

## ANALYSIS

This interim ordinance temporarily imposes a moratorium prohibiting rent increases in excess of three percent (3%) per year related to mobilehome space rent for a period of one hundred eighty (180) days on all properties located in the unincorporated territory of the County of Los Angeles.

This interim ordinance is an urgency measure that would have immediate effect and requires a four-fifths vote by the Board of Supervisors for adoption.

This interim ordinance expires upon the expiration of the one hundred eightieth (180th) day following its adoption, unless extended or replaced by the Board of Supervisors with a Mobilehome Rent Regulation Ordinance.

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**ORDINANCE NO.** \_\_\_\_\_

An interim ordinance temporarily imposing a moratorium prohibiting rent increase in excess of three percent (3%) related to certain mobilehome space rent for a period of one hundred eighty (180) days on all mobilehome parks located in the unincorporated area of the County of Los Angeles for the immediate preservation of the public peace, health, and safety.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1. Interim Prohibition.**

Unless expressly exempt under the state Mobilehome Residency Law, no Park Owner in the unincorporated area of the County of Los Angeles may request or receive Rent for the monthly use and occupancy of a Mobilehome Space in excess of the monthly amount of Rent due and payable for the use and occupancy of the same Mobilehome Space allowed under this interim ordinance.

**SECTION 2. Authority.**

Subdivision (d) of section 25123 of the Government Code provides that an ordinance in the form of an urgency ordinance may be adopted to immediately preserve the public peace, health, and/or safety by a four-fifths vote of the Board of Supervisors, which shall contain a declaration of the facts constituting the urgency and shall be immediately effective upon its adoption.

**SECTION 3. Definitions.**

For purposes of this interim ordinance, the following definitions shall apply:

- A. "Code" means the Los Angeles County Code.

B. "DCBA" means the Department of Consumer and Business Affairs of the County of Los Angeles.

C. "Director" means the Director of Department of Consumer and Business Affairs.

D. "Hearing Officer" means that person designated by the Director of the Department of Consumer and Business Affairs to conduct a review hearing under Section 5 of this interim ordinance. The Hearing Officer shall not be the enforcement officer that investigated the matter and/or issued the notice of administrative fine that is the subject of the administrative hearing or the immediate supervisor of that enforcement officer.

E. "Mobilehome" shall have the definition set forth in Civil Code section 798.3.

F. "Mobilehome Homeowner" is the persons(s) who owns a Mobilehome and has a tenancy in a Mobilehome Park under a rental agreement with the Park Owner.

G. "Mobilehome Park" shall have the definition set forth in Civil Code section 798.4.

H. "Mobilehome Residency Law" or "MRL" means Civil Code sections 798 through 799.11.

I. "Mobilehome Space" means the lot or space of land in a Mobilehome Park, where a Mobilehome is or may be located, as well as the right or license to access that space or lot and any other communal facilities in the Mobilehome Park.

J. "Park Owner" means the person(s) or entity that lawfully owns and/or operates a Mobilehome Park, including each manager, agent, and representative authorized to act on behalf of the owner or operator, as well as the predecessor, and any successor, in interest to the owner.

K. "Rent(s)" is the sum of all periodic payments and all nonmonetary consideration provided for the use or occupancy of a Mobilehome Space, access to and from the Mobilehome Space, and any communal facilities, including but not limited to the fair market value of goods accepted, labor performed, or services rendered. Rent excludes:

1. Any incidental reasonable charges for services actually rendered in accordance with Civil Code sections 798.31 and 798.32; and
2. Any separately billed utility fees and charges, which shall not be deemed to be Rent charged for a Mobilehome Space in accordance with Civil Code section 798.41; and
3. Any fee, assessment, or charge paid pursuant to Civil Code section 798.49(a), including any actual fee or cost imposed by a local government pursuant to Civil Code section 798.37.

L. "Responsible Person" is a person responsible for, or alleged to be responsible for, a violation of this ordinance.

**SECTION 4. Rent Increases.**

Mobilehome Park Rents may be increased three percent (3%) per year, while this interim ordinance is in effect. For any Mobilehome Park in which Rent for a

particular Mobilehome Owner has been increased three percent (3%) or more since February 13, 2018, Rent for that particular Mobilehome Owner shall be capped at its existing level for the twelve (12) months following the effective date of such a rent increase. For any Mobilehome Park in which Rent for a particular Mobilehome Owner has been increased less than three percent (3%) since February 13, 2018, the Rent for that particular Mobilehome Owner may only be increased following the effective date of this interim ordinance by a percentage, when added to the previous percentage Rent increase, that would not exceed a cumulative three percent (3%) increase in Rent until the date which is twelve (12) months following the effective date of the subsequent Rent increase.

**SECTION 5. Petitions.**

**A. Petitions for Relief from Moratorium**

If a Park Owner desires to increase the Rent for a Mobilehome Space in an amount greater than allowed in Section 4, above, and the Park Owner contends that the limitations on Rent increases in Section 4 above will prevent the Park Owner from receiving a fair and reasonable return with respect to the operation of the Mobilehome Park, the Park Owner may file a petition with DCBA requesting a hearing, which will be heard by a Hearing Officer appointed by the Director. The Park Owner shall mail a copy of the petition by first class mail, postage prepaid, to all Mobilehome Homeowners whose Rents are the subject of the petition within five (5) calendar days of the date the petition is filed. The Park Owner shall file a proof of service signed under penalty of perjury stating that a copy of the petition was mailed to all such Mobilehome

Homeowners within ten (10) calendar days of the date the petition is filed. The petition shall include a statement indicating the basis on which the Park Owner contends that the limitations of this interim ordinance on Rent increases will prevent the Park Owner from receiving a fair and reasonable return, together with any evidence that the Park Owner wants the Hearing Officer to consider. The Park Owner shall bear the burden of proving by a preponderance of the evidence at the hearing that because of the implementation of this interim ordinance, the Park Owner is unable to obtain a fair and reasonable return.

**B. Petitions for Noncompliance**

If a Mobilehome Homeowner contends that a proposed or actual Rent increase is not in compliance with this interim ordinance, the Mobilehome Homeowner may file a petition with DCBA requesting a hearing, which will be heard before a Hearing Officer appointed by the Director. The Mobilehome Homeowner shall mail a copy of the petition by first class mail, postage prepaid, to the appropriate Park Owner whose Rents are the subject of the petition within five (5) calendar days of the date the petition is filed. The Mobilehome Homeowner shall file a proof of service signed under penalty of perjury stating that a copy of the petition was mailed to all such Park Owners within ten (10) calendar days of the date the petition was filed. The petition shall include a statement indicating the basis on which the Mobilehome Homeowner contends that a proposed or actual Rent increase is in violation of this interim ordinance, together with any evidence that the Mobilehome Homeowner wants the Hearing Officer to consider. The Mobilehome Homeowner shall bear the burden of proving by a preponderance of

the evidence at the hearing that the proposed Rent increase is not in compliance with this interim ordinance. A Park Owner who is not in compliance with this interim ordinance may be subject to an administrative fine of up to \$1,000. Each separate day, or any portion thereof, during which any violation of such interim ordinance occurs or continues constitutes a separate violation.

C. Hearing Procedure

1. A hearing before the Hearing Officer shall be set for a date no sooner than fifteen (15) days and no later than sixty (60) days after receipt of the request and proof of service on any request complying with the requirements of this Section 5, unless the Hearing Officer determines that the matter is urgent or that good cause exists for an extension of time.

a. In the instance of a Park Owner's petition, upon setting the hearing, the Hearing Officer shall send written notice to the Park Owner of the time and place set for the hearing. Upon receipt, the Park Owner shall post such notice in a conspicuous place at the affected Mobilehome Park. Such notice shall be at least eleven (11) inches in width and seventeen (17) inches in length, and shall be placed not less than four (4) feet above ground level. Within five (5) calendar days of receipt of the notice of hearing, the Park Owner shall personally deliver a copy of the notice to each Mobilehome Homeowner in the affected Mobilehome Park.

b. In the instance of a Mobilehome Homeowner's petition, upon setting the hearing, the Hearing Officer shall send written notice to the Mobilehome

Homeowner of the time and place set for the hearing, and shall provide written notice to the Park Owner.

2. At the hearing, the party filing the petition shall be given the opportunity to testify, call witnesses and to present evidence concerning the petition.

3. In the instance of a Park Owner's petition, the Hearing Officer may hear testimony from the Mobilehome Homeowners in the affected Mobilehome Park.

4. In the instance of a Mobilehome Owner's petition, the Hearing Officer may hear testimony from the Park Owner.

5. The Hearing Officer may continue the hearing and request additional information from the Park Owner or Mobilehome Homeowner prior to issuing a written decision.

6. The Hearing Officer shall have the power to issue orders to keep order and decorum during an administrative hearing. No person shall fail to comply with any such order.

7. All review hearings conducted by the Hearing Officer shall be open to the public.

D. The Hearing Officer may, in his or her discretion, grant a continuance of the hearing date upon a request and a showing of good cause by the Park Owner or Mobilehome Homeowner. The request must be made in writing and be received by the Hearing Officer at least five (5) business days prior to the hearing date. In the instance of a Park Owner's continuance request, the Park Owner must personally deliver a copy of the request to the Mobilehome Homeowner(s). In the instance of a Mobilehome

Homeowner's continuance request, the Mobilehome Homeowner must personally deliver a copy of the request to the Park Owner. In no event shall the continuance be longer than fifteen (15) calendar days from the originally scheduled hearing date.

E. In evaluating the petitions from a Park Owner or Mobilehome Homeowner, the Hearing Officer shall consider all relevant factors that may potentially impact a Park Owner's ability to obtain a fair and reasonable return and shall consider the basis for the calculation of any increase in Rent. Relevant factors may include, but are not limited to, changes in costs to the Park Owner attributable to increased utility rates, property taxes, insurance, advertising, variable mortgage interest rates, governmental assessments and fees, incidental services, employee costs, normal repair and maintenance, upgrading and addition of amenities or services, rent rolls, financial statements, expert analysis, and relevant studies.

F. Hearing Officer Decision

1. After considering all of the testimony and evidence submitted at the hearing, within twenty (20) calendar days after the conclusion of the hearing, the Hearing Officer shall issue a written decision denying or affirming the petition and shall adopt written findings in support of that decision. In the instance of a Park Owner's petition, the written decision shall be served by first-class mail, postage prepaid on the Park Owner and Park Owner shall post such notice in a conspicuous place at the affected Mobilehome Park. Within five (5) calendar days of receipt of the written decision, the Park Owner shall personally deliver a copy of the written decision to each Mobilehome Homeowner in the affected Mobilehome Park. In the instance of a

Mobilehome Homeowner's petition, the Hearing Officer shall send a copy of the written decision to the Mobilehome Homeowner and the Park Owner. The Hearing Officer's decision shall be final, unless an administrative penalty has been assessed.

2. If the Hearing Officer determines that a Park Owner is not in compliance with this interim ordinance and assesses an administrative penalty, the Park Owner may file a request with DCBA for an administrative hearing before a Hearing Officer appointed by the Director to contest the imposition and/or the amount of the administrative penalty in accordance with Section 1.25.080 of the Code. Unless a Park Owner requests an administrative hearing to contest the imposition of the administrative penalty, pursuant to Section 1.25.080, the assessment of the administrative penalty shall constitute the final administrative order of the County with respect to said administrative penalty, and the penalty shall be due and payable by the Park Owner(s) to the DCBA within ten (10) calendar days following assessment of the administrative penalty.

G. Judicial Review of Hearing Officer Decision

Any person directly aggrieved by an administrative decision of a Hearing Officer's decision pertaining to a Petition for Relief from Moratorium or Petition for Noncompliance or assessment of an administrative penalty may seek judicial review in the Superior Court.

**SECTION 6. Enforcement And Administrative Fines.**

A. DCBA is authorized to take appropriate steps to enforce this interim ordinance, including conducting investigations of possible violations by a Park Owner. The DCBA, at its sole discretion, may choose to enforce the provisions of this interim ordinance through administrative fines and any other administrative procedure set forth in Chapter 1.25 of the Code. Each violation of any provision of this interim ordinance may be subject to an administrative fine of up to \$1,000. Each separate day, or any portion thereof, during which any violation of such interim ordinance occurs or continues, constitutes a separate violation. DCBA's decision to pursue or not pursue enforcement of any kind shall not affect a Mobilehome Homeowner's rights to pursue civil remedies.

B. Administrative Appeals and Judicial Review.

1. Administrative Appeal. Any person who receives a Notice of Administrative Fine may request an administrative hearing before a Hearing Officer in accordance with Chapter 1.25 of the Code.

2. Judicial Review of Hearing Officer Decision. Any responsible person may seek judicial review of a Hearing Officer's decision pertaining to the imposition of an administrative fine in accordance with Chapter 1.25 of the Code.

C. County Counsel is authorized to bring a civil action and/or proceeding for violation of this interim ordinance or any rule or guideline promulgated pursuant to Section 8 of this interim ordinance for civil penalties, injunctive, declaratory and other

equitable relief, restitution and reasonable attorneys' fees and costs and may take such other steps as necessary to enforce this interim ordinance.

**SECTION 7. Civil Remedies.**

Any Mobilehome Homeowner aggrieved by a violation of this interim ordinance may bring a civil suit in the courts of the state alleging a violation of this interim ordinance. In a civil suit, a Park Owner found to violate this interim ordinance shall be liable to the aggrieved Mobilehome Homeowner. A prevailing Mobilehome Homeowner in a civil action shall be awarded attorneys' fees and costs. No administrative remedy need be exhausted prior to filing suit pursuant to this Section.

**SECTION 8. Implementation; Rulemaking, and Subpoena Authority.**

The Director, or his or her designee, is authorized to administer and enforce this interim ordinance, which may include promulgating guidelines and rules consistent with the provisions of this interim ordinance. Guidelines and rules promulgated by the Director, or his or her designee, pursuant to the authority provided under this interim ordinance shall have the force and effect of law and may be relied upon by parties to determine their rights and responsibilities under this interim ordinance. In administering and enforcing this interim ordinance, the Director may also issue subpoenas and may report noncompliance thereof to the judge of the Superior Court, pursuant to Government Code section 53060.4.

**SECTION 9. Determination Of An Immediate Threat.**

A. There are over 8500 Mobilehome Spaces in the unincorporated area of the County of Los Angeles, a great number of which serve as the primary residences for

senior citizens on fixed incomes and low and moderate income households. Rents across the County are at an all-time high and a recent study of the County's rental housing market by the University of Southern California conducted in 2017 projected that average rents would increase by \$136 per month by 2019 with the County's estimated overall rental vacancy rate at just three point ninety-four percent (3.94%).

B. At its October 17, 2017 meeting, the Board of Supervisors directed the County's Department of Regional Planning to explore Mobilehome rent stabilization policies protecting Mobilehome Homeowners from unreasonable Rent adjustments while ensuring Park Owners may earn a fair and reasonable return on their property. The Board of Supervisors recognizes the unique characteristics of mobilehome tenancies, and the need to provide protection for tenants against actual or constructive eviction, resulting from the high cost of moving mobilehomes, the potential damage resulting from moves, the requirements for installation, and the cost of landscaping and lot preparation for a mobilehome.

C. At its February 13, 2018 meeting, the Board of Supervisors directed the County to amend the Code to establish a Mobilehome Rent Regulation Ordinance in addition to an interim ordinance temporarily imposing a moratorium prohibiting any Rent increases related to Mobilehome Spaces.

D. The economic conditions and the recognized housing crisis gripping the County and all of Southern California detrimentally impacts a substantial number of Mobilehome Homeowners and constitutes a threat to the public health, safety, and welfare, and a particular hardship for seniors, persons living on fixed-incomes, families

with school-age children, and other vulnerable persons who reside in Mobilehome Parks in the unincorporated areas of the County.

E. Based on a study commissioned by the Community Development Commission of the County of Los Angeles, over seventy-five percent (75%) of Mobilehome Homeowners are subject to annual Mobilehome Space rent increases and well over fifty percent (50%) of Mobilehome Homeowners have short term leases of 12 months or less, which potentially subjects these Mobilehome Homeowners to unrestricted rent increases.

F. The State of California recognized the unique relationship among certain Mobilehome Homeowners and Park Owners when the State Legislature adopted the state MRL, establishing a comprehensive framework of the rights and responsibilities of Mobilehome Park Owners and Mobilehome Homeowners. The MRL does not, however, specifically regulate the setting and/or increasing of Rent for the use and occupancy of a Mobilehome Space. The MRL expressly contemplates that the setting and/or increasing of Rent for the use and occupancy of a Mobilehome Space may be regulated by cities and counties across the State.

G. Effective January 1988, the Board of Supervisors enacted a Mobilehome regulation ordinance (County Code, Chapter 8.57), which regulated increases of Rent for Mobilehome Spaces. Based on the sunset date included in the initial enactment of the ordinance, the ordinance ceased effect in January 1995.

H. Since January 1995, the setting and increasing of Rent for a Mobilehome Space in unincorporated Los Angeles County has not been subject to local regulation.

I. The foregoing housing and economic conditions detrimentally impact a substantial number of Mobilehome Homeowners, which impact constitutes a threat to the public health, safety, and welfare, and a particular hardship for seniors, persons living on fixed-incomes, families with school-age children, and other vulnerable persons who reside in Mobilehomes in the unincorporated areas.

J. With the lack of current regulation and the recent public discussion of the potential adoption of new policies to stabilize Rents charged to Mobilehome Homeowners, it is reasonable to conclude that Park Owners may seek to increase Rents in anticipation of imminent regulation, and which increases in Rent would exacerbate the housing and economic conditions, increasing economic hardship for individual Mobilehome Homeowners leading to increased household displacement and homelessness, which effects constitute a threat to the public health, safety, and welfare of the residents of the County.

K. This interim ordinance allows annual increase in Rent during the period this interim ordinance is in effect, and such figure, is found and determined to provide a fair and reasonable return, and has been calculated to encourage good management, reward efficiency, and discourage the flight of capital, to be commensurate with returns on comparable investments, but not so high as to defeat the purpose of preventing excessive rents.

L. Unless this interim ordinance takes immediate effect as provided herein, there is a high likelihood that Mobilehome Homeowners will be subject to economic hardship and potential displacement to the detriment of the public health, safety and

welfare. Accordingly, the Board of Supervisors finds there is a current and immediate threat to the public health, safety or welfare and that increases in Rent to Mobilehome Homeowners would result in that threat to the public health, safety or welfare absent implementation of the restrictions contained in this interim ordinance.

**SECTION 10. Environmental Determination.**

The Board of Supervisors finds that the adoption and implementation of this interim ordinance are exempt from the provisions of the California Environmental Quality Act under Section 15061(b)(3) in that the Board of Supervisors find there is no possibility that the implementation of this interim ordinance may have significant effects on the environment.

**SECTION 11. Severability.**

If any provision of this interim ordinance or the application thereof to any person, property, or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this interim ordinance which can be given effect without the invalid provisions or application, and to this end, the provisions of this interim ordinance are hereby declared to be severable.

**SECTION 12. Urgent Need.**

This interim ordinance is urgently needed for the immediate preservation of the public health, safety, and welfare, and it shall take effect immediately upon adoption, and it shall be of no further force and effect on the expiration of the one hundred eightieth (180th) day following the date of its adoption unless extended or replaced by an affirmative vote of the Board of Supervisors.