

Resolution No. RRB ~~97-290~~24-002¹

A Resolution of the Ventura County
Mobile Home Park Rent Review Board ~~of the County Of Ventura~~
Establishing Guidelines for Reviewing Granting
Discretionary Rent Increases Under Pursuant to
Sections ~~8(e)~~ 81007 (Discretionary Rent Increases) and
~~44~~ 81010 (Standards of Review) of the Ventura County
Mobile Home Park Rent Control Ordinance

[Staff Explanation: Deleted and updated the Section numbers to be consistent with the current Mobile Home Park Rent Control Ordinance, Chapter 10 of Division 8; and added and deleted language for clarification.]

WHEREAS, the Board of Supervisors of the County of Ventura has adopted an the Ventura County Mobile Home Park Rent Control Ordinance, Chapter 10 of Division 8 of the Ventura County Ordinance Code (hereafter “Ordinance”) establishing a Mobile Home Park Rent Regulation system in the County of Ventura unincorporated area; and

WHEREAS, ~~that~~ Ordinance established a Mobile Home Park Rent Review Board with powers to adopt, promulgate, amend, and rescind administrative rules related to mobile home park rent regulation as set forth in said Ordinance; and

WHEREAS, in evaluating requests for discretionary rent increases under pursuant to Ordinance sSection 8(e) 81007 of the Ordinance, the Mobile Home Park Rent Review Board is required by Ordinance Code sSection 44 81010 of the Ordinance to consider, along with all relevant factors, changes in costs to the park owner attributable to increases or decreases in master land and/or facilities lease rent, utility rates, property taxes, insurance, advertising, variable mortgage interest rates, governmental assessments and fees, incidental services, employee costs, normal repair and maintenance, and other considerations, including, but not limited to, capital improvements, upgrading and addition of amenities or services, and net operating income, along with all other factors relevant and the level of rent necessary to permit a just and reasonable return on the park owner’s property; and

WHEREAS, the Mobile Home Park Rent Review Board desires to establish administrative rules known as guidelines for granting discretionary rent increases (“Guidelines”) under pursuant to Ordinance sSections 8(e) 81007 and 44 81010 of the Ordinance;

[Staff Explanation: Deleted and updated the Section numbers to be consistent with the current Mobile Home Park Rent Control Ordinance, Chapter 10 of Division 8 of the

¹ This resolution supersedes Resolution No. RRB97-290, dated April 28, 1997.

Ventura County Ordinance Code, corrected typographical errors, and added language for clarification.]

NOW, THEREFORE, BE IT RESOLVED THAT THE MOBILE HOME PARK RENT REVIEW BOARD OF THE COUNTY OF VENTURA DOES HEREBY RESOLVE AS FOLLOWS:

4. The following Guidelines are established in order to enable the Mobile Home Park Rent Review Board to review requests by ~~mobile home~~ park owners (~~hereinafter sometimes “owner” or “landlord”~~) for discretionary rent increases under pursuant to Ordinance sSections 8(e) 81007 and 81010 of the Ordinance.

GUIDELINES FOR DISCRETIONARY RENT INCREASES UNDER PURSUANT TO ORDINANCE SECTIONS 8(e) 81007 AND 81010 OF THE ORDINANCE

Sec.1. Park Owners may apply for a discretionary rent increase under pursuant to sSection 8(e) 81007 in cases where they believe that the facts and circumstances of their particular case are addressed by these discretionary gGuidelines. Circumstances can vary greatly from park owner to park owner and will be reviewed on an individual basis. The Mobile Home Park Rent Review Board may use County facilities, including staff and legal counsel, to aid in reviewing discretionary rent increase requests.

Sec. 1.01. The granting of any discretionary rent increase by the Mobile Home Park Rent Review Board shall not give rise to the inference that prior space rents were the minimum required or confiscatory. The Mobile Home Park Rent Review Board presumes that all space rents received by ~~mobile home~~ park owners both prior and subsequent to all rent increases allowed by the Mobile Home Park Rent Review Board were, and are, above the minimum required and not at the confiscatory level, unless there is clear and convincing evidence to the contrary.

The Mobile Home Park Rent Review Board presumes that the Net eOperating iIncome (NOI) received in the Base yYear (as defined below in Section 3) provided ~~the~~ a park owner with a just and reasonable return above the required minimum on their property unless there is clear and convincing evidence to the contrary.

Sec. 1.02. The discretionary rent increase gGuidelines herein are structured to permit continuation of a just and reasonable return on ~~the~~ a park owner’s property above the required minimum. By using the ~~Net Operating Income~~ NOI cost-pass-through approach correlated to the Consumer Price Index (CPI), the gGuidelines have the following desirable characteristics, among others:

- a. The standard cannot be manipulated; standards which take into account current mortgage payments and/or purchase price can be manipulated through sales and refinancing.

- b. The standard does not discriminate on the basis of “original” purchase price or financing arrangements.
- c. The analysis is simple to perform and is objective.
- d. The standard is not “circular”.
- e. The standard affords the growth in profit levels that is tied to the inflation rate.
- f. The method encourages property maintenance; because it permits ~~landlords~~ park owners to pass through to park tenants all reasonable operating expense increases regardless of profit levels.

Sec. 1.03. The method authorized herein to evaluate a discretionary rent increase request is not exclusive but is preferred. Alternative methods may be used by the Mobile Home Park Rent Review Board. However, unless clear and convincing evidence is presented that an alternative method is more appropriate, the preferred method will be used. When an alternate method is proposed, the applicant must also use the preferred method and submit all information and calculations required by the preferred method concurrent with the proposed alternative method.

Proposed other methods must be fully explained, in writing, including the methodology and reasons supporting use of the methodology, and ~~must provide adequate~~ information and documentation must be provided adequate to understand and use the suggested method. The methodology information and documentation shall be provided with the discretionary rent increase application. Failure to provide the mandatory methodology, information and documentation regarding other proposed methods shall be grounds for rejection of the other proposed method, continuation of the public hearing, and/or denial of the requested discretionary rent increase without prejudice. The use of other methods shall be at the discretion of the Mobile Home Park Rent Review Board.

[Staff Explanation: Deleted and updated the Section numbers to be consistent with the current Mobile Home Park Rent Control Ordinance, Chapter 10 of Division 8 of the Ventura County Ordinance Code, corrected typographical errors, and deleted and added language for clarification.]

Sec. 2. DETERMINATION OF THE NET OPERATING INCOME

Net Operating Income (NOI): The NOI is determined by subtracting the annual Operating Expenses from the annual Gross Total Income.

Sec. 2.01. **Gross Total Income:** The Gross Total Income is determined by adding the following:

- a. Space Rental Income (Refer to Section 2.02, below)

- b. Storage and Parking Income (Refer to Section 2.03, below)
- c. Adjusted Income for Below Market Rentals (Refer to Section 2.04, below)
- d. Miscellaneous Income (Refer to Section 2.05, below)

Sec. 2.02. Space Rental Income: ~~is~~ The total annual income received from all the spaces in the mobile home park.

Sec. 2.03. Storage and Parking Income: ~~is a~~ The total additional income received for storage and parking services provided to the park tenants of the mobile home park.

Sec. 2.04. Adjusted Income for Below Market Rentals: ~~is a~~ An amount representing the difference between the actual space rental collected and what the park owner could have collected if the spaces had been rented at their full market value. Examples of below market space rents may be: (1) units occupied by the park owner or the park owner's family; or (2) the unit of a resident tenant manager; or (3) any rental space where the rent increases permitted by the Ordinance and Guidelines adopted thereunder could have been made, but have not been made because of the a landlord's park owner rental policies policy or purpose not in accord with the intent or purpose of the Ordinance or guidelines as amended such as reserving specific units for low-income or disadvantaged tenants.

[Staff Explanation: Further clarified examples of below market space rents.]

Sec. 2.05. Miscellaneous Income: Miscellaneous Income is determined by adding all actual revenues received from such sources as gas and electricity sold to park tenants, reading of utility meters, commissions from the sale of mobile homes in the park, telephones, laundry and vending machines, signs on the property of the mobile home park, special charges for the use of amenities, income from oil, gas, or minerals on the mobile home park property, special rental from occasional use of recreation rooms or other common areas, any interest derived from tenant money held as security deposits, tax refunds of any nature and other income derived from ~~from~~ the ownership or operations of the mobile home park.

Sec. 2.06. Operating Expenses: Permitted operating expenses are determined by adding the following:

- a. Management and Administration Expenses (Refer to Section 2.08, below)
- b. Adjustment for Park Owner Performed Services (Refer to Section 2.09, below)
- c. Miscellaneous Operating Expenses for: ~~(Section 2.10)~~ for the following:
 - 1. Supplies (including recreational supplies, office supplies, etc.)

2. Heating ~~Expenses~~
 3. Electricity
 4. Water and Sewer
 5. Gas
 6. Refuse Removal
 7. Other Miscellaneous Operating Expenses
- d. Maintenance Expenses including: (Refer to Section 2.140, below) for the following:
1. Security
 2. Grounds Maintenance
 3. Maintenance and Repairs
 4. Other Maintenance Expenses
- e. Amortized Capital Expenditures (Refer to Section 2.140(c), below)
- f. Taxes and Insurance Expenses including: (Refer to Section 2.121, below) including:
1. Real Estate Taxes
 2. Other Taxes, Fees and Permits
 3. Insurance
- g. Land Lease Expenses (Refer to Section 2.132, below)
- h. Increase in Mortgage Expense due to Variable Interest Rates (Refer to Section 2.143, below)
- i. Allowable Legal Expenses (Refer to Section 2.154, below)

Sec. 2.07. Operating Expenses shall not include the following:

- a. Unreasonable and unnecessary expenditures or expense increases since the ~~Base~~ Year;

- b. Debt service expense including mortgage principal and interest payments except as provided in Section 2.143, below;
- c. Any penalties, fees, or interest assessed or awarded for violation of this or any other law;
- d. Legal fees except as provided in Section 2.154, below;
- e. Capital improvements or completely new capital improvements approved by the park tenants; work which constitutes capital improvements must be amortized as described in ~~§~~Section 2.140(c), below;
- f. Depreciation of the property;
- g. Any expense for which the ~~landlord~~ park owner has been reimbursed by any security deposit, insurance settlement, judgement for damages, or settlement for any other method.

Sec. 2.08. Management and Administrative Expenses: These expenses include: wages of administrative personnel, including agency fees for administrative services and the use values of any ~~mobile home~~ space or dwelling unit offered in compensation for such services, advertising of space rentals, accountant's fees for the operation of the ~~mobile home~~ park, fees and dues in professional property management organizations (except that if the park owner owns more than one ~~mobile home~~ park such expenses must be apportioned among the ~~mobile home~~ parks owned), telephone and building office expenses used for rental operations and office supplies. Excluded expenses include are any advertising for the sale of the ~~mobile home~~ park in whole or part and accountant or auditing fees for the conversion, purchase, or sale of ~~mobile home~~ park property.

Sec. 2.09. An Adjustment for Park Owner Performed Management, Administrative, and Maintenance Expenses: These types of expenses shall be allowed where the park owner performs management or administrative functions of self-labor in operating and/or maintaining the property. In addition to the actual management and administrative expenses listed in ~~§~~Section 2.08, above, where the park owner performs such services, the park owner may calculate an expense figure representing the value of such unpaid management, administrative, and maintenance expenses, including the foregoing adjusted expense, to the extent they are management expenses. These expenses cannot exceed 5% percent of the Space Rental Income as defined in ~~§~~Section 2.02, above.

Park Owner performed maintenance labor shall be compensated at current hourly rates upon documentation being provided showing the date, time and nature of the work performed.

Where the park owner has performed substantially similar services in both the ~~Base~~ Year and the ~~Current~~ Year (as defined in Section 3.04, below), the foregoing adjusted

expense must be calculated for both the ~~b~~Base ~~y~~Year and the ~~e~~Current ~~y~~Year at the same percentage of space rental income. When the park owner performs different services in the ~~b~~Base ~~y~~Year and the ~~e~~Current ~~y~~Year, an adjustment will be allowed for such differences to the extent the owner shall document the amount of such differences.

Notwithstanding the above, for all management and administrative functions and self-labor performed by the park owner, in order for such services to be allowed as operating expenses, the park owner must provide documentation showing the date, time and nature of the work performed.

~~Sec. 2.10. — **Operating Expenses** include all owner paid supplies, including recreational supplies, office supplies, etc., heating expenses, electricity expense, water and sewer expenses, gas expenses, refuse removal expense and other operating expenses.~~

[Staff Explanation: Deleted Section 2.10 and consolidated information more appropriately into Section 2.06.]

Sec. 2.140. **Maintenance Expenses** ~~Include:~~

- a. **Security Expenses:** ~~such as~~ These expenses include wages of any security personnel, ~~and~~ contracted security expenses.
- b. **Grounds Maintenance Expenses:** ~~such as~~ These expenses include wages of groundskeepers, gardeners, sidewalk and driveway maintenance costs, except where in conflict with the California Mobilehome Residency Law. Grounds Maintenance Expenses also include the cost of maintaining recreational amenities including, but not limited to saunas, gymnasiums, billiard rooms, pools, jacuzzis, shuffleboard, and tennis courts. Such costs include payroll, contractual services, materials and supplies and minor equipment replacement. Improvements qualifying as Capital Improvements must be amortized as described in ~~s~~Section 2.140(c), below.
- c. **General Maintenance and Repairs:** These expenses include ~~such as~~ maintenance and repair of the ~~mobile home park~~, painting, plumbing and electrical services, fire protection and smoke detection servicing, plastering and masonry repair, carpentry, heating repair and roofing. However, capital expenditures are not eligible expenses. Park Owners who incurred expenses which constitute capital expenditures must capitalize such items over the useful life in accordance with the definition of "Capital Improvements" pursuant to Section 2(b) of the Ordinance 81001 (Definitions). Allowable yearly expenses for capital improvements equal the cost divided by the allowable useful life in the year such expense occurred, and a like amount for each succeeding year until the cost has been fully recovered.

- d. **Other Maintenance Expenses:** These expenses include any other expenses which do not fit within any of the above maintenance expense ~~some other category~~ categories. Expenses listed under this category must be explained and documented in the discretionary rent increase application.

Sec. 2.121. Taxes and Insurance Expenses include:

- a. **Real Estate Taxes:** Real estate taxes including all local or state taxes as well as assessments.
- b. **Other Taxes, Fees and Permits:** ~~such as a~~Any applicable personal property taxes, franchise and business taxes, sign permit fees, etc., but not including Federal and State income taxes which are part of wages.
- c. **Insurance:** Insurance including all one-year charges for fire, liability, theft, boiler explosion, rent fidelity bonds and all insurance premiums except those paid to Federal Housing Administration (FHA) for mortgage insurance or employee benefit plans. Whenever a premium is multi-year, it must be prorated to all applicable years.

Sec. 2.132. Land Lease Expenses: Allowable ~~operating~~ land lease expenses include only the involuntary increase in land lease expenses for the land on which the ~~mobile home~~ park is located as compared to land lease expenses in the ~~b~~Base ~~y~~Year. Such expenses are allowable only if the mobile home park was subject to a land lease in the ~~b~~Base ~~y~~Year. Whenever there is an increase in land lease expenses subsequent to the ~~b~~Base ~~y~~Year which was not scheduled as part of the terms of the land lease during the ~~b~~Base ~~y~~Year it shall not be an allowable expense. An increase in land lease expenses based on a flat percentage of gross rents for the term of the lease shall not be allowable as operating expenses.

Sec. 2.143. Increase in Mortgage Interest Expense Due to Variable Rate Mortgage: Allowable ~~operating~~ mortgage interest expenses include only the involuntary increase in mortgage interest expense due to variable interest rates, as compared to the mortgage interest expense in the ~~b~~Base ~~y~~Year. Such expenses shall be allowable only where the ~~mobile home~~ park was financed with said variable rate mortgage before or during the ~~b~~Base ~~y~~Year.

Sec. 2.154. Allowable Legal Expenses: Allowable legal expenses shall include attorneys' fees and costs incurred in connection with successful good faith attempts to recover rents owing and successful good faith unlawful detainer actions not in derogation of applicable law, to the extent same are not recovered from park tenants. Attorneys' fees and costs incurred in criminal proceedings, or in connection with civil actions involving the Ordinance, or against the beneficiaries of said Ordinance, the County of Ventura or the Mobile Home Park Rent Review Board, are not allowable as operating expenses. Attorneys' fees incurred in connection with the purchase of, sale of, or conversion to other use of ~~mobile home~~ park property are not allowable as operating

expenses. Attorneys' fees and costs incurred in proceedings before the Mobile Home Park Rent Review Board shall not be allowed as operating expenses.

Sec. 2.165. Operating eExpenses mMust be nNecessary and rReasonable. In cases where the Mobile Home Park Rent Review Board determines otherwise, the Mobile Home Park Rent Review Board shall ~~disallow~~ deny the expense or adjust the expense to reflect the normal industry range for that year. The Mobile Home Park Rent Review Board shall indicate the reason for such ~~disallowance~~ denial or adjustment in its decision or determination.

~~Should~~ If the Mobile Home Park Rent Review Board deems it necessary, it the Mobile Home Park Rent Review Board may require the rent increase applicant to provide written, documented information and data to aid the ~~Board~~ in determining the necessity and reasonableness of the operating expense and/or normal industry range of the specific operating expense ~~in question~~ for the specific time period ~~in question~~. Information from the applicant pertaining to the reasonableness of and/or the normal industry range of the specific operating expense ~~in question~~ is not to be presumed controlling or conclusive. The Mobile Home Park Rent Review Board may consider and use such information from other sources as it sees fit.

Sec. 2.176. Vacancies: Vacancies in both the ~~bBase yYear, as that term is defined in section 3, below,~~ and the year for which the discretionary rent increase application is made are not calculated. However, in cases where the Mobile Home Park Rent Review Board finds unusual patterns, the Mobile Home Park Rent Review Board will have the discretion to adjust the Gross Total Income accordingly including, as, for example, where vacancies have been the result of an park owner's general administrative and business practices, such as withholding rental units from the market, or due to the park owner's practices or activities which have reduced income or made the park unattractive for rental purposes.

Sec. 3. PROCEDURE FOR DETERMINATION OF ELIGIBILITY FOR A DISCRETIONARY RENT INCREASE

Sec. 3.01. The bBase yYear: The Base Year for the purpose of these gGuidelines shall be as follows:

- a. For parks constructed prior to September 1, 1982, the Base Year shall be January 1, 1982 – December 31, 1982.
- b. For parks constructed after September 1, 1982, the Base Year shall be the calendar year when the park became subject to the Ordinance. For example, if a park became subject to the Ordinance in October of 2023, the Base Year for such park would be January 1, 2023 – December 31, 2023.
- c. In the event that the park owner did not own the mobile home park during the ~~bBase yYear~~, the Operating Expenses for the ~~bBase yYear~~ may be

determined by one of the following manners, or whatever manner the Mobile Home Park Rent Review Board determines to be more reliable in the particular case.:

- i. The previous park owner's actual Operating Expense as defined in Section 2, above; or, where available,
- ii. Actual Operating Expenses for the first calendar year of ownership, discounted to the Base Year by the following Schedule of Increases in Operating Expenses: Where scheduling of rent increases, or other calculations, require projections of income and expenses, it shall be presumed that Operating Expenses, exclusive of Property Taxes, and Management Expenses, increase at 10% percent per year, that Property Taxes increase at 2% percent per year, and that Management Expenses are 5% percent of Gross Income.

[Staff Explanation: Due to the 2023 amendments to the Ordinance, the definition for Base Year should be revised to address how base year is determined for new parks. The language added in Section 3.01 is consistent with the approach for determining Base Year for parks that were subject to the Ordinance (those constructed prior to September 1, 1982) prior to the most recent 2023 amendments.]

Sec. 3.02. Determine the Base Year Net Operating Income NOI by subtracting the annual Base Year Operating Expenses from the annual Base Year Gross Total Income in accordance with Section 2, above.

Sec. 3.03. Add the Price Level Adjustment to the Net Operating Income NOI for the Base Year ~~the Price Level Adjustment~~. Price Level Adjustment shall be calculated as 50% percent of the increase in the All Urban CPI for the Los Angeles, Long Beach, Anaheim area, provided by the U.S. Bureau of Labor Statistics or a successor index, over December of the Base Year. The calculation shall be made as follows:

- a. The CPI index number for December 1982 is 285.3.
- b. Determine the CPI index number for the most recently reported month at the time the ~~application for~~ discretionary rent increase application is filed.
- c. Divide the CPI index number determined in Item (b), above, by either the CPI index number determined in Item (a) for parks constructed prior to September 1, 1982, or by the CPI index number for December of the Base Year for parks constructed after September 1, 1982, as applicable; and subtract 1.0 from that amount.
- d. Multiply the result obtained in Item (c), above, by .5 (50% percent).

- e. Multiply the ~~b~~Base y~~Year~~ Net Operating Income NOI by the percentage obtained in Item (d), above, to obtain the Price Level Adjustment.

[Staff Explanation: Due to the 2023 amendments to the Ordinance, parks constructed after September 1, 1982, are subject to the Ordinance. Revisions to Section 3.03 address which CPI index number shall be used for such parks in calculating the Price Level Adjustment.]

Sec. 3.04. Current Year: The Current Year is the latest calendar year, or the latest fiscal year used by the ~~landlord-park~~ owner for accounting purposes. Determine the ~~e~~Current y~~Year~~ NOI by subtracting the Current Year Operating Expenses from the Current Year Gross Total Income in accordance with the ~~provisions of Section 2-2.17,~~ above. (i.e., the latest calendar year or the latest fiscal year used by the ~~landlord~~ for accounting purposes.)

[Staff Explanation: Added bold to the defined word for emphasis, removed underlining of various words, corrected typographical errors, deleted and added language for clarification, and reformatted text.]

Sec. 3.05. DETERMINATION OF DISCRETIONARY RENT INCREASE GROSS AMOUNT

The applicant is entitled to a gross discretionary rent increase ~~if in the amount by which his current Gross Total Income is exceeded by the total of his current annual Operating Expenses plus the b~~Base y~~Year~~ net Operating income NOI plus the Price Level Adjustment exceeds the Current Year NOI. The total discretionary rent increase amount shall be determined by adding (1) the difference between the Base Year NOI plus the Price Level Adjustment, and the Current Year NOI, and (2) any Current Year Operating Expenses in excess of Current Year Gross Total Income, as expressed by the following formula:

$$((NOI_b + PLA) - NOI_n) + (E_n - I_n)^2 = Total Discretionary Rent Increase Amount$$

- b = Base Year
- n = Current Year
- E = Operating Expenses
- I = Gross Total Income
- PLA = Price Level Adjustment

[Staff Explanation: Deleted and added language for clarification. Added a formula to further clarify the calculation described in the text of Section 3.05]

² Only applicable if Current Year Operating Expenses exceed Current Year Gross Total Income.

Sec. 4. ~~DETERMINATION OF DISCRETIONARY RENT INCREASE FOR EACH INDIVIDUAL RENTAL UNIT~~

Sec. 4.01. Calculate what percentage the ~~gross total~~ discretionary rent increase ~~amount~~ is of the current ~~g~~Gross ~~t~~Total ~~i~~Income. Multiply the current individual space rents by the percentage to obtain the amount by which each current individual space rent may be increased. Add the result to the current individual space rent to obtain the new individual space rent.

Sec. 4.02. ~~Discretionary R~~rent ~~increases~~ granted ~~by the Mobile Home Park Rent Review Board pursuant to the above shall become set to take effective by the Board pursuant to the Ordinance provisions of Section 81007 of the Ordinance.~~

Sec. 5. ~~SUMMARY OF DISCRETIONARY RENT INCREASE APPLICATION PROCEDURES RE APPLYING FOR A JUST AND REASONABLE DISCRETIONARY RENT INCREASE~~

~~Landlords should also examine carefully these guidelines, the Ordinance, and the Board resolutions.~~ The conditions covering eligibility and procedures for a just and reasonable discretionary rent increase are set forth in greater detail ~~therein~~ below. Applicants should also examine carefully these ~~g~~Guidelines, the Ordinance, and ~~other the Mobile Home Park Rent Review Board resolutions~~ for more information.

Sec. 5.01. Before a ~~mobile home park owner~~ may increase space rents on the basis of these discretionary rent increase provisions of the Ordinance and these gGuidelines, the park owner must first obtain the written approval of the Mobile Home Park Rent Review Board. To be eligible to apply for a discretionary rent increase, park owners must possess a valid permit to operate, if applicable, from the California Department of Housing and Community Development.

Sec. 5.02. The applicant owner may request written approval ~~by from the Mobile Home Park Rent Review Board~~ by completing and submitting an discretionary rent increase application form obtained from the Ventura County Planning Division, and mailing it to the ~~e~~County of Ventura at the address listed on the application. ~~The application form is titled "Application Form. DISCRETIONARY RENT INCREASE."~~

Sec. 5.03. The park owner may not collect any discretionary space rent increase based on a ~~Just and Reasonable Discretionary Rent Increase~~ application until such time as the Mobile Home Park Rent Review Board approves the request. Additionally, Ssuch discretionary space rent increase may not go into effect until after compliance with the following noticing requirements:

- a. State Requirements: Section 798.30 of the California Civil Code (California Mobilehome Residency Law) requires that mobile home park tenants be given at least a 90-days notice of any space rent increase ~~in rent~~. The County's Ordinance does not alter this requirement.

- b. ~~County Ordinance Requirements~~; Section 8 ~~(a and d)~~ 81007 of the Ordinance requires that the park tenants be notified that a request for approval ~~for~~ of a discretionary rent increase is being filed with the Mobile Home Park Rent Review Board. The State required notice specified in (a) above may ~~Notice of Request of Rent Increase~~ will fulfill the ~~county Ordinance's~~ noticing requirements if the appropriate information required by the ~~county Ordinance~~ is included in the notice. A Notice of Request of Rent Increase form is attached to the discretionary rent increase application. The ~~County Ordinance~~ permits ~~authorizes~~ space rents to be increased only once per year; therefore, the notices should not include a schedule a proposed rent increase sooner than 12 months after the previous rent increase went into effect ~~under~~ pursuant to the ~~e~~Ordinance. Proof of ~~s~~Service of these notices must be submitted as part of the application. Such service must be made either personally, or by ~~the~~ U.S. Mail to each affected park tenant. A *Proof of Service* form is attached to the discretionary rent increase application form.

[Staff Explanation: Clarified in Section 5.01 that, if applicable, park owners must have a valid Permit to Operate from the California Department of Housing and Community Development to apply for a discretionary rent increase. In addition, removed underlining of various words, corrected typographical errors, deleted and added language for clarification, and reformatted text.]

Sec. 5.04. Discretionary Rent Increase Application Submission to the Mobile Home Park Rent Review Board

After notification to the park tenants pursuant to Section 81007 of the Ordinance and Section 5.03 of these Guidelines, ~~above~~, the applicant owner shall ~~submit~~ submit the following a complete set of discretionary rent increase application documents to the Mobile Home Park Rent Review Board staff as follows:

- a. One original, completed ~~D~~discretionary Rent increase application and ~~seven (7) copies of the application and supporting documents and forms, including the certified public accountant (CPA) Certified Net Operating Worksheet for a just and reasonable Discretionary Rent Increase (7);~~
- b. Evidence of a valid permit to operate, if applicable, from the California Department of Housing and Community Development;
- c. ~~e~~One (1) representative copy of the a Notice of Request for Rent Increase form provided to a park tenant;
- d. ~~e~~One (1) copy of the completed Proof of Service form of the Request for Rent Increase;

- e. ~~sSeven (7) copies of the allowable section 7 rent increase documents parts 1 through 7.~~
- d. A Reimbursement Agreement signed by the park owner; and,
- e. A deposit for the appropriate processing fee as listed in the current Board of Supervisors' adopted Planning Division Fee Schedule. As part of the application review process, the Ventura County Planning Division will contract an independent CPA, among other experts, as may be required, to peer review the application. This deposit will be used for both staff time and to cover the cost of experts, including the required CPA peer review.

[Staff Explanation: Added requirement that park owners possess a valid permit to operate, as applicable, from the California Department of Housing and Community Development (HCD) in order to submit and process a discretionary rent increase application. Clarified existing requirement that applicants submit a signed Reimbursement Agreement and requisite deposit. Clarified existing practice that the Planning Division will contract an independent CPA as well as any other experts, as may be required, to peer review the application, and use the applicant deposit to cover such costs. Removed title underline, corrected typographical errors, deleted and added language for clarification, removed reference to the allowable Section 7 since it is no longer applicable, and reformatted text.]

Sec. 5.05. Incomplete Invalid Discretionary Rent Increase Applications; Supporting Documentation Requirements

In the event that an discretionary rent increase application lacks the required documents, lacks information, or there are errors in the mathematical computations showing the individual space rent increases, the discretionary rent increase application may be returned to the ~~landlord~~ applicant with an explanation as to why the discretionary rent increase application cannot be accepted, or the case may be suspended prior to the scheduled hearing for a 30-day period commencing upon the date of the ~~mailing the~~ notification to the ~~landlord~~ applicant of the additional documentation and/or information. If at the end of this 30-day period the requested information has not been supplied, the time periods stated in the Ordinance will ~~continue to run, and a hearing will be scheduled~~ be tolled (i.e., will not run) during the time period the application remains incomplete.

~~If an~~ The application supporting documentation and materials attached to the discretionary rent increase application must be certified by the applicant and a CPA as accurate and computed in the same manner as books and records kept for income tax purposes. The applicant must, upon request by the Mobile Home Park Rent Review

Board, the staff, or the peer review accountant CPA, show to the ~~Board, staff or review accountant~~ the original document from which any photocopy was made and all documents, papers or written memoranda which support or are evidence of claimed expenses of any nature.

In those instances where the park owner or the park owners' relatives performed management services or labor being claimed as housing service costs, or claim reimbursement for housing services costs or expenses, a record of the date, time, and nature of the service, labor or expenditures must be kept and submitted with the discretionary rent increase application. Services, labor, or expenditures by the park owner or the park owners' relatives must be identified as such in the discretionary rent increase application or supporting documents. Failure to submit such records may result in the requested cost or expense being ~~disallowed~~ denied. The Mobile Home Park Rent Review Board may request evidence of any individual's background, knowledge, training, or experience qualifying such individual to perform management services or labor as claimed in the discretionary rent increase application or supporting documents.

[Staff Explanation: Includes recommended change such that the time periods stated in the Ordinance will be tolled (i.e., will not run) during the time period an application remains incomplete. Removed title underline, corrected typographical errors, deleted and added language for clarification, and reformatted text.]

Sec. 5.07. Mobile Home Park Rent Review Board Review

The Mobile Home Park Rent Review Board will set a hearing on a ~~valid~~ discretionary rent increase application in accordance with Section ~~8(d)~~ 81007 (b) of the Ordinance.

Sec. 6. Severability; Interpretation

If any provision or clause of this Resolution or ~~the its~~ application thereof to any person or circumstances is held to be unconstitutional or to be otherwise invalid by a final judgement of any court of competent jurisdiction, such invalidity shall not affect other provisions or clauses or applications thereof which can be implemented without the invalid provision or clause or application and to this end, the provisions and clauses of this Resolution are declared to be severable. ~~Thise~~ Resolution guidelines shall be liberally construed to achieve the purpose of these Guidelines and to preserve their validity.

[Staff Explanation: Removed title underline, corrected typographical errors, deleted and added language for clarification, and reformatted text.]

Passed and adopted this ____ day of November 2024 by the following vote:

AYES: _____
NOES: _____

ABSENT: _____

[Staff Explanation: Added language to be consistent with the language to show the proper adoption of an ordinance or a resolution.]

RRB Chair
Ventura County Mobile Home Park
Rent Review Board

Date

Attest: _____
Dillan Murray
RRB Staff Administrator

Date

Mobile Home Park Discretionary Rent Increase Application - Net Operating Income Worksheet¹

	1980 Base Year ()	Current Year ()	1982 Base Year ()	Current Year ()
A. <u>GROSS TOTAL INCOME</u>				
1. Space Rental Income	_____	_____		
2. Storage and Parking Income	_____	_____		
3. Adjusted Inc. for Below Market Value <u>Rentals</u>	_____	_____		
4. Miscellaneous Income (Itemize and Attach)	_____	_____		
5. SUB-TOTAL GROSS TOTAL INCOME (Add lines 1 through 4)			_____	_____
B. <u>Permitted Expenses</u>				
6. Management and Administration	_____	_____		
7. Adjustment for Landlord <u>Park Owner</u> Services	_____	_____		
8. <u>Misc.</u> Operating Expenses (add lines 9-15)	_____	_____		
	Base	Current		
9. Supplies	_____	_____		
10. Heating	_____	_____		
11. Electric	_____	_____		
12. Water/Sewer	_____	_____		
13. Gas	_____	_____		
14. Refuse Removal	_____	_____		
15. Other (Itemize)	_____	_____		
16. MAINTENANCE EXPENSES (add lines 17-21)	_____	_____		
17. Security	_____	_____		
18. <u>Grounds</u> Maintenance	_____	_____		
19. <u>Maintenance, and &</u>	_____	_____		

¹ This worksheet is required as part of a discretionary rent increase application. The applicant may attach additional pages of explanation to this worksheet to provide appropriate context, particularly if there are substantial differences between the Base Year and Current Year for any expense(s).

Net Operating Income Worksheet

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Repairs	_____	_____	Base Year	Current Year	Base Year	Current Year
	Base Year	Current Year				
20. Other (Itemize)	_____	_____				
21. Amortized- Capital Improvement(s)- (Attach explanation)	_____	_____				
22. TAXES AND INSURANCE (sub-total 23-26)			_____	_____		
23. Real Estate	_____	_____				
24. Other Taxes	_____	_____	(Itemize: Attach Additional Sheet if Necessary)			
25. Fees, Permits	_____	_____				
26. Insurance	_____	_____				
27. LAND LEASE EXPENSE			_____	_____		
28. V.I.R. EXPENSE INCREASE			_____	_____		
29. ALLOWABLE LEGAL EXPENSE			_____	_____		
30. SUB-TOTAL OPERATING EXPENSE (add lines 6, 7, 8, 16, 22, 27, 28, 29)					_____	_____

C. NET OPERATING INCOME

31. NOI. (Subtract line 30 from line 5) _____

Note: From this point on, identify and show all calculations on attached sheets or below.

32. Price level adjustment. Base year ~~net operating income~~ NOI multiplied by .50 of the increase in the C-P-I- (per Sec. 3.03). _____

33. ~~Gross~~ Discretionary rent ~~increase~~ amount. Add (1) the difference between the Base Year NOI plus the Price Level Adjustment, and the Current Year NOI, and (2) any Current Year Operating Expenses in excess of Current Year Gross Total Income equal to amount ~~Base Year NOI plus price level adjustment Plus current Annual Operating Expenses exceed current Gross Total Income~~ (per Sec. 3.05). _____

34. Percentage of individual space rent increase
 (per Sec. 4.01). _____

NOTE: APPLICANT DOES NOT NEED TO ANSWER NUMBER 35 AND 36 UNLESS APPLICANT IS REQUESTING THE BOARD USE AN ALTERNATIVE METHOD FOR DETERMINING A DISCRETIONARY RENT INCREASE AS PROVIDED FOR UNDER SEC. 1.03 OF THE DISCRETIONARY INCREASE GUIDELINES.

Base Year

35. Owner's Original Investment in Park

a. Original Purchase Date and Price _____

b. Down Payment _____

c. Amount Financed
 Date First Mortgage and Terms
 Date Second Mortgage and Terms

d. Current Interest Rate
 Date First Mortgage and Terms
 Date Second Mortgage and Terms

e. Amount Paid on Mortgage(s) to Date	<u>1st</u>	<u>2nd</u>
Principal	_____	_____
Interest	_____	_____
TOTAL:	_____	_____

f. Assessed Value _____

g. Should the above requested information fail to completely set forth the financing history of the park since purchase, please add further information as necessary to complete the financing history to date.

36. History of Rental Increases ~~since January 1, 1978~~

For parks constructed prior to September 1, 1982, please list chronologically each rent increase for each park space since January 1, 1978. For parks constructed after September 1, 1982, please list chronologically each rent increase for each park space since the time they were initially offered for rent. Should a number of space rents have been raised equally at the same time, it will be sufficient to list the number of spaces and corresponding rent increase without listing each space and rent increase individually.

CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT

I hereby declare under penalty of perjury and certify that all accounting information presented in connection with this application is accurate and computed in the same manner as books and records kept for income tax purposes and is true and correct to the best of my knowledge.

C-P-A Signature _____

Print Name _____

Address and Phone _____
