

Rent Review Board Staff Report and Recommendations Hearing of November 13, 2024, Item 8

County of Ventura • Resource Management Agency

800 S. Victoria Avenue, Ventura, CA 93009-1740 • (805) 654-2478 • www.vcrma.org/divisions/planning

A. PROJECT INFORMATION

1. **Subject:** Mobile Home Park Rent Review Board (RRB) – Proposed repeal and replacement of Resolution Number RRB97-290, adopted April 28, 1997, (Exhibit 1). RRB97-290 contains administrative rules governing discretionary rent increase applications and supporting documents or evidence submitted pursuant to Sections 81007 and 81010 of the Mobile Home Park Rent Control Ordinance (Ordinance).

The proposed amendments include minor revisions to update and clarify the existing language, and to require that park owners possess a valid permit to operate from the California Department of Housing and Community Development (HCD) in order to submit and process a discretionary rent increase application.

In addition, proposed amendments clarify the existing requirement that applicants submit a signed Reimbursement Agreement and requisite deposit, as well as reflect the current Planning Division practice of contracting for an independent certified public accountant (CPA) as well as any other experts, as may be required, to peer review the application, and use the applicant deposit and subsequent billing to cover such costs.

2. **Request:** The Planning Division requests that the RRB review this staff report and its attachments and adopt resolution RRB24-002 (Exhibit 3) to replace and supersede RRB97-290.
3. **Applicant:**
County of Ventura
Resource Management Agency
Planning Division
800 South Victoria Avenue, L#1740
Ventura, CA 93009
4. **Decision-Making Authority:** The RRB is the decision-making authority on this matter. Section 81004(f) of the Ordinance gives the RRB the ability to “adopt, promulgate, amend, and rescind administrative rules” in order to effectively implement the Ordinance.
5. **Project Site Location:** Countywide, at parks within unincorporated Ventura County that are subject to the Ordinance.
6. **Background and Discussion:** The Ordinance was originally adopted by the Board of Supervisors on February 15, 1983. This Ordinance established the RRB, which holds hearings on issues related to mobile home park rent stabilization and reviews discretionary rent increases for park spaces that are subject to this Ordinance

within unincorporated Ventura County. Since the adoption of the Ordinance, the RRB has adopted resolutions to establish administrative rules to effectuate the purpose and policies of the Ordinance. Some of these resolutions were adopted by the RRB in the 1980s and 1990s.

Resolution RRB97-290 (subject of today's RRB meeting) contains administrative rules governing discretionary rent increase applications. Park owners may apply for a discretionary rent increase in cases where the facts and circumstances show that the current park rent income is less than when the park was purchased. This type of rent increase application is determined by the RRB at a public hearing. In evaluating a discretionary rent increase proposal, the RRB shall consider, along with all other 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, capital improvements and more.

By contrast, ministerial rent increase applications submitted pursuant to Section 81005 of the Ordinance are reviewed at the staff level since they must meet objective submittal criteria and are strictly aligned with the Social Security Cost of Living Adjustment (between 2% and 8% each year).

It's worth noting that discretionary rent increase applications are rare. Over the previous 10-year period, the Planning Division received only one discretionary rent increase application. Meanwhile, the Planning Division receives 17 ministerial rent increase applications per year, on average. This may be because the annual ministerial Social Security cost of living adjustment increases plus the allowable rent increases when a mobilehome is sold in place have been adequate to provide the park owners with a reasonable return on their investment.

On May 6, 2014, the Board of Supervisors approved and adopted amendments to the Ordinance, which became effective on June 5, 2014. These amendments included a change in the numbering system as a result of codification of the Ordinance. When the Ordinance was codified and incorporated into the Ventura County Code of Ordinances, Division 8 – Planning and Development, the numbering format changed. Specifically, the Ordinance now begins with Section 81000 and concludes with Section 81020, consistent with the existing numbering system of Division 8 of the County Code of Ordinances.

As a result of the Ordinance numbering system change, all applicable RRB-approved resolutions that establish administrative rules and guidelines to effectuate the purpose and policies of the Ordinance have been gradually updated to be consistent with the numbering system of the Ordinance. Since the 2014 Ordinance amendment, Planning staff, as well as interested persons, have been forced to refer to the previously approved Ordinance in order to correlate the section numbers of the RRB resolutions. For this reason, Planning staff previously

initiated an effort to update all RRB resolutions that establish administrative rules or guidelines to effectuate the purpose and policies of the Ordinance.

Resolution RRB97-290 is one additional resolution that must be updated to reflect the previous changes to the section numbering of the Ordinance. In addition to updating the section numbering, staff recommends additional revisions to clarify existing procedures and specify that, in order to apply for a discretionary rent increase, a park owner must have a valid permit to operate from HCD, if applicable, and that, if an application is determined to be incomplete, the time limits for scheduling a hearing will be tolled (i.e., will not run). Requiring a valid permit to operate is consistent with state law, which makes it unlawful for any person to operate or rent a mobilehome park unless they possess a valid permit (Health and Safety Code, § 18500.) In addition to specifying this requirement for discretionary rent increase applications, staff is incorporating this same requirement into the ministerial Social Security cost of living adjustment application process and other rent increase application processes, as necessary.

- 7. Summary of Proposed Resolution RRB24-002:** Resolution RRB24-002 updates the RRB's guidelines for discretionary rent increases under Ordinance section 81007 to align with the numbering system of the current Ordinance and enable RRB staff to more efficiently review discretionary rent increase applications by park owners, including minor clarifications with regard to provisions concerning the determination of net operating income, rent increase eligibility procedures, and application processing procedures.

Resolution RRB24-002 updates the guidance reflected in RRB97-290 including corrections for minor typographical and clerical errors throughout, clarifications to content, and revisions to the referenced section numbers within the document to correlate with the current numbering system of the Ordinance. Minor revisions to the language of RRB Resolution No. RRB97-290 are proposed to help park owners and residents more clearly understand the intent of the resolution. The proposed resolution also specifies that park owners must possess a valid permit to operate by HCD, if applicable, to apply for a discretionary rent increase, and that the time limits for scheduling a hearing will be tolled if an application is determined to be incomplete. In addition, proposed amendments clarify the existing requirement that applicants submit a signed Reimbursement Agreement and requisite deposit, as well as reflect the current Planning Division practice of contracting for an independent certified public accountant (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.

Resolution No. RRB97-290 is shown in Exhibit 1. The revisions proposed by RRB24-002 are shown in legislative format in Exhibit 2, along with the Certified Public Accountant-Certified Net Operating Worksheet, which contains formatting

improvements and is required as part of a discretionary rent increase application. Minor formatting revisions were made to the Net Operating Worksheet, but the content remains the same. The final proposed Resolution No. RRB24-002 is attached as Exhibit 3.

B. RRB HEARING NOTICE AND PUBLIC COMMENTS

The Planning Division provided public notice regarding the RRB hearing in accordance with the Government Code §54954.2 (a)(1). As of the date of this staff report, Planning staff has not received any public comments.

C. RECOMMENDED ACTIONS

Based upon the analysis and information provided in this staff report, staff recommends that the RRB take the following actions:

1. **CERTIFY** that the RRB has reviewed and considered the Mobile Home Park Rent Review Board staff report and all exhibits thereto, and has considered all comments received during the public comment process;
2. **FIND** based on the substantial evidence presented in the staff report, and the entire record, that the proposed resolution RRB24-002 (Exhibit 3) is in the public interest;
3. **ADOPT** Resolution RRB24-002 (Exhibit 3); and,
4. **SPECIFY** the Planning Division at 800 S. Victoria Avenue, Ventura, CA 93009 as the location and custodian of the documents and materials that constitute the record of proceedings upon which this decision is based.

If you have any questions concerning the information presented above, please contact Dillan Murray at (805) 654-5042 or via e-mail at Dillan.Murray@ventura.org.

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Reviewed by:



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EXHIBITS

- Exhibit 1 – Resolution Number RRB97-290, adopted April 28, 1997
- Exhibit 2 – Proposed Resolution RRB24-002 (legislative version)
- Exhibit 3 – Proposed Resolution RRB24-002 (clean version)