


Agenda Report Reviewed by:  
City Manager: 

CITY OF SEBASTOPOL  
CITY COUNCIL  
AGENDA ITEM

Meeting Date: April 5, 2022  
To: Honorable Mayor and City Councilmembers  
From: City Administration  
Subject: Renewal of Agreement between the City of Sebastopol and the Sonoma County Community Development Commission for Administration of Sebastopol Mobilehome Rent Stabilization Program (July 1, 2022 through June 30, 2025)  
Recommendation: That the Mayor and City Council Approve and Renew the Agreement and Authorize the City Manager to Sign the Agreement  
Funding: Currently Budgeted: \_\_\_\_\_ Yes  No \_\_\_\_\_ N/A  
Net General Fund Cost:  
Amount:  
Account Code/Costs authorized in City Approved Budget: AK (verified by Administrative Services Department)

**INTRODUCTION:**

This item is for City Council Approval for Renewal of Agreement between the City of Sebastopol and the Sonoma County Community Development Commission for Administration of Sebastopol Mobilehome Rent Stabilization Program (July 1, 2022 through June 30, 2025) and authorize the City Manager to sign the Agreement.

**BACKGROUND:**

Due to staffing issues and the specialized nature of this work, the City has been contracting with the Sonoma County Community Development Commission for this purpose of administering the City of Sebastopol’s Mobilehome Rent Stabilization Program and has been satisfied with the service provided to the City and its residents. The current agreement is set to expire on June 30, 2022.

**DISCUSSION:**

The City has adopted a rent stabilization ordinance and program for mobilehome parks within the City, modeled upon the program adopted by the Sonoma County Board of Supervisors. The City has previously found it both economical and efficient to contract the administration of the City’s ordinance and program with the Sonoma County Community Development Commission. The Commission has significant experience and adequate staffing that the City could not mirror without significant additional resources being required of the City.

The services that the Commission will provide under the renewal of this agreement include:

1. Providing day to day responses to citizen inquiries regarding the City Ordinance
2. Providing administrative services to process arbitration petitions
3. Locating and retaining arbitrators for administrative hearings under the City Ordinance, who have certified to the Commission they meet the Commission’s selection criteria
4. Arranging location for administrative hearings and other meetings as required by the City Ordinance

In approving this agreement renewal, the City understands and agrees that the Sonoma County Community Development Commission and its staff may be required to apply and interpret the rent stabilization ordinance of the City in connection with such services, and the City agrees it will promptly provide guidance to the Commission regarding issues arising under the City ordinance upon request.

This agreement provides that the Commission will be paid at the rate of \$85.00 per hour for services rendered in the administration of the City mobilehome rent stabilization ordinance. Annual services are anticipated not to exceed one hundred eight (108) hours per year. It is anticipated that the annual services will not exceed one hundred and eight (108) hours per year. Should services be required beyond the one hundred and eight (108) hours, additional negotiations will be required and a separate modification to this contract will be required.

Furthermore, the Commission will be paid at the rate of \$200 per hour for County Counsel services provided to City in counseling Commission staff regarding the administration of City's rent stabilization program. If services necessary to administer said program appear to exceed this estimate, City may elect to involve its City Attorney in place of Commission Counsel. Additional legal services in excess of Ninety (90) hours per year must be negotiated and the subject matter of a separate written modification of this contract.

The costs of the program are consistent with the past costs charged by the Commission. These were previously paid from the low income housing allocation for the former Sebastopol Community Development Agency, but with the elimination of the Agency, the costs are now paid from the General Fund and budgeted each year in the City Manager's departmental budget. Costs for the services have ranged anywhere from \$600.00 to \$4000.00 dependent upon the issues for that specific year. In the last three years, the average has been about \$350.

The alternative to the City would be to administer the program with existing staff. Given our staffing levels, and the lack of familiarity with the management of this specialized program, staff is confident the costs would be higher to the City to administer the program.

If approved, this agreement shall commence July 1, 2022 and terminate on June 30, 2025.

**CITY COUNCIL AND/OR GENERAL PLAN GOALS:**

Goal 5 - Provide Open and Responsive Municipal Government Leadership

**PUBLIC COMMENT:**

As of the writing of this staff report, the City has not received any public comment. However, if staff receives public comment from interested parties following the publication and distribution of this staff report such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of this item.

**PUBLIC NOTICE:**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

**FISCAL IMPACT:**

There is no fiscal impact with this item tonight.

**RECOMMENDATION:** That the City Council approve the Renewal of Agreement between the City of Sebastopol and the Sonoma County Community Development Commission for Administration of Sebastopol Mobilehome

Rent Stabilization Program (July 1, 2022 through June 30, 2025) and authorize the City Manager to sign the Agreement.

**Attachment(s):**

Agreement

Ordinance

AGREEMENT  
BETWEEN THE CITY OF SEBASTOPOL AND  
THE SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION  
FOR ADMINISTRATION OF SEBASTOPOL MOBILEHOME RENT STABILIZATION PROGRAM  
AND HOLD HARMLESS, INDEMNIFICATION AND DEFENSE  
AGREEMENT

THIS CONTRACT, made this \_\_\_\_ day of \_\_\_\_\_ 2022, by and between the Sonoma County Commission Community Development Commission, hereinafter called "Commission," and City of Sebastopol, hereinafter called "City."

WHEREAS, City has adopted a rent stabilization ordinance and program for mobilehome parks within City modeled upon one adopted by the Sonoma County Commission Board of Supervisors; and

WHEREAS, the current agreement between the Commission and City expires on June 30, 2022; and

WHEREAS, City desires to have Commission continue to administer said program within the City boundaries, and Commission has expertise and staff to continue such services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. SCOPE OF SERVICE: Commission shall administer the mobilehome rent stabilization ordinance of City (attached hereto and incorporated herein by reference as Exhibit "A") in a like manner to the comparable Sonoma County Mobilehome Park Space Rent Stabilization Ordinance. Said administrative services shall include (1) providing day-to-day responses to citizen inquiries regarding the City ordinance; (2) providing administrative services to process arbitration petitions; (3) locating and retaining arbitrators for administrative hearings under the City ordinance; and (4) arranging a location for administrative hearings and other meetings required by the City ordinance. The City understands and agrees that the Commission and its staff may be required to apply and interpret the rent stabilization ordinance of City in connection with such services, and hereby agrees to be bound by the judgment of Commission staff on such matters of interpretation and application. If requested by Commission, City staff will promptly provide guidance to Commission regarding issues arising under the City ordinance; however, nothing in this Agreement shall require Commission to request such guidance. Commission shall not be required to make determinations under the City ordinance with respect to the timeliness of petitions, the adequacy of financial information provided by parties, and similar issues if such issues are disputed, it being understood and agreed that such questions may be determined by the arbitrator. Nothing in this Agreement shall require Commission staff to take any action it deems, in its sole judgment, unlawful or likely to result in liability to Commission.

2. INDEMNIFICATION AND DEFENSE: City acknowledges that Commission's performance of services under this Agreement may give rise to claims and litigation against

Commission or its employees, officers, or agents by mobilehome park owners or residents, and that such claims and litigation may, for tactical or other reasons, allege negligence or intentional misconduct on the part of Commission or its employees, officers, or agents. Notwithstanding the nature of the claims, liabilities, actions, or litigation asserted or alleged against Commission or its employees, officers, or agents, City agrees to indemnify, defend, and hold harmless Commission, and its agents (including arbitrators retained by Commission under this Agreement), officers, and employees, from and against any and all claims, liabilities, actions, or litigation of any kind whatsoever arising out of or related to Commission's performance of services under this Agreement, whether or not there is negligence or willful misconduct on the part of Commission, to the maximum extent permitted by law. If there is a possible obligation to indemnify, City's duty to defend exists regardless of whether it is ultimately determined that there is not a duty to indemnify. Commission shall have the right to select its own legal counsel at the expense of City, subject to City's approval, which approval shall not be unreasonably withheld.

City understands and acknowledges that the City's agreement to indemnify and defend Commission against all claims pursuant to this Section 2 was a material inducement for Commission to enter into this Agreement.

3. **TERMINATION:** Either party hereto may terminate this agreement upon thirty days notice of the intent to terminate this agreement, with service of said notice being made as follows:

**COMMISSION:**

Dave Kiff, Interim Executive Director  
Sonoma County Community Development Commission  
1440 Guerneville Road  
Santa Rosa CA 95403

**CITY:**

Larry McLaughlin, City Manager  
City of Sebastopol  
7120 Bodega Avenue  
P. O. Box 1776  
Sebastopol, CA 95473

4. Commission will be paid for all services rendered. Commission will be paid at the rate of \$85.00 per hour for services rendered in the administration of the City mobilehome rent stabilization ordinance. Annual services are anticipated not to exceed one hundred eight (108) hours per year. Invoices shall be sent to the City periodically. Services in excess of one hundred eight (108) hours must be negotiated and the subject matter of a separate written modification of this contract. Where arbitrators are deemed to be necessary, they shall be paid by Commission and reimbursed by City for actual amount incurred.

5. **SERVICES LIMITED TO ADMINISTRATION:** The Ordinance policy, findings and/or language adopted by City is solely the responsibility of City. Commission shall not be expected to

defend said policy, findings and/or language or litigate cases which challenge the law's facial validity except as may hereafter be agreed by separate written modification of this contract. Commission shall not be expected to take any affirmative action to enforce the City ordinance or to enforce the terms of any arbitration decision.

6. **INCIDENTAL LEGAL SERVICES RELATED TO ADMINISTRATION OF CITY PROGRAM:** City shall pay the Commission at the rate of \$200 per hour for County Counsel services provided to City in counseling Commission staff regarding the administration of City's rent stabilization program. Commission Counsel shall not be responsible for recommending or suggesting modifications of the language of City's ordinance. City agrees that if requested it will promptly consult with Commission Counsel on any issue relating to the City ordinance, any arbitration proceeding requested under the City ordinance, or any other issue relating to the performance of services by Commission under this Agreement. Annual services from Commission Counsel is not anticipated to exceed Ninety (90) hours per year. If services necessary to administer said program appear to exceed this estimate, City may elect to involve its City Attorney in place of Commission Counsel. Additional legal services in excess of Ninety (90) hours per year must be negotiated and the subject matter of a separate written modification of this contract.

7. **NO INTENDED THIRD PARTY BENEFICIARIES:** The parties hereto agree and acknowledge that this contract does not provide for any intended third party beneficiaries, and no suit against either party may be based upon such a claim. This agreement shall be enforceable only by the parties hereto.

8. **TERM AND RENEWAL:** The term of the agreement shall commence July 1, 2022 and end June 30, 2025. The rates under section 4 and 6 may be amended annually effective July 1st to reflect the actual cost to Commission of providing services.

9. **RECORDS:** Except for materials that may be subject to the attorney-client privilege, records maintained by the Commission in the administration of City's rent stabilization program are City's. All such documents shall be returned to City upon the expiration of this agreement.

10. **AMENDMENTS TO CITY RENT STABILIZATION ORDINANCE:** Any and all changes or proposed changes to the City rent stabilization ordinance shall be promptly communicated to the mobilehome specialist at the Commission with sufficient notice to accommodate administrative adjustments that may become necessary to implement the change or changes in the City ordinance.

11. **MERGER:** This is intended both as the final expression of the agreement between the parties with respect to the included terms, and as a complete and exclusive statement of the terms of agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS INSTRUMENT TO BE DULY EXECUTED.

Date: \_\_\_\_\_

CITY OF SEBASTOPOL:

By: \_\_\_\_\_  
City Manager

Dated: \_\_\_\_\_

COMMISSION:

By: \_\_\_\_\_  
Executive Director

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
County Counsel

Chapter 9.28

MOBILE HOME RENT STABILIZATION

Sections:

- 9.28.010 Findings and Purpose
- 9.28.020 Additional Findings and Purpose
- 9.28.030 Definitions
- 9.28.040 Base Rent-Initial Calculation
- 9.28.050 Residential Rent Increase Limitations
- 9.28.060 Information to Be Supplied
- 9.28.070 Tenants and Tenants-to-Be The Rent Dispute Resolution Process
- 9.28.080 Rights of a “Tenant-To-Be”
- 9.28.090 Subpoena Power
- 9.28.100 Consolidation of Petitions
- 9.28.110 Standards of Review
- 9.28.120 Net Operating Income
- 9.28.130 Obligations of the Parties
- 9.28.140 Tenant’s Right of Refusal
- 9.28.150 Retaliatory Acts: Tenant’s Right to Organize
- 9.28.160 Solicitation of Any Petitions By the Park Owners are Without Force or Legal Effect Within County’s Program
- 9.28.170 Fees
- 9.28.180 Exemption From Fees
- 9.28.190 Non-waiverability
- 9.28.200 Penalties and Remedies
- 9.28.210 Review By The City Council
- 9.28.220 Severability
- 9.28.230 Vacancy Control: Establishment of New Base Rent
- 9.28.240 When Recreation Vehicle Space Tenants Are to Be Treated as “Affected Tenants”
- 9.28.250 Severability
- 9.28.260 Legal Challenge

9.28.010 Findings And Purpose

(a) In 1985, the Sonoma County Board of Supervisors recognized that a serious problem of rapidly increasing mobile home park space rents existed in the unincorporated areas of Sonoma County. In 1986, the Board retained an experienced consultant, Connerly & Associates, Inc., to conduct a market survey of mobile home parks and mobile home park residents in the County.

(b) In January, 1987, Connerly & Associates, Inc., submitted to the Board a written report detailing their findings, which were as follows:

- (1) The majority of mobile homes in the County are located in rented spaces in mobile home parks.
- (2) In the unincorporated area of the County, there are 75 mobile home parks containing 3,659 spaces (1986).
- (3) Mobile homes in mobile home parks provide an important alternative form of housing for a substantial number of County residents.
- (4) The majority of mobile home park residents are age 65 or older.
- (5) The median income of mobile home park residents in unincorporated County areas is \$14,000/year, which is defined by the U.S. Department of Housing and Urban Development as “lower” income (in 1986).
- (6) In the unincorporated County areas, about 43% of mobile home park residents are defined as “very low” income recipients according to the HUD definition of that term (in 1986).
- (7) Seventy percent (70%) of mobile home park resident households have at least one retired member whose primary source of income is Social Security payments.
- (8) During the past three (3) years, median mobile home park space rents have increased by 18.1%.
- (9) A majority of mobile home park residents in the County pay more than 25% of their income for housing.
- (10) A large majority of mobile home park residents own the mobile homes which they occupy and many of these residents have substantial loan payments to meet in addition to rent payments.
- (10) The median estimates sales value of a mobile home in a mobile home park exceeds \$30,000.
- (12) Many mobile home park residents were born in Sonoma County or have lived in the County for ten years or more.
- (13) The vacancy rate among mobile home park spaces is 0.3% (in 1986).
- (14) The cost of moving a mobile home is in the



range of \$2,900-\$4,000 or more (in 1986)

(c) The Board of Supervisors reviewed the above conclusions on March 16, 1987, and found them to be true and correct. In reviewing a new rent control survey prepared by Connerly and Associates in early 1992, the Board of Supervisors found a profound need for continued mobile home space, and, in special circumstances, recreational vehicle space rent control. The Board of Supervisors found the 1992 survey, its data and its conclusions to be true and correct, and took particular note of the following:

(1) Mobile homes and manufactured housing have represented an affordable form of shelter to millions of Californians with modest incomes. This has been especially true for elderly persons living on fixed Social Security or retirement incomes.

(2) A vacancy rate of 1.2% in 1991 and vacancy rates of typically one percent or less over the past five years have given mobile home park owners a virtual oligopoly where market forces do not influence space rental pricing.

(3) Typical moving costs for mobile homes from one mobile home park to another (if vacant spaces could be located) range from approximately \$5,000 to \$9,000 depending upon the size of the mobile home.

(4) The average annual rent increase proposed by park owners between 1987 and 1991 was 13.2 percent per annum. Pursuant to the rent stabilization ordinance, on average less than half the proposed percentage rent increase was authorized during those years.

(5) Persons over 65 comprised over half of the mobile home park population.

(6) Of those survey respondents reporting their level of income, 43% were very low-income (50% or less of the median county income) and 27% were lower-income (50%-80% of the median county income).

(7) Few residents reported substantial assets which they could draw upon to meet future housing expenses. Fewer than half of the respondents had \$30,000 or more in assets (excluding the value of their mobile homes).

(8) Under the County's voluntary mediation program between 1985 and 1987, park owners proposed annual rent increases averaging 9.6%,

nearly four times the rate of general price increases according to the CPI for Sonoma County. After mandatory arbitration was established, and the current rent control ordinance adopted, requested rent increases were generally twice or more of the approved rent increases. Approved rent increases, on the average, began to mirror the CPI.

(9) The mobile home space rent stabilization program has succeeded in its broad objectives and should be expanded to address additional problem areas.

(10) The Board of Supervisors found that it would be desirable to include long-term recreational vehicle space tenants in mobile home parks under the rent stabilization program. Such tenants in mobile home parks appear to be similarly situated to mobile home tenants except for the vehicular character of their dwellings. Although mobile, recreational vehicles in mobile home parks are "trapped" by the low vacancy rate within mobile home parks. Transient recreational vehicle parks are not amenable to the type of permanent residency needs of permanent recreational vehicle space tenants.

(11) The Board of Supervisors found that it would be desirable to provide prospective mobile home park tenants with an option to choose between a long-term lease and a periodic tenancy of less than one year in duration. The terms offered under typical long-term leases by some park owners are excessively long, oppressive, one-sided adhesion agreements. Such an option furthers a legitimate governmental objective and is not in conflict with or preempted by state law.

(12) The Board of Supervisors found that, on average, several dozen mobile homes are sold or offered for sale each year in Sonoma County. The sale of these mobile homes on site subjects mobile home coach owners to unreasonably suppressed resale rates due to oppressively high rental adjustments upon rent de-control. The Board of Supervisors found that it would be desirable to provide vacancy control in its rent stabilization program as hereunder provided.

(13) The need for effective and fair mobile home park space rent stabilization continues to exist in Sonoma County in 1993 as it did in 1986.

**9.28.020 Additional Findings and Purpose**

(a) Based on the aforementioned findings, the County of Sonoma enacted County Ordinance 4667. As County Ordinance 4667 forms the basis of this

ordinance, to the extent necessary and appropriate the City Council hereby incorporates the consultant’s study and the County’s findings. In addition, the City Council finds the following.

Statistically, the Mobile home Park vacancy rate averages under 1%, with shortage of parks, and no new ones being built. The cost of moving a mobile home today is exorbitant and averages over \$6,000.00. Over 50% of the residents are over 65, Social Security is the primary source of income for over 70% and many residents are either single or widowed. This is true affordable housing and needs to be preserved. There is a great need to prevent excessive space rent increases which could result in threats to health and safety and possible economic eviction.

(b) The purpose of this ordinance is to stabilize the rate of mobile home park space rental in order to:

- (1) Prevent exploitation of the shortage of vacant mobile home park spaces;
- (2) Prevent excessive and unreasonable mobile home park space rent increases;
- (3) Rectify the disparity of bargaining power which exists between mobile home park residents and mobile home park owners;
- (4) Provide mobile home park owners with a guaranteed rate of annual space rent increase which accurately reflects the rate of inflation and increases in their expenses; and
- (5) Provide a process for ensuring mobile home park owners a fair, just, and reasonable rate of return on their parks in cases where the guaranteed annual space rent increase provided by this ordinance proves insufficient.

(c) Based upon additional insights, it also seeks to:

(1) Provide continued rent control through the transfer of a mobile home-on-site (i.e. on the mobile home pad) to a new mobile home owner to prevent exploitative rental increases that took place when vacancy decontrol was tried in earlier versions of this ordinance.

(2) Provide space rent stabilization protection to tenants of recreational vehicles occupying spaces in mobile home parks for more than nine months in recognition of the special status conferred by the Recreational Vehicle Park

Occupancy Laws to such long-term residences under Civil Cod Section 79.45 (b) and their similarity to mobile home tenancies.

(3) Provide options in the duration of tenancies to prospective mobile home tenants to prevent oppressive adhesion contracts from being imposed upon new park tenants.

**9.28.030 Definitions**

(a) “Affected Tenants.” Those tenants whose space is not covered by a valid lease meeting the requirements as outlined in Sec. 798.17(b) of the California Civil Code. Such tenants are to be notified that a space rent increase is to become effective. For purposes of providing notice of the increase, providing copies of the rent stabilization ordinance, and support of a rent arbitration petition, each space subject to a rental increase shall be deemed to have only one “affected tenant” for administrative convenience to the park owners. The reference to “all affected tenants” will refer to one representative tenant from each space subject to the proposed rental increase.

(b) “Arbitrator.” A person (1) who is neither a tenant as that term is defined in this ordinance nor who has an interest in a mobile home park of a nature that would require disqualification under the provisions of the Political Reform Act if the person were an elected state official and (2) a person whom the Clerk of the Sebastopol Mobile home Space Rent Stabilization Program (see (e) below) determines meets one of the following criteria:

(i) Completion of a Juris Doctor or equivalent degree from a school of law and completion of a formal course of training in arbitration which, in the sole judgment of the Clerk of the Sebastopol Mobile home Space Rent Stabilization Program, provides that person with the knowledge and skills to conduct a space rent dispute arbitration in a professional and successful manner; or

(ii) Completion of at least three arbitration proceedings for a Superior Court or other public entity that involved issues the Clerk of the Sebastopol Mobile home Space Rent Stabilization Program finds similar to those raised in space rent dispute arbitrations.

(iii) Served as a California Superior or Municipal Court pro tempore judge.

(c) “Base Rent.” The authorized rent, calculated

pursuant to the provisions of Section 9.28.050, plus any rent increase allowed under this ordinance or any rent adjustment attributable to vacancy decontrol as provided in Section 9.28.220

(d) Reserved.

(e) “Clerk”. Clerk of the Sebastopol Mobile Home Space Rent Stabilization Program, who shall be the City Manager or his or her designee.

(f) “Capital Improvements.” Those improvements that materially add to the value of the property and appreciably prolong its useful life or adapt it to new uses, and which may be amortized over the useful remaining life of the improvement to the property. The term “Capital Improvements” does not include those costs associated with the normal maintenance and upkeep of facilities and premises which are reasonably intended to be part of consideration provided by the mobile home park as rent. Substantial rehabilitation of the park that is necessitated as a result of the park owner’s neglect, permissive waste, deferred maintenance or acts of God shall not be regarded to be capital improvements to the extent that they restore facilities and premises to the conditions reasonably bargained for by the mobile home park tenants. Proposed capital improvements claims must set forth an amortization table spreading the cost of the improvement over its proven useful life. Such costs must be separately itemized, if approved, on the monthly rent invoice. Monthly rent shall be decreased for such amortized capital improvement expenses at the end of the amortization period. Failure to do so shall be regarded to be unauthorized increase in rent. Capital improvements must be for the primary benefit, use and enjoyment of the tenants of the entire park, and costs must be allocated over all beneficiaries of the improvement.

(g) “Consumer Price Index.” Consumer Price Index for all Urban Consumers San Francisco-Oakland Area, published by the U.S. Department of Labor, Bureau of Labor Statistics.

(h) “Housing Service.” A service provided by the owner related to the use or occupancy of a mobile home space, which is neither a capital improvement nor substantial rehabilitation as those terms are defined herein, including but not limited to, repairs, replacement, maintenance, painting, lighting, heat, water, laundry facilities, refuse removal, recreational facilities, parking, security service, and employee services.

(i) “Mobile home.” A structure designed for human habitation and for being moved on a street or highway under permit pursuant to §35790 of the California Vehicle Code. “Mobile Home” includes a manufactured home, as defined in section 18007 of the California Health and Safety Code, and a mobile home, as defined in §18008 of the California Health and Safety Code, but does not include a recreational vehicle, as defined in §799.24 of the California Civil Code and §18010 of the California Health and Safety Code, or a commercial coach, as defined in §18001.8 of the California Health and Safety Code except when such a vehicle has continuously remained within a mobile home park for a period in excess of nine months.

(j) “Mobile home Park.” Any area of land within the City of Sebastopol where two (2) or more mobile home spaces are rented, or held out for rent, to accommodate mobile homes used for human habitation.

(k) “Mobile home Park Owner.” Any owner, lessor, or sub-lessor of a mobile home park in the incorporated areas of the City of Sebastopol who receives or is entitled to receive rent for the use or occupancy of any mobile home space thereof, and the representative, agent, or successor of such owner, lessor, or sub-lessor, and who reports to the Internal Revenue Service any income received or loss of income resulting from such ownership or claims any expenses, credits or deductions because of such ownership.

(l) “Mobile home Space.” Any site within a mobile home park located in the City of Sebastopol intended, designed, or used for the location or accommodation of a mobile home and any accessory structures or appurtenances attached thereto or used in conjunction therewith except (1) sites rented together and concurrently with a mobile home provided by the mobile home Park owner and (2) “new construction” as defined by Civil Code §798.45. The term “mobile home Space” shall also include, for purposes of this rent stabilization ordinance and accompanying fee ordinance, rental spaces within mobile home parks which have been occupied by a “recreational vehicle” as defined by Civil Code 445799.24 for a period of nine (9) months or more.

(m) “Mobile Home Tenant” A tenant, subtenant, lessee, or sub-lessee, or any other person entitled to the use or occupancy of any mobile home space otherwise a party to a rental agreement exempt from regulation under this ordinance pursuant to Civil

Code §798.17.

- (n) “Net Operating Income.” Net operating income as defined in Section 9.28.120 (a) of this ordinance.
- (o) “Owner.” A mobile home park owner.
- (p) “Party.” “Party” as used in this ordinance refers to any affected mobile home tenant and/or owner involved in proceedings under this ordinance.
- (q) “Percent Change in Consumer Price Index.” The annual percent change in the Consumer Price Index, calculated to the nearest tenth, published for the month of July, issued in the month of August. In the event that an index is not published for the month of July, the closest preceding month for which an index is published shall be used.
- (r) “Rent.” Mobile home space rent.
- (s) “Rent Increase.” Any additional space rent demanded of or paid by a tenant for a mobile home space including any reduction in housing services without a corresponding reduction in the amount demanded or paid for rent. Said increase shall be 1.) uniform in percentage rate relative to current base rent or 2.) uniform in dollar amount relative to base rent. Failure to reduce rent at the end of an amortization period for a capital improvement or for separately billed utilities will also be regarded to constitute an unauthorized rent increase for the purposes of this ordinance.
- (t) “Rent Stabilization Administration Fee.” The fee established from time to time by resolution of the City Council in accordance with the provisions of Section 9.28.160 herein.
- (u) “Space Rent.” The total consideration, including any bonus, benefit, or gratuity, demanded or received by a mobile home park owner for or in connection with the use or occupancy of a mobile home space or any housing services provided with the mobile home space. Space rent shall not include any amount paid for the use or occupancy of a mobile home dwelling unit, unless the amount paid for the use or occupancy of a mobile home is or includes consideration paid to a mobile home park owner under a rental agreement or other document evidencing tenancy of the mobile home.
- (v) “Substantial Rehabilitation.” That work done by an owner to a mobile home space or to the common areas of the mobile home park, exclusive of

a capital improvement as that term is defined herein, the value of which exceeds Two Hundred Dollars (\$200.00) and which is performed whether to secure compliance with any state or local law or to repair damage resulting from fire, earthquake, or other casualty or natural disaster, to the extent such work is not reimbursed by insurance.

- (w) “Tenant.” Mobile Home Space Tenant.
- (x) “Tenant-to-be.” A person who is not currently a tenant in a mobile home park but is a prospective mobile home space tenant in a mobile home park but is a prospective mobile home space tenant who desires the use of a mobile home space as defined in this chapter and has presented himself/herself to the park owner as such.

**9.28.040 Base Rent- Initial Calculation**

Except as hereinafter provided, an owner shall not demand, accept, or retain rent for a mobile home space exceeding the rent in effect for said space on the effective date of this ordinance. If a previously rented mobile home space was not rented on the effective date of this ordinance, the owner shall not, except as hereinafter provided, demand, accept or retain rent for said space exceeding the rent in effect during the last month the space was rented prior to the effective date of this ordinance.

**9.28.050 Residential Rent Increase Limitations.**

(a) Except as provided in subsections (b) and (c) of this section, from and after August 22, 1992, or the effective date of this ordinance, which ever should be earlier, the space rent payable for use or occupancy of any mobile home space shall not be increased, in any twelve (12) month period, more than one. Said increase shall not exceed:

- (i) One hundred (100) percent of the percent change in Consumer Price Index, or
- (ii) Six percent, whichever may be less.

(b) If a park owner wishes to apportion to each space on a pro-rata basis the allowable percentage of any current rent stabilization administration fee, in addition to any increase of space rent in accordance with preceding section (a), the following provision shall apply:

(i) The owner shall provide to all affected tenants documentation supporting the allowable amount to be collected in order to recover a portion of rent stabilization administration fees. At a

minimum such documentation shall include; billing notices or other equivalent documents from the City imposing the rent stabilization administration fee; a copy of Section 9.28.160 of the ordinance which authorizes the apportionment of rent stabilization administration fees; the calculations used by the owner to apportion the cost of the allowable percentage among the affected tenants. In addition, the owner shall provide all affected tenants with the address and telephone number of the Clerk and the fact that the affected tenant is encouraged to contact the Clerk for an explanation of the provisions of this ordinance.

(ii) A rent increase approved pursuant to the provisions of this subsection and in accordance with the procedure set forth in Section 9.28.070 of this ordinance shall not be considered part of the rent base upon which future rent increases can be made.

(c) In the event an owner wishes to increase the rent payable for any mobile home space within a twelve (12) month period more than the amount permitted in subsection (a) for any reason other than that stated in subsection (b) herein, the procedures set forth in Sections 9.28.060 and 9.28.070 shall be followed. In the event an owner wishes to increase the rent payable for any mobile home space within a twelve (12) month period more than three hundred (300) percent of the percent change in the Consumer Price Index, a mandatory meet-and confer meeting and arbitration shall be automatically be required to show good cause why such an increase is necessary. The arbitrator may reduce this proposed increase to a figure determined upon the evidence submitted by the park owner or his representative to be a fair return upon investment.

(d) A notice of rent increase given by an owner pursuant to Section 9.28.050 (a), (b) or (c) of this ordinance shall be given in writing at least ninety (90) days before any rent increase is to take effect.

(e) A notice of rent increase incorporating within it a proposed capital improvement which is not otherwise authorized as a pass through pursuant to Civil Code Section 798.49 must be claimed within twelve months of the completion of the project, construction or final billing.

**9.28.060 Information to be supplied Tenants and Tenants-To-Be**

(a) Within thirty (30) days after the operative date of this ordinance and upon re-renting of each mobile home space thereafter, the owner shall supply each affected tenant or tenant-to-be with a current

copy of this ordinance.

(b) Whenever the owner serves a notice of rent increase, except a notice of rent increase provided pursuant to Section 9.28.050 (1) of this ordinance, the owner shall at the same time and in the same manner serve the affected tenant or tenant-to-be with a notice that sets forth all of the following information:

(1) The amount of the rent increase both in dollars and as a percentage of existing rent and documentation supporting the level of increase desired, including at a minimum: a summary of the unavoidable increases in maintenance and operating expenses; a statement of the cost, nature, amortization, and allocation among mobile home spaces of any substantial rehabilitation or capital improvement; a summary of the increased cost of the owner's debt service and the date and nature of the sale or refinancing transaction; a summary of the owner's net operating income of the preceding twenty-four (24) months and other relevant information that supports the level of rent increase desired.

(2) The identity of all other affected tenants and the spaces which they rent and a roster of tenants in the park occupying recreational vehicles in place for more than 9 months;

(3) The address and telephone number of the Clerk and a.) the fact that the tenant is encouraged to contact the Clerk for an explanation of the provisions of this ordinance; b.) documentation supporting the level of increase is on file with the Clerk.

(4) A copy of the petition form as prepared and provided by the Clerk which initiates the process established by this ordinance.

(5) In addition, park owner shall place on file with the clerk two copies of : documentation supporting the level of increase desired, including at a minimum: a summary of the unavoidable increases in maintenance and operating expenses; a statement of the cost, nature, amortization, and allocation among mobile home spaces of any substantial rehabilitation or capital improvement; a summary of the increased cost of the owner's debt service and the date and nature of the sale or refinancing transaction; a summary of the owner's net operating income of the preceding twenty-four (24) months and other relevant information that supports the level of rent increase desired. These documents will be available for inspection at the offices of the Sonoma County Community Development Commission;

(6) If applicable, notification that the proposed rent increase exceeds 300 percent of the change in the consumer price index, and that arbitration is deemed automatically required by the provisions of Section 9.28.050 (c) without any need to file an arbitration petition. Such notices shall bear the following language: “ARBITRATION OF THE PROPOSED INCREASE IS AUTOMATICALLY REQUIRED IN THIS MATTER BY OPERATION OF LAW.” Erroneous use of this notice shall be regarded as an irrevocable stipulation to the jurisdiction of the arbitrator.

(c) The park owner shall also serve any tenant-to-be as defined in Section 9.28.030 (x) with a separate “RENTAL OPTION” notice which sets forth the recitation in capital letters set forth in Section 9.28.080, Rights of a “Tenant-To-Be”.

(d) An owner failing to provide an affected tenant or tenant-to-be with the information, documents, and notices required by this section shall not be entitled to collect any rent increase otherwise authorized by this ordinance from that tenant nor to any rent increase that might otherwise be awarded by an arbitrator. Such failure by the owner shall be a defense in any action brought by the owner to recover possession of a mobile home space or to collect any rent increase from the tenant. An owner may cure the failure to serve any notice or meet the obligation to provide information to a tenant or tenant-to-be which is required under this ordinance by giving such notice or information before initiating an action for possession of the space or collecting any rent increase or binding a tenant-to-be to a month-to-month rental/long-term lease election otherwise authorized hereunder.

(e) An affected tenant who is given notice of a rent increase is entitled to file a Petition for Space Rent Review as provided in Section 9.28.070 of this ordinance in spite of the fact that the owner has failed to provide the affected tenant(s) with all the information, documents and notices required by this ordinance.

**9.28.070 The Rent Dispute Resolution Process**

(a) Mandatory Meet-and-Confer Meeting. Except when a park owner elects rent increases permitted under Section 9.28.050 (a), the tenants and park owners must, within seven (7) working days of the notice of rent increase, meet and confer with each other’s representatives at the Offices of the Sonoma County Community Development Commission.

Written notice of the time, place and date of the meeting should be arranged within forty-eight (48) working hours of the notice of rent increase. If the park owners of tenants fail to agree on the time, place and date of the hearing within that forty-eight hour span and provide due notice to the Clerk, the meeting shall be set at the convenience of the Clerk. At the meeting, representatives of the parties should exchange documentary evidence that the parties in good faith then know will be used to support their respective positions in an arbitration and discuss the issues in dispute. In the case of a park owner, all financial data upon which any proposed increase is claimed shall be supplied to tenant representatives at the time of the meet and confer meeting.

1) Sanctions. A park owner’s failure to provide the minimum information required by this ordinance set forth under subsection 9.28.070(a)(2) below or attend the hearing shall require the Clerk to suspend further proceedings under this ordinance. The park owners’ application for a rent increase under such circumstances shall be deemed defective, without force or effect, and deemed withdrawn. Re-noticing of the increase shall be required to reinstate an application for rent increase.

2) Minimum Meet-and-Confer Information. The park owner has a duty to provide adequate information to the tenants regarding the park’s net operating income sufficient for a reasonably sophisticated inquiry into the financial status of the park owner’s business. This will consist of true and accurate book entries or other competent evidence of gross income including, but not limited to , gross rent interest upon security and cleaning deposits, income from ancillary services (sub-metering of utilities, laundry facilities, etc.) and true and accurate book entries or other competent evidence of operating expenses including , but not limited to, license fees, property taxes, utilities, insurance, management expenses, landlord performed labor, building and grounds maintenance, legal fees, auto and truck expenses, employee benefits, permits, refuse removal, ground lease payments, and similar additional expenses.

(b) Petition. If discussions between owner and tenants do not resolve the dispute between them, the tenants or their representative shall file with the Clerk a Petition for Space Rent Review and a copy of the notice of rent increase, if available, within thirty (30) days the date upon which the rent increase notice was received. The Clerk shall not accept a petition for filing unless it has been signed by at least fifty- one (51) percent of all affected tenants. Upon the filing of

a petition, the rent increase is not effective and may not be collected until and to the extent it is awarded by an arbitrator or until the petition is abandoned. As used herein, the term “abandoned” refers to lack of prosecution of the arbitration by the mobile home tenants’ representative(s). An automatic arbitration based upon a 300% CPI increase will not require active tenant prosecution, although such prosecution will not be prohibited. The term “prosecution” refers to actively pursuing necessary steps toward preparing the tenants’ case for the arbitration hearing.

(c) Contents of Petition.

(1) The Petition for Space Rent Review shall set forth the total number of affected rented spaces in the mobile home park, shall identify the space occupied by each tenant and shall state the date upon which the notice of the rent increase was received by the tenant(s).

(2) After obtaining the required signatures, the tenant(s) shall deliver the petition or mail it by registered or certified mail to the Clerk at the following address: P.O. Box 1776, Sebastopol, California, 95473-1776 (or successor address or agency). Not petition shall be accepted unless it is accompanied by the requisite number of signatures and is received in the office of the Clerk within the twenty-one (21) day period set forth in paragraph (b) above. The Clerk shall provide a copy of the completed petition form to both parties and the arbitrator forthwith or within five (5) working days.

(d) Information Questionnaire. After the Clerk has accepted a Petition for Space Rent Review, the Clerk shall remit to the owner and tenants an information questionnaire in such form as the Clerk may prescribe. The completed information questionnaire must be returned to the Clerk at least five (5) working days prior to the date scheduled for hearing of the petition by the arbitrator. Copies of the completed information questionnaire shall be provided to the arbitrator and the opposing party.

(e) Assignment of Arbitrator and Hearing Date. Upon receipt of the petition, or in the event of an automatic arbitration, or upon an affected tenant’s claim of a vacancy control violation where an unauthorized rent increase has been sought, the Clerk shall set a date for the arbitration hearing no sooner than five (5) nor later than ten (10) working days after the arbitrator is assigned. The owner and affected tenant(s) shall be notified immediately in writing by the Clerk of the date, time and place of the hearing and this notice shall be served either in

person or by ordinary mail.

(f) Arbitration Hearing.

(1) The owner and tenant(s) may appear at the hearing and offer oral and documentary evidence. Both the owner and tenant(s) may designate a representative or representatives to appear for them at the hearing. The arbitrator may grant or order one (1) continuance for not more than five (5) days from the date of the initial hearing. The burden of proving that the amount of rent increase is reasonable shall be on the owner by a preponderance of the evidence. The hearing need not be conducted according to technical rules relating to evidence. The hearing need not be conducted according to technical rules relating to evidence and witnesses. The rules of evidence and manner of producing evidence shall be those rules set forth in § 11513 of the California Government Code for the conduct of hearings under the Administrative Procedure Act. These rules may be relaxed at the discretion of the arbitrator in the interests of justice.

(2) The arbitrator shall, within fourteen (14) days of the hearing, submit by mail a written statement of decision and the reasons for the decision to the Clerk who shall forthwith distribute by mail copies of the decision to the owner and tenant(s). The arbitrator shall determine the amount of rent increase, if any, which is reasonable based upon all the provisions of this ordinance.

(3) The arbitrator shall not allow more than one (1) rent increase per park per twelve (12) month period.

(4) The decision of the arbitrator, rendered in accordance with this section, shall be final and binding upon the owner and all affected tenants. The decision of the arbitrator will be subject to the provision of CCP §1094.5.

(5) Any party may have electronic recording equipment or a court reporter present to record and prepare a transcript of the hearing before the arbitrator, however, such equipment or reporter shall be provided at that party’s own expense.

(6) The arbitrator is authorized to modify the basic time periods set forth herein at his or her discretion to promote the purposes of this program provided a final decision is rendered within ninety (90) days of the notice of rent increase.

(7) Any procedural or jurisdictional dispute regarding the processes set forth herein may be

decided by the arbitrator.

**9.28.080 Rights of a “Tenant-To-Be”.**

Any person who is a “Tenant-to-be” as defined in Section 9.28.030(x) must be offered the option of renting a mobile home space in manner which will permit the “tenant-to-be” to receive the benefits of the Mobile Home Space Rent Stabilization Program which includes, but is not limited to, rental of a mobile home space on a month-to-month basis and a new base rent as set forth in Section 9.28.230 (b). Such a person cannot be denied the option of a tenancy twelve months or less in duration. The Park owner shall provide each “Tenant-to-be” with a written notification of the option which shall make the following recitation: “UNDER SEBASTOPOL ORDINANCE NO.\_\_\_\_\_, SECTION VIII YOU ARE LEGALLY ENTITLED TO ELECT A MONTH-TO-MONTH TENANCY OVER ANY OTHER LONGER PERIODIC TENANCY. YOU ARE ADVISED THAT YOU MAY NOT BE ENTITLED TO RENT STABILIZATION (RENT CONTROL) PROGRAM BENEFITS IF YOU ELECT A LEASE OF MORE THAN TWELVE MONTHS IN DURATION IF THAT LEASE MEETS THE REQUIREMENT OF CIVIL CODE §17200 WHICH HAS BEEN ATTACHED HERETO.” Any effort to circumvent the requirements of this section shall be unlawful, as well as unfair business practice subject to enforcement under Business and Professions Code §17200 et seq.

**9.28.090 Subpoena Power**

Subpoenas, including subpoenas duces tecum, requiring a person to attend a particular time and place to testify as a witness, may be issued in connection with any dispute pending before an arbitrator, and shall be issued at the request of the Clerk, an arbitrator, the tenant(s) or the owner. Subpoenas shall be issued and attested by the Clerk of the City Council. A subpoena duces tecum shall be issued only upon the filing with the Clerk of the City Council of an affidavit showing good cause for the production of the matters of things desired to be produced, setting forth in full detail the materiality thereof to the issues involved in the proceedings, and stating that the witness has the desired matters or things in his or her possession or under his or her control, and a copy of such affidavit shall be served with the subpoena. Any subpoena or subpoena duces tecum issued pursuant to the provisions of this ordinance may be served in person or by certified mail, before the hearing for which the attendance is sought. Service by certified mail shall be complete on the date of receipt. Any subpoena or subpoena duces

tecum issued pursuant to the provisions of this ordinance shall be deemed issued by and in the name of the Sebastopol City Council.

**9.28.100 Consolidation of Petitions**

As soon as possible after a petition has been filed with respect to mobile home spaces which are within a single park, the Clerk shall, to the extent possible, consistent with the time limitation provided herein, consolidate petitions involving ten (10) or fewer affected tenants.

**9.28.110 Standards of Review.**

In evaluating the space increase proposed or imposed by the owner, the following factors may be considered:

- (a) Beneficial increases in maintenance and operating expenses, including but not limited to the reasonable value of the owner’s labor and any increased costs for services provided by a public agency, public utility, or quasi-public agency or utility, provided, however, that any increased costs in rent stabilization administration fees shall be subject to the provisions of Sections 9.28.050(b) and 9.28.160 herein.
- (b) The substantial rehabilitation of the addition of capital improvements, including the reasonable value of the owner’s labor, as long as such rehabilitation or improvement has been completed and is:
  - (1) distinguished from ordinary repair or maintenance;
  - (2) for the primary benefit, use, and enjoyment of the tenants;
  - (3) permanently fixed in place or relatively immobile and dedicated to the use of the property;
  - (4) not coin-operated nor one for which a “use fee” or other charge is imposed on tenants for its use; and
  - (5) cost-factored and amortized over the good faith estimate of the remaining useful life of the rehabilitation or improvement;
  - (6) does not constitute maintenance of the infrastructure of gas or electrical lines within the mobile home park for which the public utility has permitted the park owner a special premium with the intent that it be used to replace or otherwise maintain the system within the mobile home park.



(c) Increased costs of debt service due to a sale or involuntary refinancing of the park within twelve (12) months of the increase provided that:

- (1) The sale or refinancing is found to have been an arm's length transaction;
- (2) The proceeds of such refinancing is found to have been used for park improvements or similar park-related uses;

(3) The aggregate amount from which total debt service costs arise constitutes no more than seventy percent (70%) of the value of the property as established by a lender's appraisal.

(d) The rental history of the space or the park of which it is apart, including:

(1) The presence or absence of past increases:

(2) The frequency of past rent increases; and

(3) The occupancy rate of the park in comparison to comparable parks in the same general area.

(e) The physical condition of the mobile home space or park of which it is a part, including the quantity and quality of maintenance and repairs performed during the preceding twelve (12) months.

(f) Any increase or reduction of housing services since the last rent increase.

(g) Existing space rents for comparable spaces in comparable parks.

(h) A decrease in "net operating income" as defined in Section 9.28.120(a).

(i) A fair return on the property prorated among the spaces of the park.

(j) Other financial information which the owner is willing to provide.

(k) Any costs incurred as a result of a natural disaster and only to the extent such costs have not been reimbursed to the owner by insurance or other sources.

In evaluating a space rent increase imposed by an owner to maintain the owner's net operating income from the park, the following definitions and provisions shall apply:

(a) "Net Operating Income" of mobile home park means the gross income of the park less the operating expenses of the park.

(b) "Gross Income" means the sum of the following:

(1) gross space rents, computed as gross space rental income at 100% occupancy; plus

(2) other income generated as a result of the operation of the park, including, but not limited to fees for services actually rendered; plus

(3) revenue received by the park owner from the sale of gas and electricity to park residents where such utilities are billed individually to the park residents by the park owner. This revenue shall equal the total cost of the utilities to the residents minus the amount paid by the park owner for such utilities to the utility provider; minus

(4) uncollected space rents due to vacancy and bad debts to the extent that the same are beyond the park owner's control. Uncollected space rents in excess of three percent(3%) of gross space rent shall be presumed to be unreasonable unless established otherwise and shall not be included in computing gross income. Where uncollected space rents must be estimated, the average of the preceding three (3) years' experience shall be use.

(c) "Operating Expenses" means:

(1) Real property taxes and assessments.

(2) Utility costs to the extent that they are included in space rent.

(3) Management expenses including the compensation of administrative personnel, including the value of any mobile home space offered as part of compensation for such services, reasonable and necessary advertising to ensure occupancy only, legal and accounting services as permitted herein, and other managerial expenses. Management expenses are presumed to be not more than five percent (5%) of gross income, unless established otherwise.

**9.28.120 Net Operating Income**

(4) Normal repair and maintenance expenses for the grounds and common facilities including but not limited to landscaping, cleaning, and repair of equipment and facilities.

(5) Owner-performed labor in operating or maintaining the park. In addition to the management expenses listed above, where the owner performs managerial or maintenance services which are uncompensated, the owner may include the reasonable value of such services. Owner-performed labor shall be limited to five percent (5%) of gross income unless the arbitrator finds that such a limitation would be substantially unfair in a given case. A park owner must devote substantially all of his or her time, that is, at least forty (40) hours per week, to performing such managerial or maintenance services in order to warrant the full five percent (5%) credit for his or her labor as an operating expense. No credit for such services shall be authorized unless a park owner documents the hours utilized in performing such services and the nature of the services provided.

(6) Operating supplies such as janitorial supplies, gardening supplies, stationery, and so forth.

(7) Insurance premiums prorated over the life of the policy.

(8) Other taxes, fees, and permits, except as provided in Section 9.28.160 herein.

(9) Reserves for replacement of long-term improvement or facilities, provided that accumulated reserves shall not exceed five percent (5%) of gross income.

(10) Necessary capital improvement costs exceeding existing reserves for replacement. A park owner may include the cost of necessary capital improvement expenditures which would exceed existing reserves for replacement. A necessary capital improvement shall be an improvement required to maintain the common facilities and areas of the park in a decent, safe, and sanitary condition or to maintain the existing level of park amenities and services.

Expenditures for necessary capital improvements to upgrade existing facilities shall be an allowable operating expense only if the park owner has:

(i) Consulted with the park residents prior to initiating construction of the improvements regarding the nature and purpose of the improvements and the estimated cost of the improvements.

(ii) Obtained the prior written consent of at least one (1) adult resident from a majority of the mobile home spaces to include the cost of the improvements as an operating expense. Evidence of such consent must be presented at the time of filing the application seeking to include such a capital improvement as an operating expense.

(iii) Any capital improvement expenses shall be amortized over the reasonable life of the improvement or such other period as may be deemed reasonable by the arbitrator under the circumstances. In the event that the capital improvement expenditure is necessitated as a result of an accident, disaster, or other event for which the park owner received insurance benefits, only those capital improvement costs otherwise allowable exceeding the insurance benefits may be calculated as operating expenses.

(11) Involuntary refinancing of mortgage or debt principal. A park owner may, under the provisions of this subsection, be able to include certain debt service costs as an operating expense. Such costs are limited to increases in interest payments from those interest payments made during 1986 or the first year such payments were made if the owner acquired the park after 1986 which result from one of the following situations or the equivalent thereof:

(i) refinancing of the outstanding principal owed for the acquisition of a park where such refinancing is mandated by the terms of a financing transaction entered into prior to January 1, 1987, for instance, termination of a loan with a balloon payment; or

(ii) increased interest costs incurred as a result of a variable interest rate loan used to finance the acquisition of the park and entered into prior to January 1, 1987.

In refinancing, increased interest shall be permitted to be considered as an operating expense only where the park owner can show that the terms of the refinancing were reasonable and consistent with prudent business practices under the circumstances.

(d) Operating expenses shall not include the following:

(1) Debt service expenses, except as provided in subsection (c) (11), above.

(2) Depreciation.

(3) Any expense for which the park owner is reimbursed.

(4) Attorneys' fees and costs, except printing costs and documentation as required by Section 9.28.060, incurred in proceedings before an arbitrator or in connection with legal proceedings challenging the decision of an arbitrator or the validity or applicability of this ordinance.

(e) All operating expenses must be reasonable. Whenever a particular expense exceeds the normal industry or other comparable standard, the park owner shall bear the burden of providing the reasonableness of the expense. To the extent that an arbitrator finds any such expense to be unreasonable, the arbitrator shall adjust the expense to reflect the normal industry or other comparable standard.

**9.28.130 Obligations of the Parties**

(a) If a final decision by an arbitrator finds that a proposed increase or any portion thereof that was previously inoperative is justified, the tenant shall pay the amount found justified to the owner within thirty (30) days after the decision is made.

(b) If a final decision by an arbitrator finds that an increased or any portion thereof is not justified, the owner shall refund any amount found to be unjustified, but that had been paid, to the tenant within thirty (30) days after the decision is made. If such refund is not made within the said thirty (30) days, the tenant may withhold the amount from the next space rent(s) due until the full amount of the refund has been made. Notwithstanding the foregoing, in the event that the tenancy of tenant is terminated for any reason prior to full credit against rent, the balance of the credit due the tenant shall be paid by the owner within thirty (30) days from the date of the termination of the tenancy.

(c) Any sum of money that under the provisions of this section is the obligation of the owner or tenant, as the case may be, shall constitute a debt and, subject to the foregoing provisions of this section, may be collected in any manner provided by law for the collection of debts.

**9.28.140 Tenant's Right of Refusal**

A tenant may refuse to pay any increase in rent which is in violation of this ordinance, provided a petition has been filed and either no final decision has been reached by an arbitrator, or the increase has been determined to violate the provisions of this ordinance. Such refusal to pay shall be a defense in any action brought to recover possession of a mobile

home space or to collect the rent increase.

**9.28.150 Retaliatory Acts: Tenant's Right to Organize**

(a) No owner may retaliate against a tenant or tenant-to-be for the tenant's or tenant-to-be's assertion or exercise of rights under this in any manner, including but not limited to, threatening to bring or bringing an action to recover possession of a mobile home space; engaging in any form of harassment that causes a tenant to quit the premises; dissuades a tenant-to-be from freely exercising his or her legal options to choose a month-to-month rental; decreasing housing services; increasing the space rent; or imposing or increasing a security deposit or any other charge payable by a tenant. The tenants have a right to organize a tenant's association without hindrance from the park owner to exercise the rights provided under the provisions of the Sonoma County Code. This association may be referred to as "the Park Tenant's Association at (Park Name)."

**9.28.160 Solicitation of Any Petitions By the Park Owners Are Without Force Or Legal Effect Within County's Program**

The distribution of a petition or other documents seeking to have mobile home tenants waive rights, abandon a filed petition or in any way affect the entitlement of the tenants to participate in the rent stabilization process authorized under the Sonoma County Code shall be without force or legal effect within county's rent stabilization program. Such documents shall not affect the right of any tenant to participate in the rights, remedies, procedures and processes set forth in this code. Efforts to utilize such documents to discourage participation in the County's rent stabilization program may be deemed retaliatory.

**9.28.170 Fees.**

The costs of administration of this ordinance shall be borne by the City of Sebastopol, subject to reimbursement of the City General Fund by imposition of a rent stabilization administration fee chargeable against each mobile home space in the City. The park owner who pays these fees may pass through fifty percent (50%) of the fees assessed against a mobile home space to the tenant only as set forth herein. This fee pass through must take place no later than twelve months after the park owner is billed for the program administration fees. Failure to timely pass through 50% of the fees assessed against mobile home space will result in the loss of the park owner's right to do so. The remaining fifty percent (50%) of the fees assessed against a mobile home space shall not be passed on in any way to tenants.

Fees passed through to tenants as herein authorized shall not be considered a part of the rent base upon which future rent increases can be made.

The fees imposed by this section shall be paid annually. The time and manner of payment, delinquency status, and assessment and collection of penalties for delinquent payment of the fees imposed by this section shall be as provided by separate resolution of the City Council. The Clerk shall recommend to the City of Sebastopol from time to time the amount of such fee and City Council shall adopt such fee by ordinance or resolution.

**9.28.180 Exemption From Fees.**

Any park owner who believes that s/he may be entitled to a space fee exemption pursuant to Civil Code §798.17(b), having provided the park tenant with a legally recognized long-term lease which is not subject to rent stabilization administration fees, shall provide the Clerk with the following documentation:

- 1.) the executed lease for each exempt space claimed;
- 2.) amendments to said exempt lease, if any
- 3.) for a newly constructed space, proof that the space was constructed after January 1, 1990 (building permits, etc.).

**9.28.190 Non-waiverability**

Any provision, whether oral or written, in or pertaining to a rental agreement whereby any provision of this ordinance is waived or modified, is against public policy and void, except with respect to any rental agreement complying with all of the terms and conditions set forth in §798.17 of the California Civil Code (as amended 1986).

**9.28.200 Penalties and Remedies**

In addition to those penalties and remedies set forth elsewhere in this ordinance, the following remedies shall apply:

Any owner who demands, accepts, receives, or retains any money as rent from a tenant to which the owner is not entitled under the provisions of this ordinance shall be liable to the tenant for any actual damages, attorney’s fees, and costs incurred by the tenant as a consequence thereof plus a penalty in the sum of three times the amount of money the owner accepted, received, or retained in violation of the provisions of this ordinance, or \$500.00, whichever is greater.

**9.28.210 Review By the City Council**

The City Council shall review the effectiveness of this ordinance in addressing the problems giving rise to its enactment at least one (1) year from its enactment. Notice of the time and place of the City Council’s review shall be published at least ten (10) days prior to said date in a newspaper of general circulation in the City of Sebastopol.

**9.28.220 Severability.**

This ordinance shall be liberally construed to achieve its purposes and preserve its validity. If any provision or clause of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable and are intended to have independent validity.

**9.28.230 Vacancy Control: Establishment of New Base Rent**

(a) A mobile home park owner shall be permitted to charge a new base rent for a mobile home space whenever a lawful space vacancy occurs. For purposes of this ordinance, a lawful space vacancy is defined as follows:

(1) A vacancy occurring because of the termination of the tenancy of the affected mobile home tenant in accordance with the Mobile Home Residency Law, California Civil Code §798.55 through 798.60.

(2) A vacancy of the mobile home space arising from the voluntary removal of a mobile home from the mobile home space by the affected mobile home tenant. A removal of the mobile home from the space for the purpose of performing rehabilitation or capital improvements to the space or for the purpose of upgrading the mobile home shall not constitute a voluntary removal of the mobile home

(b) When a new base rent is established following the vacancy of mobile home space pursuant to this subsection, the park owner shall give written notice to the new affected mobile home tenant of twelve (12) month anniversary date for rent increases allowed under Section 9.28.050 and shall give written notice to such affected tenant that the space rent may be subject to stabilized rent increases pursuant to the provisions of this Chapter.

(c) In the absence of a lawful vacancy, a park owner is prohibited from raising rent upon a sale of a mobile home on site to a tenant-to-be or current tenant.

**9.28.240 When Recreation Vehicle Space Tenants Are to Be Treated as “Affected Tenants.”**

Any recreational vehicle space that is occupied by a recreational vehicle as defined in Civil Code §799.24 for a period in excess of nine (9) months on or after October 1, 1991, shall be regarded to a “mobile home space “ for purposes of this ordinance, and a tenant upon such a space shall be entitled to all the rights, protections and obligations of this Chapter. Such a space tenant shall be counted as an “affected tenant” upon the effective date of this ordinance, and said space shall be subject to the fees authorized by the City council for mobile home spaces. The space tenant and the recreational vehicle park owner shall apportion the fee in the manner authorized for mobile home spaces subject to this Article generally.

**9.28.250 Severability**

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The City Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact any one or more sections, subsection, sentences, clauses or phrases be declared unconstitutional or invalid.

**9.28.260 Legal Challenge**

If an injunction or any other administrative or judicial challenge interferes with the timely implementation of this ordinance before the lapse of the five year term of the City’s original rent stabilization ordinance, the City council hereby declares that it ordains that said original rent stabilization ordinance (Ordinance No. 897) shall not sunset but be continued indefinitely until said challenge is overcome. This action is undertaken so that at least the existing and current level of rent stabilization projection established pursuant to Ordinance No. 897 shall continue to be provided to the affected mobile home park tenants of Sebastopol until further action of the City Council.