del año pasado;
- En lugar de impugnar el estado de la solicitud del año pasado, el Parque ha presentado el cálculo del año pasado junto con la solicitud de este año;
- Como es posible que el Parque sí presentara la solicitud del año pasado, el Ayuntamiento ha tramitado la solicitud del año en curso que incluye un cálculo de las rentas afectadas por el incremento del C.P.I. previsto por la ley para los dos últimos años, con el incremento que se indica en la solicitud para que entre en vigor a partir del 1 de abril de 2023.
- Pero como es posible que el Parque no presentara la solicitud del año pasado, **el Parque devolverá a todos los propietarios el incremento de renta que se cobró como consecuencia de la subida del 1 de abril de 2022. El Parque hará esto en forma de un crédito de alquiler a más tardar el 1 de abril de 2023.**

El aumento solicitado, así como el reembolso, serán autorizados a entrar en vigor el 1 de abril de 2023, a menos que los residentes que representan el 25% o más de los espacios bajo la jurisdicción del Sistema de Estabilización de Alquiler en el parque presenten una protesta afirmando que la solicitud es errónea o que los servicios han

sido reducidos (identificando los servicios específicos que se dice han sido reducidos), y solicitando que la solicitud sea revisada de acuerdo con la ordenanza de Estabilización de Alquiler del Parque de Casas Móviles. Las peticiones deben ser entregadas no más tarde de las 5:00 p.m. el lunes, 20 de marzo de 2023 a la siguiente dirección:

Mobilehome Park Rent Stabilization System
Oxnard Housing Department, 435 South "D" Street, Oxnard CA 93030

No obstante lo anterior, cualquier residente individual que haga una objeción, basada en un error de cálculo, al aumento propuesto de la Fórmula del C.P.I. para la renta de su espacio, antes de que el aumento sea aprobado, puede ponerse en contacto con Emilio Ramírez al (805) 385-8096, quien determinará la exactitud y la cantidad del aumento permisible para el espacio de ese residente.

Copias de la solicitud de aumento de alquiler C.P.I. Formula están disponibles para cualquier residente que lo solicite a la Ciudad o en:

Kona Kai Mobile Estates
1853 Ives
Oxnard, CA 93033

La solicitud de KONA KAI MOBILE ESTATES para un aumento combinado de Fórmula C.P.I. ha sido revisada y se ha determinado que cumple con el Sistema de Estabilización de Alquileres de Mobilehome Park, en la medida en que incluye una provisión para un reembolso del aumento de alquiler cobrado como resultado del aumento de 2022. A continuación se resume la información pertinente a la solicitud:

1. Periodo de actualización del C.P.I. De agosto de 2021 a agosto de 2022 (ajuste basado en el período de ajuste del año anterior, de agosto de 2020 a agosto de 2021).
2. Ajuste admisible del C.P.I. 5.74% (que se añadirá al ajuste del C.P.I. del año pasado del 4.00%).
3. Ajuste del C.P.I. permitido sólo tras la devolución descrita en este anuncio, más arriba.
4. Los aumentos de alquiler de espacios individuales propuestos por el parque entrarán en vigor el 1 de abril de 2021, a menos que se presenten protestas de conformidad con el procedimiento descrito en el presente anuncio. Los aumentos propuestos aparecen en las páginas adjuntas.

Nota: La tasa de inflación para el sur de California para el período de 12 meses de agosto de 2020 a agosto de 2021 fue del 4.00%. De conformidad con la Ordenanza de Estabilización de Alquileres de Oxnard, el aumento de alquiler permitido para el año calendario 2023 será del 5.74%.

Nota: A los propietarios de parques se les permite redondear los niveles de alquiler propuestos a los cincuenta centavos más cercanos; por ejemplo, para una cantidad de \$0.75 a \$1.24 se puede redondear a \$1.00; y la cantidad de \$1.25 a \$1.74 se puede redondear a \$1.50.

Exhibit B- Homeowner's Appeal

Law Office of
BARBARA MACRI-ORTIZ
P.O. Box 6432
Oxnard, California 93031

Telephone: (805) 486-9665

Facsimile: (805) 487-1409
E-mail: b.macriortiz@verizon.net

March 16, 2023

Mobilehome Park Rent Stabilization System
ATTN: Emilio Ramirez, Director
Oxnard Housing Department
435 South "D" Street
Oxnard, CA 93030

RE: *KONA KAI MOBILE ESTATES*
NOTICE OF C.P.I. FORMULA RENT INCREASE DATED 2/15/2023
HOME OWNERS' PROTEST OF 2023 RENT INCREASE

Dear Mr. Ramirez:

Enclosed please find 26 Protest Petitions, containing a total of 96 signatures in connection with the 2023 Kona Kai Mobile Estates C.P.I. rent increase, which I am submitting on behalf of the signatories thereto, pursuant to the City's direction as stated in the Notice dated February 15, 2023. I am requesting that the matter be calendared for a hearing in accordance with the Mobilehome Park Rent Stabilization Ordinance.

Please send to my attention at the above address any correspondence or communications regarding this matter, including communications with the Hearing Officer and the Park, as I will be representing these home owners at the hearing and/or in any negotiations regarding this matter.

Thank you for your courtesy and cooperation.

Sincerely,



Barbara Macri-Ortiz

Enclosures

Received by: Mary Chappell
PRINTED NAME: MARY Chappell
Date: 3/21/2023
Time: 11:34 AM

Law Office of
BARBARA MACRI-ORTIZ
P.O. Box 6432
Oxnard, California 93031

Telephone: (805) 486-9665

Facsimile: (805) 487-1409
E-mail: b.macriortiz@verizon.net

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Sincerely,



Barbara Macri-Ortiz

Enclosures

PROTEST OF 2023 RENT INCREASE

1.

We the undersigned home owners in Kona Kai Mobile Estates hereby protest the CPI rent increase application that was presented by Kona Kai to the City of Oxnard Housing Department. The information in the rent increase application is inaccurate and violates the City ordinance, and the information in the City's "Notice of C.P.I. Formula Rent Increase" is inaccurate, incomprehensible, and openly allows the park owner to violate the rent stabilization ordinance. The park is applying for a 2023 rent increase of almost 10 percent, even though under the City Code a legal and accurate application would only call for a 5.74% increase. It appears that the City is complicit with this violation of the City Code.

By our signatures on this petition, we request that the park's 2023 rent increase application be denied in its entirety, and we demand a hearing in front of the independent Hearing Officer.

PETICION DE PROTESTA EN CONTRA DEL AUMENTO DE LA RENTA

Nosotros los dueños de casas moviles en Kona Kai Mobile Estates por medio de nuestras firmas abajo sometemos esta protesta en contra de la solicitud del aumento de la renta que fue presentado por Kona Kai al Departamento de Vivienda de la Ciudad de Oxnard. La información en la solicitud es erronea y viola la ordenanza de la Ciudad, y la información en el Aviso de la Ciudad es erronea, no-entendible, y permitiría al parque a cometer una violación de la ordenanza de estabilización de renta. El parque pide un aumento de la renta de casi 10 por ciento, a pesar de que de acuerdo con el código municipal, una solicitud correcta y legal solamente permitiría un aumento de 5.74%. Parece que la Ciudad es complis en esta violación del código municipal.

Por medio de nuestras firmas en esta petición, nosotros pedimos que la solicitud del parque para el aumento de 2023 se debe de negar en su totalidad, y exigimos una audiencia enfrente del Jué Independent de Audiencias.

Space Number/

Numero
del Espacio

Homeowner's Signature/
Firma del dueño de casa móvil

Printed Name of Homeowner/
Nombre en letra de molde

Date/
Fecha

43 Guadalupe Sepulveda Guadalupe Sepulveda 3-8-2023

112 June Silver JUNE T. SILVER 3-8-23

110 Fernando Rios Fernando Rios 3-8-23

109 Hector Mejia HECTOR MEJIA

128 Epigmarco Colera Epigmarco Colera 3/8/23
(COLIMA)

166 Edward Fletcher Edward Fletcher 3/11/23

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Space Number/

<u>Numero del Espacio</u>	<u>Homeowner's Signature/ Firma del dueño de casa móvil</u>	<u>Printed Name of Homeowner/ Nombre en letra de molde</u>	<u>Date/ Fecha</u>
<u>106</u>	<u></u>	<u>Gaspar Suarez</u>	<u>3/7/23</u>
<u>98</u>	<u></u>	<u>TITO ZAGAL</u>	<u>3-8-23</u>
<u>104</u>	<u></u>	<u>Alejandro Melgoza</u>	<u>3/8/23</u>
<u>102</u>	<u></u>	<u>Ma-Bden Arellano</u>	<u>3/8/23</u>
<u>99</u>	<u></u>	<u>Clint Stremcha</u>	<u>3/8/23</u>
<u>118</u>	<u></u>	<u>Eduardo DIAZ</u>	<u>3-11-23</u>
<u>124</u>	<u>Noe Rivera</u>		<u>3-11-23</u>

PROTEST OF 2023 RENT INCREASE

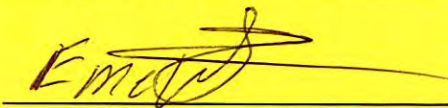

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<u>Space Number/ Numero del Espacio</u>	<u>Homeowner's Signature/ Firma del dueño de casa móvil</u>	<u>Printed Name of Homeowner/ Nombre en letra de molde</u>	<u>Date/ Fecha</u>
<u>79</u>	<u>Jenny Viveros</u>	<u>Jenny Viveros</u>	<u>3/8/23</u>
<u>48</u>	<u>Areli Viveros</u>	<u>Areli Viveros</u>	<u>3/8/23</u>
<u>78</u>	<u>Erica Melena</u>	<u>Erica Melena</u>	<u>3/8/23</u>
<u>95</u>	<u></u>	<u>Emeterio Zendejas</u>	<u>3-8-23</u>
<u>94</u>	<u></u>	<u>Daniel Barrera</u>	<u>3-8-23</u>
<u>6</u>	<u>Gloria Garcia</u>	<u>GLORIA GARCIA</u>	<u>3-11-23</u>
<u>5</u>	<u>Maria Enriquez</u>	<u>MARIA ENRIQUEZ</u>	<u>3-11-23</u>

PROTEST OF 2023 RENT INCREASE

4

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Firma del dueño de casa móvil

Printed Name of Homeowner/
Nombre en letra de molde

Date/
Fecha

<u>74</u>	<u>Maria Hurtado</u>	<u>Maria Hurtado</u>	<u>3-9-23</u>
<u>7</u>	<u>LADIS ALVAREZ</u>	<u>LADIS ALVAREZ</u>	<u>3-9-23</u>
<u>5</u>	<u></u>	<u>FRANCISCO ENRIQUEZ</u>	<u>3-9-23</u>
<u>4</u>	<u>Leobigildo Ambriz</u>	<u>Leobigildo Ambriz</u>	<u>3-9-23</u>
<u>3</u>	<u>Rudolf Torres</u>	<u>Rudolf Torres</u>	<u>3-9-23</u>

PROTEST OF 2023 RENT INCREASE

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Date/
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766	<u>Amparo Fletcher</u>	Amparo Fletcher	3/9/23
40	<u>Pedro Castellano</u>	Pedro Castellano	3/9/23
36	<u>Maria Ramirez</u>	Maria Ramirez	3/9/23
35	<u>Antonio Alvarez</u>	Antonio Alvarez	3/9/23
169	<u>Mireya T.G.</u>	Mireya T. Gutierrez	3/9/23

PROTEST OF 2023 RENT INCREASE

6
1

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<u>52</u>	<u>Guadalupe Cepican</u>	<u>Guadalupe Cepican</u>	<u>3-9-23</u>
<u>50</u>	<u>Régina Heredia</u>	<u>Régina Heredia</u>	<u>3-09-23</u>
<u>46</u>	<u>Ana Gutierrez</u>	<u>Ana Gutierrez</u>	<u>3-9-23</u>
<u>44</u>	<u>Raymundo morales</u>	<u>Raymundo morales</u>	<u>3/9/23</u>
<u>43</u>	<u>Jaime Fernandez</u>	<u>Jaime Fernandez</u>	<u>3/9/23</u>

PROTEST OF 2023 RENT INCREASE

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<u>77</u>	<u>Rafael Ambriz</u>	<u>RAFAEL AMBRIZ</u>	<u>3-9-23</u>
<u>101</u>	<u>LEON</u>	<u>MAGDA LEON</u>	<u>LEON 3/9/23</u>
<u>75</u>	<u>Hermila Solorio</u>	<u>Hermila Solorio</u>	<u>3/9/23</u>
<u>72</u>	<u>ISABEL melgoza</u>	<u>ISABEL melgoza</u>	<u>3/9/23</u>
<u>73</u>	<u>NORA luz y Pascual</u>	<u>NORA y PASCUA</u>	<u>13/9/23</u>

PROTEST OF 2023 RENT INCREASE

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<u>69</u>	<u>Leticia Castro</u>	<u>Leticia Castro</u>	<u>3-8-23</u>
<u>70</u>	<u>Rosie Ochoa</u>	<u>Rosie Ochoa</u>	<u>3-9-23</u>
<u>63</u>	<u>Marisela Peña</u>	<u>Marisela Peña</u>	<u>3-9-23</u>
<u>41</u>	<u>Guillermina Garcia</u>	<u>Guillermina Garcia</u>	<u>3-9-23</u>
<u>40</u>	<u>Juan Chavira</u>	<u>x juan chavira</u>	<u>3/9/23</u>

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59	<u>Joanna DM</u>	<u>Joanna</u>	<u>3/9/2023</u>
57	<u>Consuelo Duarte</u>	<u>Consuelo Duarte</u>	<u>3-9-2023</u>
56	<u>Carmen Barba</u>	<u>CMaria Barba</u>	<u>3-9-2023.</u>
55	<u>Rodrigo Galuh</u>	<u>Rodrigo Galuh</u>	<u>3-9-2023</u>
53	<u>Blawra</u>	<u>Blawra</u>	<u>3-9-2023</u>

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<u>157</u>	<u>Joseph Coyle</u>	<u>Joseph Coyle</u>	<u>3-11-23</u>
<u>156</u>	<u>Arturo Perez</u>	<u>Arturo Perez</u>	<u>3-11-23</u>
<u>153</u>	<u>[Signature]</u>	<u>Mario Rodriguez</u>	<u>3-11-23</u>
<u>135</u>	<u>[Signature]</u>	<u>Jeanne Williams</u>	<u>3/11/23</u>
<u>148</u>	<u>Enrique Centeno</u>	<u>Enrique Centeno</u>	<u>3/11/23</u>

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<u>19</u>	<u>Reyna Perez</u>	<u>Reyna Perez</u>	<u>3/11/23</u>
<u>21</u>	<u>Antonia</u>	<u>Antonia Cullen</u>	<u>3/11/23</u>
<u>90</u>	<u>Maria Alcazar</u>	<u>Maria Alcazar</u>	<u>3/11/23</u>
<u>91</u>	<u>Maria Arguelles</u>	<u>Maria Arguelles</u>	<u>3/11/23</u>
<u>22</u>	<u>Juan Montez</u>	<u>JUAN M. RAMONTEZ</u>	<u>3-11-23</u>

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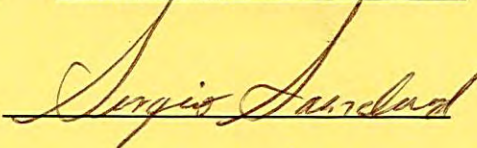
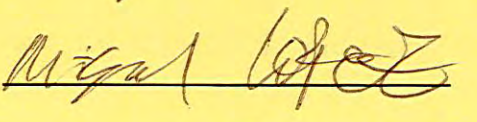
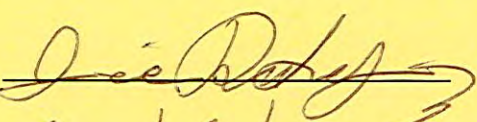
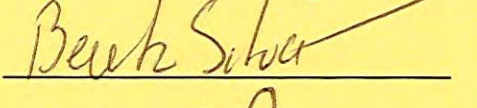

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167		Sergio Sandoval	3-11-23
165		Miguel Lopez	3-11-23
162		Jose Rodriguez	3-11-23
159		Beatriz Silva	3-11-23
158		WILLIAM BECKWITH	3-11-23

PROTEST OF 2023 RENT INCREASE


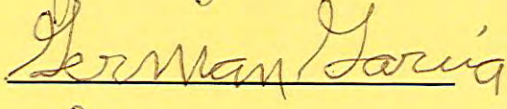

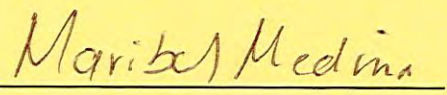
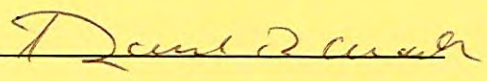
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<u>Space Number/ Numero del Espacio</u>	<u>Homeowner's Signature/ Firma del dueño de casa móvil</u>	<u>Printed Name of Homeowner/ Nombre en letra de molde</u>	<u>Date/ Fecha</u>
<u>23</u>	<u></u>	<u>Elizabeth Z. Ripicki</u>	<u>03/11/2023</u>
<u>24</u>	<u></u>	<u>German Garcia</u>	<u>3/11/23</u>
<u>25</u>	<u></u>	<u>Lorena Magaña</u>	<u>3-11-23</u>
<u>26</u>	<u></u>	<u>Maribel Medina</u>	<u>3-11-23</u>
<u>33</u>	<u></u>	<u>RAUL R. CERVANTES</u>	<u>3-11-23</u>

14

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Space Number/ Número del Espacio	Homeowner's Signature/ Firma del dueño de casa móvil	Printed Name of Homeowner/ Nombre en letra de molde	Date/ Fecha
1410	Maria Isabel E	MARIA F FLORES	3/13/23
_____	_____	_____	_____
_____	_____	_____	_____

MAIL YOUR SIGNED RENT PROTEST PETITION RIGHT AWAY (By March 14, 2023 if possible). TO:
ENVIE SU PETICIÓN DE PROTESTA FIRMADA INMEDIATAMENTE (si sea posible, lo más tarde el 14 de
Marzo) A:

Lou Martinez, Homeowner Protest, 1237 South Victoria Ave., #153, Oxnard CA 93035

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<u>12</u>	<u>[Signature]</u>	<u>Evelia Rivero</u>	<u>3-14-23</u>
<u>13</u>	<u>LEONARDO TAPIA</u>	<u>Leonardo Tapia</u>	<u>3-14-23</u>
<u>15</u>	<u>Manuel Garcia</u>	<u>Manuel Garcia</u>	<u>3-14-23</u>
<u>69</u>	<u>Sergio Ramos</u>	<u>Sergio Ramos</u>	<u>3-14-2023</u>
<u>56</u>	<u>[Signature]</u>	<u>Maria Suarez</u>	<u>3-14-2023</u>

PROTEST OF 2023 RENT INCREASE

16

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<u>80</u>	<u><i>Crystal Garcia</i></u>	<u>Crystal Garcia</u>	<u>3/14/23</u>
<u>81</u>	<u><i>Billy Nelson</i></u>	<u>Billy Nelson</u>	<u>3/14/23</u>
<u>82</u>	<u><i>Sandra Rivera</i></u>	<u>Sandra Rivera</u>	<u>3/14/23</u>
<u>83</u>	<u><i>Fabrola Pimentel</i></u>	<u>Fabrola Pimentel</u>	<u>3-14-23</u>
<u>11</u>	<u><i>Johnny Henry</i></u>	<u>Johnny Henry</u>	<u>3/14/23</u>

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<u>53</u>	<u>JOSE AYALA</u>	<u>JOSE AYALA</u>	<u>3/14/23</u>
<u>97</u>	<u>Jaime Cortez</u>	<u>Jaime Cortez</u>	<u>3/15-23</u>
<u>139</u>	<u>MARIA E HERNANDEZ</u>	<u>MARIA E HERNANDEZ</u>	<u>3/15/23</u>
<u>120</u>	<u>James Martinez</u>	<u>James Martinez</u>	<u>3/15/23</u>
<u>137</u>	<u>Juan Barroso</u>	<u>Juan Barroso</u>	<u>3/15/23</u>

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11	<i>Johnny Henry</i>	Johnny Henry	11
_____	_____	_____	_____
_____	_____	_____	_____

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Space Number/

Numero
del Espacio

Homeowner's Signature/
Firma del dueño de casa móvil

Printed Name of Homeowner/
Nombre en letra de molde

Date/
Fecha

14	<u>LUIS GOMEZ</u>	<u>LUIS GOMEZ</u>	<u>3-8-23</u>
13	<u>Leonardo Tapia</u>	<u>leonardo Tapia</u>	<u>3-8-23</u>
_____	_____	_____	_____

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Numero
del Espacio

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Firma del dueño de casa móvil

Printed Name of Homeowner/
Nombre en letra de molde

Date/
Fecha

15	<i>Manuel Garcia</i>	MANUEL Garcia	3-8-23
_____	_____	_____	_____
_____	_____	_____	_____

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Space Number/

Número del Espacio

Homeowner's Signature/ Firma del dueño de casa móvil

Printed Name of Homeowner/ Nombre en letra de molde

Date/ Fecha

85 *Carolyn A. Bethke* CAROLYN A. BETHKE 3-13-30

PROTEST OF 2023 RENT INCREASE

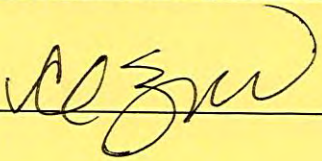
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107		Claudia Zaragoza Torres	3/12/23
_____	_____	_____	_____
_____	_____	_____	_____

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111	<i>Ricardo Domínguez</i>	Ricardo Domínguez	3/10/23
_____	_____	_____	_____
_____	_____	_____	_____

PROTEST OF 2023 RENT INCREASE

We the undersigned home owners in Kona Kai Mobile Estates hereby protest the CPI rent increase application that was presented by Kona Kai to the City of Oxnard Housing Department. The information in the rent increase application is inaccurate and violates the City ordinance, and the information in the City's "Notice of C.P.I. Formula Rent Increase" is inaccurate, incomprehensible, and openly allows the park owner to violate the rent stabilization ordinance. The park is applying for a 2023 rent increase of almost 10 percent, even though under the City Code a legal and accurate application would only call for a 5.74% increase. It appears that the City is complicit with this violation of the City Code.

By our signatures on this petition, we request that the park's 2023 rent increase application be denied in its entirety, and we demand a hearing in front of the independent Hearing Officer.

PETICIÓN DE PROTESTA EN CONTRA DEL AUMENTO DE LA RENTA

Nosotros los dueños de casas móviles en Kona Kai Mobile Estates por medio de nuestras firmas abajo sometemos esta protesta en contra de la solicitud del aumento de la renta que fue presentado por Kona Kai al Departamento de Vivienda de la Ciudad de Oxnard. La información en la solicitud es errónea y viola la ordenanza de la Ciudad, y la información en el Aviso de la Ciudad es errónea, no-entendible, y permitiría al parque a cometer una violación de la ordenanza de estabilización de renta. El parque pide un aumento de la renta de casi 10 por ciento, a pesar de que de acuerdo con el código municipal, una solicitud correcta y legal solamente permitiría un aumento de 5.74%. Parece que la Ciudad es complice en esta violación del código municipal.

Por medio de nuestras firmas en esta petición, nosotros pedimos que la solicitud del parque para el aumento de 2023 se debe de negar en su totalidad, y exigimos una audiencia enfrente del Juéz Independiente de Audiencias.

<u>Space Number/ Número del Espacio</u>	<u>Homeowner's Signature/ Firma del dueño de casa móvil</u>	<u>Printed Name of Homeowner/ Nombre en letra de molde</u>	<u>Date/ Fecha</u>
129	<i>Maria Solis</i>	Maria Solis	03-12-23
_____	_____	_____	_____
_____	_____	_____	_____

PROTEST OF 2023 RENT INCREASE

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<u>Space Number/ Número del Espacio</u>	<u>Homeowner's Signature/ Firma del dueño de casa móvil</u>	<u>Printed Name of Homeowner/ Nombre en letra de molde</u>	<u>Date/ Fecha</u>
132	Rodolfo Gomez	Rodolfo Gomez	03/11/23
_____	_____	_____	_____
_____	_____	_____	_____

PROTEST OF 2023 RENT INCREASE

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<u>Space Number/ Número del Espacio</u>	<u>Homeowner's Signature/ Firma del dueño de casa móvil</u>	<u>Printed Name of Homeowner/ Nombre en letra de molde</u>	<u>Date/ Fecha</u>
141	<i>Jorge Garibay</i>	Jorge Garibay	3-12-23
_____	_____	_____	_____
_____	_____	_____	_____

Exhibit C- David Hart's Decision (September 2023)

DAVID B. HART, HEARING OFFICER

FINDINGS OF FACT, DECISION AND ORDERS

**In the matter of Kona Kai Mobile Estates,
Homeowners' Protest of 2023 C.P.I. Rent Increase Application**

Date of this Decision: September 13, 2023

I. BACKGROUND AND PROCEDURAL FINDINGS

1. Kona Kai Mobile Estates is a 169-space mobile home park located in south-east Oxnard. Of the 169 spaces in Kona Kai Mobile Estates, 168 spaces are subject to the jurisdiction of the City of Oxnard Mobile Home Park Rent Stabilization System (hereinafter the "System"), which is codified in Chapter 24 of the City Code and City Council Resolution No. 11,468. The space that is not subject to the System is exempt due to being the occupied by the Park's resident manager.

2. On December 16, 2022, the City of Oxnard received from Kona Kai Mobile Estates (hereinafter "the Park") a C.P.I. formula rent increase application (Exhibit No. H-6, the "First 2023 Application"). On or shortly after December 19, 2022 the Park submitted the "Second 2023 Application" (Exhibit H-25), which was dated "December 16th, 2022" but which had an attached rent roster that was dated December 19, 2022. On February 13, 2023, the Park submitted the "Third 2023 Application" (Exhibit H-22). Each of these three applications sought an across-the-board C.P.I. rent increase for 168 of the 169 spaces in the Park, with the increase requested to become effective on April 1, 2023.

3. On February 15, 2023, the City of Oxnard Housing Department mailed to all homeowners in the Park a "Notice of CPI Formula Adjustment" (Exhibit H-23). That Notice advised homeowners of their right to challenge the proposed rent increase application provided that they submitted a Protest by March 20, 2023.

4. On March 16, 2023, a group of homeowners in Kona Kai submitted a Protest Petition challenging the accuracy of the Park's rent increase application and the City staff's decision to process the application. The homeowners are hereinafter designated as "Petitioners" or "Homeowners"; in the Park's written submissions, the homeowners are referred to as "tenants." The Protest has been designated as Exhibit No. H-28. The submission of that Protest resulted in the convocation of a hearing process before the undersigned Hearing Officer, which commenced on April 19, 2023, and which culminated in an evidentiary hearing on May 24, 2023.

5. At the hearing of May 24, 2023, both parties were represented by attorneys: Mr. Anthony Rodriguez, counsel for the Park, and Ms. Barbara Macri Ortiz, counsel for the Homeowners. In addition, Mr. Andrew Gonzalez attended the hearing on behalf of the Office of the City Attorney. Oxnard Housing Department officials in attendance included Mr. Emilio Ramirez (Director of Housing and Redevelopment Department) and Mr. Albert Ramirez (Assistant Director). The Resident Manager of the Park since 2005, Ms. Janett Borjas, also attended, as did Mr. Clint Stremcha, a resident of the Park who had represented the Kona Kai Homeowners in rent protest hearings before the undersigned Hearing Officer which were conducted prior to the Homeowners securing legal representation from Ms. Macri-Ortiz.

6. Three witnesses were called to testify: Ms. Borjas, who testified on behalf of the Park; Mr. Emilio Ramirez; and Mr. Karl Lawson, who served as the City of Oxnard's Director of Mobile Home Rent Stabilization, and who had retired from City service on December 30, 2022. Mr. Ramirez and Mr. Lawson testified pursuant to subpoenas which were issued by counsel for the Homeowners. All testimony was under oath, and a stenographic recording of the hearing was made by a Court Reporter. The hearing was properly noticed and open to the public, and was attended by several dozen homeowners from the Park. None of the homeowners present at the hearing were called by either party to testify, and neither counsel reported that any other witnesses who had been requested to or subpoenaed to testify had failed to appear or otherwise be available to testify.

7. Both parties were offered the full opportunity to call witnesses and introduce exhibits. The facility where the hearing was held (the Oxnard Public Library) permitted the proceeding to extend beyond the normal closing hours of the building, and the Hearing Officer extended to the parties the opportunity to continue the hearing and resume it at a later date due to the late hour, if either party needed additional time to present its case. Neither party requested a continuance, and both parties rested following the conclusion of direct testimony and cross-examination.

8. The hearing was followed by the submission of post-hearing briefs, and proposed findings, by the two parties' attorneys. Those post-hearing submissions were received on August 24, 2023.

9. The undersigned Hearing Officer has reviewed (a) all administrative exhibits, moving papers, and pre-hearing correspondence between the City, the Park, the Homeowners, and the undersigned Hearing Officer; (b) the pre-hearing briefs submitted by both counsel; (c) the Parkowner's Exhibits presented on May 24, 2023; (d) the Homeowners Exhibits presented on May 24, 2023; (e) a large loose-leaf binder with hundreds of pages of documents produced during pre-hearing discovery, presented at that hearing by the Oxnard Housing Department; (f) the testimony of the witnesses, and the transcript of the hearing of May 24, 2023; (g) the Proposed Findings submitted by both parties' counsel, and the post-hearing briefs submitted by both counsel on August 24, 2023; (h) the Oxnard City Code and various City ordinances (including Ordinance No. 1940, No. 2229, No. 2254, No. 2475, and No. 3013) and City Council Resolutions (including No. 10,013; 10,233; and 11,468); and (i) the staff reports submitted to City Council when Ordinance No. 2475 and Ordinance No. 3013 were adopted by City Council. All of these afore-mentioned documents, with one exception, are accepted and incorporated into the record of this case.

10. The sole exception is an Exhibit presented by Counsel for the Homeowners at the hearing of May 24, 2023 (Homeowners Exhibit No. H-27), which the undersigned Hearing Officer has

marked as a Rejected Exhibit.

11. Having reviewed the entire administrative record, the undersigned Hearing Officer declares the evidentiary record in this case closed and issues the following Findings of Fact, Conclusions of Law, and Decision and Orders. The undersigned Hearing Officer specifically finds that there is convincing evidence of all Findings of Fact set forth herein.

II. APPLICABLE SECTIONS OF CITY CODE AND GUIDELINES

12. Chapter 24 of the Oxnard City Code and Oxnard City Council Resolution No. 11,468 set forth the procedures that govern the processing of C.P.I. formula adjustment rent increase applications.

13. Chapter 24-2(E) and (G): Definitions of the City Code read as follows:

24-2: DEFINITIONS

(E) Mobile Home Park Owner or Owner – The owner, lessor, operator, or manager of a mobile home park.

(G) Protest – A written statement signed by residents representing 25 percent or more of the spaces in a park specifically setting forth the grounds for disputing an owner's decision or application for a space rent increase and containing a suggested resolution of the dispute

14. Chapter 24-9 of the City Code reads in pertinent part as follows:

24-9. CPI FORMULA ADJUSTMENT

(A) Procedure

(1) A CPI formula adjustment is a space rent adjustment granted to an owner in accordance with procedures established by Resolution adopted by the City Council. A CPI formula adjustment shall be based upon the percentage change in the CPI for the year ending in August. The resulting adjustment shall be for rent increases taking effect in the following calendar year. The CPI formula adjustment shall be calculated as follows:

(a). If the percentage change in the CPI is 4 percent or less, the permissible CPI formula adjustment shall be equal to 100 percent of the change in the CPI.

(b). If the percentage change in the CPI is greater than 4 percent but less than or equal to 9 percent the permissible CPI formula adjustment shall be equal to 75 percent of the change in the CPI, or a 4 percent adjustment, whichever is greater.

15. Section III(A) of City Council Resolution No. 11,468, reads in its entirety as follows:

III. CPI Formula Adjustment. The following procedure shall govern the processing of a CPI Formula Adjustment application.

A. Application. An owner shall request a CPI formula adjustment by submitting an application to the Director. For any rent adjustment taking effect after April 1, 1999, a complete application must be received at the Director's office at least sixty (60) calendar days prior to the date of the

proposed rent adjustment. The application shall contain all of the existing space rents, the CPI adjustment calculations, the proposed new space rents, and a list of the affected residents and their addresses. Proposed space rents may be rounded to the nearest \$.50 in the following manner: \$.75 to \$1.24 rounded to \$1.00; \$.25 to \$.74 rounded to \$.50.

16. Section II of the Resolution states in pertinent part as follows:

II. Fees. The following fees shall be paid by the owner with the described application. For review of any application except a discretionary rent increase application, the fee shall be Seventy-Five Dollars plus costs for postage for required resident notices....

17. Section III(D)(1) of the Resolution states in its entirety as follows:

III. CPI Formula Adjustment

(D) Notice and Petition for Hearing

1. If the information in the application is correct, the Director shall give notice by mail to each affected resident. The notice shall contain the method of calculation and the amount of the proposed increase, and state that the increase will automatically be effective on a stated date not less than forty-five days from the date of the notice. The Director shall file a proof of service of such notice with the Hearing Officer. Any protest shall be received at the Director's office within thirty (30) days of the date of mailing of such notice. If a protest is filed with the Director, the application shall be reviewed by the Hearing Officer.

18. Sections III(D)(4) and III(D)(5) of the Resolution state in their entirety as follows:

4. The specific grounds for the protest shall be limited to a challenge of the Director's determination as to the accuracy of the application or the determination as to whether the owner has maintained the service level of the park. The hearing by the Hearing Officer shall be limited to those matters which are specifically identified in the protest.

5. In the event a protest is filed, residents shall remit to the park owner the full amount of the requested CPI formula adjustment, in accordance with the application, while the protest hearing is conducted by the Hearing Officer. Upon the conclusion of the protest hearing, the Hearing Officer shall issue a written decision which shall specify the amount of the permissible rent adjustment for each covered space.

19. With respect to Discretionary Rent Increase applications, Section VII(C) of the Resolution reads as follows:

Sec. VII(C): Confirmation of Eligibility for Discretionary Rent Increase.

The Hearing Officer shall have discretion to approve, reject, or modify the Application based upon consideration of all the evidence presented to the Hearing Officer.

20. Section 24-9(A)(2) of the City Code reads in its entirety as follows:

24-9. CPI FORMULA ADJUSTMENT

(A)(2). CPI Formula Adjustment Applications may be submitted no more than once a year. Any space rental increase as provided herein shall be effective on the date

specified in the application or as otherwise approved by the Hearing Officer.

21. Chapter 24-15 of the City Code establishes the right of park owner and homeowners to appeal Hearing Officer decisions to the City's Mobile Home Park Rent Review Board.

Subsection 24-15(A)(6) states in pertinent part as follows:

(6) Except for protests of CPI formula adjustment applications, the execution of any Hearing Officer Decision shall be stayed for 90 days from the date of filing of a notice of appeal

III. PERTINENT CODE SECTIONS FROM PRIOR ORDINANCES

22. Chapter 24 of the City Code, as it exists as of 2023, was adopted in its current form as Ordinance No. 2475 by the City Council in October of 1998. Similarly, the Guidelines for Implementation of the Rent Stabilization System, set forth in City Council Resolution No. 11,468, and which has remained unchanged since the adoption of that Resolution, also in 1998.

23. Prior to 1998, there were several other iterations of the mobile home rent stabilization System, which was first adopted in 1982 as Ordinance No. 1940. That original 1982 iteration was subsequently amended and superseded by the adoption of Ordinance No. 2229 in 1990 and then by Ordinance No. 2254 in 1991. Those two ordinances were each enacted together with Council Resolutions setting forth guidelines for implementation (Resolution No. 10,013 in 1990, and Resolution No. 10,233 in 1991). The Hearing Officer takes administrative notice of these three referenced Ordinances and the two referenced City Council Resolutions, and all five are deemed to be part of the administrative record of this case.

24. Each iteration contained language defining the CPI adjustment period to be utilized for the

purpose of calculating the permissible CPI rent increase for which parks were eligible to apply. The initial iteration, per Ordinance No. 1940, defined the CPI Adjustment Period as the change in the CPI “from four months prior to the effective date of the base rent or current space rent and ending on the date which is four months prior to the new effective date for the proposed rent increase.” The length of the CPI Adjustment Period depend on when the “effective date of the base rent or current space rent” was. For example, if those rents had been established two years prior to the proposed effective date of the rent increase applied for, the CPI Adjustment Period would have been of a length of twenty (20) months. If those rents had been established just ten months prior to the proposed effective date of the rent increase application, the CPI Adjustment Period would have been of a length of six (6) months.

25. That definition was changed when the City Code was amended in 1990. Ordinance No. 2229, in section 17.1-9, defined the CPI adjustment period as the twelve-month period ending in September of the year prior to the year that the increase sought would take effect. That definition was re-codified in 1991 with the adoption of Ordinance No. 2254. That definition, with a twelve-month September-to-September period, remained in effect until it was superseded by the adoption of Ordinance No. 2475 in 1998, when it was replaced with the existing language, which codifies a twelve-month August-to-August period.

26. Prior to the adoption of Council Resolution 11,468, the previous guidelines did not include any explicit language requiring rent increase applications to be submitted a fixed number of days prior to the requested effective date of the rent increase for which a park was applying. While it might have been possible to infer that those prior iterations of the system required submission of an application in advance of the requested rent increase date, there was no language similar to that set forth in Section III of the current Resolution No. 11468, which explicitly requires submission of an application at least sixty (60) calendar days prior to the effective date of the proposed rent increase sought by the application.

IV. FURTHER FINDINGS OF FACT AND DISCUSSION

A. FINDINGS OF FACT INCORPORATED INTO THIS DECISION

27. At the conclusion of the evidentiary hearing of May 24, 2023, the undersigned Hearing Officer requested submission of proposed Findings of Fact from both legal counsel, and on August 24, 2023, both attorneys submitted their proposed Findings of Fact. The Park's submission included thirty-two (32) Proposed Findings; identified seven (7) issues; provided forty-eight (48) Discussion points; and set forth thirteen (13) Proposed Conclusions and Orders. The Homeowners submission included a total of one hundred sixteen (116) Proposed Findings, and the Homeowners' Post-Hearing Brief set forth eleven (11) Proposed Rulings and Orders.

28. Appendix "A" to this Decision sets forth the combined total of one hundred forty-eight (148) Proposed Findings. With fourteen exceptions, the 148 Proposed Findings submitted by both counsel are accepted and hereby incorporated into this Decision. One Proposed Finding (P-14) is rejected in its entirety, and thirteen (13) are partially rejected, and have been modified by the undersigned Hearing Officer. The thirteen (13) Proposed Findings which are partially rejected are P-3, P-5, P-9, P-11, P-13, P-17, P-19, P-28, P-29, H-3-03, H-8-02, H-8-08, and H-14-05. Details and the complete list of the aforementioned thirteen Proposed Findings which constitute these exceptions, and which have not been adopted as submitted to the Hearing Officer, are set forth in Appendix "B", along with the modifications to those thirteen Findings that have been made by the Hearing Officer.

29. With the exception of Proposed Finding P-14, the fact that a Proposed Finding is listed in Appendix "B" should not be interpreted to mean that a Proposed Finding has been rejected in its entirety; rather, the undersigned Hearing Officer rejects one or more elements of the proposed Finding, or the phraseology of the proposed Finding, as indicated in Appendix "B".

30. The administrative record of this case is voluminous, containing several hundred pages of documents, and all of the various exhibits and Findings of Fact, plus the hearing transcript, moving documents, and briefs. And while all documents and Findings are of importance and have some bearing on the case, the following paragraphs shall explicate and highlight those Findings which the undersigned Hearing Officer holds to be of the most relevance and importance in the evaluation of the issues presented in this case (as well as setting forth additional Findings by the Hearing Officer).

B. TESTIMONY AT THE HEARING OF MAY 24, 2023

31. As indicated above, three witnesses testified under oath at the evidentiary hearing of May 24, 2023. Ms. Borjas and Mr. Lawson testified clearly and in a straightforward manner, responding directly to all questions posed to them. The testimony of Mr. Ramirez at times bordered on evasive, particularly when it came to questions about the nature of the *ex parte* discussions and negotiations between the Housing Department and representatives of the Park.

32. Ms. Borjas has been the resident manager at the Park since 2005, and is very knowledgeable about the day to operations at the Park. Her involvement with the rent increase applications primarily involved the mailing and posting of notices, rather than with the preparation and filing of the rent increase applications (which were prepared by other Park staff).

33. The testimony of Mr. Lawson was thorough and reflected his three decades' worth of experience as the Director of Mobile Home Rent Stabilization for the City. He administered the System since 1991, and for thirty-two years, was the sole City employee who processed rent increase applications submitted by mobile home parks. Mr. Lawson also represented the City staff in the 1998 Mobile Home Rent Stabilization Ordinance Review Task Force, which wrote the ordinance that was adopted by the City Council in 1998. He has participated in all hearings

related to rent increase disputes and utility passthroughs, providing relevant information and often testifying. Mr. Lawson's testimony revealed that he is the individual in the City who has more expertise and knowledge about mobile home rent stabilization than anyone else.

C. APPROVED RENT LEVELS IN KONA KAI MOBILE ESTATES

34. The current approved space rents in the Park took effect on April 1, 2021, pursuant to the C.P.I. Formula Rent increase application that was submitted by the Park in December of 2020, and which was approved by the City on March 15, 2021. The approved rents for the spaces in the Park are set forth in Exhibit H-1. More specifically, the approved rent levels for each space are set forth on Pages 6 through 11 of Exhibit H-1, in the second column from the right on those pages, which is headed "New Rent".

35. At no point since April of 2021 has the Park has received authorization to increase rents above the rent levels set forth in Exhibit H-1. Additional specific Findings of Fact related to the Approved Rent Levels are set forth in Appendix A, at Finding 7-01 et seq..

D. CALCULATION OF PERMISSIBLE RENT INCREASES

36. The Oxnard City Code, at Chapter 24, defines the methodology for calculating the permissible rent increase for which owners of mobile home parks may apply. Parks must apply for and receive authorization from the City in order to implement a rent increase in accordance with the C.P.I.

37. In accordance with Chapter 24-9 of the City Code, the permissible C.P.I. rent increase for which parks could apply to take effect in calendar year 2022 was determined by calculating the percentage change in the Southern California Consumer Price Index from August of 2020 to

August of 2021. As set forth in Exhibit H-3, the change in the C.P.I. from August of 2020 to August of 2021 was exactly 4.00%. Thus, mobile home parks were eligible to apply for a 2022 rent increase of exactly 4.00%, for any increase taking effect in any month within 2022.

38. The permissible C.P.I. rent increase for which parks may apply for calendar year 2023 is also calculable by looking to Chapter 24-9. As can be seen in Exhibit H-4, the percentage increase in the C.P.I. from August of 2021 to August of 2022 was 7.65%. Pursuant to Chapter 24-9)(A)(1)(b) of the City Code, a 7.65% increase in the C.P.I. must be multiplied by three-quarters in order to determine the permissible rent increase for which parks may apply. Since $7.65 \times 0.75 = 5.74$, that permissible rent increase amount is 5.74%. Thus, mobile home parks are eligible to apply for a 2023 rent increase of 5.74%, for any increase taking effect at any date within calendar year 2023.

39. The act of filing a rent increase application with the City does not constitute authorization by the City to increase rents. Homeowners are permitted to submit a legal challenge to a park's rent increase application by filing a Protest of the application, as that term is defined in the City Code, and in accordance with Resolution 11,468. The filing of a Protest sets in motion a set of steps which culminates in an evidentiary hearing, and a determination by the Hearing Officer regarding a park's application for a rent increase.

40. Additional detailed Findings of Fact related to the methodology for the calculation of C.P.I. rent increases are set forth in Appendix A, Findings 4-01 et seq.

E. KONA KAI MOBILE ESTATES AND CAL-AM PROPERTIES

41. Over a period of many years (going back to at least 2005), Kona Kai Mobile Estates has submitted rent increase applications to the City almost every year. The rent increase application forms have a space for the applicant to list the name of the owner of the park, and also for the

name and contact information for the manager of the park. That information is set forth on the first page of the application form.

42. At all times material herein, the owner of the park has been listed as “Kona Kai Mobile Home Park Associated, a California Limited Liability Partnership, dba: Kona Kai Mobile Estates.” At all times material herein, the park manager has been identified on the rent increase applications as “Cal-Am Properties, Inc.” This is reflected in, among other applications, those that are found in Exhibits H-1, H-22, and H-25.

43. Ms. Borjas testified that a man named Mr. Norton Karno was the owner of the Park, and the Parkowner’s Post Hearing Brief identifies Mr. Karno as the Park’s managing partner. The evidence in the record indicates the following other individuals held the following positions:

Mr. Ryan Goodell: Cal-Am Regional Manager from approximately 2015 until an undetermined date in calendar year 2022.

Ms. Rowena Bangsil: Cal-Am District Manager from an undetermined date in 2022 until at an undetermined date between January of 2023 and May 24, 2023.

Mr. Sheilla Tannert: Cal-Am National Operations Manager from at least January 2023, to date.

Mr. Matt Roberts: Cal-Am Controller from at least January 2023, to date.

44. The Park’s rent increase applications for the years prior to and including 2021 were signed and submitted “on behalf of the mobilehome park owners/ management” by Mr. Goodell (or prior to 2015, by his predecessor, Pete Jorde). The 2023 application that is Exhibit H-25 was signed and submitted by Mr. Bangsil, and the 2023 application that is Exhibit H-22 was signed

and submitted by Mr. Roberts.

45. Chapter 24-2(E) of the City Code defines the term “Mobile Home Park Owner” as the “owner, lessor, operator, or manager of a mobile home park.”

F. FAILURE OF THE PARK TO APPLY FOR A 2022 RENT INCREASE

46. The evidence in the record shows that that on September 14, 2021, the Park was advised by the City of its eligibility to apply for a 2022 C.P.I. rent increase, via a notice sent by Mr. Lawson on that date, and was also sent an application form to use for a 2022 rent increase (see Exhibit H-3). For reasons highlighted later in this Decision, the written notice sent by Mr. Lawson on September 14, 2021 has significant evidentiary value. The date on the Notice is written as “September 14, 2021”, and in the body of the notice, Mr. Lawson’s email address is written as “karl.lawson@oxnard.org”. The notice bears a hand-written signature, with the first and last names of Mr. Lawson written in cursive.

47. The Park did not submit an application for a 2022 C.P.I. Formula Rent Increase.

48. Despite not submitting an application for a 2022 rent increase, during the four-month period from January 6, 2023, through May 9, 2023, the Park contended that in fact it had submitted an application for such a 2022 rent increase, and that it had done so in December of 2021.

49. After four months of so contending, the Park changed its position. In mid-May of 2023 -- after the establishment of the hearing date of May 24, 2023 -- counsel for the Park advised that the Park was no longer taking the position that it could demonstrate that it had submitted an application for a 2022 rent increase; see Park’s Proposed Finding 12, in Appendix “A”. Thus, the fact and the Finding that the Park did not submit an application for a 2022 C.P.I. Formula Rent Increase are not disputed by the Park.

50. Additional detailed recitation of facts related to the Park’s failure to submit an application for a 2022 rent increase, its contention that it in fact had submitted such an application, and the abandonment of that contention in May of 2023, are set forth elsewhere in this Decision, and in Attachment A, Findings 8-01 et seq.

**G. ACTIONS BY THE MOBILE HOME PARK RENT REVIEW BOARD
AND THE OXNARD CITY COUNCIL REGARDING THE PARK’S
FAILURE TO SUBMIT A 2022 RENT INCREASE APPLICATION**

51. Chapter 24-6 of the City Code requires the City of Oxnard Mobile Home Park Rent Review Board to prepare and submit to the City Council an Annual Report detailing the activities of all matters governed by Chapter 24. On December 5, 2022, the Rent Review Board (“the Board”) conducted a Public Meeting at which it adopted its 2022 Annual Report. That Report, which is found in Exhibit H-31, set forth a list of all mobile home parks in the City of Oxnard, and states as follows:

“One park – Kona Kai Mobile Estates – chose not to apply for a C.P.I. Formula space rent increase in calendar year 2022.”

The Board’s Public Meeting of December 5, 2022, was properly noticed in accordance with state law pertaining to public meetings, and the meeting agenda packet, including the draft Annual Report, was posted on the City’s website. In addition, the City directly sent to the Park a copy of the meeting agenda prior to the meeting of December 5, 2022.

52. The Oxnard City Council also took action to memorialize the Park’s failure to submit an application for a 2022 rent increase. On February 7, 2023, Oxnard Housing Director Emilio Ramirez presented the Annual Activity Report for 2022 of the Mobile Home Park Rent Review

Board to the City Council. In his staff report to the City Council, dated February 7, 2023, Mr. Ramirez stated that “One park chose not to apply for a C.P.I. increase”, and attached a copy of the Board’s Annual Report; see Exhibit H-31, Pages 1 and 4. The City’s meeting of February 7, 2023, was properly noticed in accordance with state law pertaining to public meetings, and the meeting agenda packet, including the staff report and the Annual Report of the Board, was posted on the City’s website. The Report as submitted by Mr. Ramirez was unanimously approved at the meeting of February 7, 2023.

53. The actions of the Board and of the City Council took place prior to the Park’s submission of its application of February 13, 2023 (Exhibit H-23), and prior to the acceptance and processing by the City Housing Director of that application and his issuance of a Notice to Homeowners dated February 15, 2023 (Exhibit H-23). Both of those actions assert that the Park had submitted a 2022 application, contrary to the official determinations of the Board and the City Council. Additional detailed Findings related to the Annual Report of the Board and the City Council action are set forth in Appendix “A”, Findings 5-01 et seq.

H. IMPLEMENTATION BY THE PARK AND SUBSEQUENT REFUND OF THE UNAUTHORIZED APRIL 2022 4.0% RENT INCREASE

54. Despite never having applied for a 2022 rent increase, and never having received City authorization to implement a 2022 rent increase, the Park began collecting a 4.0% rent increase increment from homeowners. The Park unilaterally implemented that increase, and charged homeowners and collected that amount (the “4.0% 2022 Increment”) from April 1, 2022, through March 1, 2023.

55. On February 15, 2023, the Park agreed to refund to homeowners the 4.0% 2022 rent increment it had charged homeowners beginning in April 2022. Homeowners were advised of this in writing on February 15, 2023. The chronology and the process which led to this refund are

set forth in subsequent paragraphs of this Decision, and in Appendix “A”, Findings 9-01 et seq. The refund to homeowners was effectuated via a credit which the Park applied to each homeowner’s rental bill. The Park’s Post-Hearing Brief advised that the aggregate dollar amount refunded/credited to the homeowners was in excess of \$64,000.

I. DISCOVERY OF THE UNILATERAL IMPLEMENTATION OF THE APRIL 2022 UNAUTHORIZED RENT INCREASE

56. The Park never notified the City of Oxnard that it intended to increase rents in 2022, nor that it had actually increased rents in April of 2022. The City did not become aware that the Park had unilaterally imposed the 4.0% 2022 Increment until late December of 2022, when the Park submitted its First Application for a 2023 rent increase (Exhibit H-6).

57. Mr. Lawson’s last work week of employment with the City of Oxnard was from December 26 through December 30, 2022. In November of 2022, he had notified all parks in writing of his impending retirement date of December 30, and he specifically reiterated that information to officials of Kona Kai Mobile Estates by email on December 28, 2022. Lawson served as the City’s Mobile Home Rent Stabilization Director through the close of business on December 30, 2022.

58. It was not until Mr. Lawson conducted a space-by-space comparison of the rent levels set forth on that December 2022 rent roster (Exhibit H-6) with the approved rents which were authorized on April 2021 (Exhibit H-1) that he was able to determine that the Park had unilaterally implemented a rent increase at some point between April of 2021 and December of 2022. Mr. Lawson made this discovery on December 26, 2022.

**J. CITY ACTIONS REGARDING, AND REJECTION OF, KONA KAI'S
FIRST 2023 APPLICATION**

59. Mr. Lawson immediately notified the representatives of the Park of the City's determination on this matter. He first notified Ms. Janett Borjas, the Park's Resident Manager (Exhibit H-7), and then her superior, the Park's District Manager Rowena Bangsil (Exhibit H-8), to whom Ms. Borjas had referred the matter. Ms. Bangsil, in turn, referred the matter to her superior, Ms. Sheilla Tannert, the Park's National Operations Manager (see Exhibit H-12). The City rejected the Park's application, and the matter of the unauthorized implementation of the 2022 rent increase was referred to Deputy City Attorney Jason Zaragoza (Exhibits H-8 and H-10).

60. Mr. Lawson testified at length, in great detail and with precision and clarity, regarding all of the events surrounding the processing of Kona Kai Mobile Estates' rent increase applications. His testimony was credible and comprehensive, covering a period of over a dozen years' worth of applications, including the 2021 application, and the application for a 2023 rent increase that was received just before his retirement, in December of 2022.

61. The evidentiary record shows that Mr. Lawson was a meticulous record-keeper, and in his position as Mobile Home Rent Stabilization Director, he followed up on all important matters with written communications, either via letters or emails. Mr. Lawson's communications were uniformly clear and very detailed, as evidenced by his emails to Park representatives in December of 2022; his closing program status report to Mr. Ramirez of December 30, 2022 (Exhibit H-10), and his subsequent emails to Ramirez and to Mr. Stephen Lewis in January and February of 2023.

62. In addition, the record shows that Mr. Lawson consistently and thoroughly researched all facts prior to arriving at any conclusions. It is notable that prior to rejecting that application (Exhibit H-6, the Park's First 2023 Application), Mr. Lawson went the extra mile to be

absolutely certain about what had transpired in 2022. Upon noticing the difference in the approved rents and the rents currently being charged by the Park, as set forth in that application, he first reached out to the Park to ask if they had any record of having submitted a 2022 application. He specifically recommended that the Park check its bookkeeping records to search for any evidence of having remitted the required rent increase application fee and postage payment to the City. Mr. Lawson also double-checked to make sure that no such application/postage fee payment had been received by some other City office.

63. Once Mr. Lawson confirmed that not only did his office not have any record of having received an application, but also that the Park was unable to produce any record of having submitted a 2022 application or the required application fee and postage payment, he then determined conclusively that the rents set forth in the Park's 2023 application were unauthorized and that the Park's collection of those rents were in violation of the City Code. Only then did Mr. Lawson reject the Park's 2023 application as inaccurate.

64. Detailed Findings regarding the protocols and standard operating procedures for the processing of rent increase applications are set forth in Appendix "A", Findings 4-01 et seq; and detailed Findings related to the steps taken by Mr. Lawson in the last four months of 2022 with respect to Kona Kai Mobile Estates are set forth in Appendix "A", Findings 10-01 et seq.

K. ACTIONS OF THE PARK AND OF THE CITY HOUSING DIRECTOR IN JANUARY AND FEBRUARY OF 2023

65. Mobile Home Rent Stabilization Director Lawson retired on December 30, 2022. Over the next month and a half, a series of events transpired which ultimately resulted in the actions that led to the hearing in this case. A detailed chronology of what transpired between the date of Mr. Lawson's retirement and the date that the Housing Director reversed the City's rejection of the 2023 application and allowed it to go forward (on February 15, 2023) is set forth in Findings 8-

01 et seq. and 10-01 et seq. in Appendix A.

66. In brief, between January 6, 2023 and February 15, 2023, there were extensive communications and discussions between Ms. Tannert and Mr. Roberts (on behalf of the Park), and Oxnard Housing and Rehabilitation Department Director Emilio Ramirez. In February of 2023, a consultant retained by Mr. Ramirez, an attorney named Stephen Lewis (who was not from the Office of the Oxnard City Attorney), joined the discussions at Mr. Ramirez' request. The evidence in the record indicates that the Park and the City discussed refunding the 4.0% rent increment to the homeowners, and on February 13, 2023, the Park finalized its decision to refund to homeowners the entire 4.0% increment that it had collected beginning in April of 2022; see Exhibits H-20, H-21, and H-23.

67. On February 15, 2023, the homeowners were notified in writing that the full amount of that rent increment would be refunded to them via a rent credit. That notification was set forth on the City's "Notice of C.P.I. Formula Rent Increase" (Exhibit H-23), which was sent by mail to all homeowners in the Park.

68. At the hearing of May 24, 2023, the Park confirmed that it had provided all homeowners with a credit in an amount equal to the 4.0% increment that each had paid from April of 2022 through March of 2023. The aggregate dollar amount of that credit was \$64,890.96 (Declaration of Janett Borjas; Parkowners Exhibit 7). The Parkowners' Post-Hearing Brief estimates the ten-year value of the 4.0% increment at more than \$648,909.60 (at Brief, Page 10).

69. Additional detailed Findings of Fact related to the implementation, collection, and refund of the 4.0% Rent Increment are set forth in Attachment A, Findings H-9-01 and H-9-02, in Appendix A.

L. THE THREE 2023 C.P.I. APPLICATIONS FILED BY THE PARK

70. On December 16, 2022, the Park submitted the first of what would turn out to be three (3) distinct applications for a 2023 C.P.I. rent increase; that application is Exhibit H-6. A second application (Exhibit H-25) was submitted shortly thereafter, and a third application (Exhibit H-21) was submitted on February 13, 2023. Detailed findings related to those three applications are set forth in Findings 10-01 et seq. in Appendix A.

71. Each of the Park's three 2023 applications seeks a rent increase, effective April 1, 2023, to rent levels that are 9.97% above the current approved space rents. The Park's calculations use as a starting point the space rents which it was charging homeowners as of December of 2022, and adding 5.74% of that amount as a rent increase, based on the determination that 5.74% was the permissible increase that parks are able to seek with a 2023 C.P.I. rent increase application.

72. Each of the three versions of the Park's 2023 application contained spreadsheets listing the space-by-space rents and the proposed rent increase amounts and new proposed rents. Those spreadsheets list, in the left hand column, the rents that were currently being charged to homeowners as of December 2022 (in the case of the first two applications, Exhibits H-6 and H-25, from December 16 and December 19, 2022, respectively), and as of February 2023 (in the case of the third application, Exhibit H-22, dated February 13, 2023). The rents in the left-hand column appear under the heading "Current Space Rent Level (Base Rent)."

73. The application form has, at "Page 4 of 5", a space for the applicant to enter the "Date current space rents went into effect with approval of the Rent Review Board". The First Application submitted by the Park, on December 16, 2022, listed those current rents as having been approved effective April 1, 2022. In the Second Application submitted by the Park (dated December 19, 2022), the park wrote "04/01/2023" as the date that the then-current rents had been approved. In both of these applications, the "current rents" in the left-hand column represent the rents that the

Park was charging in December of 2022, which included the never-approved 4.0% rent increase implemented by the Park in April of 2022. The two December versions of the Park’s application then applied a 5.74% increase to those rent levels.

74. In the Third Application, submitted by the Park on February 13, 2023, the park entered “04/01/2021” as the date that its current rents had been approved. The attached spreadsheet with that application then sets forth a compound calculation, consisting of multiple steps, to produce the rent increase for which the Park seeks approval to go into effect as of April 1, 2023. That calculation results in a proposed rent increase that is 9.97% above the authorized rent levels.

75. The difficulty with this approach, for all three versions of the Park’s 2023 application, arises from the fact that that the rent levels which the Park multiplies by .0574 were not the authorized rent levels; rather, those rent levels were the sum of the authorized rent levels from 2021 plus the unauthorized 4.0% increment which the Park began charging in April of 2022. The following mathematical calculation illustrates how this yields a 9.97% increase:

$$(\text{Authorized rent}) \times (1.04) \times (1.0574) = 1.0997$$

To walk through an example for a single space, by plugging in the space rent for Space #1, the dollar amounts are as follows:

Authorized Space Rent as of April 2021:	\$649.00
<u>Plus unauthorized 4.0% increase, April 2022:</u>	<u>+ 25.96</u>
Equals unauthorized rent being charged in 2022:	\$674.96
Unauthorized rent being charged in 2022:	\$674.96
<u>Plus 5.74% 2023 increase sought by Park:</u>	<u>+ 38.74</u>
Equals rent sought by Park’s 2023 applications:	\$713.70

$\$713.70 - \$649.00 = \$64.70$; and $\$64.70$ is 9.97% of $\$649.00$

Thus, for all spaces in the Park, the Park's 2023 applications seek rents that are at least 9.97% greater than the rent levels in Kona Kai that were approved by the City to be effective in April of 2021, and which were still the approved rent levels as of the dates that each of the Park's three 2023 applications were submitted. Additional detailed Findings on this matter are found in Appendix A, Findings 10-01 et seq.

76. As set forth hereinabove, the Park represented to Housing Director Ramirez its assertion that it had indeed filed a 2022 application, and that it should be permitted to incorporate the 4.0% rent increase increment into the rent increase it was seeking with its 2023 applications. On February 3, 2023, Mr. Roberts submitted to Mr. Ramirez what he called "a proposal for resolution for your consideration", in an email sent at 6:08 p.m. on that day (Exhibit H-14). That was explicitly premised on the Park's claim that it held a sincere belief that it had submitted a 2022 rent increase application, but Roberts acknowledged that the Park did not remit the application fee to the City, and that "the City did not send the notice of proposed increase to the residents and Kona Kai did not receive formal approval as a result."

Mr. Ramirez sought counsel from the recently-retired Mr. Lawson, and also from an outside consultant he retained, Mr. Stephen Lewis.

77. Mr. Lawson and Mr. Lewis met in the early February. Mr. Lawson provided Mr. Lewis with all of the relevant documentation (see Exhibits H-17 and H-18), and the two discussed the case. On February 8, 2023, Mr. Lewis wrote the following to Mr. Roberts (Exhibit H-16):

"For the reasons stated in the letter that you received this morning, the only avenue available for a resolution to this problem (Kona Kai's desire to impose a 2023 increase while retaining the unapproved 2022 increase) is through an administrative hearing to challenge the initial staff determination that the 2023 increase application is improper

for the reasons stated. At such a hearing, Kona Kai can offer the reasons why it believes that the 2022 increase was proper and lawful, such that the 2023 application is correct.”

Thus, as of February 8, 2023, the City re-affirmed the initial finding of Mr. Lawson that a rejection of the Park’s application for a 2023 increase was merited.

78. Sometime between February 8 and February 13, 2023, something transpired that caused Mr. Ramirez to adopt the position advocated by the Park, and specifically the proposal set forth in Mr. Roberts’ previous email. Inasmuch as there are no meeting notes, confirmation memos, or follow-up communications between Mr. Ramirez and Mr. Roberts for that time period, it is not known what transpired. What is clear from the evidence is that Mr. Ramirez reversed the City’s position, and on February 13, 2023, a series of emails between Mr. Roberts and Mr. Lewis confirmed that reversal (Exhibit H-20).

79. The result was that on February 13, 2023, the Park submitted a Third application for a 2023 increase (Exhibit H-22), and Mr. Ramirez followed up with an undated letter (Exhibit H-21) which has been determined to have been sent on February 15, 2023. That letter echoes, almost verbatim, the proposal of Mr. Roberts from February 8, 2023.

80. The City then immediately processed the Park’s latest application, and mailed, on February 15, 2023, the City’s February 15, 2023 Notice to Homeowners (Exhibit H-23). That Notice included the following statements from the City’s Housing Department Director:

- *“Last year, as well as this year, the Park submitted to the City a CPI increase application;*
- *“The City has no record of having received last year’s application;*
- *“During the period of the COVID-19 pandemic, both the Park and the City experienced illness of personnel resulting in missed work days and changes in personnel, creating some confusion;*

- *“There is no way to be certain whether last year’s application was received by the City or if so to what extent the application was processed; ... ”*

81. The evidence in the record shows that, of those four statements, only one is accurate (the statement that “The City has no record of having received last year’s application”).

82. There is clear evidence that the other three statements were inaccurate, and that as of February 15, 2023, the City was aware that they were inaccurate, as follows:

- (a) The Director knew for a fact that the Park had not submitted a 2022 application; that this failure to submit a 2022 application had been confirmed by the Rent Review Board in December of 2022; that the Director himself had reported to City Council, on February 7, 2023, that the Park had failed to submit a 2022 application; and that the diligent research by Mr. Lawson had confirmed that no 2022 application had been submitted; that Mr. Lawson’s research had been confirmed by Mr. Lewis; and that the Park itself had confirmed that it had never remitted the required application and postage fee payment that had to be submitted with any application, pursuant to Section II of Resolution No. 11,468;
- (b) The Director knew that there had been no personnel changes or missed work days caused by the COVID-19 pandemic which had led to any confusion or impacted in any way the Housing staff’s processing of rent increase applications (this was confirmed by the Director’s testimony at the hearing of Mary 24, 2023);
- (c) The Director had sufficient information to be certain that no application had been submitted in 2022.

Despite all of the above, the inaccurate statements were sent to all Homeowners in the Park.

83. That Notice gave Homeowners in the Park until March 20, 2023, to submit a Protest, and advised them that in the absence of a Protest, the full requested rent increase would be authorized

to go into effect on April 1, 2023 (Exhibit H-23, Page 1 of 10).

84. The February 15, 2023 Notice was defective in more ways than one. It included a five (5) page spreadsheet, each with three columns of dollar amounts. On the first, second, fourth and fifth pages of that spreadsheet, the heading of the left-hand column reads “Current rent level (approved as of April 2021)”. On the third page of the spreadsheet, the heading of the left-hand column reads “Current rent level (approved as of January 2022).” On all five pages of the spreadsheet, the middle column bears the heading “Plus 5.74% C.P.I. Increase.” On the first, second, fourth and fifth pages of the spreadsheet, the right-hand column bears the heading “Equals New Rent Effective month of April 2023”, and on the third page of the spreadsheet, the right-hand column is headed “Equals New Rent Effective Month of January 2023.”

85. On the five pages of the spreadsheet, there are a total of one hundred sixty-seven (167) lines listing, in the left-hand column, a total of one hundred thirty-seven (137) different dollar amounts that purport to be Current Rent Levels that were approved in either April of 2021 or January of 2022. There are no corresponding space numbers listed for any of the rent levels, and the dollar amounts are not in any logical order. That is they are neither listed from lowest to highest, nor from highest to lowest.

86. Exhibit H-29 is a report which compares each approved rent level that was effective April of 2021 with the rent levels listed on the Park’s application and the City Notice of February 2023, for each of the 168 spaces in the Park. Of the 137 different rent levels listed on the Park’s application and on spreadsheet of the City’s Notice, only one (1) rent level is actually an approved rent level, for a single space in the park. There are another sixteen (16) rent levels with dollar amounts that fall within the legal rounding parameters, as set forth in Section III of Resolution No. 11,468.

87. This comparison, in Exhibit H-29, of the Park’s application of February 13, 2023 (Exhibit H-

22) and the corresponding City Notice of February 15, 2023 (Exhibit H-23) reveals that the City simply copied the dollar amounts listed on the Park's application under the heading "Column A: Current Space Rent Level (Base Rent)" and re-labeled those dollar amounts as "Approved Rents." However, the dollar amounts which the City Notice described as "Approved Rents" in the left-hand column of the City Notice are not rent levels that were approved by the City in April of 2021 (nor are they rent levels that were approved by the City effective January of 2022, nor at any other time). Rather, for 161 of the 168 spaces in the park, those dollar amounts represent the rent levels that were approved effective April 2021 plus the 4.0% rent increment that was collected by the Park beginning in April of 2022. For the other seven (7) spaces, the rent levels listed range from between 6.1% and 17.7% above the approved rent levels.

88. The undersigned Hearing Officer finds that the Park's application dated February 13, 2023, is wholly inaccurate, and that the City's Notice to Homeowners dated February 15, 2023, is not only inaccurate, but also contains statements that were and are demonstrably untrue.

M. HOMEOWNER PROTEST OF THE 2023 RENT INCREASE **APPLICATION**

89. The mailing of the Notice to Park residents by the City on February 15, 2023, initiated the thirty-day time period for the filing of a Protest, in accordance with Section III(D) of Resolution No. 11,468.

90. On March 16, 2023, a Protest petition (Exhibit No. H-28) challenging the rent increase was submitted to the City on behalf of homeowners in the Park. The protest petition is entitled "Protest of 2023 Rent Increase", and is accompanied by twenty-one pages containing signatures of seventy-five homeowners in the park, representing at least sixty-two (62) of the 168 spaces in the Park. The Petition reads in pertinent part as follows

PROTEST OF 2023 RENT INCREASE

“We the undersigned home owners in Kona Kai Mobile Estates hereby protest the CPI rent increase application that was presented by Kona Kai to the City of Oxnard Housing Department. The information in the rent increase application is inaccurate and violates the City ordinance and the information in the City’s “Notice of C.P.I. Formula Rent Increase” is inaccurate, incomprehensible, and openly allows the park owner to violate the rent stabilization ordinance. The park is applying for a 2023 rent increase of almost 10 percent, even though under the City Code a legal and accurate application would only call for a 5.74% increase. It appears that the City is complicit with this violation of the City Code.

“By our signatures on this petition, we request that the park’s 2023 rent increase application be denied in its entirety, and we demand a hearing in front of the independent Hearing Officer.”

91. A single sheet attached to the Protest Petition, but which does not bear the signatures of any of the homeowners in the Park, included the following language:

“All of us in Kona Kai received a letter from the city of Oxnard telling us about a rent coming up on April 1, 2023. What the city letter doesn’t say is that Kona Kai gave us an illegal rent increase last year. We know that they now recognize that it was illegal because they are going to refund us for 12 of that rent raise, to try to buy us off.

But the park and the city now want to put that rent raise from last year back into our new rent so we will continue to pay it forever unless we stop it. We all know about the new city law last year that allows landlords to get an automatic 4% rent increase. But now we have found out from an attorney that new law only covers apartments and does not affect mobile home parks. It turns out that we are still protected by the old Mobile Home

Rent Stabilization law which means that the park has to apply every year before they can increase rents. Kona Kai did not apply last year, they just raised our rents with no legal authority.

“So we are going to challenge this years rent increase. They are pretending it is only a 5.74% increase but it is really a 10% increase, and that is illegal...”

There is no evidence in the record to indicate whether the homeowners who signed the protest petitions were provided with or read this sheet which was attached to the petitions.

92. As of the date that Homeowners began collecting signatures on the Protest (March 6, 2023), they had already received written notice that they would be receiving a refund for the 4.0% rent increment which they had been paying from April 2022 to March 2023.

93. The Protest submitted by the Homeowners does not constitute a challenge to the 2022 rent increase that was unilaterally implemented by, and then subsequently refunded by, the Park. The Protest explicitly challenges the 2023 rent increase due to that application’s inaccuracy, for seeking an increase of nearly ten percent, in violation of the City Code.

94. Exhibit H-19 is a series of emails between the owner of Space #6 in Kona Kai Mobile Estates and Housing Director Emilio Ramirez and Assistant Director Alberto Ramirez, between February 26, 2023 and February 28, 2023. The homeowner directly poses the following question to the Housing Director and the Assistant Director:

“1. Does the City agree that the park should get a 9.97% rent increase in 2023?

“2. If so, why?”

The evidence in the record indicates that the homeowner never received an answer to those

questions from the City.

V. THE ISSUES

95. The two parties have presented in their post-hearing briefs different ways to frame the issue that is before the undersigned Hearing Officer in this case. The Park presents seven (7) Issues (numbered as 1 through 7 hereinbelow), and the Homeowners frame the issue that is set forth as Issue No. 8 below:

Issue No. 1: Did the Parkowner submit an application for its April 1, 2022 4.0% rent increase on or before January 31, 2022?

Issue No. 2: Are the tenants seeking a forfeiture of the Parkowner's April 1, 2022 rent increase?

Issue No. 3: Is the tenants challenge to the April 1, 2022 rent increase barred by 'laches'?

Issue No. 4: Is the Parkowner precluded from relying on laches because it has 'unclean hands'?

Issue No. 5: Did the Parkowner ratify the alterations to Mr. Lawson's September 14, 2021 letter?

Issue No. 6: Would the Parkowner be prejudiced by the forfeiture of its April 1, 2022 and/or April 1, 2023 rent increases?

Issue No. 7: Was the parkowner's application with respect to its April 1, 2023 rent increase timely?

Issue No. 8: Should rents be increased in 2023 above the current authorized rent levels, and if so, by how much?

96. In addition to the above eight issues, the undersigned Hearing Officer designates as issues the following questions which must also be addressed:

Issue No. 9: Are Cal-Am, the Park's management firm, and its employees the Park Owner and/or acting as agents of the Park Owner when preparing and presenting rent increase applications to the City of Oxnard?

Issue No. 10: Does the submission to the City on January 6, 2023, of the purported 2022 rent increase application that has been designated as Exhibit No. H-12, rise to the level of evidence of 'unclean hands'?

Issue No. 11: Did the City act properly, and were the actions taken by the City when it processed the rent increase application submitted on February 13, 2023, in accordance with the City Code and City Council Resolution?

Issue No. 12: Does the "Notice of C.P.I. Formula Rent Increase" which was sent to homeowners on February 15, 2023, contain statements that are not factual?

Issue No. 13: If a park fails to submit a rent increase application one year, has the park forfeited its right to subsequently apply for and/or subsequently be approved for a rent increase in the amount that it was eligible to apply for but for which it failed to apply?

Issue No. 14: Does the Hearing Officer have the authority to permit a park to collect a rent increase for which it failed to apply?

Issue No. 15: Does the Hearing Officer have any authority to waive any sections or wording of the City Code or Council Resolution?

Issue No. 16: What is the permissible CPI rent increase for which a park may apply for a rent increase taking effect in calendar year 2023?

Issue No. 17: What was the percentage amount of the rent increase for which the Park has applied to take effect in calendar year 2023?

Issue No. 18: What is the proper remedy when the Hearing Officer finds that a C.P.I. rent increase application submitted by a park is inaccurate?

Issue No. 19: Would the rejection of the Park's 2023 C.P.I. rent increase application due to it being inaccurate constitute an impermissible forfeiture?

Issue No. 20: Has the Park submitted an accurate and timely application for a 2023 rent increase?

VI. ARGUMENTS SET FORTH IN THE POST-HEARING BRIEFS

A. GENERAL

97. The undersigned Hearing Officer has carefully considered all of the arguments set forth in the post-hearing briefs of both parties. In doing so, close scrutiny was applied to statements and representations set forth therein. For statements which the Hearing Officer opines are not supported by the evidence, the Hearing Officer feels compelled to provide an explanation as to the rationale for such conclusion.

98. The Homeowners brief describes the Purported 2022 Rent Increase (Exhibit H-12) in some places as a “forgery.” The undersigned Hearing Officer takes the word forgery at its common usage, which implies an individual placing pen to paper to duplicate a signature or hand-written document. The California Penal Code, Section 470, defines a forgery as falsification of a signature or seal or counterfeiting documents when doing so with fraudulent intent. The Hearing Officer is hesitant to use the term “forgery” to describe a document which appears to be cut-and-paste, computer-generated (via DocuSign or its equivalent), or some combination of the two. The undersigned Hearing Officer is not comfortable using the term “forgery”, and prefers to refer to the document as a fabricated or falsified document.

99. The Park’s brief states that “there is no dispute that the Parkowner was entitled to a 4% rent increase on April 1, 2022 and a 5.74% rent increase on April 1, 2023.” The Hearing finds that there is no dispute that the Parkowner was entitled *to apply for* said rent increases. Similarly, the claim that “Section 24-9 of the ordinance allows parkowners to increase rents once each year” is flawed for the same reason.

100. The Park also states that “there is no dispute that each and every space at the park received timely notice of both of those rent increases, as required by California law and the Oxnard rent control ordinance.” This mischaracterizes the facts. The evidence in the record shows that with respect to the April 2022 rent increase, the homeowners were never provided with the Notice required under the City’s rent control ordinance.

101. The Park states that “the primary issue before the hearing officer is whether the tenants waited too long to challenge an otherwise allowable rent increase.” Again, this mis-states the facts. A challenge based on timeliness “laches” might be considered if the Park were permitted to invoke equitable defenses, but that is not the case herein, for reasons set forth elsewhere in this Decision. The primary issue before the hearing officer is that raised by the Homeowners in their Protest: whether the Park’s 2023 rent increase application is accurate or not

102. The Park also states that the Homeowners “claim [that] the otherwise allowable rent increases should be voided, because the date and signature on a letter from a former City official, Karl Lawson, was purportedly changed by someone.” That is not at all the claim of the Homeowners, and there is no evidence that the Homeowners were even aware of the existence of the falsified document referred to at the time that the Homeowners retained legal counsel and drafted their Protest petition. The primary contention of the Homeowners is that the 2023 rent increase application is inaccurate.

103. The Park also states that the Homeowners “did not provide notice of the altered letter prior to the hearing, so there was no opportunity for the Parkowner to attempt to determine who changed that letter, or why.” As set forth elsewhere in this Decision, it is the Park that had the “altered letter” in its possession more than four months before the hearing, and it is the Park that transmitted that document to the City more than four months before the hearing. Moreover, the undersigned Hearing Officer has found that the source of the falsified document were Park officials.

104. There is a curious assertion on page 10 of the Park’s brief, which states that the homeowners, instead of being prejudiced by the Parkowner’s mistake of not applying for a 2022 rent increase, had actually benefited from this mistake because the unauthorized rent increment was refunded to them. While creative, the undersigned Hearing Officer holds that this is analogous to arguing that a consumer who is overcharged at the WalMart, and who then receives a refund for the overcharge, somehow benefited from being overcharged in the first place.

B. THE PARK’S INVOCATION OF EQUITABLE DEFENSES

105. I turn now to address the invocation of the equitable defense of laches. The Park frames the central issue in this case as whether the homeowners in the Park waited too long to challenge the

2022 rent increase. In essence, the Park argues that despite the fact that it violated the ordinance by increasing rents in April of 2022 by 4.0%, the fact that it did so initiated a clock beginning to tick, and resulted in the homeowners having no more than one year from that moment to sue to challenge the imposition of the April 2022 rent increase.

106. The Park advances this argument by invoking what is termed an equitable defense theory. The Park holds that the failure to file a 2022 application was a “mistake”, and that mistakes can be cured as an equitable remedy. The Park goes on to argue that (1) that the Homeowners’ Protest was challenging not only the 2023 rent increase but also the 2022 rent increase; (2) the administrative system of law that is involved here (the City’s System) should borrow the concept of a one-year statute of limitations which would apply to most civil suits; (3) the Hearing Officer should apply the equitable defense concept of “laches” to the facts in this case as a one-year bar to any challenge by the homeowners to the April 2022 rent increase; (4) find that that one-year period commenced on January 31, 2022 (or February 15, 2022), which the Park asserts is the date that the homeowners should have known that the Park had not filed a rent increase application with the City; and thus (5) deem that the Homeowners Protest which was filed on March 16, 2023 fell outside of that one-year time period. The Park further argues that the equities should favor the Park in this matter, and that the Park would suffer prejudice if it is not allowed to once again collect the 4.0% rent increment which it would have been eligible to collect had the Park not made the “mistake” of failing to file a 2022 rent increase application.

107. It is an accepted maxim that a party may not benefit by its own wrongful action. Equitable defenses cannot be invoked when a party has unclean hands. The civil code and case law authorities cited by the parties on this point need not be addressed herein, as all point to this same conclusion. The Hearing Officer will address, later in this Decision, the question of whether there is any evidence of unclean hands in this case.

108. One threshold question is whether the Homeowners’ Protest Petition constitutes a challenge

to the April 2022 rent increase. The Park's pleadings refer to that Protest as a challenge to "the April 1, 2022 and April 1, 2023 Rent Increases." That characterization is misleading and unsupported by the facts. The undersigned Hearing Officer finds that the Homeowners Protest only challenges the 2023 rent increase application. That is what the Protest clearly states, and the 2023 rent increase application is precisely what the Protest seeks to challenge. Moreover, by the time that the Protest was filed, there was no longer any economic injury related to the collection of the 2022 rent increase increment that could be challenged by the Homeowners, as the Park had already notified homeowners on that the full amount of that increment was to be refunded to them.

109. The Park asserts that the homeowners action of paying the 4.0% rent increase beginning in April 2022 constitutes acquiescence to that increase; asserts that the failure of homeowners to complain to the park manager has some legal significance; and further asserts that Homeowners should have sued or filed some sort of legal action prior to March of 2023.

110. These contentions can be directly disposed of by looking to the City Code and City Council Resolution. Section III(D)(5) of the Resolution requires Homeowners to pay a rent increase that has been applied for, even if they institute a protest to challenge the increase. The fact that they acted in compliance with this cannot be held against the homeowners nor be interpreted in a manner as to grant legal approval to such a rent increase. In addition, the mechanism by which homeowners may object to a rent increase is by filing a Protest with the City (not with the Park) – and the Resolution specifies the process to be followed for the submission of such a Protest. The necessary prerequisite to the filing of such a Protest is the mailing by the City of a Notice to homeowners, which places homeowners on notice of and initiates the 30-day time period to file such a protest. That predicate act did not occur in 2022, and the reason it did not occur is due to the Park owner's failure to submit a rent increase application to the City. Again, a party cannot take advantage of his own wrong.

111. The undersigned Hearing Officer has endeavored to imagine what type of suit or action the Park, under its theory, believes the homeowners should have filed within a fixed date of January 31, 2022 (or alternatively February 15, 2022). Had the Homeowners filed a Protest with the City, they would have been challenging a rent increase application that may or may have not been filed. What would the Homeowners Protest (which would have had to be submitted within thirty days of some unknown date in January or February of 2022, pursuant to the Park's theory) have requested as a remedy? That the Park immediately file a rent increase application? If, rather than filing a Protest with the City, had the homeowners filed a civil action in court, it is likely that such an action would have been denied due to the failure to exhaust administrative remedies – which the Homeowners could not do *because the Park had not filed a 2022 rent increase application*. The theoretical action that the Park posits that the Homeowners should have followed is nonsensical.

C. UNCLEAN ACTS AS A BAR TO EQUITABLE DEFENSES

112. The Park's goal of successfully convincing the Oxnard Housing Director, in early 2023, that that Park had actually submitted, in December of 2021, an application for a 2022 rent increase, was the key element in the Park's effort to achieve through unclean means retroactive approval, by the City, for the 2022 rent increase for which it had never applied.

113. The Park maintained its assertion that it sincerely believed that it had submitted a 2022 rent increase application for four months, from January until mid-May of 2023. While it is true that on May 11, 2023, after the instant hearing had been calendared, the Park's Counsel wrote a letter "advising that the Parkowner was conceding that an application had not been submitted with respect to the April 1, 2022 4.0% rent increase" (to quote the Park's proposed Finding number 20), the truth is that the Park had known all along that it had never filed any such application. That knowledge dates back to at least shortly after December 28, 2022, when Mr. Lawson wrote to the Park's Division Manager, Ms. Bangsil, and recommended that the Park simply ascertain

whether it had remitted to the City the required application/postage fee payment that would have accompanied any application for an April 2022 rent increase. Once Park officials determined that they had not done so, they knew for certain that no 2022 rent increase application had been submitted. The Park's awareness that no application had been submitted is not limited, of course, to the fact that no application fee payment had been remitted. By simply carrying out standard business practices, researching its own records, and competently following up on a review of Mr. Lawson's emails, the Park officials would have soon confirmed to themselves that no 2022 application had ever been filed. The absence of the remittance of the fee payment is simply the nail in the coffin, and served to remove any doubt (if indeed any such doubt had ever existed) in the minds of the Park's officials regarding whether a 2022 application had ever been submitted. The Park knew for sure, by early January 2023, that no application had ever been submitted.

114. At that point – in late December of 2022 or early January of 2023 – the Park had two paths to choose from. One path was to concede the truth to the City. Had the Park done so, we would not be here. There would have been no Homeowner Protest, no need for the Homeowners to retain legal counsel, no need for the City's Housing Director to procure an outside attorney consultant, and no need for the parties or the City to expend thousands of dollars on legal fees and hearing costs. This hearing would not have taken place.

115. The other path – the one that the Park chose – was to create a pretense that it had filed a 2022 application. Unfortunately, the Park chose this path, with Park officials going so far as to fabricate a falsified, back-dated application, and to submit it on January 6, 2023 with the claim that it had been originally submitted in December of 2021 (Exhibit H-12, the Purported 2022 Application). As evidenced in the subsequent communications between the Park and the Housing Director, the purpose of this charade was to persuade and induce the Director to assist the Park in a scheme to legitimize the Park's violation of the City Code.

116. Initially, Housing Director Emilio Ramirez appeared to take to heart the information that outgoing Mobile Home Rent Stabilization Director Lawson had transmitted in the detailed report that he (Lawson) submitted to the Director and to the City Attorney on December 30, 2022, which was Lawson's last day of employment with the City. Lawson's report advised Director Ramirez of the Park's unauthorized implementation of the April 2022 rent increase and of the consequent action rejecting the Park's 2023 application; see, particularly, Page 4 of Exhibit H-10.

117: Upon receiving the Purported 2022 application, Housing Director Ramirez opted to reach out to the recently-retired Mr. Lawson to seek his input. On January 12, 2023 at 2:40 p.m., Mr. Ramirez forwarded the Purported 2022 application to Mr. Lawson (see Exhibit H-13, at Page 2). Mr. Lawson reviewed the document, and that evening at 8:31 p.m. he wrote back to Mr. Ramirez advising him that (1) the first page of the document was a fabrication, and had been falsified to make it appear that it had been generated by him (Mr. Lawson); (2) the Purported 2022 application had never been submitted to the City.

118. With respect to his conclusion that the first page of the document (a memo purporting to be from Mr. Lawson himself) was a fabrication, Lawson pointed to the following details:

- (a) The City's notification was sent out by Lawson to all parks in September of 2021, while the document submitted with the Park's Purported 2022 Application bore a date of "December 14th, 2021."
- (b) Writing the date with the "th" as a superscript, just before the comma and the year, was not something that Lawson had ever done.
- (c) In the text of the document, Mr. Lawson's email address is spelled incorrectly.

- (d) Above the signature line of the memo is an electronically-generated “signature” which bears only Mr. Lawson’s first name (“Karl”), written by a Docusign-type mechanism, whereas Lawson never used any electronically-generated signatures, and instead always printed official City documents on paper, and signed his name in ink prior to sending them to parks.

119. With respect to his second conclusion – that the Purported 2022 application had never been received by the City – Lawson advised Ramirez of the following:

- (a) He had a standard practice of maintaining a log with the names and contact information of representatives of all mobile home parks, which he updated whenever there were any changes; and had he received an application in late 2021 from Ms. Rowena Bangsil, he would have remembered that (due to her unusual name), and would have updated his log to reflect the fact that Mr. Goodell had been replaced by Ms. Bangsil;
- (b) Had the Purported 2022 Application indeed been submitted to the City, Mr. Lawson would have rejected it due to being incomplete, because the application did not include the required rent roster, without which it is not possible to process a rent increase application. Instead, Mr. Lawson would have immediately written back to the Park advising them of the omission of the rent roster;
- (c) There was no record of having received the application fee check, and Mr. Lawson had not sent any Notices of a 2022 application to homeowners, nor any letter to the park approving a 2022 rent increase.

This entire explanation was set forth in Mr. Lawson’s email to Mr. Ramirez of January 12, 2023 at 8:31 p.m. Mr. Lawson concluded his email by recommending that Mr. Ramirez specifically ask the Park to provide a copy of any proof that it had remitted an application fee check, and a copy of any letter from the City confirming approval of a 2022 rent increase.

120. Housing Director Ramirez followed up by requesting that Mr. Lawson come to the City Housing Department offices to pull for Mr. Ramirez relevant files related to Kona Kai's rent increase applications. Even though he was now retired, and Mr. Ramirez could not contract with Mr. Lawson nor compensate him in any way for his work, Mr. Lawson agreed to do so, and on January 24, 2023, Mr. Lawson went to the City offices and was granted access to the City files by Mr. Ramirez. Mr. Lawson retrieved the relevant documents for Mr. Ramirez, and on January 24, 2023, he wrote an email to Mr. Ramirez, at 6:06 p.m., detailing his findings. Exhibit H-13, at Pages 1 and 2, sets forth that detailed communication.

121. Housing Director Ramirez showed great wisdom in reaching out to Mr. Lawson to seek his advice and recommendations between January 12 and January 24, 2023. Mr. Lawson recommended that the City follow up by advising the Park of its right to appeal the staff rejection of the Park's 2023 application.

122. Unfortunately, that demonstration of wisdom was followed by a series of mysterious actions by Mr. Ramirez, and ultimately by a significant lapse of judgment and abdication of duty by Mr. Ramirez. For some reason, Mr. Ramirez discounted the detailed evidence that had been transmitted to him by Mr. Lawson, and did not act on his recommendation to advise the Park of its right to appeal, even though Ramirez contracted with an outside consultant, attorney Stephen Lewis, who communicated with Mr. Lawson and confirmed his conclusions and recommendations.

123. Exactly what transpired between Mr. Ramirez and Park officials (notably, Ms. Tannert and Mr. Roberts) in the last few weeks of January and February 15, 2023 is not completely clear. The evidence that is in the record shows that several meetings were scheduled and held between Mr. Ramirez and them during that time period, but for some reason Mr. Ramirez took no notes, and did not memorialize what had transpired via follow-up communications or memos

(something that is quite out of character for a high-ranking government executive).

124. What is clear from the evidence in the record is that Mr. Ramirez was persuaded (or induced) by the Park into completely accepting the Park's false narrative. The result was that Ramirez ended up carrying out the Park's proposed plan of action to attempt to legitimize its unauthorized 2022 rent increase by incorporating the dollar value of that rent increase into the Park's 2023 application. This is evidenced by the "Notice of C.P.I. Formula Rent Increase" which Ramirez caused to be sent to all homeowners in the Park on February 15, 2023.

125. That Notice does more than simply attempt to retroactively grant approval to the park for its unauthorized April 2022 rent increase. The Notice also makes three factually incorrect statements, as detailed earlier in this Decision.

126. The Park notes that Mr. Lawson testified that he did not know who had falsified the Purported 2022 rent increase application. Mr. Lawson testified only about facts, not about any suspicions he might have had about the identity of the person who falsified the document. Absent someone confessing to him, there is no way that Mr. Lawson could have testified competently as to the identity of the source of the falsified document. Unlike the witness, however, the undersigned Hearing Officer is charged to act as a fact-finder in this proceeding. Findings 8-05 to 8-08, and 10-13 lay out in great specificity, the documentary evidence and testimony which point to exactly who produced the falsified documents. It is clear from the evidence that the falsified document, including the back-dated Purported 2022 application, were indeed produced by Division Manager Rowena Bangsil. Not only did she proclaim, in December of 2022, ignorance as to the existence of any 2022 application – and then one week later an application suddenly appears, with her signature on it! – but Exhibit H-25 shows that she uses the telltale "th" after dates and before commas, something that appears only on the falsified cover memo and on another application that she filed.

127. The reason for which all of the foregoing is laid out in detail (as well as in Findings 8-01 et seq and 10-01 et seq. in even greater detail), is because the Park's legal position – and indeed, its only defense – is based on the concept of equitable defenses. And as case law makes clear (and as both parties' counsel confirm in their Post-Hearing Briefs), a party cannot invoke equitable defenses if it has unclean hands in a matter. The actions of the Park in this case are a clear example of unclean hands, inexcusable actions taken by officials of the Park, and ratified by other officials of the Park.

128. In addition, the actions of the City Housing Department in collaborating with the Park in February of 2023 are also cause for concern. Those actions reflect an abandonment by the Director of the Department's obligation to administer the System in a fair, even-handed, and transparent manner, while affording due process to all. The fact that there were private ex parte communications between the Director and Park officials to agree upon a plan of action is disturbing enough; the fact that the Director never extended a similar courtesy to homeowners, nor even reached out to homeowners to seek their input, is evidence of favoritism. It is up to the City whether the clearly improper actions of staff rise to the level of unclean actions by certain staff.

129. Based on all of the evidence in the record, the undersigned Hearing Officer specifically finds as follows:

- (a) That Division Manager Rowena Bangsil was aware, as of the last week of December of 2022, that the Park had not submitted an application for a 2022 rent increase;
- (b) That both the cover memo and the rent increase application that constitute Exhibit H-12 comprise a falsified document that was fabricated by the Park's District Manager, Ms. Bangsil, or someone acting at her direction, sometime between December 29, 2022 and January 6, 2023;

- (c) That Ms. Bangsil reported to Ms. Tannert, the National Operations Manager, who was also aware by January 2023 that the Park had not submitted a 2022 rent increase application, and was specifically aware that the Park had never remitted the required application and postage fee payment to the City, and had never received City authorization to increase rents in 2022;
- (d) That Mr. Roberts, the Park's Controller, also became aware in early 2023 that the Park had not submitted a 2022 rent increase application, and that specifically the Park had never remitted the required application and postage fee payment to the City, and had never received City authorization to increase rents in 2022;
- (e) That the fabrication of the Purported 2022 CPI rent increase application and the falsified cover memo by officials of the Park constitute acts of the Park, and the representations made to the City that it had been submitted to the City more than one year earlier constituted knowing false representations;
- (f) That the Park continued to rely upon the falsified document up through at least February 15, 2023, for the purpose of convincing and inducing the Oxnard Housing Director to take actions as if such an application had actually been filed by the Park for a 2022 increase, and that such continued misrepresentations constitute not only ratification of the falsification of the document but in and of themselves constitute a separate unclean act by Park officials.

130. The Park is barred from invoking equitable defenses, including laches, due to the finding of unclean hands.

D. ASSUMING ARGUENDO THAT THERE WERE NO UNCLEAR HANDS, THE INVOCATION OF THE EQUITABLE DEFENSE OF LACHES IS NOT APPROPRIATE IN THIS CASE

131. Having set forth the following, the undersigned Hearing Officer will address the equitable defense arguments raised by the Park, as if there had been no unclean hands in this case. The following paragraphs are written assuming *arguendo* that no finding of unclean hands had been made.

132. The Homeowners obligation to challenge arose when they were subject to a wrongful act that had actually been performed. That date was April 1, 2022, when the park imposed the rent increase that was never applied for. They homeowners could not have filed any action prior to this, because that is the date on which liability accrued, and since the Protest was filed on March 16, 2022, it was within twelve months of that date. This is distinguishable from *Menefee*, where the thirty day notice itself actually interfered with tenants. As set forth above, the key here is the absence of mailing of a City Notice of an April 1, 2022 rent increase – an action that did not happen because of the Park’s failure to file an application. In addition, and as also set forth above, once the homeowners were advised on February 15, 2023 that the 2022 4.0% increment was to be refunded to them, there was no longer any injury to challenge, and the wrongful act was remedied.

VII. MARKET RENTS AND DISCRETIONARY RENT INCREASES

133. Ms. Borjas testified that the “market rent” for a space in the park was \$1660.00 per month. However, no evidence was introduced as to how that dollar figure was arrived at, and the claim has no probative value.

134. The undersigned Hearing Officer has conducted hearings for Discretionary Rent Increase applications in which the matter of market rents are of some relevance. Determinations of

market rents for mobile home spaces are typically the result of empirical studies performed by experts such as economists, real estate appraisers, or other real estate professionals with particular expertise in the specialized field of mobile home parks. There is no evidence that Ms. Borjas had performed such a study; that she had any qualifications or expertise that would support any conclusion regarding market rents; or that any other individual or entity had performed a market rent study. I thus conclude that there is no evidence to support any finding regarding what the market rents in the Park are or might be.

135. In addition, the Park has made no contention or representation as to how or why purported market rents are relevant to the dispute at hand, which involves the determination of the 2023 C.P.I. rent increase. I therefore find that there is no such relevance.

136. Evidence regarding market rents in mobile home parks have been introduced in prior hearings related to mobile home parks' applications for Discretionary Rent Increases. To the extent that Kona Kai Mobile Estates believes that the rents being charged as below market rents, the available avenue to seek a remedy and adjustment is to submit an application for a discretionary rent increase. There is no evidence in the record that the Park has ever submitted an application for a discretionary rent increase.

VIII. ADDITIONAL DISCUSSION AND CONCLUSIONS

137. The undersigned Hearing Officer wishes to commend both counsel for the representation of their clients in this case. Attorneys do not get to choose the facts or the actions of their clients with which they have been presented; rather, they are called upon to do their best to provide effective counsel and advocacy in support of their clients' actions, actions with their clients often took without consulting with their own legal counsel beforehand. Both Mr. Rodriguez and Ms. Macri Ortiz have represented their clients to the best of their abilities in this case, and are deserving of appreciation for their work. I also wish to commend and extend my appreciation to the office of the Oxnard City Attorney for their assistance throughout the processing of this case.

138. Since the year 2001, the undersigned Hearing Officer has conducted approximately two dozen hearings related to protests of C.P.I. rent increase applications submitted by Oxnard mobile home parks. This includes two previous hearings involving Kona Kai Mobile Estates, more than a dozen years ago. When compared to all previous C.P.I. hearings, the matter presented in the instant case presents an evidentiary record that is by far more voluminous than any of the other cases.

139. Section III(D)(4) of City Council Resolution states that “The specific grounds for the protest shall be limited to a challenge of the Director’s determination as to the accuracy of the application or the determination as to whether the owner has maintained the service level of the park. The hearing by the Hearing Officer shall be limited to those matters which are specifically identified in the protest.”

140. The Protest submitted by the Homeowners challenges the accuracy of the application for the April 2023 CPI rent increase. That Protest (Exhibit H-28), entitled “PROTEST OF 2023 RENT INCREASE”. The key wording from Exhibit H-28 is as follows:

“We the undersigned home owners in Kona Kai Mobile Estates hereby protest the CPI rent increase application that was presented by Kona Kai to the City of Oxnard Housing Department. The information in the rent increase application is inaccurate and violates the City ordinance, and the information in the City’s ‘Notice of C.P.I. Formula Rent Increase’ is inaccurate, incomprehensible, and openly allows the park owner to violate the rent stabilization ordinance. The park is applying for a 2023 rent increase of almost 10 percent, even though under the City Code a legal and accurate application would only call for a 5.74% increase...”

141. Unlike in cases where residents of a mobile home park protest a rent increase application

based on claims of reductions in service levels, there was no need for Petitioners to present any evidence related to reduced services or amenities, or the dollar value of cost savings allegedly accruing to a park owner as a result thereof.

142. The central question to be addressed is whether or not the application submitted by the park for an April 1, 2023 C.P.I. rent increase, as noticed by the City on February 15, 2023, is an accurate application or not. The burden was on the Petitioners to present evidence to support their contention that the application is not accurate. As set forth hereinabove, I find that they have met that burden.

143. In a case involving a Discretionary Rent Increase application, a Hearing Officer is explicitly granted the authority to modify an application. In CPI Protests involving allegations of service level reductions, the ordinance specifies that the Hearing Officer may reduce the amount of pending rent increase by an amount equivalent to the cost savings enjoyed by a park due to reductions in service levels.

144. A protest based on an inaccurate application does not fall into either of those categories, and I find that the appropriate remedy of the Hearing Officer is to reject an inaccurate application. To hold otherwise – that is, to impose on the Hearing Officer a requirement to correct and amend a park’s inaccurate application – would have the effect of converting applications submitted by park owners into mere first drafts that can or must be corrected by a Hearing Officer. The Park urges the Hearing Officer to correct its application, in the event that I find it to be inaccurate.

145. An even worse outcome would result if an inaccurate application listed some space rents that were in excess of the permissible amounts, but not enough signatures were collected on a Protest to trigger a hearing. In such cases, the incorrect rent increases would be automatically administratively approved, since the matter would never reach a Hearing Officer.

146. The appropriate action in this case, where I have found that the application is wholly inaccurate, and is based on rent levels that are in excess of the permissible authorized rents, is denial of the application. The Park may submit an accurate application for a 2023 rent increase, but such has not been submitted to date.

147. An accurate application for a 2023 CPI increase would consist of an application submitted in full compliance with Sections II and III of Resolution No. 10,333 (e.g., the application would have to be accompanied by remittance of the appropriate application and postage fee payment, be submitted at least sixty calendar days prior to the requested implementation date of the increase, contain an accurate and current rent roster, calculating the proposed rent increase as 5.74% of the rents that were approved effective April 2021, etc.) The rent roster would also have to reflect any rent levels that are not identical to a space's approved rent as of April 2021 (for example, space rents that were impacted by any space's change of occupancy between April of 2021 and the date of submission of an accurate application).

148. I now turn to the matter of the City's decision to process an application which was submitted less than sixty days prior to the requested rent increase application date. The Notice sent by the City to homeowners did not inform homeowners of the date that the City had actually received the application, but the evidence adduced in the hearing through Mr. Ramirez' testimony, and buttressed by Exhibits H-19, H-20, and H-22, establishes that the application at hand here is the application that was submitted on February 13, 2023, which seeks an effective rent increase date of April 1, 2023.

149. The number of days between February 13 and April 1, 2023 is forty-five (45) – that is, less than sixty (60) days. In the instant case, then, the question presented is whether a rent increase application for a rent increase which was submitted forty-five days prior to the requested rent increase date should have been accepted as an accurate application and processed by the City.

150. With respect to this particular question, this Hearing Officer recently ruled on a similar case where the facts are remarkably similar to the facts presented in the instant case; the Decision in that case is Exhibit H-30. In that matter, involving Country Club Mobile Estates, the park management submitted an application forty-eight (48) days prior to the proposed rent increase date. The Housing Department staff found that the submission was untimely, in that the application was submitted less than sixty days prior to the requested date of increase. Pertinent language in the Decision issued in that case can be found in Paragraphs 38 and 43 of that Decision:

“38. The central tenet of the City’s position [in the Country Club case] is that the language set forth in Section III(A) of Resolution No. 11,468 is controlling. The key wording in that Section reads as follows: ‘...a complete application must be *received at the Director’s office at least sixty (60) calendar days prior to the date of the proposed rent adjustment...*’ [Emphasis added]

“43. In this case, the operative language is clear and unambiguous: Section III(A) requires an application to be received at least sixty calendar days prior to the date of the proposed rent increase. The phrase “must be received” establishes an absolute, mandatory, and non-discretionary requirement that park owners must comply with when applying for a rent increase. There is simply no way to interpret that sentence in any way that would permit an application for an increase 48 days following its submission to be approved, a result the park seeks in this case. *Not only was the City correct in rejecting a rent increase date that was less than sixty days following submission of the rent increase application, the City itself would have been derelict and acting in violation of the City Code and Resolution if it had processed an application for a rent increase to take effect less than sixty days following submission.* There is simply no wiggle room in the interpretation of the wording of Section III(A).”

151. The language of Section III(A) remains unchanged. What is remarkable is that in the above-referenced case, the Housing Department rejected Country Club's application precisely because it was submitted 48 days prior to the requested increase date -- *but less than two weeks later, that same Housing Department opted to accept and process the application from Kona Kai, despite that application having been submitted only 45 days prior to the requested increase date.* There is no attempt by the City to justify the 180-degree change in its legal position.

152. In his testimony, Housing Director Emilio Ramirez conceded that an application submitted February 13, 2023 which sought a rent increase on April 1, 2023 did not comply with Section III(A) of the Resolution. The Hearing Officer does not have the luxury of ignoring the clear language of the Resolution. Moreover, consistent implementation, enforcement and application of the City Code is an essential element and obligation of City staff in its administration of the system of administrative law that is the mobile home rent stabilization system. By treating identically-situated parties differently, the result is a staff failure to meet this basic requirement. Not only does this call into question the capacity, competency and neutrality of staff, such disparate treatment creates exposure for the City, as it raises a due process and equal protection issue for the park that is treated more harshly (in this case, that would be the owner of Country Club Mobile Estates). This is no small matter.

153. The undersigned Hearing Officer re-affirms by the legal conclusion set forth in the Country Club Case, and finds that Kona Kai Mobile Estates' application of February 13, 2023 may very well have failed to comply with the requirements for timely submission of rent increase application, as defined in City Code and Resolution. It is notable that the Housing Department did not act to reject the application on those grounds and advise the Park of its right to appeal said rejection – just as the Housing Department had done in the Country Club case one less than month earlier.

154. Given the fact that the Park's 2023 application is held to be inaccurate, for the reasons set

forth hereinabove, any action by the Park to remedy its failure to comply with the time limits for submission of an application would not have resulted in approval by the undersigned Hearing Officer of the rent increase sought for by the Park's application. An inaccurate application is still inaccurate even if it is submitted in a timely fashion, or even if the effective date of the requested rent increase were to have been changed from April 1, 2023 to May 1, 2023 in order to meet the sixty day advance submission requirement. Had the undersigned Hearing Officer found that the Park's 2023 application(s) entitled the Park to be granted a rent increase in some amount, then the question of what the effective date of said increase should be would have been a material question.

IX. RULINGS

155. Based on the City Code, City Council Resolution, and the evidentiary and administrative record, the undersigned Hearing Officer sets forth hereinbelow answers to the questions posed in each of the issues raised in this matter.

Issue No. 1: Did the Parkowner submit an application for its April 1, 2022 4.0% rent increase on or before January 31, 2022?

Ruling: No.

Issue No. 2: Are the tenants seeking a forfeiture of the Parkowner's April 1, 2022 rent increase?

Ruling: No. It is the Park which forfeited its right to a 2022 increase due to its failure to submit an application for a 2022 increase.

Issue No. 3: Is the tenants challenge to the April 1, 2022 rent increase barred by 'laches'?

Ruling: No. The Homeowners' Protest does not challenge the April 2022 rent increase.

Issue No. 4: Is the Parkowner precluded from relying on laches because it has 'unclean hands'?

Ruling: Yes. The equitable defense of laches is inapplicable in this case, regardless of whether it is based on a claim of "unclean hands" or not. To the extent that any equitable

defense is raised by the Park in its effort to seek authorization to collect going forward a rent increase for which it never applied and which was never approved, such a defense must fail given the unclean actions of the Park via its submission of a falsified application and forged documents (Exhibit H-12) designed to convince the City that the Park had submitted an application for a 2022 increase, when in fact it never did.

Issue No. 5: Did the Parkowner ratify the alterations to Mr. Lawson's September 14, 2021 letter?

Ruling: Yes. Not only did the Parkowner ratify the falsified document and the untruthful act of submitting the Purported 2022 rent increase application, the Parkowner's agents were the source of the alterations of the document and the source of the falsified Purported 2022 Rent Increase application, and their actions between January 6 and mid-May of 2023 constitute additional ratification of those actions.

Issue No. 6: Would the Parkowner be prejudiced by the forfeiture of its April 1, 2022 and/or April 1, 2023 rent increases?

Ruling: No; there is no forfeiture. With respect to the rent increase that was unilaterally imposed by the Park on April 1, 2022 there can be no forfeiture, as (a) the Park failed to apply for and thus waived its right to apply for such an increase; and (b) the year 2022 is over, and it is no longer possible for the Park to submit a timely application for a 2022 increase. With respect to the increase which the Park seeks to take effect in 2023, there can be no forfeiture, as the purpose of this proceeding is to determine whether or not the Park's application for a 2023 rent increase is in compliance with the City Code and City Council Resolution and whether that application should be approved or not. The Park has been afforded all rights of due process throughout, and may still avail itself of its right to submit an application for a 2023 increase.

Issue No. 7: Was the parkowner's application with respect to its April 1, 2023 rent increase timely?

Ruling: It is not necessary for the Hearing Officer to reach a determination on this question. It is noted, however, that the application of February 13, 2023 was submitted less than sixty days prior to the requested increase date of April 1, 2023, and thus appears to not be in compliance with the requirements of Section III of the City Council Resolution. The fact that the Hearing Officer finds that the Park's 2023 application is wholly inaccurate renders any determination on the issue of timeliness immaterial.

Issue No. 8: Should rents be increased in 2023 above the current authorized rent levels, and if

so, by how much?

Ruling: This is addressed at the end of this Section, after Issue Number 20.

Issue No. 9: Are the employees of Cal-Am, the Park's management firm, acting as the Parkowner and/or agents of the Parkowner when preparing and presenting rent increase applications to the City of Oxnard?

Ruling: Yes. Not only are they acting on behalf of the Park owner, under the clear wording of Chapter 24-2(E) of the City Code, Cal-Am falls under the definition of the Park owner. Cal-Am's District Manager, National Operations Manager, and Controller all fall under that definition.

Issue No. 10: Does the submission to the City on January 6, 2023, of the purported 2022 rent increase application that has been designated as Exhibit No. H-12, rise to the level of evidence of 'unclean hands'?

Ruling: Yes. The document and the cover memo were falsified; fabricated by Cal-Am's District Manager; transmitted by Cal-Am's National Operations Manager; and utilized by Cal-Am's Controller as leverage in negotiations with the Housing Director in order to achieve the Park's objective of convincing the Director to accept the Park's claim that it had indeed submitted a 2022 application when in fact it had not. All three of these individuals were aware, by January 2023, that the Park had not submitted any such application, as all were aware that no application fee check had ever been remitted to the City for a 2022 application. This conduct and actions are convincing evidence of unclean hands.

Issue No. 11: Did the City act properly, and were the actions taken by the City when it processed the rent increase application submitted on February 13, 2023 in accordance with the City Code and City Council Resolution?

Ruling: No.

Issue No. 12: Does the "Notice of C.P.I. Formula Rent Increase" which was sent to homeowners on February 15, 2023, contain statements that are not factual?

Ruling: Yes. The Notice contains at least three statements which both the City and the Park knew were not factual.

Issue No. 13: If a park fails to submit a rent increase application one year, has the park forfeited its right to subsequently apply for and/or subsequently be approved for a rent increase

in the amount that it was eligible to apply for but for which it failed to apply?

Ruling: Yes.

Issue No. 14: Does the Hearing Officer have the authority to permit a park to collect a rent increase for which it failed to apply?

Ruling: No.

Issue No. 15: Does the Hearing Officer have any authority to waive any sections or wording of the City Code or Council Resolution?

Ruling: No.

Issue No. 16: What is the permissible CPI rent increase for which a park may apply for a rent increase taking effect in calendar year 2023?

Ruling: The permissible CPI rent increase for 2023 is 5.74%

Issue No. 17: What was the percentage amount of the rent increase for which the Park has applied to take effect in calendar year 2023?

Ruling: The Park's application seeks a 2023 rent increase of 9.97%.

Issue No. 18: Does the Hearing Officer have the authority to amend or modify a C.P.I. rent increase application submitted by a park?

Ruling: The Hearing Officer's authority to amend or modify a C.P.I. rent increase application in this case is limited by Section 24-9(A)(2) of the City Code, which grants the Hearing Officer the authority to select an effective date of a rent increase that differs from the requested date of the increase as sought in a park's application.

Issue No. 19: Would the rejection of the Park's 2023 C.P.I. rent increase application due to it being inaccurate constitute an impermissible forfeiture?

Ruling: No. The application is rejected because it is inaccurate, and a park is not entitled to a rent increase based on an inaccurate submission. The Park is the sole party responsible for its failure to submit an accurate 2023 application. As of the date of this Decision, the Park retains the opportunity to take action to submit a new and accurate application for a CPI increase to take effect at some later date in 2023.

Issue No. 20: Has the Park submitted an accurate and timely application for a 2023 rent increase?

Ruling: No. None of the three applications submitted by the park for an April 1, 2023 CPI rent increase are accurate.

Issue No. 8: Should rents be increased in 2023 above the current authorized rent levels, and if so, by how much?

Ruling: No. The Homeowners have met the burden of proof by demonstrating that the Park has not submitted an accurate application for a 2023 rent increase. The Homeowners' Protest is sustained, and the Park may not increase space rents above the rent levels that were approved effective April 1, 2021.

X. ORDERS

156. In accordance with the foregoing, the undersigned Hearing Officer Orders as follows:

Order #1: The Park shall, within thirty (30) days of this Decision, refund or credit to homeowners the full amount of the 2023 rent increase increment that was collected from homeowners beginning in the month of April of 2023, for all months from April 2023 forward. The “full amount of the 2023 rent increase increment” is defined as the difference between the space rent for each space that was approved effective April 1, 2021, and the amount of rent charged beginning in April of 2023.

Order #2: The Park must, within thirty (30) days of this Decision, return space rents to levels which reflect the approved rent as of April 1, 2021, for each space. Any future applications for rent increases shall be calculated using the approved rent levels as of April 2021 as the basis for said future rent increases.

Order #3: Upon taking action to comply with the first two orders specified above, the Park shall prepare a report setting forth the implementation of the revised rents for each space when those rent levels revert back to the rent levels that were approved effective April of 2021. That report shall list the rent level by space for each space. The Park shall also prepare a report specifying the dollar amount of the rent refund/credit that is applicable to each space, the manner in which the refund or credit has been provided to each homeowner, and the date when the refund or credit has been provided to each homeowner. These reports shall be remitted to the City Housing Department no later than forty-five (45) days after the date of this Decision. Upon receipt thereof, the City shall, within ten days of receipt, forward such reports to Counsel for the Homeowners.

157. The undersigned Hearing Officer retains jurisdiction over this matter for any disputes or controversies that arise regarding the implementation of or compliance with these orders. In order to ensure due process for all involved, the City staff is directed to prepare a full administrative record, including all Exhibits, all pre-hearing and post-hearing briefs and submissions, and a copy of this Decision. That full administrative record shall be filed with the City Attorney and the City Clerk no later than fifteen days from the date of this Decision.

It is so ordered on this 13th day of September, 2023.



David B. Hart, Hearing Officer

List of Appendices incorporated into this Decision:

- Appendix “A”: Proposed Findings Submitted by Park and by Homeowners
- Appendix “B”: Proposed Findings which are Rejected or Amended by the Hearing Officer
- Appendix “C”: List of Exhibits

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APPENDIX A TO HEARING OFFICER DECISION:

**Proposed Findings submitted by Park on August 24, 2023
(32 Proposed Findings);**

and

**Proposed Findings submitted by Homeowners on August 24, 2023
(116 Proposed Findings)**

Note: One Proposed Finding has been rejected by the Hearing Officer (Park's Proposed Finding Number 14), and thirteen (13) Proposed Findings have been amended by the Hearing Officer. The list of the affected Findings is as follows:

Park's Proposed Findings: 3, 5, 9, 11, 13, 14, 17, 19, 28, and 29

Homeowners' Proposed Findings 3-03, 8-02, 8-08, and 14-05

The changes to those Findings, as amended by the Hearing Officer, are set forth in Appendix "B".

[PARKOWNER'S PROPOSED] FINDINGS OF FACT, DECISION AND ORDERS OF DAVID B. HART, HEARING OFFICER, IN THE MATTER OF KONA KAI ESTATES, PROTEST OF APRIL 1, 2022 AND APRIL 1, 2023 RENT INCREASES.

Date of this Decision: _____, 2023

I. FINDINGS OF FACT

1.) Kona Kai Estates is a 169-space mobilehome park, located at 1853 Ives Avenue in Oxnard, California ("the park"). The park is owned by Kona Kai Mobile Home Park Associated, a California Limited Liability Partnership ("the Parkowner"). (Borjas Decl., Exhibit 6, Pg. 1).

2.) The park is managed by Cal-Am Properties, Inc. ("Cal-Am"). (Borjas Decl., ¶¶'s 2, 3 and 10, Exhibit 6, Pg. 1).

3.) The market rate for spaces at the park is currently \$1,660 per month, with a high of \$1,553.87, a low of \$611.43, and an average of \$885.42 per month. (Borjas Decl., ¶ 14, Exhibit 7).

**THIS FINDING
MODIFIED - SEE
APPENDIX 'B'**

4.) The park is subject to the jurisdiction of the City of Oxnard Mobile Home Rent Stabilization Ordinance, which is codified in Chapter 24 of the City Code and City Council Resolution No. 11,468. (Borjas Decl., Exhibits 11 and 12).

5.) Section 24-9 of the ordinance allows parkowners to increase rents once each year, based on the increase in the inflation rate. If inflation increases by 4% or less, the parkowner is allowed to increase rents by 100% of the increase in the Consumer Price Index. However, if inflation is greater than 4%, but less than 9%, the annual increase is limited to 75% of the increase in the Consumer Price Index.

**THIS FINDING
MODIFIED - SEE
APPENDIX 'B'**

6.) Other than the above formulas, the ordinance does not contain a specific procedure for applying for rent increases. However, Resolution 11,468 requires parkowners to submit an application for a rent increase no later than 60 days prior to the effective date of a proposed rent increase. *Resolution No. 11.468, Section IIIA.*

7.) After a parkowner submits an application, the City must review it for accuracy. *Resolution No. 11.468, Section IIIB.* If the City determines the application is correct, the City must notify the tenants of that fact at least 45 days prior to the date of the proposed rent increase. *Resolution No. 11.468, Section IIIC.*

8.) The tenants have 30 days from the date of the City's notice to file a petition either (1) challenging the application, or (2) alleging a reduction in services during the preceding twelve month period. *Resolution No. 11.468, Section IIIC.*

9.) Under Section 24-2(G) of the ordinance, the tenants may also file a protest disputing a parkowner's "decision" to seek a rent increase. Both the ordinance and the Resolution are silent as to when that type of protest must be filed.

THIS FINDING
MODIFIED - SEE
APPENDIX 'B'

10.) Under California law, parkowners are required to provide at least 90 days notice of a rent increase. See *Civil Code Section 798.30*.

THIS FINDING
MODIFIED - SEE
APPENDIX 'B'

11.) Each year between 2018 and 2020, the Parkowner noticed rent increases in December, to be effective April 1 of the following year. As a result, the Parkowner was required to submit an application no later than January 31 with respect to each such notice, which is 60 days prior to the April 1 effective date. (Borjas Decl., ¶ 5, Exhibit 1). The dates of the Parkowner's 90-day notices and the City's 30-day notices during that three-year period are set forth as follows:

90-day Notice from Park	30-day Notice from City	Increase	Effective Date
December 21, 2018	January 26, 2019	3.87%	April 1, 2019
December 23, 2019	February 4, 2020	2.97%	April 1, 2020
December 23, 2020	February 9, 2021	2.02%	April 1, 2021

12.) On December 23, 2021, the Parkowner provided the tenants with a 90-day notice, advising them that it was raising their rent by 4.0%, effective April 1, 2022. (Borjas Decl., ¶ 6, Exhibits 2 and 3). Under the Resolution, the Parkowner should have submitted an application regarding that 4.0% rent increase no later than January 31, 2022. *Resolution No. 11.468, Section IIIA*. The Parkowner has conceded that an application was not submitted by that date.

13.) There is no evidence any of the tenants complained because the Parkowner had not submitted an application by January 31, 2022. Similarly, there is no evidence any of the tenants complained because the City did not serve them with a notice regarding that rent increase by February 15, 2022. Each of the 169 households simply paid the 4.0% rent increase as noticed, on April 1, 2022. (Borjas Decl., ¶ 7).

THIS FINDING
MODIFIED - SEE
APPENDIX 'B'

14.) On December 16, 2022, the Parkowner provided the City with an application, to increase the rent at each space at the park by 5.74%, effective April 1, 2023. (Borjas Decl., ¶ 13, Exhibit 6).

FINDING REJECTED
SEE APPENDIX 'B'

15.) On December 23, 2022, the Parkowner provided the tenants with a 90-day notice, advising them their rent would be increased by 5.74%, effective April 1, 2023. (Borjas Decl., ¶ 8, Exhibits 4 and 5).

16.) After extensive discussions with the City, the Parkowner submitted an amended application on February 13, 2023. (Exhibit H-22).

17.) On February 15, 2023, the City sent a 30-day notice to the tenants, advising them

that although the City had no evidence of an application being submitted the previous year, the calculations regarding last year's 4.0% rent increase were accurate, as were the calculations regarding this year's 5.74% rent increase. (Borjas Decl., ¶ 17, Exhibit 10).

18.) The City's February 15, 2023 30-day notice also advised the tenants that because it had no evidence an application had been submitted with respect to last year's 4.0% rent increase, the tenants could file a petition challenging either the April 1, 2023 5.74% increase, or the April 1, 2022 4.0% increase. (Borjas Decl., ¶ 17, Exhibit 10).

19.) On or about March 16, 2023, tenants from more than 25% of the spaces at the park filed a petition challenging the April 1, 2022 4.0% rent increase and the April 1, 2023 5.74% rent increase. However, the tenants have not challenged the calculation of the inflationary adjustments under the ordinance, conceding it was 4.0% for calendar year 2022, and 5.74% for calendar year 2023. Similarly, the tenants have not alleged a service reduction prior to either of those rent increases.

20.) On May 11, 2023, the Parkowner's attorney wrote a letter to the Hearing Officer, advising that the Parkowner was conceding that an application had not been submitted with respect to the April 1, 2022 4.0% rent increase. That letter also stated the Parkowner intended to submit a legal brief, demonstrating that the tenants' challenge to the April 1, 2022 4.0% rent increase was time barred. (See May 11, 2023 Letter from Anthony C. Rodriguez to David Hart).

21.) On May 22, 2023, the Parkowner submitted a pre-hearing brief, again conceding that an application had not been submitted with respect to the April 1, 2022 rent increase. That brief also included the Parkowner's defense that the tenants' challenge to the April 1, 2022 rent increase was time barred by the equitable doctrine of "laches."

22.) On May 23, 2023, the tenants submitted a pre-hearing brief, arguing that the Parkowner could not rely on "laches" as an affirmative defense, because the Parkowner had "unclean hands." That brief also stated the tenants intended to submit evidence of "falsification of documents related to a purported application for a rent increase in 2022."

23.) An evidentiary hearing was held on May 24, 2023 at 5:30 p.m., at the Oxnard Public Library. The tenants were represented by Barbara Macri-Ortiz. The Parkowner was represented by Anthony C. Rodriguez.

24.) The tenants called two witnesses. The first was Karl Lawson, a former employee of the City of Oxnard Department. The second was Emilio Ramirez, who is the current Director of Housing for the City of Oxnard, and who is also an attorney. No tenants testified at the hearing.

25.) Mr. Lawson worked on matters related to the City of Oxnard's mobilehome rent control ordinance for many years, up until his retirement on or about December 31, 2022. Mr. Lawson's duties included the review of rent increase applications submitted from time to time by each of the mobilehome parks within the City limits, as well as the preparation of notices and

correspondence regarding the amount of the allowable rent increase each year, and the tenants' right to challenge any rent increase application that may have been submitted with respect to their park.

26.) Mr. Lawson testified that on September 14, 2021, he issued a letter to each of the mobilehome parks in Oxnard, advising that the permissible rent increase for calendar year 2022 was 4.0%. (Exhibit H-3). Mr. Lawson also testified that someone altered his letter, making several changes, including changing the date to December 14, 2021, and adding an electronic signature in place of his handwritten signature. (See Exhibit H-12).

27.) Mr. Lawson testified further he did not know who prepared that altered letter. (Reporter's Transcript, Pg. 71, lines 3-8). In addition, whoever altered Mr. Lawson's September 14, 2021 letter did not change the amount of the permissible rent increase.

28.) Although the evidence shows the altered letter was in the possession of Cal-Am before it was forwarded to the City of Oxnard, there is no evidence as to who altered that letter, or why.

**THIS FINDING
MODIFIED - SEE
APPENDIX 'B'**

29.) There is also no evidence the Parkowner was involved in that process. In fact, both of the tenants' witnesses and the Parkowner's sole witness testified that Kona Kai's annual rent increase applications were prepared and submitted by Cal-Am, and that they had no knowledge of the Parkowner being involved in that process. (Reporter's Transcript, Pgs. 66, 67 and 103; See also Borjas Decl., ¶¶'s 10-11).

**THIS FINDING
MODIFIED - SEE
APPENDIX 'B'**

30.) The Parkowner called one witness, Janet Borjas. Ms. Borjas has been the on-site manager at the park since October 17, 2005. (Borjas Decl., ¶ 3). In addition to her oral testimony, Ms. Borjas submitted a four page declaration under penalty of perjury prior to the hearing, and was available for cross-examination on that declaration at the hearing.

31.) Ms. Borjas testified that on December 23, 2021, she personally mailed the 90 day notices for the April 1, 2022 rent increase to each of the rent controlled spaces at the park, and that on December 23, 2022, she personally mailed the 90 day notices for the April 1, 2023 rent increase to each of the rent controlled spaces at the park. Ms. Borjas testified further that she was not aware of a single tenant who refused to pay either of those rent increases. (Borjas Decl., ¶¶'s 6 through 9 and Exhibits 2 through 5).

32.) Ms. Borjas testified that she personally submitted the application for the Parkowner's April 1, 2023 rent increase, in part because Mr. Lawson was retiring and there was a concern that his replacement might not be as familiar with the process as Mr. Lawson. Ms. Borjas also testified that the applications for Kona Kai's annual rent increase applications were prepared by four former employees at Cal-Am's corporate offices in Costa Mesa, but that as of the date of the hearing, none of those people were still employed at Cal-Am. (Borjas Decl., ¶¶'s 10 through 13, Exhibit 6).

**Homeowners' Proposed Findings
Submitted August 2023**

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FINDING SET 1: City of Oxnard Mobile Home Park Rent Stabilization System

FINDING NO. 1-01:

Kona Kai Mobile Estates (“the Park”) is subject to the jurisdiction of the City of Oxnard Mobile Home Park Rent Stabilization System, which is codified in Chapter 24 of the City Code and City Council Resolution No. 11,468 (jointly known as the “System”). Of the 169 spaces in the park, one space is exempt from the jurisdiction of the System, as it is the residence of the park manager. Kona Kai Mobile Estates has applied for a space rent increase to take effect in 2023, for the 168 spaces subject to the System’s jurisdiction, and this matter comes before the Hearing Officer due to the submission on March 16, 2023, of a Protest filed by a group of home owners who reside in the Park.

FINDING NO. 1-02:

Oxnard’s current Mobile Home Rent Stabilization System was adopted in 1998, and is the product of a negotiation process established by the City Council, which created a Mobile Home Rent Stabilization Ordinance Review Task Force. That Task Force consisted of three individuals selected by the owners of all mobile home parks in Oxnard, three individuals elected by the home owners residing in all of the parks, and three neutrals appointed by the Oxnard City Council. The recommendation of the Task Force, which was endorsed by both the park owners and the home owners on the Task Force, was presented to City Council as a complete proposed ordinance and resolution, and that recommendation was adopted verbatim by the City Council. It has not been subject to any amendments since its adoption in 1998.

[Citation: Chapter 24-1 of the City Code; testimony of Karl Lawson, RT 57:16 – 59:5] 1/

FINDING NO. 1-03:

The predecessors to the current System were codified in previous ordinances and resolutions adopted by the City Council. The Mobile Home Rent Stabilization System was first enacted in 1982, with the adoption of Ordinance No. 1940. The System was amended in 1990, with the adoption of Ordinance No. 2229 and Resolution No. 10,013; and again in 1991, with the adoption of Ordinance No. 2254 and Resolution No. 10,233.

[Citation: Ordinances Nos. 1940, 2229, and 2254; City Council Resolutions No. 10,013 and 10233]

1. Citations to the Reporters Transcript are referenced as “RT”, followed by the page number, colon, and the first line through the last line, i.e. “RT 57:16 – 59:5”, stands for page 57, line 16 through page 59, line 5.

FINDING NO. 1-04:

The current System, as codified in Chapter 24 of the City Code and City Council Resolution 11,468, establishes the right of owners of mobile home parks to apply for rent increases based on the Consumer Price Index (“C.P.I.”), and sets forth the process and requirements for parks to apply for and receive approval for such increases. The previous iterations of the System, set forth in the prior ordinances and Resolutions, also provided for C.P.I. increases, with definitions and procedures that differed from those set forth in the current System. The current System also establishes the right of park owners to apply for rent increases in an amount greater than the permissible C.P.I. rent adjustment increase, defined in the System as a Discretionary Rent Increase.

[Citation: Chapter 24 of the City Code; Resolution No. 11,468]

FINDING NO. 1-05

With specific reference to C.P.I. increases, each iteration of the System has set forth a formula for calculation of the permissible annual C.P.I. increases for which parks may apply. When the City Council first enacted a mobile home rent stabilization System in 1982, with the adoption of Ordinance No. 1940, the System defined the CPI Adjustment Period as “from four months prior to the effective date of the base rent or current space rent and ending on the date which is four months prior to the new effective date for the proposed rent increase.”

In subsequent revisions to the System, codified in Ordinances No. 2229 and No. 2254, the City Code provided in Section 17.1-9 that the calculation methodology for determination of an increase to take effect in a given calendar year was based on the change in the C.P.I. in the twelve-month period ending in September of the year prior to the year that the increase sought would take effect. Those ordinances also provided that the minimum permissible C.P.I. rent adjustment in any given year would be three percent, even in years when the change in the C.P.I. was less than three percent. The September-to-September calculation period, and the guaranteed three percent rent adjustment, were in effect in the two previous iterations of the City’s Mobile Home Park Rent Stabilization System, covering the period from December 1990 through November 1998. With the adoption in October 1998 of Ordinance No. 2475, the codification of the current System, the time period for the basis of such a calculation was changed from a September-to-September C.P.I. Adjustment Period to an August-to-August Adjustment Period, and the three percent guaranteed minimum C.P.I. rent increase provision was eliminated. That change took effect on December 1, 1998.

[Citation: Ordinances No. 1940, 2229, 2254, and 2475; testimony of Karl Lawson, RT 57:5 – 59:5]

FINDING NO. 1-06

The two prior City Council Resolutions (No. 10,013 and No. 10,233) established a C.P.I. Adjustment Period applicable to the process by which parks applied for C.P.I. rent increases. In Resolution No. 10,013, those time frames were set forth in Section III of that Resolution. Similarly, in Resolution No. 10,233, those time frames were set forth in Section III of the Resolution. In neither of those Resolutions was there a requirement that a completed C.P.I. application had to be received within a certain number of days prior to the requested date of the rent increase for which the park was applying. It was not until December 1, 1998, with the adoption by the City Council of Resolution No. 11,468, that the System enacted by the City Council required a completed C.P.I. application to be received at least sixty (60) days prior to the proposed effective date of the rent increase. That requirement has remained unchanged since 1998, and at all times material to the case before the Hearing Officer, the sixty-date requirement for submission of a complete application has been in effect.

[Citation: Oxnard City Code Chapter 24; Resolutions No. 10,013; 10,233; and 11,468]

FINDING NO. 1-07

Pursuant to Chapter 24-2(H) of the City Code, the primary responsibility for administration of the City's Mobile Home Rent Stabilization System is vested in a Rent Stabilization Director. A full-time employee of the Housing Department, Mr. Karl Lawson, was designated as the Rent Stabilization Director in 1991, and he served continuously in that position until his retirement from City service on December 30, 2022.

[Citation: Testimony of Karl Lawson, RT 13:2-11]

FINDING NO. 1-08

Disputes arising under the System, including home owner-initiated challenges to applications for C.P.I. rent increases, applications for Discretionary Rent Increases, and appeals of staff determinations regarding the implementation of the System, as well as non-adversarial matters such as processing of utility passthrough applications, are heard by an independent Hearing Officer. The Hearing Officer conducts the evidentiary hearing in the matter, and issues a written Decision with findings of fact. Decisions of the Hearing Officer may be appealed by either the owner of the Park or by the home owners, under procedures set forth in Chapter 24-15 of the City Code. The Mobile Home Park Rent Review Board is the body that conducts the appeal hearing, which is a review of the record, rather than a de novo evidentiary hearing. The Board's decision cannot be appealed to the City Council; rather, the Board's decision on the appeal becomes the City's final administrative decision in the matter. Any challenge to that decision must be filed with a Court that exercises jurisdiction over such challenges.

[Citation: Oxnard City Code Chapter 24]

FINDING NO. 1-09

In addition to the Mobile Home Park Rent Stabilization System, the Oxnard City Council has also adopted a Rent Stabilization system that imposes certain regulations on rents charged to tenants of certain apartments, certain rental houses, and certain other residential properties. Between October 2021 and April 2022, the City Council conducted public meetings at which the proposed rent stabilization ordinance was discussed. The proposals for the establishment of a permissible annual automatic rent increase allowed all landlords to have the right to such an annual increase in a flat percentage amount. When the system was ultimately codified in City of Oxnard Ordinance No. 3013, in May 2022, that percentage amount was set as a flat four percent (4.0%).

[Citation: Oxnard Ordinance No. 3013; testimony of Karl Lawson, RT 62:19 – 63:22]

FINDING SET 2: Legislative History of the Definition of the C.P.I. Adjustment Period

FINDING NO. 2-01:

The City Council of the City of Oxnard first enacted a Mobile Home Rent Stabilization System in 1982, with the adoption of Ordinance No. 1940.

Section 17.1-2(b), Definitions, of Ordinance No. 1940 defines the “C.P.I. Adjustment Period” as follows:

“four months prior to the effective date of the base rent or current space rent and ending in the date which is four months prior to the new effective date for the proposed space rent increase.”

[Citation: Ordinance No. 1940]

FINDING NO. 2-02:

As defined in Section 17.1-2(b), the C.P.I. Adjustment Period for the permissible C.P.I. increase did not have a specified length. The Period could have been for twelve months, less than twelve months, or more than twelve months. The length of the Period depended on the date that the park filed its rent increase application vis-à-vis the date that the space rents in that park had been established. Because the calculation Period was set on a rolling basis, depending on which month each park filed its rent increase application, two parks filing for applications in the same calendar year could receive approval for rent increases in different percentages.

As an illustration, if the rents in a park had been established on the first day of June of Year One, and the Park applied for a rent increase to take effect on the first day of June of Year Two,

the CPI Adjustment Period would run from February of Year One to February of Year Two – a Period of twelve months. The permissible rent increase would reflect a one-year increase in the CPI.

If that same Park applied for a rent increase to take effect on the first day of June of Year Three, the Adjustment Period would be twenty-four months: from February of Year One to February of Year Three. As a result, the percentage amount of the permissible rent increase would cover two years' worth of CPI increase.

[Citation: Ordinance No. 1940]

FINDING NO. 2-03:

That system was amended out of the City Code when Ordinance No. 1940 was repealed and replaced by subsequent ordinances which changed the wording of the Mobile Home Rent Stabilization System. The language that permitted CPI calculation periods of varying lengths was replaced by language which specified a twelve-month calculation period, and which prescribed a percentage increase which was the same for each park which applied for a rent increase in the same calendar year.

The calculation periods for CPI increases in the three successor ordinances to the original Ordinance No. 1940 were set as follows:

Ordinance No. 2229: from September-to-September

Ordinance No. 2254: from September-to-September

Ordinance No. 2475: from August-to-August

[Citations: Ordinances Nos. 1940; 2229; 2254; and 2475]

FINDING NO. 2-04:

The Mobile Home Rent Stabilization Ordinance Review Task Force of 1998 considered and discussed proposals from park owners and homeowners to change the methodology by which the permissible CPI rent increase is calculated, including the calculation period and the calculation amount. The result of those discussions did not reflect any increase of the twelve-month length of the CPI calculation period, and did not result in any changes to the City Code or Resolution that would permit a park to apply for or receive approval for a CPI increase for a previous year when the park had failed to submit a CPI rent increase application.

[Citation: Testimony of Karl Lawson, RT 57:5 – 59:5; Ordinance No. 2475].

FINDING SET 3: The Hearing of May 24, 2023

FINDING NO. 3-01

The two parties in this proceeding are Kona Kai Mobile Estates [the Park] and the home owners who submitted the protest petitions challenging the City's processing of the Park's applications for a 2023 C.P.I. rent increase (hereinafter "the home owners" or "Petitioners"). Both parties were represented by legal counsel during the process that led to the evidentiary hearing of May 24, 2023. At that hearing, the City of Oxnard was represented by the Office of the City Attorney and by staff of the Housing Department. A court reporter made a transcription of the hearing, and a Spanish-language interpreter provided simultaneous translation of the proceedings for the several dozen home owners who were in attendance. Three witnesses testified, all under oath: Karl Lawson and Emilio Ramirez (both of whom appeared after having been issued subpoenas to appear and testify); and Kona Kai On-Site Manager Janett Borjas.

FINDING NO. 3-02

In the period from March 2023 through May 24, 2023, the two parties' legal representatives engaged in extensive pre-hearing correspondence with each other, with the City of Oxnard, and with the Hearing Officer, on matters regarding discovery, exchange of documents, hearing logistics, and pre-hearing written submissions. At the hearing of May 24, 2023, the homeowners introduced a volume of exhibits, as did the Park. Both volumes included written declarations signed by individuals who were made available for cross-examination during the hearing (Mr. Karl Lawson and Ms. Janett Borjas). In addition, the City Housing Department presented a volume with several hundred pages of documents and administrative exhibits, some of which were duplicative of documents which were included in the exhibit volumes introduced by the two parties.

FINDING NO. 3-03

At the hearing of May 24, 2023, Mr. Lawson testified about the administration of the System and the specific facts related to Kona Kai's applications for C.P.I. rent increases. Mr. Lawson's testimony was comprehensive, detailed, thorough, unchallenged, and undisputed. He testified as to his first-hand personal knowledge and expertise on numerous matters, including the following topics:

- (a) The current System as set forth in Chapter 24 and Resolution No. 11,468;
- (b) The previous iterations of the System, as codified in prior ordinances and prior City Council Resolutions;
- (c) The process by which the current System was created and adopted, including the negotiation process under the 1998 Mobile Home Rent Stabilization Ordinance Review Task Force;
- (d) The specific steps and procedures by which C.P.I. Rent Increase applications are processed by the City;

THIS FINDING
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- (e) The steps and procedures followed each year by the City to communicate with park owners regarding the annual calculation of the permissible C.P.I. increase and the annual revisions to the rent increase application form;
- (f) The development, consideration, and adoption of the Mobile Home Park Rent Review Board's Annual Report to City Council, and the specific history of the 2022 Annual Report;
- (g) The history of C.P.I. applications submitted by Kona Kai Mobile Estates prior to 2022;
- (h) The processing of rent increase applications submitted by other parks for increases that took effect in calendar year 2022;
- (i) The claim by Kona Kai Mobile Estates that it had, in fact submitted an application for a rent increase to take effect on April 1, 2022, the veracity of the documents that were attached with that purported application, the incompleteness of that purported application;
- (j) The submission of an application on December 16, 2022, which sought a rent increase to take effect on April 1, 2023 (the "First 2023 Application"), the accuracy/inaccuracy of that application, and the correspondence regarding that application (both internal and external) between City employees, City consultants and legal counsel, and representatives of Kona Kai Mobile Estates;
- (k) Another application submitted by Kona Kai Mobile Estates dated December 19, 2022, which sought a rent increase to take effect on April 1, 2023 (the "Second 2023 Application"), and the accuracy/inaccuracy of that application, and whether the application was in compliance with the System;
- (l) A third application submitted by Kona Kai Mobile Estates dated February 13, 2023, which sought a rent increase to take effect on April 1, 2023 (the "Third 2023 Application"), the Notice of CPI increase sent to home owners on February 15, 2023, the inaccuracy of the application and the Notice, and whether the application was in compliance with the System;
- (m) State of California Civil Code Section 798, and the 90-day Notices issued pursuant thereto;
- (n) The impact of the COVID-19 pandemic on the operations of the City Housing Department, and specifically on the impact of the pandemic on the administration of the Mobile Home Rent Stabilization System;
- (o) The impact on the mobile home community of the City of Oxnard's Tenant Protection and apartment and house rent stabilization ordinance in the year 2022;

[Citation: Testimony of Karl Lawson, RT 12:19 – 72:7]

FINDING NO. 3-04

The System's Rent Stabilization Director is an employee within the City of Oxnard Housing Department who reports to the Director of Housing and Redevelopment. Since 2019, Mr. Emilio Ramirez has been the Director of Housing and Redevelopment. Mr. Emilio Ramirez' Assistant Director, since mid-2022, has been Mr. Albert Ramirez. At the evidentiary hearing of May 24, 2023, Mr. Emilio Ramirez testified regarding the administration of the mobile home

rent stabilization System, and specifically regarding the Annual Report of the Mobile Home Park Rent Review Board, staff actions related to the various applications submitted by Kona Kai for a 2023 C.P.I. rent increase, and the impact of the COVID-19 pandemic on City operations.

[Citation: Testimony of Emilio Ramirez, RT 73:12 – 103:8]

FINDING NO. 3-05

Mr. Janett Borjas is the On-Site Manager of Kona Kai Mobile Estates. By way of a declaration dated May 19, 2023, which was attached to the Parkowner’s Pre-Hearing Brief, and via her testimony at the hearing of May 24, 2023, Ms. Borjas provided information and testimony on the practices of Kona Kai with respect to the applications for C.P.I. rent increases, and the issuance of 90-day Notices of said rent increases to home owners.

[Citation: Declaration and Testimony of Janett Borjas, ¶s 5 – 13, and RT 106:12 – 108:19]

FINDING SET 4: City Procedures for C.P.I. Application Processing

FINDING NO. 4-01:

The governing provisions for the calculation of the permissible annual C.P.I. rent increase for which parks may apply are set forth Chapter 24-9(A) of the City Code, which states as follows:

24-9: C.P.I. Formula Adjustment

(A) Procedure

(1) A CPI formula adjustment is a space rent adjustment granted to an owner in accordance with procedures established by resolution adopted by the City Council. A CPI formula adjustment shall be based upon the percentage change in the CPI for the year ending in August. The resulting adjustment shall be rent increases taking effect in the following calendar year. The CPI formula adjustment shall be calculated as follows:

(a) If the percentage change in the CPI is 4 percent or less, the permissible CPI formula adjustment shall be equal to 100 percent of the change in the CPI.

(b) If the percentage change in the CPI is greater than 4 percent but less than or equal to 9 percent, the permissible CPI formula adjustment shall be equal to 75 percent of the change in the CPI, or a 4 percent adjustment, whichever is greater.

- (c) *If the percentage change in the CPI is greater than 9 percent, the permissible CPI formula adjustment shall be equal to 67 percent of the change in the CPI, or a 6.75% adjustment, whichever is greater.*

That language has remained unchanged since Ordinance No. 2475 was adopted in 1998.

[Citation: Oxnard City Code, Chapter 24]

FINDING NO. 4-02:

Since the current System was enacted in 1998, the City staff has followed an established set of steps for the determination of the permissible C.P.I. increase and for the processing of parks' applications for C.P.I. rent increases. The initial staff actions occur in September of every year, when the staff calculates, and then informs all mobile home park management firms, of the amount of the permissible C.P.I. rent increase for which parks may apply in the following calendar year. In the middle of the month of September, the United States Bureau of Labor Statistics, a division of the Department of Commerce, publishes the C.P.I. figures for the month of August. Upon receipt of the C.P.I. data in mid-September, the Mobile Home Rent Stabilization Director makes the calculation, in accordance with Chapter 24-9 of the City Code, and takes two actions.

[Citation: Testimony of Karl Lawson, RT 14:3-17, and 15:4-13]

FINDING NO. 4-03

The first action taken every September is to notify all mobile home parks, in writing, of the calculation of the percentage amount of the following year's permissible C.P.I. increase. The second action is to produce an updated C.P.I. rent increase application form for the following year, and to send it to each park. Mr. Lawson testified that both of those steps were taken within a few days of the publication of the August C.P.I. data, and that both the notification and the updated rent increase application form were sent to parks in mid-September.

[Citation: Testimony of Karl Lawson, RT 15-4-13; Exhibits H-3 and H-4; City Exhibit 8-A at Tab 5, page 30]

FINDING NO. 4-04

Upon receipt of an application for a C.P.I. formula adjustment rent increase, staff then takes certain steps to determine whether the application was in compliance with the City Code and Council Resolution. Mr. Lawson testified that the first task was to determine whether a complete application, as defined in the Council Resolution, had been submitted. Once a determination had been made that an application was complete, the next task was to ascertain whether the application was accurate.

[Citation: Testimony of Karl Lawson, RT 17:2-7 and 41:2-10].

FINDING NO. 4-05

Section II and Section III(A) of Resolution No. 11,468 state:

"II. Fees. The following fees shall be paid by the owner with the described application. For review of any application except a discretionary rent increase application, the fee shall be Seventy-Five Dollars plus costs for postage for required resident notices. For review of a discretionary rent increase application, the fee shall be One Thousand Dollars. In addition, the owner shall be charged for the cost of any independent certified public accountant audit and the postage required for resident notices."

"III. CPI Formula Adjustment. The following procedures shall govern the processing of a CPI Formula Adjustment Application.

"A. Application. An owner shall request a CPI formula adjustment by submitting an application to the Director. For any rent adjustment taking effect on or after April 1, 1999, a complete application must be received at the Director's office at least sixty (60) calendar days prior to the date of the proposed rent adjustment. The application shall contain all of the existing space rents, the CPI adjustment calculations, the proposed new space rents, and a list of the affected residents and their addresses. Proposed space rents may be rounded to the nearest \$.50 in the following manner: \$.75 to \$1.24 rounded to \$1.00; \$.25 to \$.74 rounded to \$.50."

[Citation: City Council Resolution No. 11,468]

FINDING NO. 4-06

Mr. Lawson testified that the initial step (that of determining whether an application was complete) consisted of ensuring that the application as submitted included all of the following:

- (a) Payment of the fee in the amount of \$75.00 plus the cost of postage for the required notices to residents;
- (b) A completed application form, filled out by the Park;
- (c) A rent roster listing the rent for each space subject to the rent increase application, the proposed CPI adjustment for each space's rent, the proposed new rent for each space, the name of the home owner for each space, and the mailing address for each space.

[Citation: Testimony of Karl Lawson, RT 41:2-10 and 42:7-8]

FINDING NO. 4-07

If, based on that initial examination of a submitted application, any one of the required elements was missing, the City staff would immediately notify the park management of the

omission, and request submission of whatever was missing. Mr. Lawson testified that it was not uncommon for applications to be submitted without the required fee check, or without the required rent roster. There were also occasions in which an application did include a list of space rents, but without specifying which rent levels applied to which space, or the name and/or address of the home owner tied to each space. In such instances, City staff would request submission of the required fee check, or submission of the rent roster with all required information, as appropriate. Once the missing fee check or rent roster was received by the City, the application would then be deemed complete.

[Citation: Testimony of Karl Lawson, RT 41:11 – 42:12]

FINDING NO. 4-08

The next step in the processing of the application involved a detailed review of the contents of the application to determine whether the application is accurate. This review includes the following specific tasks: (a) Ensuring that the CPI increase being applied for is no greater than the permissible CPI Formula Adjustment amount for that year; (b) Ensuring that the requested effective date of the proposed rent increase falls at least sixty days after the submission of the completed application; (c) Comparing the current space rent for each space with the approved space rent for that space, as authorized by the most recent prior rent increase application processed by the City; (d) In any case where the current space rent, as listed on the rent roster submitted with the application, exceeds the approved space rent for that space, determine whether the higher rent is permitted by the System.

[Citation: Testimony of Karl Lawson, RT 42:17 – 43:24; Exhibit H-18]

FINDING NO. 4-09

This fourth task referred to in the previous paragraph is performed by staff by undertaking a detailed factual investigation for each space which shows a discrepancy between the approved rent and the rent currently reflected on the park's application. City staff investigates whether the mobile home in a particular space had been subject to a change in ownership that would have permitted the park to implement a "Change of Occupancy" (or "C.O.O.") increase in accordance with Chapter 24-11 of the City Code; in such cases, a C.O.O. increase of up to \$80.00 may be imposed upon the new owner of the mobile home. Under other circumstances, a change in ownership would have, at some point between the prior establishment of an approved rent and the submission of the application being reviewed, exempted that space from the jurisdiction of the System (in accordance with Chapter 24-4 of the City Code). In those instances, there is no \$80.00 limit on the space rent that a park may impose upon a new owner once said exemption has terminated, and the space has returned to be subject once again to the System's jurisdiction. The space-by-space investigation and the resolution of any discrepancies in the rent levels between the prior and current application typically requires staff to engage in fact-finding by communicating with the management of parks as well as with

the home owners, along with requests for and review of documentation related to any changes in ownership of the mobile homes in such cases.

[Citation: Testimony of Karl Lawson, RT 43:25 – 44:14; Exhibit H-18]

FINDING NO. 4-10

In those cases in which a determination is made that an application as submitted is not accurate, City staff notifies the park of said determination, and of its right to appeal said determination to the Hearing Officer via submission of a written request for an appeal hearing. Said appeals are submitted in some cases. In other cases parks have submitted a revised application, correcting any calculation errors and/or deficiencies, requesting a different rent increase date, or providing any information or documentation that had been omitted.

[Citation: Testimony of Karl Lawson, RT 71:23 – 72:2]

FINDING NO. 4-11

In those cases in which any discrepancies have been resolved and/or where any deficiencies have been remedied, once an application has been determined to be accurate, the next step is for staff to prepare and mail to all home owners the City's Notice of C.P.I. Formula Adjustment. An example of such a Notice is found in Exhibit H-1 and City Exhibit 7A, Tab 12. Mr. Lawson testified that all such Notices set forth the right of home owners to submit a Protest of the application, and specify the date by which any Protest must be submitted. The operative wording from the Notice is as follows (to quote from the Notice found in Exhibit H-1 and City Exhibit 7A, Tab 12):

*"NOTICE OF C.P.I. FORMULA RENT INCREASE
(Date of this Notice: February 9, 2021)*

"Pursuant to the City of Oxnard's Mobilehome Park Rent Stabilization System, Notice is hereby given that the owners of Kona Kai Mobile Estates have filed an application requesting administrative approval of rent increases under the Combined Consumer Price Index (C.P.I.) Formula. The requested increase will be authorized to go into effect on April 1, 2021, unless residents representing 25 percent or more of the spaces under the jurisdiction of the Rent Stabilization System in the park file a protest asserting that the application is in error or that services have been reduced (identifying the specific services claimed to have been reduced), and requesting that the application be reviewed in accordance with the Mobilehome Park Rent Stabilization ordinance. Petitions should be delivered within 30 days of the mailing of this notice (that is, no later than 5:00 p.m. on Thursday, March 11, 2021) to the Rent Stabilization office..."

In addition to the Notice dated February 9, 2021, Notices with this identical wording (but with different dates for the "Date of Notice" and the deadline for submission of protest Petitions) were mailed by the City to homeowners in Kona Kai Mobile Estates in all previous years when the Park filed an application for a C.P.I. rent increase, including 2020, 2019, and 2018. On the same date that these Notices are placed in the mail to homeowners, copies of the Notice are mailed to the park management firm in order to apprise the management that the Notices have been mailed and of the deadline for homeowners to file a protest. On the same date, additional copies of the Notice are also sent by the City to the Park's resident manager, with a request that the Notice be posted on the bulletin board in a visible location in the park office and clubhouse.

[Citation: Exhibit H-1; City Exhibit 7A, Tab 12; testimony of Karl Lawson, RT 17:4-10, 17:13-17 and; 33:1 – 34:2; Declaration of Janett Borjas, ¶ 4:11-12]

FINDING NO. 4-12

After the City mails Notices to homeowners, one of two things will occur. In some cases, the City will receive a Protest petition from homeowners (upon receipt of which the City serves a copy of the protest on the Hearing Officer, which initiates the process which leads a hearing). In most cases, however, the deadline for submission of a protest passes without homeowners filing a Protest. In those cases, the Mobilehome Rent Stabilization Director sends a letter to the park management granting City approval for the rent increase.

[Citation: Exhibits H-1 and H-18; Testimony of Karl Lawson, RT 17:7-17]

FINDING NO. 4-13

The letter dated March 15, 2021, from Mr. Lawson to Kona Kai (found in Exhibit No. H-1) is an example of a letter granting approval of a CPI rent increase. That letter states as follows:

"...Notices of proposed increases were mailed to residents of Kona Kai Mobile Estates on February 9, 2021. The City has received no formal protest of the notices, as defined in the ordinance, objecting to the CPI rent increase. Therefore, the CPI rent increase of 2.02% is hereby approved effective April 1, 2021, consistent with the rent schedule set forth in the Notice dated February 9, 2021."

Letters with identical wording were sent to Kona Kai every prior year in which the Park filed an application for a rent increase which was not challenged by homeowners (with changes only to the date the Notice was mailed each year, and to the percentage amount of the rent increase), including but not limited to the years 2020, 2019, and 2018.

[Citation: Exhibits H-1 and H-2; testimony of Karl Lawson, RT 19:6-17]

FINDING SET 5: Annual Report of the Mobile Home Park Rent Review Board

FINDING NO. 5-01

Chapter 24-6 of the City Code requires the Mobile Home Park Rent Review Board to submit an Annual Report to the Oxnard City Council. A draft of the Annual Report is prepared by the Mobile Home Rent Stabilization System Director for presentation to and consideration by the Rent Review Board in December of each year. The Annual Report provides detail on all applications for rent increases and utility passthrough adjustments submitted by mobile home parks during the calendar year. In addition to listing each park which submitted a rent increase application during that calendar year, the Annual Report also specifies by name those parks which did not apply for the annual rent increase for which the park was eligible to apply.

[Citation: Oxnard City Code, Chapter 24; Exhibit H-31, testimony of Karl Lawson, RT 37:20 – 38:3]

FINDING NO. 5-02

On December 5, 2022, the Rent Review Board conducted a public meeting at which it received and considered the 2022 Annual Report. The draft of that report had been prepared by Mr. Lawson, and was disseminated with the agenda packet prior to the Board meeting, in accordance with the Brown Act governing public meetings of City bodies such as the Board. The agenda of the meeting was posted by the Oxnard City Clerk on the City of Oxnard website, and a copy of the agenda and agenda packet were mailed to the management firms of the various mobile home parks in the City, including Kona Kai Mobile Estates, prior to the meeting of December 5, 2022. At that public meeting, the Board considered and discussed the Annual Report, and adopted the report by a unanimous vote. The Annual Report stated explicitly that “Kona Kai Mobile Estates chose not to apply for a C.P.I. formula space rent increase in calendar year 2022.”

[Citation: Exhibit H-31; testimony of Karl Lawson, RT 38:9 – 40:4]

FINDING NO. 5-03

Following the Board’s formal adoption at the meeting of December 5, 2022, the Annual Report was signed by Board Chair Efrain Jimenez. Mr. Lawson subsequently forwarded the report to Housing Director Emilio Ramirez, together with a draft of text for a cover memo to City Council. At the City Council meeting of February 9, 2023, Mr. Emilio Ramirez presented the Annual Report to City Council. In his staff report to Council, dated February 7, 2023, Mr. Ramirez wrote the following:

“Nineteen (19) of the twenty parks in Oxnard applied for the...C.P.I. increase allowed Under City Code 24-9(A)(1). One park chose not to apply for a C.P.I. increase.”

The park that chose to not apply for a C.P.I. increase that Mr. Ramirez referred to in his report to Council was Kona Kai Mobile Estates. The Annual Report attached to Mr. Ramirez' February 7, 2023 memo to City Council was identical to the Annual Report adopted by the Rent Review Board on December 5, 2022, and stated explicitly that Kona Kai Mobile Estates was the park that had not applied for a 2022 rent increase. At no point did Mr. Ramirez advise the City Council, or any other individual or party, that the statement regarding Kona Kai's failure to submit an application in 2022, was incorrect, had been called into question, or was in any way in doubt.

[Citation: Exhibit H-31; testimony of Karl Lawson, RT 40:5-21; testimony of Emilio Ramirez, RT 73:21 - 74:10]

FINDING SET 6: Ninety-day Notice of Rent Increase issued pursuant to California Civil Code

FINDING NO. 6-01:

The state Mobile Home Residency Law (MRL) is set forth in California Civil Code Section 798 et. seq. [Division 2, Part 2, Chapter 2.5 of the Civil Code]. It includes a state requirement, at Section 798.30, that owners of mobile home parks must provide residents of mobile home parks with a 90-day notice of proposed rent increases.

Section 798.30 reads in its entirety as follows: "The management shall give a homeowner written notice of any increase in his or her rent at least 90 days before the date of the increase."

[Citation: California Civil Code, Section 798.30, 2023 California Mobilehome Residency Law]

FINDING NO. 6-02

Article 8 – Actions, Proceedings and Penalties under the Mobilehome Residency Law, Section 798.85, reads as follows:

798.85 ATTORNEY'S FEES AND COSTS

In any action arising out of the provisions of this chapter the prevailing party shall be entitled to reasonable attorney's fees and costs. A party shall be deemed a prevailing party for the purposes of this section if the judgment is rendered in his or her favor or where the litigation is dismissed in his or her favor prior to or during the trial, unless the parties otherwise agree in the settlement or compromise.

The mechanism for enforcement of the Mobilehome Residency Law is by way of an aggrieved party filing an action in court. There is no provision under state law for a home owner to file an

administrative complaint if the home owner believes that a park owner has violated the MRL, and there is no administrative enforcement agency for such violations.

[Citation: California Civil Code, Section 798. 85; 2023 California Mobilehome Residency Law; testimony of Karl Lawson, RT 60:1-6]

FINDING NO. 6-03

Ms. Borjas testified that on December 23, 2021, she mailed 90-day notices of rent increase to the homeowners in the Park [Park's Exhibit 2, attached to Parkowners' Pre-Hearing Brief dated May 22, 2023]. That letter does not contain any statement informing the homeowners that they have the right to challenge the rent increase by filing a protest pursuant to the City Code of the City of Oxnard.

[Citation: Exhibit H-9; Park's Exhibit 2; Declaration of Janett Borjas, ¶ 6]

FINDING NO. 6-04

On December 23, 2022, a similar 90-day Notice was sent to homeowners. Exhibit H-9, an example of that Notice, was sent to the homeowner in Space #1 in the Park. That letter states that the rent for Space #1 will be increased from \$674.96 to \$713.70 effective April 1, 2023. The approved rents for Space #1 through Space #4 were set at the following rent levels effective April 1, 2021:

Space #1: \$649.00

Space #2: \$644.00

Space #3: \$791.50

Space #4: \$915.50

Those approved rent levels had not been increased as of December 23, 2022; and remained at those same levels as of March 31, 2023. Exhibit H-1 lists the 2021 **approved** rents for all 168 spaces in the Park that are subject to the System, and these approved rents also remained at the same levels as of March 31, 2023.

[Citation: Exhibits H-1 and H-9; Declaration of Janett Borjas, ¶ 8]

FINDING NO. 6-05

Park owners are not legally obligated to apply to increase rents after having served a 90-day notice on homeowners, nor to implement a rent increase. There have been cases of Oxnard mobile home parks issuing 90-day notices of rent increases, wherein the park subsequently did not apply for a rent increase or increase rents.

[Citation: Testimony of Karl Lawson, RT 59:21-25]

FINDING SET 7: C.P.I. Applications Submitted by Kona Kai Mobile Estates through 2021

FINDING NO. 7-01

In most years prior to 2022, Kona Kai Mobile Estates submitted to the City annual applications for C.P.I. rent increases. Specific evidence was introduced into the record regarding applications which were submitted for rent increases to take effect in April of 2018, 2019, 2020, and 2021. All of those applications resulted in an identical process which consisted of (a) a completed C.P.I. application being submitted by the Park, at least sixty days prior to April first of each year, which included a rent roster listing the name of each home owner for each space, the authorized rent for each space, the proposed rent increase for each space, and the proposed new rent level sought by the park for each space; (b) preparation and mailing by the City to each home owner in the park a Notice of C.P.I. Formula adjustment, with additional copies of the Notice mailed to the Park's management firm, and also to the on-site manager of the Park for posting on the bulletin boards in the Park; and (c) a subsequent letter to the Park, sent by the City at least thirty (30) days after the mailing of the afore-mentioned Notice, approving the application for the C.P.I. rent increase.

[Citation: Exhibit H-2; testimony of Karl Lawson, RT 33:1 – 34:1]

FINDING NO. 7-02

Letters setting forth the City's written approval of the C.P.I. rent increases were sent to Kona Kai on the following dates: April 3, 2018; March 11, 2019; March 9, 2020; and March 15, 2021. Each of those letters was addressed to Mr. Ryan Goodell, and each letter specifically states that the approved rents which the City was authorizing to be implemented in April of each year were the rent levels that were set forth in the Park's application and the City's Notice to homeowners, which was in each case referenced by the date that said Notice was issued.

[Citation: Exhibits H-1 and H-13; testimony of Karl Lawson, RT 33:1 – 34:16]

FINDING NO. 7-03

On December 23, 2020, the Park submitted its application for an April 2021 C.P.I. Formula Rent Adjustment. On February 9, 2021, the City mailed a Notice of C.P.I. Formula Adjustment to all home owners in the Park, along with a letter dated February 9, 2021 to the Park. On March 15, 2021, the City sent a letter to the Park approving the rent increase to take effect on April 1, 2021.

[Citation: Exhibit H-1; City Exhibit 7A, Tab 12; testimony of Karl Lawson, RT 19:6-11 and 30:16 – 31:9]

FINDING NO. 7-04

The letter dated March 15, 2021 represents the most recent approval of authorized space rents in Kona Kai Mobile Estates. The current approved rents for each space are those set forth in the rent roster that was attached to the application dated December 23, 2020. By way of illustration, and as set forth in Exhibit H-1, the current approved rents for the first four spaces in the park are:

- Space #1: \$649.00*
- Space #2: \$644.00*
- Space #3: \$791.50*
- Space #4: \$915.50*

Exhibit H-1 lists the current approved for all 168 spaces in the Park that are subject to the System.

[Citation: Exhibit H-1; testimony of Karl Lawson, RT 19:6-11 AND 31:4-14]

FINDING SET 8: Kona Kai’s Claim that it submitted a C.P.I. Application for a 2022 Rent Increase

FINDING NO. 8-01

At all times material herein, the City maintained a log with the contact information for the representatives of all mobile home park managements. That information included, for each mobile home park, the name, address, email address, and telephone number of the on-site manager of each park and of any contact person/representative of the management firm. Whenever the City was notified of a change in any of that information, Mr. Lawson updated the log to reflect the new name or contact information.

[Citation: Testimony of Karl Lawson, RT 34:17 – 35:7]

FINDING NO. 8-02

From at least 2016 through 2022, Mr. Ryan Goodell was the representative at Cal-Am responsible for the management of Kona Kai Mobile Estates, specifically for the purpose of submission of the annual rent increase applications. The Park’s rent increase applications for 2018, 2019, 2020, and 2021 were all submitted by Mr. Goodell, and all City correspondence related to those applications was addressed to Mr. Goodell. The City’s letters to the Park dated February 9, 2021 and March 15, 2021 were sent to Mr. Goodell, with a copy to the Park’s on-site manager.

**THIS FINDING
MODIFIED - SEE
APPENDIX 'B'**

[Citation: Exhibit H-1; Declaration of Janett Borjas, ¶ 5; Testimony of Karl Lawson, RT 34:5-16]

FINDING NO. 8-03

On September 14, 2021, Mr. Lawson sent a notification addressed to Owners and Managers of Mobilehome Parks in Oxnard entitled "Permissible C.P.I. Increase for Calendar Year 2022" (Exhibit H-3). That notification advised mobile home parks that the change in the C.P.I. from August of 2020 to August of 2021 came to exactly 4.00%. Mr. Lawson testified that the notification of September 14, 2021, was sent to Mr. Ryan Goodell, who was the property manager for Kona Kai Mobile Estates employed by CalAm, and who had been the designated contact person, and the individual who had prepared and submitted Kona Kai's CPI rent increase applications, for several years. On the memo, the date was written as "September 14, 2021" and the memo was signed in ink, with Mr. Lawson's full name signed by hand in cursive.

[Citation: Exhibit H-3; testimony of Karl Lawson, RT 15:4-13 and 34:7-20; Declaration of Janett Borjas, ¶ 11]

FINDING NO. 8-04

Between September 14, 2021, and December 15, 2022, there were no communications from the Park to the City regarding any application for a 2022 C.P.I. rent increase for the Park. At no time prior to December of 2022 was the City notified by the Park that Mr. Goodell was no longer employed by Cal-Am, or that any other individual had assumed responsibility.

[Citation: Testimony of Karl Lawson, RT 35:14-23]

FINDING NO. 8-05

The first time that any representative of Kona Kai communicated an assertion to the City claiming that the Park had submitted an application for a calendar year 2022 C.P.I. rent increase was by way of an email on January 6, 2023 at 11:35 a.m., sent to Oxnard Housing Director Emilio Ramirez by Ms. Sheila Tannert, National Operations Manager for Cal-Am (Exhibit H-12). In her email, Ms. Tannert stated as follows:

"Good afternoon,

"We were alerted by Karl Lawson that he could not find our 2022 CPI adjustment rent increase application, in going through our files we have found that our district Manager Rowena Bangsil did fill out and mail the application in, on or around December 14, 2021. I have found a copy of what was mailed and have attached it to this email."

With that email Ms. Tannert attached a copy of the document which she stated had been sent to the City in December of 2021. That document (hereinafter the “Purported 2022 Application”) consisted of a total of twelve (12) pages, as follows:

- (1) A one-page cover memo dated “December 14th, 2021”, which bore an electronic signature of “Karl”;
- (2) A five-page CPI rent increase application form for a 4% rent increase to take effect on April 1, 2022; and
- (3) A randomly-sequenced list of rent levels with a 4% increase amount for each one.

The list of rent levels was not a rent roster, as it did not contain the names of the resident of each space, nor did it list the rents by space number, nor in any order (neither ascending nor descending).

[Citation: Exhibit H-12]

FINDING NO. 8-06

By the date that the Purported 2022 Application was sent by Ms. Tannert to the City Housing Director Emilio Ramirez (January 6, 2023), Mr. Lawson was already retired from City service. Despite the fact that Mr. Lawson was already retired, Mr. Ramirez, upon receipt of the Purported Application, reached out to Mr. Lawson for assistance, and forwarded to Mr. Lawson the email from Ms. Tanner and the Purported 2022 Application (email from Ramirez to Lawson of January 12, 2023, at 2:40 p.m., Exhibit H-13). Mr. Lawson reviewed and analyzed the document and responded to Mr. Ramirez, and to the Oxnard City Attorney, by way of a detailed written report transmitted by email dated January 12, 2023 at 8:31 p.m. (Exhibit H-13).

[Citation: Exhibit H-13; testimony of Karl Lawson, RT 23:3-18]

FINDING NO. 8-07

Mr. Lawson’s report to his former employer consisted of two sections, with these headings:

1. “Analysis of Whether the First Page is Genuine or Not”
2. “Was the Attached Application ever Submitted?”

In his report, Mr. Lawson advised the City that (a) the document submitted by the Park appeared to be a forgery; (b) he had never seen the document submitted by Ms. Tannert before; (c) the Purported 2022 Rent Increase Application had never been previously submitted to the City; (d) the Purported Application was incomplete, and (e) had it been submitted, it would not have been accepted or processed by the City, due to the omission of the required rent roster; rather, it would have been rejected.

[Citation: Exhibit H-13]

FINDING NO. 8-08

In the first part his report, Mr. Lawson detailed why the cover memo which was purportedly from him (Mr. Lawson), and which bore an electronic italic signature with just his first name "Karl" at the end, was not a document that he had written or transmitted. The reasons were as follows:

- (1) *The document was similar to the notification that Mr. Lawson sent out to all mobile home parks every September, but bore a date of "December 14th, 2021".*
- (2) *While the document is almost identical to the notification that Mr. Lawson sent out to all parks on September 13, 2021 (Exhibit H-3), it has three alterations.*
- (3) *The first alteration is that the date was written with a "th" after the number "14".*
- (4) *The second alteration is that in the body of the notification, Mr. Lawson's email address is written incorrectly, ending with "@oxnard.or" instead of "oxnard.org".*
- (5) *The third alteration is that the document bore an electronic italic signature rather than a hand-written signature.*

Mr. Lawson wrote in his report to the City officials, and testified on May 24, 2023, that (a) he had not written the document; (b) would have had no reason to send out a document such as this in the month of December, given that the notification that is Exhibit H-3 had gone out in September of 2021, and that every year such notifications are always sent out in September; (c) that he never wrote the letters "th" before a comma when writing out a date; and (d) that on the memo of September 13, 2021 (Exhibit H-3), his email address was typed correctly.

With respect to the electronic signature of "Karl", Mr. Lawson advised the City officials that he had never used Docusign or other electronic signatures for letters and memos that were official communications; rather, if he was sending a document to someone, he would print it out on paper, and sign it in ink before either mailing it or scanning it and transmitting it electronically.

Further, Mr. Lawson stated that he always signed his full name in cursive on official correspondence, not just his first name. He also noted that the City of Oxnard logo at the top of the document which purported to be a City of Oxnard logo was in fact slightly different from the City of Oxnard logo that appeared on the Housing Department letterhead.

Mr. Lawson concluded that section of his report to the City officials with the following tactfully-worded sentence:

"It pains me to say this, but it appears possible that this is a document which somebody outside of the City organization created."

At the hearing of May 24, 2023, Mr. Lawson testified that the document that the Park asserted in January of 2023 had been submitted with the Purported 2022 Application was in fact a forged document that he had not generated, had never been submitted to the City while he was employed by the City, and which he had never previously seen.

THIS FINDING
MODIFIED -
APPENDIX 'A'

[Citation: Exhibits H-3, H-12 and H-13; testimony of Karl Lawson, RT 23:11-12]

FINDING NO. 8-09

The second part of Mr. Lawson's report to City officials detailing the facts that confirmed that the Purported 2022 Application had never been received by the City, is as follows:

- (a) The name of the Park's representative on the Purported 2022 Application was an unusual name that Lawson had never seen before (Rowena Bangsil) and which he would have remembered; and had the City actually received the Purported 2022 Application, her name would have been entered on the log Mr. Lawson maintained where he recorded the names of management contact persons for mobile home parks as soon as he learned of such individuals;
- (b) Had the Purported 2022 Application been received, it would have been rejected by the City, since no application can be processed without the required rent roster which is necessary to perform the space-by-space comparison of homeowners and rents; and further, that it was not accompanied by the required payment for the application and postage fees.

In his written report, Mr. Lawson also recommended that Mr. Ramirez request two things from Ms. Tannert for the purpose of ascertaining the veracity of the Park's claim that the Purported 2022 Application had actually been submitted: first, that the City request from Ms. Tannert a copy of the cancelled fee check that would have to have been submitted with the application; and second, that the City request that she provide a copy of any letter received from the City approving a 2022 rent increase.

There is no evidence in the record that Mr. Emilio Ramirez, Mr. Albert Ramirez, Mr. Stephen Lewis, or any other City representative transmitted either of those two requests to Ms. Tannert or anyone representing the Park.

[Citation: Exhibit H-13]

FINDING NO. 8-10

Following receipt of Mr. Lawson's report of January 12, 2023, Mr. Ramirez, between January 12 and January 20, 2023, engaged in more communications with representatives of the Park, including Ms. Tannert and Mr. Matt Roberts, Controller for Cal-Am Properties. On January 20, 2023, Mr. Ramirez wrote the following to Mr. Lawson: "Karl: I spoke to the park manager. I wonder if you may have time next week to talk?" (Exhibit H-13). On January 23, Mr.

Lawson and Mr. Ramirez spoke by phone, the result of which was a request by Mr. Ramirez that Mr. Lawson come to the Housing Department offices to search for files related to Kona Kai's applications from prior years.

On January 24, 2023, Mr. Lawson went to the Housing Department offices at Mr. Ramirez' request and with his authorization, where he he was provided access to and reviewed those paper files. In an email of that same date at 6:06 p.m., Mr. Lawson summarized for Mr. Ramirez what had transpired:

"Today I pulled the CPI rent increase application file for Kona Kai from the years 2018, 2019, 2020, and 2021. I copied the documents and placed them in your in-box. The packet for each year has three key documents: the park's application; the Notice to homeowners and the cover letter to the park; and the closing letter in which I approve each year's application. The most important documents here are the approval letters dated April 3, 2018; March 11, 2019; March 9, 2020; and March 15, 2021.

"When you review those letters, you will note how I write dates on letters, how I type my name and title, and the fact that I always print out a letter and sign the letter in ink (no Docusign or italicized signatures. There is no such letter for the year 2022, because there was no application submitted for 2022."

Mr. Lawson further recommended that Mr. Ramirez have Housing Department employee Gabriel Diaz access the emails on Mr. Lawson's former work computer to search for any communications between September 2021 and December 2021 between the City and Ryan Goodell or anyone else from Cal-Am that might exist. There is no evidence in the record to indicate that such a search was performed or directed to be performed by Department Director Ramirez.

[Citation: Exhibit H-13]

FINDING NO. 8-11

In his communication of January 24, 2023, and a follow-up on January 25, 2023, Mr. Lawson wrote the following:

"It is not accurate to state that had Kona Kai submitted an application for an April 2022 increase that the City would have granted it. The submission of a completed application would have triggered the same process we have followed every year – which would have included a Notice to homeowners advising them of their right to submit a protest based on the facts in the park as of early 2022. Whether that would have happened or not can never be known, as that moment in time has passed forever..."

With respect to appeals by parks of the City's rejection of an incomplete or inaccurate application, Mr. Lawson wrote:

“Whenever we notify a party ... of their right to appeal a staff decision, we do that by sending them a written notification advising them that the way to appeal a decision to the Hearing Officer is to submit a written appeal within 15 days of receipt of the notification.”

The evidence in the record shows that the City initially rejected the Park’s 2023 rent increase application due to the inaccuracies (based on the Park’s claim that it had submitted a 2022 rent increase application, and its consequent wish to continue to incorporate into the rent structure the 4% increase that the Park had implemented unilaterally and without City authorization). The evidence in the record also shows that after first re-affirming that rejection and advising the Park of its right to appeal that rejection, the City ultimately reversed its position, culminating in Mr. Ramirez’ letter sent on February 15, 2023 and the Notice sent by the City to homeowners of that same date, which stated that the Park’s application was accurate and in compliance with the System.

[Citation: Exhibits H-13, H-21 and H-23]

FINDING NO. 8-12

As of February 13, 2023, the representatives of the Park continued to maintain in its communications with the City that it had indeed submitted a 2022 C.P.I. Rent Increase application.

Beginning on December 26, 2022, and continuing through February 13, 2023, the Director of the Housing Department had been apprised in writing by City staff that no such application for a 2022 increase had ever been received. As of February 13, 2023, the Director had been provided with no evidence that any such application, or the required fee check that would have had to be submitted for such an application to have been processed, had ever been received from the Park.

[Citation: Exhibit H-13]

FINDING NO. 8-13

Despite this, the City reached an agreement with the Park to process the Park’s 2023 CPI rent increase application as if the unilaterally-implemented 4% increase from 2022 would somehow be permitted, as set forth in Mr. Ramirez letter to Mr. Roberts which was transmitted on February 15, 2023 (Exhibit H-21) and in the Notice of CPI Rent increase that was mailed by the City to homeowner on February 15, 2023 (Exhibit H-23). Pursuant to that Notice, the deadline for homeowners to submit a Protest of the rent increase application was March 20, 2023.

It was not until May 11, 2023 – nine weeks after the Homeowners Protest in this case had been filed – that the Park finally admitted that it did not have evidence to support its claim that the Park had filed a 2022 rent increase application.

[Citation: Exhibits H-21 and H-23; email and letter from Anthony Rodriguez to Hearing Officer Hart dated May 11, 2023]

FINDING NO. 8-14

In her Declaration dated May 19, 2023, Kona Kai's On-Site Manager stated as follows:

"My duties also included posting Notices received from the City of Oxnard with respect to rent increases in the Park."

[Citation: Declaration of Janett Borjas Declaration, ¶ 4]

FINDING SET 9: The 4.0% Rent Increment for the period from April 2022 to March 2023

FINDING NO. 9-01

Beginning on April 1, 2022, the Park implemented and began collecting a 4% rent increase. The Park collected that 4% rent increase for the next 12 months, and the total amount collected during that period is known as the "2022 Four Percent Rent Increment".

[Citation: Declaration of Janett Borjas, ¶s 7 and 16; Parkowner's Exhibit 9]

FINDING NO. 9-02

On April 1, 2023, the Park refunded the entire amount of the 2022 Four Percent Rent Increment to all homeowners, by virtue of a rent credit, thus restoring the status quo ante that existed as of March 31, 2022. The result is that the rents paid by homeowners during the period from April 2022 through March 2023 reflect the approved rent levels that were authorized by the City effective April 1, 2021, as set forth in Exhibit H-1. The dollar amount of the total 2022 Four Percent Rent Increment was calculated by the Park as \$64,890.96

[Citation: Declaration of Janett Borjas, ¶ 16; Parkowner's Exhibit 9]

FINDINGS SET 10: The Three 2023 CPI Increase Applications submitted by Kona Kai

FINDING NO. 10-01

On September 13, 2022, Mr. Lawson sent a notification addressed to Owners and Managers of Mobilehome Parks in Oxnard entitled "Permissible C.P.I. Increase for Calendar Year 2023" (Exhibit H-4). That notification advised mobile home parks that the change in the C.P.I. from August of 2020 to August of 2021 had come to exactly 7.65%, and that "Pursuant to Section 2409(A)(1)(b) of the City Code, the permissible rent increase for calendar year 2023 would be equal to three-quarters of the C.P.I., or 5.74%. Mr. Lawson testified that the notification of September 13, 2022, was sent to Mr. Ryan Goodell. On the memo, the date was written as "September 13, 2022" and the memo was signed in ink, with Mr. Lawson's full name signed by hand in cursive. In the body of the memo, Mr. Lawson set forth his e-mail address as follows: karl.lawson@oxnard.org.

[Citation: Exhibit H-4; testimony of Karl Lawson, RT 19:24 – 20:3]

FINDING NO. 10-02

On November 14, 2022 Kona Kai On-Site Manager Janett Borjas sent an email to Mr. Lawson in which she wrote as follows: "Last year round September we received the following letter and as of today we have yet to receive a letter. Are you able to send that to me through here?" [Exhibit H-5]. Attached to Ms. Borjas' email was a copy of Exhibit H-3 – the September 2021 version of Exhibit H-4. Mr. Lawson responded with an email on November 14, 2022 in which he sent another copy of the letter dated September 13, 2022 and the application form for a 2023 CPI rent increase.

[Citation: Exhibits H-3, H-4, and H-5]

FINDING NO. 10-03

On Friday, December 16, 2022, Ms. Borjas submitted to the Housing Department the Park's application for a C.P.I. rent increase to take effect on April 1, 2023 (the "First 2023 Application" [Exhibit H-6). This would prove to be the first of a total of three (3) applications for a 2023 C.P.I. rent increase that the Park would submit between December 2022 and February 2023. Those three applications have been designated as the "First 2023 Application," the "Second 2023 Application," and the "Third 2023 Application."

[Citation: Exhibit H-6]

FINDING NO. 10-04

The First 2023 Application did not include a check for the application fee and postage fee.

On December 20, 2022, Mr. Lawson sent Ms. Borjas an email advising that there was no fee check included with the application. Ms. Borjas responded with an email that same date advising that she had taken steps to issue and remit the fee check, and the omission was rectified, as evidenced by emails exchanged between the City and the Park between December 20, 2022, and December 27, 2022.

[Citation: Exhibit H-7]

FINDING NO. 10-05

During the week of December 19 to December 23, 2022, Mr. Lawson dedicated his time to processing the C.P.I. applications submitted by several other parks that had submitted applications for 2023 rent increases before Kona Kai's was received. Mr. Lawson came to his office on Monday, December 26, 2022, despite the fact that City offices were closed that day due to the Christmas holiday, in order to commence the processing the Kona Kai application.

In the course of Mr. Lawson's review on December 26, 2022, he noted that the rent roster submitted with that First 2023 Application [Exhibit H-6] provided, for each space, the name of the homeowner of each mobile home in the Park, and the current rent being charged by the Park, which the Park represented as being the rent level approved as of April 1, 2022, along with the proposed 5.74% rent increase based on those allegedly approved rents. As an illustration, for Spaces #1 through #4, those current rents were listed on the rent roster as follows:

Space #1	\$674.96
Space #2	\$669.76
Space #3	\$823.16
Space #4	\$952.12

In addition to the then-current rents for spaces #1 through #4, the Park's rent roster for the First 2023 Application [Exhibit H-6] also lists the then-current rents for the other 164 spaces in the park that are subject to the Park's application to increase rents.

[Citation: Exhibit H-6; testimony of Karl Lawson, RT 20:12-25, 47:21-24 and 48:21-24]

FINDING NO. 10-06

In order to ascertain the accuracy of the First 2023 Application, Mr. Lawson compared the approved rent for each space with the rent listed on the Park's rent roster of that First 2023 Application. The approved rents for each space were those listed on the application for the Park's rent increase which took effect on April 1, 2021 [Exhibit H-1], and are found on the six-page attachment to that application which is entitled "Rent Increase – Rent Controlled Spaces, April 1, 2021".

As an illustration, for Spaces #1 through #4, those actual approved rents are listed in the left-hand column, as shown below, while the then-current rents listed by the Park in its First 2023 Application for those same spaces are listed in the right-hand column:

<u>Approved Rent As of April 2021.</u>	<u>Claimed "Approved Rent" charged by Park as of December 2022, As set forth in n Park's Application of December 16, 2022</u>
Space #1: \$649.00	\$674.96
Space #2: \$644.00	\$669.76
Space #3: \$791.50	\$823.16
Space #4: \$915.50	\$952.12

Exhibit H-1 lists the current approved for all 168 spaces in the Park that are subject to the System, and Mr. Lawson performed a similar comparison for each space's rent as listed by the Park in Exhibit H-6. For 161 of those 168 spaces, the rent level being charged for each space by the Park, and which the Park asserted was an "approved rent" for each space, was 4.0% higher than the actual approved rents.

[Citation: Exhibits H-1 and H-6; testimony of Karl Lawson, RT 20:14-25]

FINDING NO. 10-07

For the other seven spaces, the rent level being charged by the Park, and which the Park asserted was an "approved rent", were in amounts that exceeded the approved rents by dollar amounts ranging from \$44.08 to \$108.12, which, when expressed as a percentage above the approved rents, ranged from between 6.1% and 17.7%. Those space and differentials are:

Space	Approved Rent	Listed Rent on First 2023 Approval	Amount by Which rent Charged Exceeds Approved Rent	Differential Expressed as a Percentage
#5	648.50	744.12	\$ 95.62	14.74%
#8	703.00	811.12	\$ 108.12	15.4%
#52	725.00	769.08	\$ 44.08	6.1%
#104	657.00	766.48	\$ 109.48	16.66%
#151	890.00	990.60	\$ 100.60	11.3%
#155	607.50	715.00	\$ 107.50	17.7%
#168	674.00	770.12	\$ 96.12	14.26%

[Citation: Exhibit H-1; Exhibit H-6]

FINDING NO. 10-08

Based on this comparison, Mr. Lawson ascertained that the First 2023 Application was inaccurate, and on December 26, 2022, at 3:04 p.m., wrote an email [Exhibit H-7] to Ms. Borjas which read as follows:

"I have received and reviewed the rent roster that was submitted with the Park's application for a CPI increase to take effect on April 1, 2023. The rent levels on that roster do not coincide with the rent levels that were approved by the City to take effect on April 1, 2021. The rent levels on the roster submitted last week are 4% higher than the rent levels that were approved in April of 2021. It thus appears that the park implemented a 4% rent increase sometime in the past year.

"I am thus writing to request your assistance. The City cannot locate any record in our files of Kona Kai having submitted an application for a rent increase in calendar year 2022, nor of the Housing Department having processed such an application. Could you please check your files and let me know if you have any copies of correspondence from the Housing Department (or any other department in the City) reflecting submission of an application for an increase in 2022?"

Mr. Lawson also made a contemporaneous hand-written notation on Exhibit H-6, as follows:

"NOTE: THE 'CURRENT RENT' AMOUNTS APPEAR TO BE 4% HIGHER THAN THE AUTHORIZED RENTS.

*"Karl Lawson (signature)
12/26/2022"*

That hand-written notation appears in the upper right-hand corner of "Page 1 of 6" of the Rent Roster.

[Citation: Exhibits H-6 and H-7; testimony of Karl Lawson, RT 20:14-25]

FINDING NO. 10-09

Ms. Borjas wrote back on Tuesday, December 27, stating that *"I do not have any copies of anything. Ryan was the one who would have submitted and he deleted all files from his office before he left. What do I need to do?"*

Mr. Lawson responded a few minutes later, stating *"Thanks for getting back to me. I was unaware that Ryan had already left. Did someone replace him or take on the properties he was managing for Cal-Am? Please let me know, and thanks."*

Ms. Borjas replied immediately, stating as follows: *"Yes. Rowena Bangsil [is] her name and her email is rowenab@cal-am.com."*

[Citation: Exhibit H-7]

FINDING NO. 10-10

Mr. Lawson then immediately initiated communication with Ms. Bangsil at Cal-Am, sending an email to her on December 27, 2022, at 10:52 a.m. [Exhibit H-8]. The content of that communication was identical (verbatim) to what Mr. Lawson had written to Ms. Borjas on December 26, 2022, at 3:04 p.m. (from Exhibit H-7, as set forth in a previous finding). Ms. Bangsil replied that afternoon at 6:27 p.m., as follows:

"Thank you for your email. I will do some research on my end, I began my employment With Cal-Am last year in September. When did Ryan typically send you back these Applications, in what month? This will help me in my research."

On December 28, 2022, at 9:51 a.m., Mr. Lawson responded to Ms. Bangsil with an email that was also sent by copy to Housing Director Emilio Ramirez, Assistant Housing Director Albert Ramirez, and Assistant City Attorney Jason Zaragoza. Mr. Lawson stated as follows:

- (a) That Mr. Ryan Goodell "typically would submit the CPI rent increase application in late December or early January. The most recent application was dated 12/23/2020 (received in our office on January 5, 2021..."*
- (b) That "each application was accompanied with an application fee check made out to the City. The amount of the check is \$75.00 plus postage...to reimburse the City for the cost of mailing the rent increase notices to homeowners..."*
- (c) That "the easiest way for Cal-Am to determine whether any actions were taken internally to submit an application for an April 2022 rent increase would be to see if there was an internal request made for a check to be issued to the City of Oxnard in an amount of approximately \$172.00 in December 2021 or January 2022."*
- (d) That the City had "no record of receiving any such check or application in the Housing Department in late 2021 or at any time in 2022....My conclusion is that it is unlikely that an application was submitted. If that is the case, it would mean that the park implemented an unauthorized rent increase, and has been collecting the unauthorized increment for the past eight (soon to be nine) months."*
- (e) The email concluded with "As the situation stands now (and absent any documentation than an application for an April 2022 was indeed submitted), the City cannot process the just-submitted application for a CPI increase in April of 2023 ..."*

Mr. Lawson wrote that one way that the situation could be resolved would be if the Park were to roll back the rents to the amounts that were authorized as of April 2021, and submit a revised application based on those rent levels.

On December 28, 2022, at 5:01 p.m., Ms. Bangsil responded by indicating that she would forward Mr. Lawson's email to her supervisor and get back to the City. At 5:18 p.m. Mr. Lawson wrote back, stating that the City would await further communication from the Park. Ms. Bangsil followed up by sending an email requesting the citation for the code violation that Mr. Lawson had referenced in his earlier email, and on December 29, 2022, Mr. Lawson responded, providing the Code Sections of Chapter 24 of the City Code, and highlighting several specific sections.

[Citation: Exhibit H-8]

FINDING NO. 10-11

Beginning immediately on December 26, 2022 -- the day that he ascertained that Kona Kai had most likely implemented an unauthorized rent increase -- Mr. Lawson also commenced communications with his superiors in the City of Oxnard, including Housing Director Emilio Ramirez and the Office of the City Attorney. Between December 26 and December 29, 2022, Mr. Lawson kept them apprised of all information related to (a) the apparent imposition of a rent increase without City authorization, and (b) the communications that he had made to Ms. Borjas and Ms. Bangsil, and their responses.

[Citation: Exhibits H-7, H-8, and H-10; Testimony of Karl Lawson, RT 22:5-20]

FINDING NO. 10-12

Mr. Lawson's last day of employment with the City of Oxnard was on Friday, December 30, 2022. On that date, Mr. Lawson wrote a comprehensive report to Mr. Emilio Ramirez, regarding the status of all matters related to the administration of the Mobile Home Park Rent Stabilization System. That report included a table listing the fourteen (14) mobile home parks which had submitted applications for 2023 C.P.I. rent increases. The entry for Kona Kai Mobile Estates' application read: "Rejected 12/28/22".

The last page of the "Status Report as of December 30, 2022" is devoted entirely to Kona Kai Mobile Estates. Mr. Lawson outlined in that Report three possible responses from Kona Kai that might be received. The first would be a request from the Park seeking City agreement for a retroactive approval of an April 2022 rent increase; the second would be rolling back the rents to the April 2021 approved levels, and re-submitting a new application for a 5.74% rent increase in 2023 based on those approved rents; and the third would be a proposal for some other way

to resolve this without having to give homeowners a credit or reduce rents below what the Park was now charging.

Mr. Lawson advised that the response to the first proposal would be a direct rejection, given that the City staff *“does not have the authority to waive the 60-day advance submission date set forth in the ordinance and Resolution No. 11,468”*; and that if the second approach were to be implemented, then the Park would *“have rectified any violation and presumably the City Attorney would be fine with that.”*

Mr. Lawson further stated that if the Park proposed some other possible resolution, that the *“devil would be in the details. In the only previous case that happened like this (over 20 years ago), staff brokered a settlement which was ratified in a meeting with homeowners, and then approved by the Hearing Officer.”* The report concluded with a narrative of what transpired in that case over twenty years earlier.

[Citation: Exhibit H-10]

FINDING NO. 10-13

The evidence in the record reflects the submission by the Park of a second application for a 2023 C.P.I. rent increase. Exhibit H-25 is an application that has been identified as the “Second 2023 Application”. Though this document was not provided to the homeowners until after the hearing on this matter had been calendared, it was eventually provided and entered into the record. In response to a Public Records Act Request submitted on March 15, 2023, the City sent this document to Counsel for the Homeowners on May 9, 2023. [City Exhibit 8A, Tab 3].

On the first page of the application form, the “Second 2023 Application” bears the same date as the “First 2023 Application”. That date is December 16, 2022, but the date is written as “December 16th, 2022”, and is signed by Rowena Bangsil.

The application differs from the “First 2023 Application” in several ways. First, on “Page 4 of 5” of the application, the wording at the top reads as follows:

“A. Date current space rents went into effect with Approval of the Rent Review Board: 04/01/2023.

“B. Date proposed adjustment will be effective: 04/01/2023.”

In addition, the rent roster attached to the “Second 2023 Application” is different from the rent roster that was submitted with the “First 2023 Application” in two ways. First, it uses a different font type and has a different number of columns. Most important, the rent roster bears a print date of “December 19, 2022.”

[Citation: Exhibit H-25; City Exhibit 8A, Tab 3]

FINDING NO. 10-14

The rent levels listed on the "Second 2023 Application" are identical, for each space, to the rent levels listed on the "First 2023 Application". As set forth in the previous finding for the "First 2023 Application," the rent levels on the "Second 2023 Application" are all at least four percent (4%) higher than the approved rent levels for those spaces. By way of illustration, the "Current Rents" listed for the first four spaces in the Park are shown in the following table, with the approved rents shown for comparison:

<u>Approved Rent As of April 2021</u>	<u>Claimed "Approved Rent" Charged as of December 2022, per Park's Application of December 19, 2022</u>
Space #1: \$649.00	\$674.96
Space #2: \$644.00	\$669.76
Space #3: \$791.50	\$823.16
Space #4: \$915.50	\$952.12

[Citation: Exhibits H-1 and H-25]

FINDING NO. 10-15

There is no evidence in the record as to what actions, if any, were taken by the City with respect to the "Second 2023 Application".

FINDING NO. 10-16

On February 13, 2023, the Park submitted another application for a 2023 Rent Increase. That application, the "Third 2023 Application" has been designated as Exhibit No. H-22.

The "Third 2023 Application", on "Page 4 of 5" of the application, reads at the top as follows:

*"A. Date current space rents went into effect with Approval of the
Rent Review Board: 04/01/2021.*

"B. Date proposed adjustment will be effective: 04/01/2023."

[Citation: Exhibit H-22]

FINDING NO. 10-17

The rent roster attached to the "Third 2023 Application" has a column which bears the heading "Current Rent." For each space, a rent amount is listed. By way of illustration, the "Current

Rents” listed for the first four spaces in the Park are shown in the following table, with the approved rents shown for comparison:

<u>Approved Rent As of April 2021</u>	<u>Claimed “Approved Rent” Charged as of February 2023, per Park’s Application of February 13, 2023</u>
Space #1: \$649.00	\$674.96
Space #2: \$644.00	\$669.76
Space #3: \$791.50	\$823.16
Space #4: \$915.50	\$952.12

[Citation: Exhibits H-1 and H-22]

FINDING NO. 10-18

Each of the three 2023 applications provides calculations which result in a new rent level for each space that is at least 9.97% higher than the approved rents for those spaces. The rent roster submitted with the “Third 2023 Application” breaks down that calculation into two steps.

On an attachment entitled “Determination of Monthly Space Rent Increase”, the far left-hand column (“Column A”) lists the approved rent for each space (actually, which coincide with the 2021 approved rents for 161 of the 168 spaces in the Park). The Park then applies a 4.0% increase to each of those amounts, and in “Column D”, the “Proposed New Monthly Space Rents” for those spaces are listed.

The amounts in Column D reflect the rents that the Park was already charging homeowners, as of February 13, 2023. Utilizing those dollar amounts, the Park then applies a 5.74% increase to those figures, to yield another Column “C” which shows the 5.74% “Proposed Monthly Increase.”

The sum is represented in the far right-hand column entitled “Proposed New Monthly Space Rent.” The dollar figures in that column are equivalent to an increase of 9.97% over the approved rents that are listed in the far left-hand column.

[Citation: Exhibit H-22]

FINDING NO. 10-19

The dollar amounts under the “Column C” that the Park defines as a 5.74% increase in fact represent a percentage increase of 9.969% of the approved rents for each space, rather than

the 5.74% claimed by the Park. [e.g. for Space 1: $\$713.70 - \$649 = \$64.70 \div 649.00 = 0.099692$ or an increase of 9.97%, not 5.74% as claimed]

[Citation: Exhibit H-22]

FINDING NO. 10-20

In each of the three 2023 applications, for 161 of the spaces in the Park, the rent levels that the Park represented as being “approved” rent levels were at least four percent higher than the actual approved rent levels. With respect to the other seven spaces that showed current rents being charged as anywhere between 6.1% and 17.7% above the actual approved rent levels, there is no evidence in the record to show that the City took any action to determine whether those additional rent levels were authorized either as permissible change-of-occupancy increases, pursuant to Chapter 24-11 of the City Code, or for any other reason.

[Citation: Exhibits H-1, H-6, H-22 and H-25]

FINDING NO. 10-21

Between January 6 and February 13, 2023, there were communications and telephone calls between Oxnard Housing Director Emilio Ramirez and Ms. Sheila Tannert and Mr. Matt Roberts, representatives of Cal-Am. At times those communications also included attorney Stephen Lewis, who was representing the City of Oxnard. Those are reflected in emails in Exhibits H-14 through H-17.

On January 24, 2023, Mr. Matt Roberts wrote an email to Oxnard Housing Director Emilio Ramirez, as follows [Exhibit H-14]:

“Mr. Ramirez,

“My name is Matt Roberts and I’m the Controller for Cal-Am Properties, Inc., Which manages Kona Kai Mobile Home Park. I understand from speaking to Sheilla that there is an issue with our rent increase for 2022 which remains unresolved and affects our ability to finalize the increase for 2023. Can you please let me know when the best time is I can call your office to discuss with you or the best person on your team/staff?”

[Citation: Exhibits H-14, H-15, H-16 and H-17]

FINDING NO. 10-22

On February 3, 2023, Mr. Emilio Ramirez sent a text message to Karl Lawson advising him that he had retained Mr. Stephen Lewis to assist with the processing of the Park’s rent increase application, and asking if Mr. Lawson would be willing to contact Mr. Lewis to provide

assistance. On February 6, 2023 Mr. Lawson and Mr. Lewis spoke by telephone. During that call Mr. Lawson set forth the history and facts for which the Park's application was inaccurate, and reiterated the information that was set forth in his report to Mr. Ramirez of December 30, 2022 [Exhibit H-10], and the emails to Mr. Ramirez of January 12, January 24, and January 25 [Exhibit H-13]. In that conversation, Mr. Lewis stated his agreement with Mr. Lawson's analysis and recommendations, specifically agreeing that the unilateral implementation of the 2022 rent increase was improper, that the Park's utilization of those rents as a basis for calculating the 2023 increase rendered the 2023 application inaccurate, and that the proper way forward was for the City to reject the application and offer the Park the opportunity to appeal the rejection.

[Citation: Exhibits H-10 and H-13, testimony of Karl Lawson RT 23:16-18]

FINDING NO. 10-23

On February 3, 2023, Mr. Roberts wrote an email to Mr. Emilio Ramirez [in Exhibit H-16], which stated in pertinent part as follows:

"Emilio,

Thanks for getting back to me...I respectfully submit a proposal for resolution for your consideration...

"Problem: Kona Kai...believes but cannot prove that it sent the 2022 rent adjustment application to the City of Oxnard. Kona Kai did not pay the annual fee to the City for that year. The City did not send the notice of proposed increase to the residents and Kona Kai did not receive formal approval as a result...

"Proposed Resolution:

- *Kona Kai shall immediately pay the fee which should have been due with application for the 2022 rent increase.*
- *Kona Kai shall resubmit for review the 2022 rent increase application to ensure that it was calculated correctly. If there are any errors in calculation for 2022 based on the CPI Formula Adjustment permissible we agree to work through them on a case by case basis. If there are no issues with the calculation for 2022, we respectfully request that the City review our 2023 rent increase application which has already been submitted...*
- *If there are no issues with the calculation for 2023, we respectfully request that the city send out their notice of proposed increases to our residents for 2023, providing 30 days for the residents to protest. If there are no valid protests, we respectfully request that both 2022 and 2023 increases are automatically administratively approved."*

[Citation: Exhibit H-16]

FINDING NO. 10-24

On February 8, 2023 at 7:26 a.m. Mr. Emilio Ramirez responded by email to Mr. Roberts [Exhibit H-15], as follows:

"Matt,

"I am very sorry for the delay in response. I have not been able to engage Karl for this matter. However, I have engaged a private consultant to help us with rent stabilization and your application. His name is Stephen Lewis and is copied to this email. Upon his advice, I offer the letter attached as an initial determination which can be faithful to the process and a launch to a discussion. I have asked Stephen to reach out to you directly for this process."

It is not clear from the administrative record which letter Mr. Ramirez had attached to the February 8, 2023, email of 7:26 a.m. However, that email of 7:26 a.m. was followed at 11:05 a.m. by an email from Mr. Lewis, which read as follows:

"I have been retained by the City of Oxnard to help with this issue while the city recruits a new person to replace Karl Lawson who recently retired.

"For the reasons stated in the letter that you received this morning, the only avenue available for a resolution to this problem (Kona Kai's desire to impose a 2023 increase while retaining the unapproved 2022 increase) is through an administrative hearing to challenge the initial staff determination that the 2023 application is improper for the reasons stated. At such a hearing, Kona Kai can offer the reasons why it believes that the 2022 increase was proper and lawful, such that the 2023 application is correct.

[Citation: Exhibits H-15 and H-16]

FINDING NO. 10-25

On February 9, 2023, Mr. Emilio Ramirez called Mr. Lawson and requested that he communicate with Mr. Lewis again and provide him specifically with City Council Resolution No. 11,468. At 1:28 p.m. on that date, Mr. Lawson wrote an email to Mr. Lewis [Exhibit H-18] in which he provided Mr. Lewis with a copy of the guidelines set forth in Resolution No. 11,468., as Mr. Ramirez had requested. In that email, Mr. Lawson outlined the specific steps followed when processing an application, noting that "This system has been unaltered for over 20 years, a process which Kona Kai has been involved with each year the Park submitted an application."

On February 9, 2023, Mr. Matt Roberts requested a copy of the City Council Resolution from Mr. Lewis, and on February 10, 2023, Mr. Lewis forwarded the Resolution to Mr. Roberts

[Citation: Exhibits H-16, H-17 and H-18; testimony of Karl Lawson, RT 25:5-12]

FINDING NO. 10-26

Exhibit H-20 consists of a series of emails between Mr. Roberts and Mr. Lewis. Those emails refer to some telephone calls that took place in the period between February 9 and February 13, 2023. Counsel for the Homeowners submitted a Public Records Act Request to the City which sought the notes of and internal communications or memoranda related to any such conversations. In its responses, the City did not provide any such notes or internal communications or memoranda.

[Citation: City Exhibits 6-A, Tab 1, and 7-A, Tab 1; Exhibits H-20 and H-26]

FINDING NO. 10-27

On the morning of February 13, 2023, at 8:33 a.m., Mr. Roberts sent an email to Mr. Lewis, which was copied to Mr. Emilio Ramirez [Exhibit H-20]. That email states as follows:

"Stephen,

"As promised, please find attached one revised 2023 CPI Rental Adjustment Application covering the CPI amount for each year. Kona Kai Estates believes that it sent in the original 2022 CPI rent adjustment application timely, and as such, should not lose the ability to increase rent by 4% from 2022.

"If approved, we agree to credit to each resident the amount of the rent increase paid for the period 4/1/22 – 3/31/23.

"Please feel free to call with any questions. Please send a copy of the letter you plan to send Wednesday for our records.

"Please confirm if you finish your review of the attached and it is as expected and I will have a check prepared for the fee."

(Emphasis added in bold font)

[Citation: Exhibit H-20]

EXHIBIT NO. 10-28

Less than three hours later, at 11:11 a.m. on February 13, 2023, Mr. Stephen Lewis sent a response email to Mr. Roberts which attached a draft of a letter that the City proposed to send to Mr. Roberts on Wednesday, February 15, 2023. That email stated as follows:

"Matt,

"I have attached the body of the letter that we will send to you on Wednesday. We will also of course send a notice to the tenants (referenced in the cover letter), which will include the same information.

"We have the check that you sent previously for the current application, but will also require payment for last year's, so we [sic] please deliver that payment asap."

At 5:33 p.m. Mr. Roberts sent Mr. Lewis "one revised 2023 CPI Rent application covering the CPI amount for each year." And then that evening at 8:46 p.m., Mr. Roberts replied by email to Mr. Lewis's email, suggesting two modifications to the draft City letter, and informing Mr. Lewis that the 2022 fee check would be sent by Fedex that day.

[Citation: Exhibits H-20 and H-22]

FINDING NO. 10-29

On February 7, 2023, Oxnard Housing Director Emilio Ramirez appeared before the Oxnard City Council and reported to Council that the Park had not filed an application for a 2022 rent increase.

One week later, that position changed. The communications between City representatives (Emilio Ramirez and Stephen Lewis) and Park representatives (Ms. Tannert and Mr. Roberts) eventually resulted, on February 13, 2023, in the City agreeing to process the Park's 2023 rent increase application, on terms that were agreed to between the City and the Park, and with Mr. Lewis abandoning the position set forth in his email of February 8, 2023, sent at 7:26 a.m.

At no point did any representatives of the City reach out to or initiate any communication with any homeowners in the Park to seek input from the homeowners on the 2023 application and the Park's efforts to persuade the City to process the application.

[Citation: Exhibits H-14, H-15, H-16, H-20, H-21, H-22, H-23 and H-31]

FINDING NO. 10-30

On or about February 15, 2023, City of Oxnard Housing Director Emilio Ramirez sent a letter to Mr. Matt Roberts [Exhibit H-21]. While the letter bears no date, the City indicated in writing to Counsel for the Homeowners, and via testimony, that the letter was transmitted on February 15, 2023. That letter included the following wording:

- *“Last year, your office submitted to the City a CPI increase application;*
- *The City has no record of having received that application*
- *During the period of the Covid-19 pandemic, both your office and the City experienced illness of personnel resulting in missed work days and changes in personnel, creating some confusion;*
- *There is no way to be certain whether last year’s application was received by the City or, if so, to what extent the application was processed*
- *Because it is possible that your office did submit last year’s application, the City has processed the current year’s application that includes a calculation of rents affected by the CPI increase prescribed by law for the past two years, with the increase stated in the application to go into effect as of April 1, 2023,*
- *But because it is possible that your office did not submit last year’s application, you will refund to all homeowners the increased rent that was collected as the result of the April 1, 2022 increase.”*

[Citation: Exhibit H-21]

FINDING NO. 10-31

On that same date, February 15, 2023, Mr. Ramirez caused to be produced and mailed to all homeowners in Kona Kai a “Notice of CPI Formula Adjustment” [Exhibit H-23]. That Notice contained the following wording:

- *“Last year, as well as this year, the Park submitted to the City a CPI increase application;*
- *The City has no record of having received last year’s application*
- *During the period of the Covid-19 pandemic, both the Park and the City experienced illness of personnel resulting in missed work days and changes in personnel, creating some confusion;*

- *There is no way to be certain whether last year's application was received by the City or, if so, to what extent the application was processed*
- *Because it is possible that the Park did submit last year's application, the City has processed the current year's application that includes a calculation of rents affected by the CPI increase prescribed by law for the past two years, with the increase stated in the application to go into effect as of April 1, 2023,*
- *But because it is possible that the Park did not submit last year's application, the Park will refund to all homeowners the increased rent that was collected as the result of the April 1, 2022 increase."*

The text of the Notice concluded with a statement that the requested increase *"will be authorized to go into effect on April 1, 2023, unless residents representing 25% or more of the spaces...in the Park file a protest..."*

[Citation: Exhibit H-23]

FINDING NO. 10-32

Attached to the text of the Notice was a five-page spreadsheet, with three columns of numbers, containing 137 different rent levels in the park. The 137 rent levels are not identified by space number, and are not in any order (not from lowest to highest, nor vice versa).

On four of those pages (Pages 1, 2, 4 and 5), the far left-hand column is titled "Current Rent Level Approved April 2021". On Page 3, that column is titled "Current Rent Level Approved as of January 2022". The rent levels in that far left-hand column were not approved rent levels as of April 2021 or any other date.

The middle column is titled "Plus 5.74% C.P.I. Increase", and the dollar figures in that column represent 5.74% of the amounts in the left-hand column. The right-hand column, titled "Equals New Rent Effective Month of April 2023", consists of the sums of the figures in the two columns to the left.

[Citation: Exhibit H-23]

FINDING NO. 10-33

The language that was utilized by Mr. Ramirez in his undated letter to the Park, and which was included in the Notice of CPI Formula Adjustment sent on February 15, 2023, to homeowners in the Park, is the language that was negotiated between Mr. Lewis and Mr. Roberts, as set forth in their emails of February 13, 2023. Specifically, the City's letter and Notice repeat, nearly verbatim, the statements by the Park in which it proposed that the City take the course of action that the City ended up taking. That included the claims that the Park had submitted an

application in 2022; that the COVID-19 Pandemic had resulted in both the Park and the City experiencing “illness of personnel resulting in missed work days and changes in personnel”; and that uncertainty still existed as to whether a 2022 application had been submitted.

Mr. Ramirez testified that the inclusion of the wording proposed by the Park in the two documents sent out by the City was not the result of any “negotiations” between the City and the Park. He characterized it as “they were discussing how to proceed, vis-à-vis, the rent increase that was not approved for in the prior year.”

[Citation: Exhibits H-20, H-21, and H-23; testimony of Emilio Ramirez, RT 82:11-18, 93:11 – 94:20 and 95:2 – 96:15]

FINDING NO. 10-34

The testimony of Housing Director Emilio Ramirez, together with the correspondence between Cal-Am representative Matt Roberts and City representatives Emilio Ramirez, Albert Ramirez, and Stephen Lewis [Exhibits H-17, and H-20], together confirm that the application that the City processed and referred to in the Notice to Homeowners dated February 15, 2023, was the application that the Park filed on February 13, 2023 (the “Third 2023 Application”).

[Citation: Exhibits H-17 and H-20; testimony of Emilio Ramirez, RT 97:17 – 98:2]

FINDING NO. 10-35

At the hearing of May 24, 2023, the Homeowners introduced Exhibit No. H-29. That Exhibit is an Analysis prepared by Mr. Lawson, setting forth the results of a space-by-space comparison of the approved rent levels for all spaces in the Park with the rent levels that were claimed to be “Approved Rent Levels” in the notice of the 2023 rent increase application. The analysis lists all 138 approved rent levels, and all 137 rent levels which were claimed to be “Approved Rent Levels” for the purpose of the 2023 rent increase application. The results of the comparison, as set forth in the first page of the Analysis, is as follows:

Total Number of Spaces in park:	168
Total Number of Approved Rent Levels (effective April 2021):	138
Total number of Rent Levels listed on rent Increase Application Notice for April 2023 rent increase:	137
Number of rent levels listed on rent increase Application notice for April 2023 rent increase Which are actually approved rent levels:	1

Number of rent levels listed on rent increase
Application notice for April 2023 rent increase which
are within the legal rounding parameters of an
Approved rent level:

16

The last category of 16 listed above represent rent levels that, if rounded, could be considered approved rent levels, based on Exhibit H-29. If that is presumed to be true, then, the evidence shows that at least 121 (or 88%) of the 138 actual approved rent levels are not listed anywhere on the application for the April 2023 rent increase or on the notice for that rent increase. This is true for each of the three versions of the April 2023 rent increase application which were submitted by the Park.

[Citation: Exhibits H-1, H-6, H-22, H-23, H-25, and H-29; testimony of Karl Lawson, RT 28:5-19 and 56:9-18]

FINDING NO. 10-36

On February 26, 2023, an email was sent by Ms. Janie Garcia-Bouchet to Housing Director Emilio Ramirez. Ms. Garcia-Bouchet wrote as follows:

"Dear Mr. Ramirez

"We have received the notice for the rent increase (dated February 15, 2023) for Space #6 in Kona Kai Mobilehome Estates and the five attached pages with lists of rents (but those pages do not provide space numbers). It is a little hard to understand these papers (we can't even tell what page of the attachment represents rent for Space #6), so I am writing to ask the following questions:

"1. What is the dollar amount of the City-approved rent for space #6 as of April of 2021?

"What is the dollar amount of the NEW rent for space #6 that the City is proposing will take effect in April of 2023?

"We want to make sure that everything is legal including the new rent. Because of the deadline please provide this information as soon as you can.

"Thank you in advance for your assistance in this matter."

On February 27, 2023, Assistant Oxnard Housing Director Albert Ramirez responded by email with the following:

"Thank you for your email. Below are my responses to your questions.

- Based on our records the space rent was \$828.50 in April of 2021
- The proposed space rent beginning April of 2023 is \$911.09

"Let me know if you have any questions"

[Citation: Exhibit H-19]

FINDING NO. 10-37

Ms. Garcia-Bouchet replied to the email from Albert Ramirez on February 28, 2023, writing as follows:

"Dear Mr. Albert Ramirez

"Thank you for your response. The current approved space rent for Space #6 is \$828.50. The new proposed rent is \$911.09. That is an increase of 9.97% -- almost 10%.

"It is clear that the park was not given authorization to increase rents in 2022, and now is trying to increase for which they never received approval on top of the 2023 rent increase."

"I have two questions about this:

"1. Does the City agree that the park should get a 9.97% rent Increase in 2023?

"2. If so, why?

"I respectfully request that you answer these questions."

The City never responded to Ms. Garcia-Bouchet.

[Citation: Exhibit H-19]

FINDING SET 11: Homeowners' Protest of the 2023 Application

FINDING NO. 11-01:

On March 16, 2023, and March 20, 2023, Kona Kai homeowners submitted a Protest Petition, challenging the Park's application for a 2023 CPI rent increase. That Protest Petition [Exhibit H-

28] consisted of twenty-one pages of petitions, bearing a total of seventy-five signatures of homeowners residing in Kona Kai, along with an attached sheet which the homeowners disseminated when collecting the signatures on the petitions. The seventy-five signatures represent at least sixty-two (62) of the 168 spaces subject to the Park's rent increase application.

[Citation: Exhibit H-28]

FINDING NO. 11-02

The title of the petition submitted by Homeowners is "Protest of 2023 Rent Increase". The 21 pages of the Protest each had anywhere from one to seven different homeowners' signatures per page. The full text of the petition reads, in its entirety, as follows:

"PROTEST OF 2023 RENT INCREASE

"We the undersigned home owners in Kona Kai Mobile Estates hereby protest the CPI rent increase application that was presented by Kona Kai to the City of Oxnard Housing Department. The information in the rent increase application is inaccurate and violates the City ordinance and the information in the City's "Notice of C.P.I. Formula Rent Increase" is inaccurate, incomprehensible, and openly allows the park owner to violate the rent stabilization ordinance. The park is applying for a 2023 rent increase of almost 10 percent, even though under the City Code a legal and accurate application would only call for a 5.74% increase. It appears that the City is complicit with this violation of the City Code.

"By our signatures on this petition, we request that the park's 2023 rent increase application be denied in its entirety, and we demand a hearing in front of the independent Hearing Officer."

The sheet attached included the following language:

"All of us in Kona Kai received a letter from the city of Oxnard telling us about a rent coming up on April 1, 2023. What the city letter doesn't say is that Kona Kai gave us an illegal rent increase last year. We know that they now recognize that it was illegal because they are going to refund us for 12 months of that rent raise, to try to buy us off. But the park and the city now want to put that rent raise from last year back into our new rent so we will continue to pay it forever unless we stop it.

"We all know about the new city law last year that allows landlords to get an automatic 4% rent increase. But now we have found out from an attorney that new law only covers apartments and does not affect mobile home parks. It turns out that we are still protected by the old Mobile Home Rent Stabilization law which means that the park has to apply every year before they can increase rents. Kona Kai did not apply last year, they just raised our rents with no legal authority.

"So we are going to challenge this years rent increase. They are pretending it is only a 5.74% increase but it is really a 10% increase, and that is illegal..."

[Citation: Exhibit H-28]

FINDING NO. 11-03

If homeowners in Kona Kai had not consulted legal counsel, written a protest petition, collected sufficient signatures, and submitted the protest to the City by March 20, 2023, the City of Oxnard Housing Department would have authorized the Park to reinstate the 4% increase that the Park had never applied for, and would have authorized the Park to add to that a 2023 increase calculated based on 5.74% of the sum of the authorized rents from 2021 plus the never-applied-for 4% rent increment from 2022.

[Citation: Exhibits H-23 and H-28]

FINDING NO. 11-04

Following submission of the Protest Petition to the City, the matter was referred to the independent Hearing Officer. The hearing was convened by a telephone conference call on April 19, 2023, in which counsel for both parties participated, along with representatives of the City Housing Department. Procedures were established for discovery, and the hearing was set to resume May 24, 2023, at the Oxnard Public Library for the purpose of receiving testimony and evidence.

FINDING SET 12: Public Records Act Requests related to 2023 Rent Increase Application

FINDING NO. 12-01

Counsel for the homeowners submitted several Public Records Act (PRA) Requests to the City. In the records request submitted on March 15, 2023, the homeowners requested that the City provide, among other documents, the following:

"4: Documents for the period of December 1, 2022 through April 2023

"4-A: Copy of any rent increase application for an increase to take effect on or about April of 2023 that was submitted on behalf of Kona Kai Mobile Estates...

"4-C: Copies of all communications between any City representative and any Representative of the park management...between December 2022 and the Present, regarding the park's application..."

"4-D: Any internal City phone logs, notes, or other records of telephonic or In-person communications between any representatives of the City...and any Representatives of Kona Kai and/or Cal-Am."

'4-E: Any internal City phone logs, notes, memoranda, emails, or other records generated by or between any representatives of the City regarding the application submitted by Kona Kai/Cal-Am for a 2022 or 2023 rent increase, whether or not said records were shared with any representatives of the park management. This request also specifically includes any communications with to or by any previous employees of the City, both prior to and subsequent to such individual's separation from city employment.'

[Citation: City Exhibit No. 7-A, Tab 1, Public Records Act Request by Barbara Macri-Ortiz, dated March 15, 2023]

FINDING NO. 12-02

With respect to the Items included in its responses to the Public Records Act Requests of March 15, 2023 and February 27, 2023, and in the volume of administrative exhibits presented to the Hearing Officer by the City on May 24, 2023, the City collectively provided copies of the documents that have been designated as Exhibits H-1, and H-3 through Exhibit H-26. These documents were provided by the City to Homeowners' Counsel in several tranches, from March 8, 2023, up to the date of the hearing on May 24, 2023.

A partial response from the City to the PRA Requests was transmitted by Assistant Housing Director Albert Ramirez on March 8, 2023 [Exhibit H-26], and additional documents were transmitted over the next nine weeks. With respect to Item 4-C, in its response, and in the volume of administrative exhibits presented to the Hearing Officer by the City on May 24, 2023, the City provided copies of emails that have been designated as Exhibits H-12, H-14, H-15, H-16, H-19, H-20, H-24 and H-26.

[Citation: Exhibits H-12, H-14, H-15, H-16, H-19, H-20, H-24, H-26; City Exhibits 6-A, and 7-A]

FINDING NO. 12-03

It was not until the City's final response to the PRA request, on May 8, 2023, that the City provided (a) a copy of the application that has been designated as Exhibit H-25 (the "Second 2023 Application"), and (b) copies of the internal communications from Karl Lawson to City Representatives that have subsequently been designated as Exhibit H-10, H-13, H-17, and H-18.

[Citation: City Exhibits 6-A and 7-A]

FINDING NO. 12-04

On April 19, 2023, legal counsel for the homeowners sent the following email to the City:

"I have reviewed all the documents and it appears that only part of the documents requested under 4-E of my document request dated March 15, 2023 were provided. The request specifically sought, for the period of December 1, 2022 through April 2023:

'4-E: Any internal City phone logs, notes, memoranda, emails, or other records generated by or between any representatives of the City regarding the application submitted by Kona Kai/Cal-Am for a 2022 or 2023 rent increase, whether or not said records were shared with any representatives of the park management. This request also specifically includes any communications with to or by any previous employees of the City, both prior to and subsequent to such individual's separation from city employment.'

"It struck me as odd that Karl Lawson would not have provided a status memo of where this case stood just before his retirement. It also struck me as odd that there were no emails or other communications between Karl and any other Housing Department staff or the Director... There was nothing in your response that led me to believe that the City was withholding any documents based on privilege or any other appropriate reason under the PRA.

"I respectfully request that you check the files, particularly any communications from or to former employees and provide me and Mr. Rodriguez with any documents that may be responsive to this request."

[Citation: Exhibit H-26]

FINDING SET 13: Impact of COVID Epidemic on the administration of the City of Oxnard Mobile Home Rent Stabilization System

FINDING NO. 13-01

The COVID-19 pandemic which began in March of 2020 impacted the operations of the government of the City of Oxnard in several ways. Most city offices were closed to the public in the spring of 2020, and many city employees performed their work remotely. Mr. Lawson, the City's Mobile Home Rent Stabilization Director, along with many other employees of the Oxnard Housing Department, worked primarily outside of the City offices until mid-June of 2021, when City personnel returned to work in their offices and those offices re-opened to the public. In approximately August of 2021, when the Omicron variant of COVID-19 hit, the

employees of the Housing Department were divided into two cohorts, which worked in the office on different days so as to the reduce the risk of transmission. Housing Department employees returned to working full-time in City offices in the fall of 2021.

[Citation: Testimony of Emilio Ramirez, RT 83:19 – 85:11; testimony of Karl Lawson, RT 60:7 – 62:18]

FINDING NO. 13-02

During the first fifteen months of the pandemic, Mr. Lawson performed the responsibilities related to the administration of the mobile home park rent stabilization System through a combination of (a) working remotely; and (b) coming into the City office at nights, on weekends, and at other times when no other employees were present, in order to perform tasks which could only be performed while physically present in the office. Those tasks included such things as accessing physical files; printing correspondence, rent increase notices, envelopes, reports, and other documents; utilizing photocopying equipment; and utilizing the postage meter for outgoing correspondence.

[Citation: Testimony of Emilio Ramirez, RT 84:21 – 85:11; testimony of Karl Lawson, RT 60:7 – 62:18]

FINDING NO. 13-03

In 2020, 2021, and 2022, all rent increase applications which were submitted to the City by mobile home parks, and all utility passthrough applications that were submitted by mobile home parks, were successfully processed by Mr. Lawson.

[Citation: Testimony of Karl Lawson, RT 60:18-20 and 61:21 – 62:18; testimony of Emilio Ramirez, RT 85:8-11]

FINDING NO. 13-04

Mr. Lawson did not miss any work due to the COVID-19 pandemic, and was able to perform all duties related to the administration of the mobile home park rent stabilization System, and specifically with respect to the processing of rent increase applications. Department Director Emilio Ramirez testified that Mr. Lawson performed all of his duties; that there was never a time when he did not complete his duties; and that he performed all of his duties very well.

[Citation: Testimony of Emilio Ramirez, RT 75:1-4, 84:5-11 and 85:8-11; testimony of Karl Lawson, RT 60:18-20]

FINDING NO. 13-05

Historically over the past three decades, and on a regular basis, homeowner associations and other groups of homeowners invited Mr. Lawson to make presentations at in-person meetings hosted by those associations and groups. Homeowners in parks which had filed applications for rent increases frequently extended such invitations to Mr. Lawson, and he frequently accepted such invitations. The purpose of his appearances before homeowner groups was to provide accurate information to homeowners about the System and City ordinances, and to answer any questions that homeowners might have. Mr. Lawson testified that one impact of the pandemic was the cessation of such in-person meetings in the spring of 2020, and that it was not until mid-2022 that a few homeowner groups resumed such in-person meetings.

[Citation: Testimony of Karl Lawson, RT 61:25 – 62:18]

FINDING NO. 13-06

Beginning in the fall of 2021, the Oxnard City Council began a public process to consider the adoption of ordinances that would impose new regulations that would affect landlords and tenants of rental properties. Among those regulations was a proposal to establish a guaranteed annual rent increase in a flat percentage amount, which ultimately resulted in the Oxnard City Council enacting two ordinances (a “Tenant Protection” and a “Rent Stabilization” ordinance for tenants of apartments and some houses), one of which established such an annual increase of exactly four percent (4%). That process involved highly-publicized meetings, with media coverage over an extended period of months. Mr. Lawson testified that in addition to carrying out his responsibilities as Mobile Home Rent Stabilization Director, he was assigned, in late 2021, responsibilities related to public outreach and the administration of the new Tenant Protection and Rent Stabilization ordinances. As part of those responsibilities, he received and responded to hundreds of inquiries from Oxnard residents and landlords about those new ordinances, including inquiries from residents of mobile home parks. He specifically noted that numerous residents of mobile home parks who contacted the City were under the mistaken impression that the guaranteed flat 4% rent increase adopted for tenants of apartments applied to mobile home park space rents.

[Citation: Agendas and staff reports for City Council meetings of 9/14/2021; 10/19/2021; 2/9/2022; 4/13/2022; and 5/3/2022; Ordinance No. 3013; testimony of Karl Lawson, 62:19 – 63:22]

FINDING NO. 13-07

In the letter from Mr. Emilio Ramirez to Mr. Matt Roberts [Exhibit H-21], and in the City’s Notice of C.P.I. Formula Rent Increase dated February 15, 2023, which was mailed to all homeowners in the Park [Exhibit H-23], Mr. Ramirez stated as follows:

“During the period of the Covid-19 pandemic, both the Park and the City experienced illness of personnel resulting in missed work days and changes in personnel...”

Mr. Ramirez testified that he had no evidence of nor any knowledge to support that statement with respect to any illness to or changes in Park personnel, or of any impact of the pandemic on the Park’s operations.

Similarly, in its submissions in this case the Park refers to the impact of the pandemic on operations of the management of the park. The only evidence introduced by the Park that touches upon any potential impact of the pandemic is the hearsay statement found in Ms. Borjas’ declaration, in which she stated that

“To the best of my knowledge, those annual rent increase applications are prepared by those who work at Cal-Am’s Corporate Offices in Costa Mesa, although since the outbreak of the COVID-19 pandemic, many who once worked at the Corporate Offices now work remotely, or are no longer employed by Cal-Am.”

No evidence was introduced by the Park to support the contention that any such remote work or reduction in workforce had any impact on the Park’s ability to prepare rent increase applications.

Mr. Ramirez also testified that in his position as Director of the Housing Department, he had no evidence of nor any knowledge to support the statement that any illness of City personnel resulted in missed work days or changes in personnel that had any impact of the pandemic on the City’s administration of the mobile home rent stabilization System..

[Citation: Exhibits H-21 and H-23; Declaration of Janett Borjas, ¶ 10; testimony of Emilio Ramirez, RT 83:19 – 85 - 11]

FINDING SET 14: Country Club Mobile Estates’ Application for a 2023 C.P.I. Rent Increase

FINDING NO. 14-01

In the first week of November of 2022, Mr. Lawson notified the management officials of all mobile home parks in the City that he would be retiring at the end of December of 2022. Mr. Lawson identified fifteen parks in the City that had eligibility dates for their CPI rent increase which fell in the first five months of the calendar year. He invited those fifteen parks to submit their 2023 CPI applications by mid-December, which in many cases was earlier than said parks would normally submit their applications, so that he could ensure processing the applications prior to his retirement.

[Citation: Testimony of Karl Lawson, RT 46:14 – 47:2]

FINDING NO. 14-02

One of those fifteen parks was Country Club Mobile Estates, which was eligible for a rent increase to take effect on March 1, 2023. By December 31, 2022, Country Club had not submitted an application for its 2023 CPI increase. It was not until January 12, 2023, that Country Club submitted an application. That application sought an effective date of March 1, 2023, for the rent increase, a date which was only 48 days after the date the application was submitted.

[Citation: Exhibit H-30]

FINDING NO. 14-03

The Oxnard Housing Department rejected Country Club's application for a March 1, 2023 rent increase, and advised the park in writing of that determination. The Housing Department notified Country Club that it could appeal the staff action, and the park did so. Hearing Officer Hart conducted a hearing on Country Club's appeal, and issued a ruling affirming and upholding the staff's rejection of the application for a March 1, 2023 increase date.

[Citation: Exhibit H-30]

FINDING NO. 14-04

The Decision of Hearing Officer Hart in the Country Club case references Section III(A) of Council Resolution No. 11,468, specifically citing Paragraph Number 43. That Paragraph of the Decision reads as follows:

*"...[T]he operative language is clear and unambiguous: Section III(A) requires an application to be received at least sixty calendar days prior to the date of the proposed rent increase. The phrase 'must be received' establishes an absolute, mandatory, and non-discretionary requirement that park owners must comply with when applying for a rent increase. There is simply no way to interpret that sentence in any way that would permit an application for an increase 48 days following its submission to be approved, a result the park seeks in this case. *Not only was the City correct in rejecting a rent increase date that was less than sixty days following submission of the rent increase application, the City itself would have been derelict and acting in violation of the City Code and Resolution if it had processed an application for a rent increase to take effect less than sixty days following submission.* There is simply no wiggle room in the wording of Section III(A)." [Italics in original]*

[Citation: Exhibit H-30, ¶ 43, p. 14]

FINDING NO. 14-05

Less than three weeks after rejecting the application of Country Club Mobile Estates for submitting an application forty-eight (48) days prior to the requested rent increase date, and thus not being in compliance with the 60-day requirement set forth in Section III(A) of the City's rent stabilization System, the City accepted, processed, and stated in writing that a rent application submitted by Kona Kai Mobile Estates only forty-five (45) days prior to the proposed effective date of the rent increase was "in compliance with" the City's rent stabilization System.

That claim was set forth in the Notice of C.P.I. Formula Rent Increase sent out by Oxnard Housing Director Emilio Ramirez on February 15, 2023 [Exhibit H- 23].

In contrast to that statement, in his testimony at the hearing of May 24, 2023, Mr. Ramirez acknowledged that an application received 45 days prior to a requested rent increase was actually not in compliance with the requirements of the rent stabilization System. In that testimony, the application that he was referring to as having been submitted only 45 days prior to the requested rent increase date was Kona Kai's Third 2023 Application [Exhibit H-22].

[Citation: Exhibits H-22, H-23 and H-30; testimony of Emilio Ramirez, RT 78:14-25, 79:15-18 and 81:14-17]

APPENDIX B TO HEARING OFFICER DECISION:

**PROPOSED FINDINGS WHICH ARE REJECTED OR AMENDED BY THE
HEARING OFFICER**

- (a) Park's Proposed Finding 3 begins with the phrase "*The market rent for spaces at the park is currently \$1,660 per month...*". That phrase of Finding 3 is modified to read "*The Park's Resident Manager, Ms. Borjas testified that the market rent for spaces at the park is currently \$1,660 per month...*"
- (b) Park's Proposed Finding 5 reads, in the first sentence, that "*Section 24-9 of the ordinance allows park owners to increase rents once a year...*". That phrase of Finding 5 is modified to read "*Section 24-9 of the ordinance states that CPI formula adjustment applications may be submitted no more than once a year.*" In the second sentence, the phrase "*the parkowner is allowed to increase rents...*" is modified to read "*the parkowner is allowed to apply to increase rents...*"
- (c) Park's Proposed Finding 9 states that "*both the ordinance and resolution are silent as to when that type of protest must be filed.*" That language is stricken and replaced with the following: "*Section III(D)(1) of Resolution No. 11,468 states that any protest must be submitted within thirty days of the mailing to home owners of the City Notice of the proposed rent increase.*"
- (d) Park's Proposed Finding 11 states, in the second sentence, that "*As a result, the Parkowner was required to submit an application no later than January 31 with respect to each such notice, which is 60 days prior to the effective date.*" That language is stricken and replaced with the following: "*If the Parkowner chose to submit an application to seek City approval for an April 1 rent increase, said application had to be submitted no later than 60 days prior to the requested April 1 effective date.*"

- (e) Park's Proposed Finding 13 states that "*There is no evidence any of the tenants complained...*" That language of that Finding is modified to read that there is "*no evidence that any of the tenants complained to the Park's Resident Manager....*".
- (f) Park's Proposed Finding 14 describes the application submitted by the Park on December 16, 2022 as seeking a rent increase of 5.74%. This Finding is rejected.
- (g) Park's Proposed Finding 17 states that the City's Notice of February 15, 2023, informed homeowners that "*the calculations regarding last year's 4.0% rent increase were accurate, as were the calculations regarding this year's 5.74% rent increase.*" This phrasing does not accurately describe the contents of that City Notice, and thus this language is modified to read as follows: "*the 'City had processed the current year's application that includes a calculation of rents affected by the CPI increase prescribed by law for the past two years, with the increase stated to go into effect as of April 1, 2023', as set forth in Exhibit H-23.*"
- (h) Park's Proposed Finding 19 describes the Protest Petition submitted by the Homeowners as "a petition challenging the April 1, 2022 4.0% rent increase and the April 1, 2023 5.74% rent increase." The first two sentences of Proposed Finding 19 are rejected, and the third sentence is replaced with "*The Homeowners' Protest of the 2023 application does not include any allegations of service level reductions.*"
- (i) Park's Proposed Finding 28 states that "*Although the evidence shows the altered letter was in the possession of Cal-Am before it was forwarded to the City of Oxnard, there is no evidence as to who altered that letter, or why.*" This Proposed Finding is modified to read as follows: "*The evidence shows that the altered letter and the back-dated 2022 Rent Increase application to which it was attached were in the possession of Cal-Am, and were submitted by Cal-Am to the City on January 6, 2023.*"

- (j) Park's Proposed Finding 29 states, in the first sentence, that "*There is no evidence the Parkowner was involved in that process.*" This sentence is stricken from the Finding. The phrase "*In fact*" is stricken from the second sentence, and the words "*the Parkowner*" are replaced with "*Mr. Norman Karno*".
- (k) Homeowners' Proposed Finding 3-03, in the second sentence, contains unnecessary characterizations of the testimony of a witness. That second sentence is stricken from this Finding and replaced with the following: "*Mr. Lawson's testimony was unchallenged and undisputed.*"
- (l) Homeowners' Proposed Finding 8-02: Replace "*From at least 2016 through 2022, Mr. Ryan Goodell was the representative at Cal-Am responsible for the management of Kona Kai Mobile Estates.*" With: "*From at least 2016 through sometime in 2022, Mr. Ryan Goodell was the Regional Manager at Cal-Am responsible for the submission of Kona Kai Mobile Estates' rent increase applications to the City.*"
- (m) Homeowners' Proposed Finding 8-08: In the last sentence, replace the words "*forged document*" with "*fabricated and falsified document*"
- (n) Homeowners' Proposed Finding 14-05: The first sentence of the last paragraph of this Finding is stricken and replaced with the following: "*Mr. Ramirez testified that an application received 45 days prior to a requested rent increase did not meet the requirements of Section III(A) of the Resolution.*"

APPENDIX 'C' TO HEARING OFFICER DECISION

LIST OF EXHIBITS

Exhibits Introduced by Park Owner (17 total Exhibits, P-1 through P-17)

Exhibits Introduced by Homeowners (31 total exhibits, H-1 through H-31;
including one rejected exhibit, H-27)

Administrative Exhibits Presented by City of Oxnard

Administrative Exhibits Designated by Hearing Officer or Public Documents of
Which Administrative Notice Has Been Taken by the Hearing Officer

Moving Documents: Pre-Hearing Briefs submitted by Park and by Homeowners;
and Post-Hearing Briefs submitted by Park and by Homeowners

EXHIBITS PRESENTED BY PARK FOR HEARING OF MAY 24, 2023

(Note: all park-introduced exhibits are designated with the letter “P” followed by the number of the exhibit. The Declaration of Ms. Borjas has been designated as Exhibit P-17)

<u>Number</u>	<u>Description of Exhibit</u>
P-1	Copies of 90-Day Notices of Rent Increase for 2018, 2019, and 2020; plus copies of Notices of CPI Formula Rent for 2019, 2020, and 2021
P-2	90-Day Notice of Rent Increase bearing date of 12/23/21
P-3	U. S. P. S. proof of mailing for 90-Day Notices on 12/23/2021
P-4	90-Day Notice of Rent Increase, 12/23/22
P-5	U. S. P. S. proof of mailing for 90-Day Notices on 12/23/2022
P-6	2023 CPI Rent Increase Application bearing date of “December 16th, 2022”
P-7	List of rents with calculations of 4.00% and 5.74% rent increases
P-8	Document entitled “Kona Kai Summary”
P-9	Table entitled “Kona Kai Rent Credit Summary”
P-10	Notice of CPI Formula Rent Increase of 2/15/23
P-11	Mobile Home Rent Stabilization System, Chapter 24 of the Oxnard City Code
P-12	Oxnard City Council Resolution No. 11,468
P-13	List of mobile home parks with Oxnard addresses (from website for State of California HCD)
P-14	Excerpt, U. S. Department of Commerce, BLS, containing CPI data from 1981 to spring of 2023
P-15	Notice to Homeowners of 12/23/21
P-16	Notice to Homeowners of 12/13/22
P-17	Declaration of Janett Borjas executed on May 19, 2023

EXHIBITS PRESENTED BY HOMEOWNERS AT HEARING OF MAY 24, 2023

(Note: all Homeowner-introduced exhibits are designated with the letter “H” followed by the number of the exhibit. Exhibit H-27 has been designated as a rejected exhibit)

<u>Number</u>	<u>Description of Exhibit</u>
H-1	Approved CPI Rent Increase Application Packet for Calendar Year 2021 Rent Increase
H-2	Declaration of Karl Lawson regarding CPI Rent Increase Applications for Calendar Year 2021 and prior years
H-3	City Notification to Mobile Home Parks, dated September 14, 2021
H-4	City Notification to Mobile Home Parks, dated September 13, 2022
H-5	Email correspondence between Karl Lawson and Janett Borjas, November 2022
H-6	First 2023 Application – Rent Roster entitled “Rent Increase – Rent Controlled Spaces, April 1, 2023” (6 pages) plus one page entitled “Spaces Exempt from Rent Stabilization System” from 2023 CPI Rent Increase application submitted by Kona Kai on December 16, 2022; with hand-written notation on first page by Karl Lawson, dated 12/26/2022
H-7	Email exchange (nine pages) between Lawson and Borjas, 12/19/2022 to 12/26/2022
H-8	Email exchange (nine pages) between Lawson and Rowena Bangsil, 12/27/22 to 12/29/2022
H-9	Ninety-day Notice issued December 23, 2022 by Kona Kai Mobile Estates
H-10	Email from Lawson to Oxnard Housing Director Emilio Ramirez, containing Mobile Home Rent Stabilization Program Status Report as of December 30, 2022
H-11	Copy of Check #16964, Kona Kai check to Oxnard City Treasurer, for application and postage fee for CPI Rent Increase Application submitted 12/16/2022
H-12	Email transmitted on January 6, 2023, from Sheilla Tannert to Emilio Ramirez, with attached documents (a) Purported one-page memo dated “December 14 th , 2021” bearing electronic signature, and (b) Purported eleven-page CPI rent increase application from Kona Kai dated “12/14/2021”

- H-13 Email exchange between Lawson and Ramirez, 1/12/2023 – 1/25/2023
- H-14 Email exchange between Matt Roberts and Ramirez, from 1/24/2023 to 2/3/2023 (four pages)
- H-15 Email from Ramirez to Roberts and Stephen Lewis (one page), 2/8/2023 7:26 a.m.
- H-16 Email exchange between Roberts and Lewis, 2/8/2023 to 2/10/2023
- H-17 Email correspondence between Lewis, Ramirez, and Lawson, dated 2/9/2023 (three pages)
- H-18 Email from Lawson to Lewis, and response, subject matter “Kona Kai, Question from Emilio Ramirez”, dated 2/9/2023
- H-19 Email correspondence between Janie Bouchet and Maria Gloria Garcia, homeowner of Space #6 in Kona Kai, and Emilio Ramirez and Albert Ramirez, February 2023
- H-20 Email exchange between Roberts and Lewis (three pages), 2/13/2023 – 2/15/2023
- H-21 Undated letter from Emilio Ramirez to Roberts bearing heading “RE: CPI Rent Increase Application for Kona Kai Mobile Estates” (purported to have been sent 2/15/2023)
- H-22 Third 2023 Application: Rent Increase Application Packet (ten pages) for April 2023 rent increase of 4.0% plus an additional 5/74%, dated 2/13/2023
- H-23 Notice of CPI Formula Rent Increase dated February 15, 2023 consisting of five pages of text (2 pages in English, 3 in Spanish), plus a five-page attached spreadsheet purporting to contain approved rent levels as of April 2021 on four pages, and approved rent levels as of January 2022 on one page.
- H-24 Email exchange between Roberts, Lewis, and Emilio Ramirez, from 3/21/2023 to 3/28/2023 (four pages)

- H-25 Second 2023 Application: Document with hand-written notation “#3” in top right corner of first page, provided by City on May 8, 2023 pursuant to Public Records act request purporting to be a second version of Kona Kai’s CPI Rent Increase Application packet, bearing date of “December 16th, 2022”, and consisting of a four-page application, a four-page spreadsheet entitled “Determination of Monthly Space Rent Increase Effective Calendar Year 2023”, and a five-page printout of a rent roster with a notation indicating that it was printed on 12/19/2022.
- H-26 Email exchange between Barbara Macri-Ortiz, Emilio Ramirez, and Albert Ramirez, 2/28/2023 – 4/19/2023
- H-27 Excerpts from City of Oxnard Ordinances 22229 and 2254, and from City Council Resolutions No. 10,013 and 10,233
- H-28 Protest Petitions submitted by Kona Kai homeowners on March 16, 2023 (9 pages) and March 20, 2023 (12 pages)
- H-29 Analysis prepared by Karl Lawson entitled “Comparison: Actual Approved rents Versus rent levels claimed to be Approved Rent levels on the 2023 Rent Increase Application Notice” (five pages)
- H-30 Findings of Fact, Decision and Order, dated May 18, 2023, in case of Country Club Mobile Estates Protest of 2023 C.P.I. Rent Increase
- H-31 Annual Report of Mobile Home park Rent Review Board for 2022, approved on December 5, 2022; and staff report to City Council, February 2023

Exhibit D- Parkowner's Appeal

ANTHONY C. RODRIGUEZ
ATTORNEY AT LAW
1425 LEIMERT BOULEVARD
SUITE 101
OAKLAND, CALIFORNIA 94602-1808

CITY CLERK OXNARD
OCT 18 '23 PM2:45

TELEPHONE (510) 336-1536
FACSIMILE (510) 336-1537

October 18, 2023

Mobilehome Park Rent Review Board
c/o City Clerk, City of Oxnard
300 West Third Street, Fourth Floor
Oxnard, California 93030

Re: **In the Matter of Kona Kai Mobile Estates /
Notice of Appeal of Decision by Hearing Officer David B. Hart**

Dear Board Members:

This office represents the owner of Kona Kai Mobile Estates. On October 3, 2023, the owner filed a notice of appeal with respect to the September 13, 2023 "Findings of Fact, Decision and Orders" of Hearing Officer David B. Hart, in their entirety.

On October 4, 2023, the City advised that the version of Mr. Hart's September 13, 2023 it had previously served was "marked," and that it was now serving a "clean" copy of that decision. The owner is not clear as to what the City means by a "marked" version of the decision, as opposed to a "clean" version.

To avoid any claim that the service of the "clean" version of Mr. Hart's decision triggered a new time frame for filing a notice of appeal, the owner hereby also appeals from the September 13, 2023 "clean" version of the Findings of Fact, Decision and Orders of Hearing Officer David B. Hart, in their entirety, which were served on October 4, 2023. Said appeal is made pursuant to Section 24-15(A) and other relevant provisions of the City of Oxnard's Mobilehome Park Rent Stabilization System and City Council Resolution No. 11,468, which establishes guidelines for the implementation of the Oxnard Mobilehome Park Rent Stabilization Ordinance.

Under Section 24-15(A)(1), this notice of appeal must be signed by the "owner," which is defined in Section 24-2(E) to include "the owner, lessor, operator, or manager of a mobile home park." In addition to being signed by the owner's attorney, this appeal is signed by an operator and manager of the park, Janett Borjas.

Under Section 24-15(2), the notice of appeal must be filed with the City Clerk within 15 days of the date of mailing of the hearing officer's decision by the City to the owner and the residents' representative. The City has provided a proof of service stating that the "clean" version of the hearing officer's decision was mailed to the owner on October 4, 2023. Accordingly, in

Kona Kai Notice of Appeal

October 18, 2023

Page 2

addition to the previously filed appeal from the “marked” version of the hearing officer’s decision, the owner is timely appealing from the “clean” version of the hearing officer’s decision.

Under Section 24-15(3), a copy of the notice must be mailed by the owner to each affected space at the park, with a proof of service filed with the City Clerk. Although the ordinance does not specify when that mailing must occur or the proof of service must be filed, the owner will mail those notices and file the proof of service on the same day it files this notice of appeal, or as soon thereafter as possible.

Under Section 24-15(5), if the residents appeal, they are required to provide the name, address and telephone number of their representative. Although no such requirement applies to an appeal filed by an owner, the name, address and telephone number of the owner’s representative are as follows:

Anthony C. Rodriguez, Esq.
1425 Leimert Boulevard, Suite 101
Oakland, California 94602
Telephone: (510) 336-1536

Under Section 25-15(B)(2), the party filing an appeal shall order and pay for the original certified shorthand reporter’s transcript. The owner will confirm with the reporter and with the City that the reporter has been paid, and will pay any transcript fees that the reporter advises have not been paid. Under Section 25-15(B)(2), all original exhibits must be provided to the Board within 30 days of the filing of this Notice of Appeal. The owner believes that it is the City’s responsibility to provide the original exhibits to the Board, as the owner does not have possession or control of the original exhibits. Although the owner is appealing the hearing officer’s decision in its entirety, several of the more important issues of contention are as follows:

1. The hearing officer based his decision on the assumption that an application for a CPI adjustment must be based on the rents previously approved by the City. However, Section 24-7 of the ordinance specifically requires an application to be based on the “existing space rent,” which may or may not have been previously approved by the City. For example, parkowners are allowed to increase rents in between CPI adjustments based on both state and local law, including when there is a change in tenancy, when a tenant signs a lease in excess of twelve months, when the tenant’s mobilehome is not his or her principal residence, and when state or local governments increase fees associated with the park. (See Civil Code Sections 798.17, 798.21 and 789.49).

2. The tenants did not challenge rent increases based on new occupancy, which can range from \$80 per month, to the fair market rate, depending on the circumstances. By requiring the roll back of rents at all spaces to the level that existed on April 1, 2021, the hearing officer improperly vacated all such legally implemented increases from April 1, 2021 through the date of his decision.

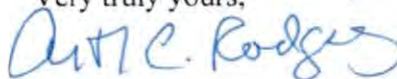
3. The hearing officer has determined that only a perfect application can be accepted for filing and that the amendment of an application does not relate back to the original filing date, but requires a new 60-day period. Such an interpretation is contrary to law, would render the tenants' right to challenge CPI applications superfluous, would result in the forfeiture of rent increases if the City does not finish its review of an application before the 60-day period expires, and would require not only the filing of a new application, but new 90-day notices.

4. The hearing officer found that he did not have discretion to recalculate the rents to eliminate the 4% rent increase and allow the 5.74% rent increase, even though (a) the tenants' petition admitted a 5.74% increase was "legal" and (b) the ordinance and the regulations allow hearing officers to determine the date and the amount of the "permissible rent increase" and either reject a tenant petition, or grant it "in whole or in part."

5. Although the hearing officer erroneously determined he did not have the authority to recalculate the rents to eliminate the 4% rent increase and allow the 5.74% rent increase, he did not follow the ordinance in numerous other respects, including (a) attempting to reserve jurisdiction beyond the 15-day time frame for filing an appeal to the Board, (b) extending the date for the parkowner to credit the tenants the overpaid amounts beyond the date allowed under the ordinance, (c) requiring the listing of previously approved as opposed to "existing rent" in the parkowner's applications, and (d) vacating increases other than CPI increases, including increases on turnover.

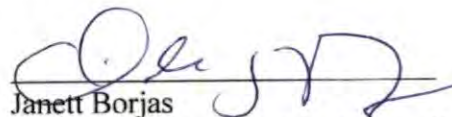
6. The hearing officer determined the parkowner ratified the conduct of one or more employees of Cal-Am properties, when there is no evidence the parkowner knew of or participated in that conduct, but in fact conceded an application had not been filed with respect to the April 1, 2022 4% rent increase at the park.

Very truly yours,



Anthony C. Rodriguez

I, Janett Borjas, operate and manage Kona Kai Mobile Estates on behalf of the parkowner. I hereby authorize and approve this appeal of the September 13, 2023 "Findings of Fact, Decision and Orders" of Hearing Officer David B. Hart, in their entirety.



Janett Borjas
Authorized agent for Kona Kai
Mobile Estates

cc: Barbara Macri-Ortiz

In Re: Kona Kai Mobile Estates

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PROOF OF SERVICE BY MAILING

I declare I am employed in the County of Ventura, California. I am over the age of 18 years and my business address is 1853 Ives Avenue, Oxnard, California, 93033.

On October 18, 2023, I served the following document, which is dated October 18, 2023:

**“In the Matter of Kona Kai Mobile Estates /
Notice of Appeal of Decision by Hearing Officer David B. Hart”**

on each of the affected spaces at Kona Kai Mobile Estates by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully paid, in the United States mail at Oxnard, California, addressed as set forth on the attached mailing list.

I declare under penalty of perjury that the foregoing is true and correct. Executed on October 18, 2023 at Oxnard, California.


Janett Borjas

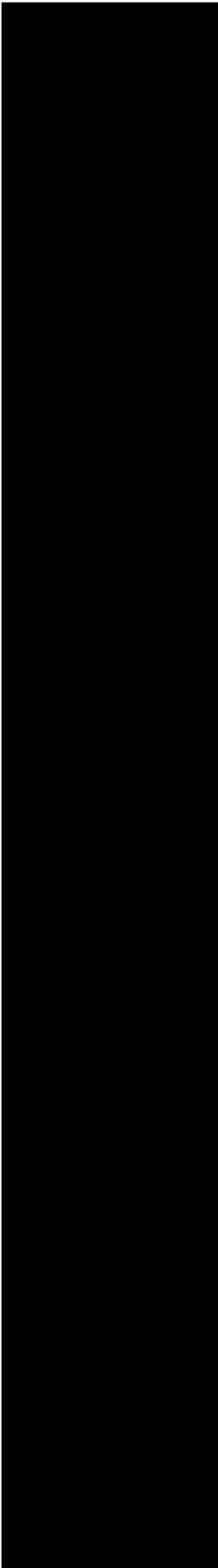
Resident Letter Re: Notice of Appeal dated 10/18/23

10/18/2023

Name	Address	City	State	Zip
	1853 Ives Avenue Sp. 1	Oxnard	CA	93033
	1853 Ives Avenue Sp. 2	Oxnard	CA	93033
	1853 Ives Avenue Sp. 3	Oxnard	CA	93033
	1853 Ives Avenue Sp. 4	Oxnard	CA	93033
	1853 Ives Avenue Sp. 5	Oxnard	CA	93033
	1853 Ives Avenue Sp. 6	Oxnard	CA	93033
	1853 Ives Avenue Sp. 7	Oxnard	CA	93033
	1853 Ives Avenue Sp.8	Oxnard	CA	93033
	1853 Ives Avenue sp 9.	Oxnard	CA	93033
	1853 Ives Avenue Sp. 10	Oxnard	CA	93033
	1853 Ives Avenue Sp. 11	Oxnard	CA	93033
	1853 Ives Avenue Sp. 12	Oxnard	CA	93033
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Resident Letter Re: Notice of Appeal dated 10/18/23


10/18/2023



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Resident Letter Re: Notice of Appeal dated 10/18/23

10/18/2023



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Resident Letter Re: Notice of Appeal dated 10/18/23

10/18/2023

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1853 Ives Avenue Sp. 169	Oxnard	CA	93033
10399 Sherrie Ln.	Denham Spring	LA	70726

Exhibit E- Settlement Agreement and Mutual Release

**SETTLEMENT AGREEMENT AND
MUTUAL RELEASE**

This Settlement Agreement and Mutual Release (the “Agreement”) is entered into by and between Kona Kai Mobile Home Park Associated, dba Kona Kai Estates (“the Parkowner”), the City of Oxnard (“the City”) and those Homeowners at Kona Kai Estates who filed a Protest Petition challenging the April 1, 2022 and/or April 1, 2023 rent increases at the Park (“the Homeowners”). The Parkowner, the City and the Homeowners are sometimes collectively referred to herein as “the Parties.”

RECITALS

A.) Kona Kai Estates is a 169-space mobilehome park, located at 1853 Ives Avenue in Oxnard, California (“the Park”).

B.) The Park is owned by Kona Kai Mobile Home Park Associated, a California Limited Liability Partnership (“the Parkowner”).

C.) The Park is managed by Cal Am Properties, Inc. (“Cal-Am”). Cory Sukert is the President and Chief Executive Officer for Cal-Am and is authorized to act on behalf of the Parkowner.

D.) The Park is subject to the City of Oxnard’s Mobile Home Park Rent Stabilization Ordinance (“the Ordinance”).

E.) On or about December 23, 2021, the Parkowner provided the Homeowners at the Park with a 90-day notice, advising them that it was raising their rent by 4.0%, effective April 1, 2022 (“the 4.0% Rent Increase”). That 90-day notice was signed by Rowena Bangsil, who at the time was employed by Cal-Am.

F.) The Parkowner was required to submit an application regarding that 4.0% increase at least 60 days prior to April 1, 2022, or no later than January 31, 2022. An application was not filed with the City regarding that 4.0% rent increase prior to its implementation.

G.) On or about April 1, 2022, all or most of the Homeowners at the Park began paying the 4.0% rent increase, and continued to do so through and including March of 2023.

H.) On or about December 16, 2022, Rowena Bangsil prepared an application with

respect to a proposed 5.74% inflationary adjustment at the Park, to be effective April 1, 2023. That application was based on the then existing rents at the park, even though the previous year's 4.0% CPI adjustment had been unilaterally implemented without City approval.

I.) On or about December 23, 2022, the Parkowner provided the Homeowners with another 90-day notice, advising them that it was raising their rent by 5.74%, effective April 1, 2023 ("the 5.74% Rent Increase"). That 90-day notice was also signed by Rowena Bangsil, who was still employed by Cal-Am at that time.

J.) On or about December 27, 2022, the Director of the City's Mobilehome Rent Stabilization Program at that time, Karl Lawson, sent an email to Rowena Bangsil, advising her of the 4% discrepancy between the "existing" rents in the December 16, 2022 application and the most recently approved inflationary adjustments, which were implemented on April 1, 2021. In that same email, Mr. Lawson advised Ms. Bangsil that it appeared ***"the park implemented a 4% rent increase sometime in the past year, but without having submitted an application to do so."***

K.) At some point prior to February 13, 2023, Cal-Am notified the City that it would refund the 4.0% rent increases it had been collecting since April 1, 2021, while at the same time seeking approval from the City to collect both the previously noticed and implemented 4.0% rent increase and the previously noticed 5.74% rent increase, effective April 1, 2023.

L.) On or about February 13, 2023, Cal-Am submitted an amended application with the City, seeking to recover both the previously implemented 4.0% increase and the previously noticed 5.74% rent increase, effective April 1, 2023.

M.) On or about February 15, 2023, the City of Oxnard's Assistant Housing Director sent an email to Cal-Am, acknowledging the City's receipt of the Parkowner's amended application for its April 1, 2023 rent increase at the park, which requested both the previously noticed 4.0% inflationary adjustment and the previously noticed 5.74% inflationary adjustment.

N.) On or about February 15, 2023, the City of Oxnard also sent a notice to a homeowner from each of the affected spaces at the Park, advising them that the Parkowner's amended application regarding both the 4.0% and the 5.74% rent increases had been accepted. In that same notice, the City advised the homeowners that because the April 1, 2022 rent increase had not been approved by the City, the Parkowner had agreed to refund the 4.0% increase for the period April 1, 2022, through March 31, 2023. That notice also advised the homeowners that unless they challenged the February 13, 2023 Amended

Application, the 4.0% and the 5.74% rent increases would go into effect on April 1, 2023.

O.) Between March 16, 2023 and March 20, 2023, Homeowners from approximately 75 of the 169 spaces at the Park submitted protest petitions challenging the Parkowner's February 13, 2023 amended application (collectively referred to as "the Homeowners' Petition"). The Homeowners' Petition alleged that the information contained in the February 13, 2023 application was "inaccurate, incomprehensible, and openly allow[ed] the park owner to violate the rent stabilization ordinance." The Homeowners' Petition further alleged that the Park was applying for a 2023 rent increase of almost 10%, even though under the City Code "***a legal and accurate application would only call for a 5.74% increase.***"

P.) After the Homeowners' Petition was filed, David Hart, the sitting Rent Stabilization Hearing Officer ("Hearing Officer Hart"), notified the Parties on April 10, 2023, that he would be conducting an evidentiary hearing regarding the Homeowners' protest of the Parkowner's 2023 CPI Rent Increase application.

Q.) On or about May 11, 2023, the Parkowner's attorney advised Hearing Officer Hart that the Parkowner had concluded there was insufficient evidence to demonstrate a timely application had been filed with respect to the April 1, 2022, 4% rent increase, and was therefore conceding no such application had been filed.

R.) On or about May 24, 2023, Hearing Officer Hart conducted an evidentiary hearing with respect to the Homeowners' Petition challenging the Parkowner's April 1, 2023 rent increase.

S.) At the May 24, 2023 hearing before Hearing Officer Hart, the Parkowner submitted a spreadsheet, showing what the rents would have been if the 4.0% Rent Increase was denied, but the 5.74% Rent Increase was allowed. The proposed rents from that spreadsheet are set forth on Exhibit A attached hereto.¹

T.) On or about September 22, 2023, Hearing Officer Hart issued his Findings of Fact, Decision and Orders with respect to the Homeowners' Petition. In his decision, Hearing Officer Hart determined the Parkowner was not entitled to either the 4.0% Rent Increase or the 5.74% Rent Increase on April 1, 2023. Hearing Officer Hart also ordered the Parkowner to reduce the rent at all affected spaces at the Park to the level that had been approved by the City as of April 1, 2021, and to refund to the affected homeowners any

¹ The only exception is Space No. 49, where a "change of occupancy" increase was implemented on October 1, 2023, after Hearing Officer Hart's decision.

amounts that had been collected in excess of that amount.

U.) On or about October 1, 2023, the Parkowner reduced the rents at all affected spaces at the Park to the level that had been approved by the City as of April 1, 2021, and refunded to the affected homeowners any amounts that had been collected in excess of that amount, as ordered by Hearing Officer Hart.

V.) On or about October 3, 2023, the Parkowner filed a notice of appeal, challenging Hearing Officer Hart's decision on numerous grounds, including (1) the denial of the 4.0% and the 5.74% rent increases, (2) the vacating of approximately seven "change of occupancy" rent increases at the Park since January 1, 2021, and (3) the rejection of its application because it was based on the "existing" rents at the Park, as opposed to the previously approved rents at the Park ("the Parkowner's Appeal).

W.) On or about November 29, 2023, Hearing Officer Hart wrote a letter to the Parties, advising that he did not intend for his September 22, 2023 decision to vacate the approximately seven "change-of occupancy" rent increases at the Park since January 1, 2021.

X.) On or about December 22, 2023, the Parkowner provided the Homeowners with another 90-day notice, advising them it was raising their rent by 3.32%, effective April 1, 2024 ("the 3.32% CPI 2024 Rent Increase"). On or about January 9, 2024, Cal-Am submitted another application with the City, based on the proposed April 1, 2024 3.32% rent increase.

Y.) The homeowners did not file a protest petition challenging the 3.32% CPI 2024 Rent Increase. Accordingly, the 3.32% CPI 2024 Rent Increase went into effect on April 1, 2024, as noticed. However, as a result of settlement negotiations between the Parties regarding this Agreement, the Parkowner provided each affected space at the Park with a "rent credit" for the month of April 2024 with respect to the 3.32% CPI 2024 Rent Increase.

Z.) The Parkowner, the Homeowners and the City recognize that it is not possible to predict with certainty how the City's Mobile Home Park Rent Review Board and/or the Courts will rule with respect to the Parkowner's Appeal. Rather than incurring additional resources to litigate the Parkowner's Appeal, the Parties have decided to resolve any and all disputes between them regarding the rents that may be charged at the Park through and including March 31, 2025, pursuant to the terms set forth in this Agreement.

WHEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

1.) Rent Increases Based on Changes of Occupancy: The Parkowner may collect the rent increases that were implemented at Space Numbers 5, 8, 63, 104, 151, 155 and 168 between January 1, 2021 and September 22, 2023, based on a change of occupancy. The Parkowner may begin collecting those rent increases on August 1, 2024. However, the Parkowner specifically waives any right it may have had to collect those seven change of occupancy rent increases retroactively for any period prior to August 1, 2024.

In addition to the change of occupancy increases at Space Numbers 5, 8, 63, 104, 151, 155 and 168, the Parkowner may continue collecting the change of occupancy increase at Space No. 49, or at any other space at the Park, which was implemented on or after Hearing Officer Hart's September 22, 2023 decision. The Parkowner shall not be required to provide a rebate with respect to any change of occupancy increase that was legally implemented after Hearing Officer Hart's September 22, 2023 decision.

Nothing herein shall preclude the Parkowner from implementing any future "change of occupancy" increase the Parkowner is legally entitled to.

2.) No Impact on the 3.32% Rent Increase: The homeowners did not file a petition challenging the 3.32% CPI 2024 Rent Increase that went into effect on April 1, 2024. The Parties agree that the time for challenging the 3.32% CPI 2024 Rent Increase has expired. The Parties agree further that nothing in this Agreement shall prevent the Parkowner from collecting said 3.32% CPI 2024 Rent Increase.

Notwithstanding the above provisions of this paragraph, should this Agreement be executed by each of the Parties hereto prior to April 20, 2024, the Parkowner will provide each of the affected homeowners with a 3.32% rent credit for May of 2024. The Parties agree further that nothing in this Agreement shall prevent the Parkowner from collecting the 3.32% CPI 2024 Rent Increase in full on or after June 1, 2024, consistent with the terms of Section 4 below, which provides that the combined CPI adjustment between April 1, 2022 and March 31, 2025 may not exceed 5.74% at each of the spaces at the Park.

3.) Waiver of the 4.0% Rent Increase: The Parkowner hereby waives any and all rights it may have had to collect the 4.0% Rent Increase. The Parkowner specifically waives any and all rights to collect that 4.0% Rent Increase at any time, whether on, before or after April 1, 2022.

4.) Total CPI Adjustment Not to Exceed 5.74% Between April 1, 2022 and March 31, 2025: The Parties have agreed that the combined CPI adjustment between April 1, 2022

and March 31, 2025 may not exceed 5.74% at each of the spaces at the Park. Because the Parkowner is entitled to collect a 3.32% inflationary adjustment beginning on April 1, 2024, any additional CPI adjustment under this Agreement may not exceed 2.42% (5.74% - 3.32% = 2.42%). Accordingly, the Parties hereby agree that the Parkowner may begin collecting a 2.42% CPI adjustment on August 1, 2024, subject to approval by the City of Oxnard Mobile Home Park Rent Review Board (“the Board”). The Parties further agree that the Parkowner shall have no right to recover said 2.42% CPI adjustment for any period of time prior to August 1, 2024.

The Parties hereby agree that following the implementation of the above described 3.32% and 2.42% CPI adjustments, the maximum rent the Parkowner may charge at each space at the Park as of August 1, 2024 shall be the rents set forth on Exhibit A hereto. The only exception shall be any “change of occupancy” increases that are legally implemented on or after Hearing Officer Hart’s September 22, 2023 decision.

5.) Ninety Day Notice of Rent Increases: The Parties acknowledge that the above described “change of occupancy” increases did not require a 90-day notice, because the prospective homeowners were not homeowners at the time those increases were implemented. Nevertheless, the Parkowner has agreed to provide at least 90 days notice to each of the affected spaces prior to collection of the above described “occupancy increases.” The Parkowner will also provide at least 90 days notice prior to collection of the above described 2.42% Rent Increase.

6.) Mutual Releases by the Parties Regarding Current Rents: The Parties hereby release and forever discharge each other, and their respective current and former officers, employees, agents, assigns and predecessors and/or successors-in-interest from any and all claims, proceedings or causes of action of every kind and character, whether known or unknown, existing or contingent, latent or patent, based on any allegation that the current rents and/or the August 1, 2024 rents set forth on Exhibit A are in violation of the Ordinance, any local, state or federal law and/or the state and/or federal constitutions.

7.) Future Rent Increases: Nothing in this Agreement shall prevent the Parkowner from applying for and/or collecting any future rent increases the Parkowner may be entitled to under any applicable local, state or federal law, including but not limited to any rent increase the Parkowner may be entitled to under the Oxnard Rent Stabilization Ordinance, the Mobilehome Residency Law and/or the state and federal constitutions; provided, however, nothing in this Section 7 shall be interpreted as limiting or preventing the City and/or the Homeowners from opposing or challenging any future efforts by the Parkowner to impose or collect any future rent increases.

8.) Future Fees and Charges: Nothing in this Agreement shall prevent the Parkowner from implementing and/or collecting any utility fees or charges, or any other fees or charges it may be entitled to under any applicable law, including but not limited to any utilities, fees or charges the Parkowner is entitled to collect under the Mobilehome Residency Law; provided, however, nothing in this Section 8 shall be interpreted as limiting or preventing the City and/or the Homeowners from opposing or challenging any future efforts by the Parkowner to impose, implement and/or collect any utility fees or charges or any other fees or charges.

9.) “Existing” Rents in Future Applications: The Parties agree that under Section 24-7 of the Ordinance and Section IIIA of the City’s Guidelines, any future application for an inflationary adjustment must include the then “existing” rents at the Park.

10.) No Impact on April 1 Anniversary Date: Nothing in this Agreement shall be construed to change the Parkowner’s Anniversary Date for future rent increases from April 1. Accordingly, the Parties specifically agree the Parkowner may apply for its next inflationary adjustment to be effective April 1, 2025. The Parties specifically agree further that the Parkowner shall not apply for any future inflationary adjustment that would be effective prior to April 1, 2025. This provision is a material term of this Agreement.

11.) Release by the Homeowners: Except as otherwise provided herein, the Homeowners hereby forever waive, release, and covenant not to initiate legal proceedings against the Parkowner and/or the City and/or their agents, officers, managers, employees, insurers, attorneys or predecessors in interest with regard to any and all claims, causes of action, damages and injuries of whatever nature, whether presently known or unknown, which arise out of or are in any way connected to the Parkowner’s Appeal and/or the past or existing rent levels at the Park, including the August 1, 2024 rents set forth on Exhibit A hereto.

12.) Release by the Parkowner: Except as otherwise provided herein, the Parkowner hereby forever waives, releases, and covenants not to initiate legal proceedings against the Homeowners and/or the City and/or their agents, officers, managers, employees, insurers, attorneys or predecessors in interest with regard to any and all claims, causes of action, damages and injuries of whatever nature, whether presently known or unknown, which arise out of or are in any way connected to the Parkowner’s Appeal and/or the past or existing rent levels at the Park, including the August 1, 2024 rents set forth on Exhibit A hereto.

13.) Release by the City: Except as otherwise provided herein, the City hereby forever waives, releases, and covenants not to initiate legal proceedings against the

Homeowners and/or the Parkowner and/or their agents, officers, managers, employees, insurers, attorneys or predecessors in interest with regard to any and all claims, causes of action, damages and injuries of whatever nature, whether presently known or unknown, which arise out of or are in any way connected to the Parkowner's Appeal and/or the past or existing rent levels at the Park, including the August 1, 2024 rents set forth on Exhibit A hereto.

14.) Unknown Claims and Waiver of Civil Code Section 1542: The Parties, and each of them, understand and agree that the above described releases cover and include all claims of every kind and nature, whether known or unknown, suspected or unsuspected, which arise out of or are in any way connected to the Parkowner's Appeal and/or the existing rent levels at the Park, including the rents set forth on Exhibit A hereto. Except as otherwise provided herein, the Parties expressly agree to waive any and all rights under Section 1542 of the California Civil Code with respect to the Parkowner's Appeal and/or the existing rent levels at the Park, including the August 1, 2024 rents set forth on Exhibit A hereto, which section provides as follows:

A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Parties understand and acknowledge that the significance and consequence of this waiver of California Civil Code section 1542 is that even if one or more of them should eventually discover additional damages arising out of or in any way connected to the Parkowner's Appeal and/or the existing rent levels at the Park, including the rents set forth on Exhibit A hereto, including previously unknown claims, they will not be able to make any claim for those damages. Furthermore, the Parties acknowledge that they intend those consequences even as to claims for damages that may exist as of the date of this release but which they do not know exist, and which, if known, would materially affect their decision to execute this release, regardless of whether said lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

15.) No Impact on Homeowners' Obligation to Pay Agreed to Rents: Nothing in this Agreement shall be construed as a release or a waiver of the Homeowners' obligation to pay the rents agreed to under this Agreement, including the rents agreed to as of August 1, 2024, or any legally implemented rent increase after August 1, 2024. The Homeowners specifically acknowledge that in the event of their failure to pay the rent agreed to under this Agreement, nothing in this Agreement shall prevent the Parkowner from bringing an action to collect said

rent, including an action for breach of contract and/or unlawful detainer.

16.) Denial of Liability: Nothing in this Agreement may be construed as an admission of liability or wrongdoing on the part of the Parkowner, Cal-Am and/or any agent or employee of the Parkowner and/or Cal-Am. This provision is not mere boilerplate, but is a material term of this Agreement.

17.) Heirs, Successors and Assigns: Except as specifically provided herein, this Agreement shall be binding upon the Parties and on their respective heirs, successors and assigns.

18.) Assignment of Claims: Each of the Parties warrants and represents that he, she or it has not assigned his, her or its rights with respect to any of the matters described in this Agreement to any other person or entity and that the party has full authority to enter into this Agreement.

19.) Authority to Sign Agreement: Each person signing this Agreement warrants and represents that he or she has the authority to sign this Agreement on behalf of himself or herself, and/or on behalf of any other person or entity set forth with his or her name on the signature lines below.

20.) Attorney's Fees and Costs: Each of the Parties shall bear their own attorney's fees and costs with respect to the disputes settled hereby.

21.) Enforcement of Agreement: Each of the Parties reserve the right to enforce this Agreement to the full extent allowed by law. In the event of any legal action or proceeding to enforce this Agreement, the Parties may seek any and all remedies or relief allowed by law, including but not limited to declaratory and injunctive relief, specific performance and/or damages according to proof.

22.) Attorney's Fees to Enforce This Agreement: Notwithstanding anything in this Agreement to the contrary, in the event any legal action or proceeding is filed to enforce the terms of this Agreement, including but not limited to a motion to enforce this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs related to said enforcement action or proceeding, provided the party seeking enforcement has first provided written notice to the other side of the alleged breach of this Agreement and thirty (30) days to cure said alleged breach. In no event may either side recover attorney's fees incurred prior to the date this Agreement is signed by all Parties hereto.

23.) Amendment: This Agreement may be amended only by a writing signed by the

Parties hereto.

24.) Right to Attorney: Each party warrants and represents that in executing this Agreement, he, she or it has had the opportunity to receive legal advice from the attorney of his, her or its choice and to have the terms of this Agreement and its consequences (including risks, complications, and costs) completely explained to him, her or it by that attorney. Each party further acknowledges and represents that, in executing this Agreement, they have not relied on any other inducements, promises, or representations made by any other party.

25.) Waiver of Mobilehome Residency Law and Other Laws to Allow Full Implementation of Agreement: The Parties have made a good faith effort to draft this Agreement in accordance with the law, including the Mobilehome Residency Law, and all other laws regarding the operation of the Park. The Parties acknowledge that Civil Code Sections 798.19 and 798.77 prohibit Homeowners and/or Residents from waiving their rights under the Mobilehome Residency Law in a rental agreement or a purchase agreement. However, as this Agreement is neither a rental agreement nor a purchase agreement, the Parties agree that those sections do not in any way prohibit the Parties from waiving any rights they may have under the Mobilehome Residency Law, if the Mobilehome Residency Law would otherwise apply to this Agreement.

26.) Governing Law: This Agreement shall be interpreted in accordance with and governed in all respects by the laws of the State of California. Any action to enforce this Agreement must be brought in the Ventura County Superior Court or in the United States District Court for the Central District of California.

27.) Joint Drafting of the Agreement: This Agreement is deemed to have been drafted by the Parties, as a result of arm's length negotiations among the Parties. Each party has contributed to the preparation of the Agreement and has had the opportunity to propose changes to the Agreement. As a result, in the event of an ambiguity regarding any term of this Agreement, that ambiguity shall not be construed more strictly against one party or the other.

28.) Opportunity to Read Agreement: By execution of this Agreement, each signatory acknowledges and agrees that he or she has read and understands the terms and provisions of this Agreement.

29.) Signatures: This Agreement may be executed in multiple counterparts and will be binding upon the Parties as though one original had been signed by all Parties. A facsimile or electronic signature on this Agreement shall have the same full force and effect as an original. Notwithstanding the full force and effect of any facsimile or electronic

signature, each party warrants and represents that it will provide an original signature to the other party by regular mail within ten (10) days of any facsimile or electronic signature.

30.) Severability: If any provision of this Agreement is found to be unenforceable, in whole or in part, the remainder of this Agreement shall be enforced as fully as possible and the unenforceable provision(s) shall be deemed modified to the limited extent required to permit enforcement of the Agreement as a whole, unless such finding prevents the Parkowner from recovering one or more of the rent increases allowed hereunder, in which case the Parkowner may proceed with its challenge to Hearing Officer Hart's decision, including but not limited to its previously filed appeal of that decision.

31.) Rent Credits: Nothing in this Agreement shall preclude the Parkowner from providing "rent credits" to one or more spaces at the Park, in the Parkowner's sole and absolute discretion.

As a sign of good faith during the negotiation of this Agreement, the Parkowner has provided each space at the Park with a 3.32% "rent credit" with respect to the April 1, 2024 rent.

As an additional sign of good faith, and as set forth in Section 2 of this Agreement, the Parkowner has agreed to provide each space at the Park with a 3.32% "rent credit" with respect to the May 1, 2024 rent, if this Agreement is executed by all the parties hereto prior to April 20, 2024.

32.) Contingent Settlement: Notwithstanding anything in this Agreement to the contrary, this Agreement is contingent upon the City of Oxnard Mobile Home Park Rent Review Board ("the Board") approving the material terms of this Agreement on or before April 26, 2024, as set forth in the Stipulation and Proposed Order attached hereto as Exhibit B. Those material terms are summarized as follows:

a. The Parkowner shall be entitled to collect the previously implemented change of occupancy increases at Space No's 5, 8, 63, 104, 151, 155 and 168, effective August 1, 2024, plus any other legally implemented change of occupancy increase implemented after Hearing Officer's decision;

b. The Parkowner shall be entitled to collect the previously noticed 3.32% CPI rent increase at the Park, effective April 1, 2024. (However, nothing herein shall preclude the Parkowner from providing "rent credits" to any space at the Park, including 3.32% "rent credits" for each space at the Park for April of 2024 and May of 2024);

c. The Parkowner shall be entitled to collect a 2.42% CPI rent increase at each space at the Park effective August 1, 2024;

d. The total inflationary adjustment at the Park between April 1, 2022 and August 1, 2024 shall not exceed 5.74% (3.32% + 2.42% = 5.74%);

e. The Parkowner shall not be entitled to collect the change of occupancy increases or the 3.32% and 2.42% rent increases retroactively;

f. The Parkowner's anniversary date for future inflationary adjustments shall remain April 1, so the Parkowner may request its next inflationary adjustment to be effective on or after April 1, 2025.

g. In the event the Board rejects the Stipulation and Proposed Order attached hereto as Exhibit B, the Parkowner may proceed with its challenge to Hearing Officer Hart's decision, including but not limited to its previously filed appeal of that decision.

h. In the event the Board approves the Stipulation and Proposed Order attached hereto as Exhibit B, and any person or entity thereafter successfully challenges said Stipulation and Order or this Agreement, including but not limited to a successful challenge in any court of competent jurisdiction, the Parkowner may proceed with its challenge to Hearing Officer Hart's decision, including but not limited to its previously filed appeal of that decision.

IT IS SO AGREED:

Kona Kai Estates

Dated: _____, 2024 _____

By: Cory Sukert
Authorized Agent for the Parkowner

The Homeowners

Dated: _____, 2024 _____

By: Clint Stremcha

The City of Oxnard

Dated: _____, 2024 _____
By: Alexander Nguyen, City Manager

APPROVED AS TO FORM AND CONTENT:

Law Office of Anthony C. Rodriguez

Dated: _____, 2024 _____
By: Anthony C. Rodriguez, Esq.
Attorney for the Parkowner

Law Office of Barbara Macri-Ortiz

Dated: _____, 2024 _____
By: Barbara Macri-Ortiz, Esq.
Attorney for the Homeowners

City Attorney, City of Oxnard

Dated: _____, 2024 _____
By: Jason Zaragoza, Esq.
Deputy City Attorney

Exhibit F- Stipulation and Order

1 ANTHONY C. RODRIGUEZ (State Bar No. 122479)
2 LAW OFFICE OF ANTHONY C. RODRIGUEZ
3 1425 LEIMERT BOULEVARD, SUITE 101
4 OAKLAND, CALIFORNIA 94602
5 Telephone: (510) 336-1536
6 Facsimile: (510) 336-1537
7 Email: arodesq@pacbell.net

8
9 Attorney for Appellant Kona Kai Mobile Home Park Associated,
10 a California Limited Liability Partnership,
11 dba Kona Kai Estates

12 CITY OF OXNARD

13 MOBILE HOME PARK RENT REVIEW BOARD

14 In Re: Kona Kai Estates)
15) STIPULATION AND [PROPOSED]
16) ORDER RE: PARKOWNER'S
17) OCTOBER 3, 2023 APPEAL OF
18) FINAL DECISION BY HEARING
19) OFFICER DAVID HART;
20) DETERMINATION OF APPROVED
21) RENTS EFFECTIVE AUGUST 1,
22) 2024
23 _____)

1 **PARTIES**

2 This Stipulation is entered into by and between Kona Kai Mobile Home Park
3 Associated, dba Kona Kai Estates (“the Parkowner”) on the one hand, and those Homeowners
4 at Kona Kai Estates who filed a Protest Petition challenging the April 1, 2022 and/or April 1,
5 2023 rent increases at the Park (“the Homeowners”) on the other hand.

6 **RECITALS**

7 A. Kona Kai Estates is a 169-space mobilehome park, located at 1853 Ives Avenue
8 in Oxnard, California (“the Park”). The Park is subject to the City of Oxnard’s Mobile Home
9 Park Rent Stabilization Ordinance (“the Ordinance”).

10 B. On or about December 23, 2021, the Parkowner provided the homeowners at
11 the Park with a 90-day notice, advising them that it was raising their rent by 4.0%, effective
12 April 1, 2022 (“the 4.0% Rent Increase”). The Parkowner failed to file an application with
13 respect to the 4.0% Rent Increase before the increase was unilaterally implemented.

14 C. On or about December 23, 2022, the Parkowner provided the homeowners with
15 another 90-day notice, advising them that it was raising their rent by 5.74%, effective April
16 1, 2023 (“the 5.74% Rent Increase”).

17 D. On or about February 13, 2024, the Parkowner submitted an amended
18 application with the City, seeking to recover both the previously implemented 4.0% increase
19 and the previously noticed 5.74% rent increase, effective April 1, 2023.

20 E. Between March 16, 2023 and March 20, 2023, homeowners from
21 approximately 75 of the 169 spaces at the Park submitted protest petitions challenging the
22 Parkowner’s February 13, 2023 amended application (“Homeowners’ Petition”). The
23 Homeowners’ Petition alleged that the Park was applying for a 2023 rent increase of almost
24 10%, even though under the City Code “a legal and accurate application would only call for
25 a 5.74% increase.”

26 F. On or about May 24, 2023, Hearing Officer Hart conducted an evidentiary
27 hearing with respect to the Homeowners’ Petition.

28 G. On or about September 22, 2023, Hearing Officer Hart issued his Findings of
Fact, Decision and Orders with respect to the Homeowners’ Petition. In that decision Hearing

1 Officer Hart determined that the Parkowner was not entitled to either the 4.0% Rent Increase
2 or the 5.74% Rent Increase. Hearing Officer Hart also ordered the Parkowner to reduce the
3 rent at all affected spaces at the Park to the level that had been approved by the City as of April
4 1, 2021, and to refund to the affected homeowners any amounts that had been collected in
5 excess of that amount. On or about October 1, 2023, the Parkowner issued the refunds
6 mandated by Hearing Office Hart.

7 H. On or about October 3, 2023, the Parkowner filed a notice of appeal,
8 challenging Hearing Officer Hart’ decision, including (1) the denial of the 4.0% and the 5.74%
9 rent increases, and (2) the vacating of approximately seven previously implemented change
10 of occupancy rent increases between January 1, 2021 and September 22, 2023 (“the
11 Parkowner’s Appeal”).

12 I. On or about December 22, 2023, the Parkowner provided the
13 Homeowners with another 90-day notice, advising them it was raising their rent by
14 3.32%, effective April 1, 2024 (“the 3.32% CPI 2024 Rent Increase”). On or about
15 January 9, 2024, the Parkowner submitted an application with the City, based on the
16 proposed April 1, 2024 3.32% rent increase. The homeowners did not file a protest
17 petition challenging the 3.32% CPI 2024 Rent Increase. Accordingly, the 3.32% CPI
18 2024 Rent Increase went into effect on April 1, 2024, as noticed.

19 J. The Parkowner and the Homeowners recognize it is not possible to predict with
20 certainty how the City’s Mobile Home Park Rent Review Board and/or the Courts will rule
21 with respect to the Parkowner’s Appeal. Rather than incurring additional resources to litigate
22 the Parkowner’s Appeal, the Parkowner and the Homeowners have decided to resolve any and
23 all disputes between them regarding the rents that may be charged at the Park through and
24 including March 31, 2025, pursuant to the terms set forth in the following Stipulation.

25 WHEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES
26 CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

27 ////

28 ////

STIPULATION

1
2 1. The Parkowner shall be entitled to collect the seven previously implemented
3 change of occupancy rent increases at Space Numbers 5, 8, 63, 104, 151, 155 and 168,
4 effective August 1, 2024;

5 2. The Parkowner and the Homeowners have agreed that the combined CPI
6 adjustment between April 1, 2022 and March 31, 2025 shall not exceed 5.74% at each
7 of the spaces at the Park. Because the Parkowner is entitled to collect a 3.32%
8 inflationary adjustment beginning of April 1, 2024, any additional CPI adjustment
9 under this Stipulation may not exceed 2.42% (5.74% - 3.32% = 2.42%). Accordingly,
10 the Parkowner and the Homeowners hereby agree that the Parkowner may begin
11 collecting a 2.42% CPI adjustment on August 1, 2024, subject to approval by the City
12 of Oxnard Mobile Home Park Rent Review Board (“the Board”). The Parties agree
13 further that the Parkowner shall have no right to recover said 2.42% CPI adjustment for
14 any period of time prior to August 1, 2024;

15 3. The Parkowner and the Homeowners agree further that as a result of the
16 above described 3.32% and 2.42% CPI adjustments, the maximum rent the Parkowner
17 may charge at each space at the Park as of August 1, 2024 shall be the rents set forth
18 on Exhibit A hereto. The only exception shall be any “change of occupancy” increases
19 that are legally implemented by the Parkowner on or after Hearing Officer Hart’s
20 September 22, 2023 decision;

21 4. The Parkowner shall not be entitled to collect retroactive rent payments with
22 respect to either the previously implemented change of occupancy increases at Space Numbers
23 5, 8, 63, 104, 151, 155 and 168, the 3.32% inflationary rent increase or the 2.42% inflationary
24 rent increase;

25 5. The Parkowner’s anniversary date for future inflationary adjustments shall
26 remain April 1, so the Parkowner may request its next inflationary adjustment to be effective
27 on or after April 1, 2025. The Parkowner shall not apply for any future inflationary
28 adjustment that would be effective prior to April 1, 2025.

1 6. The rents that may be collected at each space at the Park effective August 1,
2 2024 are set forth on Exhibit A hereto, which is incorporated herein by reference.

3 7. Nothing herein shall preclude the Parkowner from implementing any future
4 “change of occupancy” increase the Parkowner is legally entitled to.

5 8. In the event any person or entity successfully challenges, repeals or voids this
6 Stipulation and Order, the Parkowner may thereafter proceed with the Parkowner’s Appeal.

7
8 **IT IS SO STIPULATED:**

Kona Kai Estates

9
10 Dated: _____, 2024

By: Cory Sukert
Authorized Agent for the Parkowner

The Homeowners

11
12
13
14 Dated: _____, 2024

By: Clint Stremcha

15
16 **ORDER**

17 Good cause appearing, the City of Oxnard Mobile Home Rent Review Board hereby
18 accepts the Stipulation of the parties. Accordingly, it is ordered, adjudged and decreed as
19 follows:

20 1. The Parkowner shall be entitled to collect the previously implemented change
21 of occupancy rent increases at Space Numbers 5, 8, 63, 104, 151, 155 and 168, effective
22 August 1, 2024;

23 2. The combined CPI adjustment between April 1, 2022 and March 31,
24 2025 shall not exceed 5.74% at any space at the Park, 3.32% of which the Parkowner
25 is already entitled to collect, effective April 1, 2024;

26 3. The Parkowner shall be entitled to collect a 2.42% inflationary rent increase at
27 each space at the Park, effective August 1, 2024, thereby equaling the maximum 5.74%
28 adjustment allowable between April 1, 2022 and March 31, 2025, as described in paragraph

1 two. (3.32% + 2.42% = 5.74%);

2 4. The Parkowner shall not be entitled to collect retroactive rent payments with
3 respect to either the previously implemented April 1, 2024 3.32% inflationary adjustment or
4 the previously implemented change of occupancy rent increases at Space Numbers 5, 8, 63,
5 104, 151, 155 and 168 for any period prior to August 1, 2024;

6 5. The Parkowner shall not be entitled to collect retroactive rent increases for the
7 above described 2.42% inflationary rent increase for any period prior to August 1, 2024;

8 6. The Parkowner shall not be entitled to collect the previously noticed 4.0% rent
9 increase, either on, before or after April 1, 2022;

10 7. The Parkowner’s anniversary date for future inflationary adjustments shall
11 remain April 1, so the Parkowner may request its next inflationary adjustment to be effective
12 on or after April 1, 2025. The Parkowner shall not apply for any future inflationary
13 adjustment that would be effective prior to April 1, 2025.

14 8. The rents that may be collected at each space at the Park effective August 1,
15 2024 are set forth on Exhibit A hereto, which is incorporated herein by reference. The only
16 exception would be for change of occupancy increases legally implemented by the Parkowner
17 after Hearing Officer Hart’s September 22, 2023 decision.

18 9. Nothing herein shall preclude the Parkowner from implementing any future
19 “change of occupancy” increase the Parkowner is legally entitled to.

20 10. In the event any person or entity successfully challenges, repeals or voids this
21 Stipulation and Order, the Parkowner may thereafter proceed with the Parkowner’s Appeal.

22
23 **IT IS SO ORDERED, ADJUDGED AND DECREED:**

24
25 Dated: April ____, 2024

The City of Oxnard Mobile Home
Rent Review Board

Exhibit G- PowerPoint Presentation

Stipulation, Order and Settlement Agreement for Kona Kai Estates

Albert Ramirez, Assistant Director
Housing Department

Mobile Home Park Rent Review Board
April 25, 2024



- 1) Kona Kai Estates is one of the twenty (20) mobile home parks that is subject to the City's Mobile Home Park Rent Stabilization Ordinance.
 - 2) In February 2023, the Parkowner gave notice of an impending 9.74% increase for 2022 and 2023 to become effective in April 2023.
 - 3) The Homeowners, represented by Barbara Macri-Ortiz appealed the 9.74% increase.
 - 4) Hearing Officer David Hart held an evidentiary hearing regarding the Homeowner's appeal in May 2023 and issued a decision in September 2023.
 - 5) In October 2023, the Parkowner filed an appeal of Hart's decision.
-

- 1) After months of negotiations, the parties reached a settlement agreement, and requested that the City of Oxnard be a party to the agreement.
 - 2) On April 16, 2024, the Oxnard City Council considered the settlement agreement in closed session and unanimously approved the agreement.
 - 3) The settlement agreement includes the following notable terms:
 - a. Rent Adjustments: The parties have agreed to a total rent increase of 5.74% for the period of April 1, 2022 to March 31, 2025.
 - b. Waivers: All parties agree to waive any legal claims concerning current and past rent adjustments
 - 4) The stipulation and order is attached to the report and is also before the Mobile Home Park Rent Review Board for consideration.
-

That the Mobile Home Park Rent Review Board approve the Stipulation and Order for Kona Kai Estates and confirm the Mobile Home Park Rent Review Board's acceptance of the Settlement Agreement and Mutual Release.

CITY OF
OXNARD
CALIFORNIA

