ANALYSIS

This ordinance amendments Chapter 8.57 (Mobilehome Rent Stabilization and Mobilehome Owner Protections) of Title 8 – Consumer Protection, Business and Wage Regulations of the Los Angeles County Code, relating to: (1) modifying and clarifying terms and provisions; (2) imposing a temporary cap on the maximum allowable annual rent increase for mobilehome spaces at three percent; and (3) clarifying the rights and responsibilities of mobilehome park owners and mobilehome owners.

DAWYN R. HARRISON Interim County Counsel

By Behnaz Tashakorian

BEHNAZ TASHAKORIAN Principal Deputy County Counsel Government Services Division

BT:bk

Requested: 09/21/22 Revised: 10/25/22

An ordinance amending Title 8 – Consumer Protection, Business and Wage Regulations of the Los Angeles County Code.

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

SECTION 1. Section 8.57.030 is hereby amended to read as follows:

8.57.030 Definitions.

The following terms shall have the meaning provided below when used in this Chapter, whether plural or singular:

A. "Base Rent" means the Rent charged on February 13, 2018, when the County Board declared its intent to regulate Rent for Mobilehome Parks in the uUnincorporated areas of the County, or at the initiation of the Tenancy, whichever is later, plus any Rent increase allowed thereafter pursuant to the Interim Mobilehome Rent Stabilization Ordinance adopted by the County Board on September 4, 2018, and this Chapter unless otherwise provided.

. . .

- G. "CPI" means Consumer Price Index for all urban consumers of the
 Los Angeles-Riverside-Orange County, California area, or any successor designation of
 that index that may later be adopted by the United States Department of Labor.
 Calculation of the <u>percentage</u> change in CPI-<u>percentage</u> will be determined by the
 Department and outlined in its procedures and guidelines.
- H. "Days" means calendar days, which is all days including Saturdays, Sundays, and holidays, unless otherwise specified.

- HI. "Department" means the County's Department of Consumer and Business Affairs.
- United to the use or occupancy of a Mobilehome Space, including but not limited to, water and sewer, natural gas, electricity, refuse removal, management and administration, maintenance and repairs, recreation facilities (including pools), laundry facilities, storage space, parking (including one or more automobiles), security services, insurance and the payment of property taxes. The term "Housing Services" shall not include legal fees, mortgage payments, whether for principal, interest, or both, bonuses of any nature paid to Mobilehome Park employees, penalties, fees, damages, or interest assessed or awarded for violations of this Chapter or any other law, or any expenses for which the Mobilehome Park Owner has been reimbursed by any security deposit, insurance, settlement, judgment for damages, settlement, or any other method.
- J<u>K</u>. "Mobilehome" means the definition set forth in California Civil Code section 798.3.
- KL. "Mobilehome Park" means any area of land in the <u>uUnincorporated areas</u> of the County where two or more Mobilehome Spaces are rented, or held out for Rent, to accommodate Mobilehomes used as residences.
- LM. "Mobilehome Owner" means a person who owns a Mobilehome and is also renting a Mobilehome Space in a Mobilehome Park under a Rental Agreement with the Mobilehome Park Owner, or any other person entitled under the terms of a Rental

Agreement to the use or occupancy of the Mobilehome, which may include the use of the Housing Services of the Mobilehome Park and any other amenities.

MN. "Mobilehome Residency Law" means California Civil Code sections 798 through 799.11.

NO. "Mobilehome Space" means the site within a Mobilehome Park intended, designed, or used for the location or accommodation of a Mobilehome and any accessory structures or appurtenances attached thereto whether or not the Mobilehome Space is permitted pursuant to State or local law.

<u>OP</u>. "Mobilehome Park Owner" means the owner, lessor, operator or manager of a Mobilehome Park in the <u>uU</u>nincorporated <u>areas of the</u> County who receives, or is entitled to receive, Rent for the use and occupancy of any Mobilehome Space, and the agent, representative or successor of any of the foregoing.

PQ. "Rent" means consideration paid for the use or occupancy of a Mobilehome Space or for Housing Services provided, or both, but does not include any of the following, each of which shall be separately listed and identified in the Rental Agreement:

1. Any amount paid for renting the Mobilehome;

. . .

- 6. Any pass-through authorized pursuant to this Chapter.
- QR. "Rental Agreement" means a lease or other oral or writtenan agreement, oral, written or implied, between thea Mobilehome Park Owner and Mobilehome Owner

establishing the terms and conditions of the Tenancy for use and occupancy of a Mobilehome Space and for Housing Services.

- RS. "Service Reduction" means any decrease or diminution in the level of Housing Services provided by the Mobilehome Park on or after February 13, 2018, including but not limited to, services the Mobilehome Park Owner is required to provide pursuant to:
 - 1. California Civil Code section 1941 et. seq.;

. . .

- A Rental Agreement between the Mobilehome Park Owner and the
 Mobilehome Owner; and
- 6. The level of service as implied by the condition of improvements, fixtures, and equipment, and their availability for use by the Mobilehome Owner at the time of execution of the Rental Agreement with the Mobilehome Park Owner; and
 - 76. Applicable rules or regulations of the Mobilehome Park.
 - <u>ST</u>. "State" means the State of California.
- TU. "Tenancy" means the legal right of a Mobilehome Owner or any other occupant who took possession of the Mobilehome for the use or occupancy of the Mobilehome, to use a Mobilehome Space within a Mobilehome Park on which to locate, maintain, and occupy a Mobilehome, site improvements, and accessory structures for residence, including the use of the Housing Services and facilities of the Mobilehome Park, subject to the terms and conditions of the Rental Agreement and Mobilehome Residency Law.

- V. "Unincorporated areas" means areas in Los Angeles County outside the jurisdictional boundaries of incorporated cities.
 - **SECTION 2.** Section 8.57.040 is hereby amended to read as follows:

8.57.040 General Applicability of Chapter and Exemptions.

- A. This Chapter shall be effective on April 1, 2020, and apply to all Mobilehome Park Owners and Mobilehome Owners in Mobilehome Parks within the <u>uUnincorporated</u> areas of the County, unless otherwise exempted by State <u>or federal</u> law or the provisions of this Chapter.
- B. This Chapter also applies to Mobilehome Spaces containing recreation vehicles, as defined in California Health and Safety Code section 18010, as it may be amended from time to time, in which the owners of such recreational vehicles have been residing on the Mobilehome Space for nine (9) or more consecutive months.
- C. Exemptions. The following Mobilehome Spaces are exempt from this Chapter.
- 1. Mobilehome Spaces that meet the exemption requirements of the Mobilehome Residency Law.
- 2. Newly constructed Mobilehome Spaces which were initially held out for Rent on or after January 1, 1990, pursuant to California Civil Code section 798.45.
 - 3. Mobilehome Spaces used or rented for non-residential uses.
- 4. Mobilehome Parks owned, managed, or operated by the County or another public agency or authority, or which are specifically exempted under State or federal law or administrative regulation.

SECTION 3. Section 8.57.045 is hereby amended to read as follows:

8.57.045

Base Rent.

A. Except as hereinafter provided, a Mobilehome Park Owner shall not demand, accept, or retain Rent for a Mobilehome Space exceeding the Rent in effect for said Mobilehome Space on February 13, 2018, when the County Board declared its intent to regulate Rent in the unincorporated County, or at the initiation of the Tenancy, whichever is later, plus any Rent increase allowed thereafter pursuant to the Interim Mobilehome Rent Stabilization Ordinance adopted by the County Board on September 4, 2018, and this Chapter.

. . .

SECTION 4. Section 8.57.050 is hereby amended to read as follows:

8.57.050 Permitted Rent Increases for Mobilehome Spaces.

- A. A Mobilehome Park Owner may impose an annual Rent increase for any Mobilehome Space, as allowed in this Section, only after providing at least-thirty (30) ninety (90) dDays written notice to the Mobilehome Owner of the Rent increase pursuant to the California Civil Code section 798.30.
- B. A Mobilehome Park Owner may impose an annual Rent increase only upon registering the Mobilehome Space in the County's Rent Registry System, paying required annual registration fees pursuant to Section 8.57.080, and being in compliance with federal, State, and local laws and requirements.
- C. Annual Rent increases shall be limited to seventy-five percent (75%) of the percentage change in the average CPI over the previous twelve (12) month period

ending in September, or three percent (3%) of the Rent charged at the time of increase, whichever is greater. In no event shall a Rent increase exceed eight percent (8%) per each twelve (12) month period, unless otherwise determined by the Department as set forth in Section 8.57.060.A. Notwithstanding the above, effective January 1, 2023 through December 31, 2023, the maximum allowable annual Rent increase for Mobilehome Spaces shall not exceed three percent (3%), unless otherwise determined by the Department pursuant to this Chapter.

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- L. Exemptions. The following are exempt from this Section:
- 1. Mobilehome Spaces that meet the exemption requirements of the Mobilehome Residency Law, or are otherwise expressly exempt under State or federal law.
- 2. Newly constructed Mobilehome Spaces which were initially held out for Rent on or after January 1, 1990, per California Civil Code section 798.45.
 - 3. Mobilehome Spaces used or rented for non-residential uses.
- 4. Mobilehome Spaces owned, managed, or operated by a government agency.

SECTION 5. Section 8.57.060 is hereby amended to read as follows:

8.57.060 Application for Rent Increase and Adjustment.

A. Mobilehome Park Owner's Application for Rent Increase. A Mobilehome Park Owner who believes they are not receiving a fair and reasonable return from the allowable increases, as determined in Section 8.57.050, may file an Application for Rent Increase with the Department to request an increase in Rent for a Mobilehome Space(s) beyond that which is permitted under Section 8.57.050.

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- 4. Notices Upon Filing an Application for Rent Increase.
- a. Within five (5)-calendar dDays after submission of a Mobilehome Park Owner's Application for Rent Increase with the Department, the Mobilehome Park Owner, at their own expense, shall serve each affected Mobilehome Owner with a notice of said application via personal service or certified mail return receipt requested. The Mobilehome Park Owner, at their own expense, must make the supporting documents reasonably available to each affected Mobilehome Owner within five (5) calendar dDays of such request.
- b. Within ten (10) calendar dDays after submission of a Mobilehome Park Owner's application with the Department, the Mobilehome Park Owner shall file a proof of service with the Department, on a form provided by the Department, signed under penalty of perjury, stating that a copy of the notice of Application for Rent Increase was served upon each affected Mobilehome Owner.

. . .

B. Mobilehome Owner Application for Adjustment. A Mobilehome Owner who believes they should receive an adjustment in their monthly obligation(s) because of a Mobilehome Park Owner's violation of this Chapter may file an Application for Adjustment with the Department. A Mobilehome Owner must file such Application for Adjustment within one hundred eighty (180) dDays from the date the Mobilehome Owner knew, or reasonably should have known, of the Mobilehome Park Owner's potential violation(s).

. . .

2. Decrease in Housing Services. A Service Reduction in Housing Services, without a corresponding reduction in Rent, may be considered an increase in Rent. Before filing an aApplication for Adjustment with the Department, a Mobilehome Owner shall provide the Mobilehome Park Owner all of the following:

. . .

- 4. Notice upon Filing Application for Adjustment. Within five (5) calendar days after submission of an Application for Adjustment with the Department, the Mobilehome Owner shall serve the Mobilehome Park Owner with a notice of said application via personal service or certified mail return receipt requested.
- C. Application <u>SubmissionSubmittal</u> to Department for Rent Increase or Adjustment. Upon receipt of an application, the Department shall review and evaluate whether there should be a Rent increase or adjustment in accordance with this Section and its procedures and guidelines.

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SECTION 6. Section 8.57.070 is hereby amended to read as follows:

8.57.070 Pass-Through Capital Improvement Cost Recovery.

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- B. A Mobilehome Park Owner may not pass-through Capital Improvement costs to Mobilehome Owners until the Department approves the Mobilehome Park Owner's application, the Mobilehome Park Owner registers each Mobilehome Space pursuant to Section 8.57.080 and is in compliance with federal, State, or local laws and requirements. The approved pass-through Capital Improvement costs should appear as a separate line item on the Rent statement along with the end date of the amortization period and any remaining pass-through balance. An approved pass-through cost is not considered Rent.
- C. Pursuant to this Section, no Capital Improvement cost pass-through cost recovery shall be approved if the amounts allowed to be a pass-through cost, plus any Rent increase for that year, would result in an increase of the Rent from the prior year of an affected Mobilehome Space by more than eight percent (8%), unless approved otherwise determined by the Department pursuant to Section 8.57.060.A.
- D. Capital Improvement Cost Pass-Through. A Mobilehome Park Owner may recover up to fifty percent (50%) of a Capital Improvements cost from existing Mobilehome Owners if the Capital Improvement is in accordance with the Department's procedures and guidelines and with this Chapter.

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2. Capital Improvements do not include the following:

. . .

e. Additions or replacements made to bring the Mobilehome Park into compliance with a provision of the State or local laws if the Mobilehome Space has not been in compliance with said provision from the time of its original construction or installation and such provision was in effect at the time of such construction or installation.

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- E. Application for Recovery of Pass-Through Capital Improvement Costs.
- 1. A Mobilehome Park Owner must submit an Application for Recovery of Pass-Through Capital Improvement Costs, on a form approved by the Department, within one hundred twenty (120) dDays of completion of the Capital Improvement.

. . .

- Notice Upon Filing Application for Recovery of Pass-Through
 Capital Improvement Costs.
- a. Within five (5) calendar dDays after submission of a

 Mobilehome Park Owner's application with the Department, the Mobilehome Park

 Owner shall serve each affected Mobilehome Owner with a notice of said application via

 personal service or certified mail return receipt requested.

. . .

d. Within ten (10)-calendar dDays after submission of a Mobilehome Park Owner's application, the Mobilehome Park Owner shall file with the

Department a proof of service, on a form approved by the Department, signed under penalty of perjury, stating that a copy of the notice of application was served upon the affected Mobilehome Owners.

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F. Examination and Inspection.

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2. The Department shall be permitted by a Mobilehome Park Owner, during reasonable business hours, to visit the Mobilehome Park or the affected

Mobilehome Space and confirm the Capital Improvement was completed and that the Capital Improvement cost amount is justified.

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- H. Notices to Mobilehome Owner. A Mobilehome Park Owner shall provide written notice of an approved pass-through cost to Mobilehome Owners at least thirty

 (30) Days prior to collecting any pass-through cost.
 - **SECTION 7.** Section 8.57.080 is hereby amended to read as follows:

8.57.080 Annual Registration.

A. Registration of Mobilehome Spaces. On or before September 30th of each year, a Mobilehome Park Owner must register each Mobilehome Space that is rented or is available for rented in the County's rented Registry System or inon a form approved by the Department. A Mobilehome Park Owner must contact the Department or update the County's Rent Registry System within thirty (30) calendar delays of any subsequent changes to the Mobilehome Space or the discovery of any errors in the

County's Rent Registry System. No fee shall be imposed for any Mobilehome Space exempted from this Chapter pursuant to the Mobilehome Residency Law.

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- C. Registration must include, but is not limited to, the following information:
- 1. Rent for each Mobilehome Space in the Mobilehome Park and, <u>if</u> applicable, the date of the last Rent increase for the Mobilehome Space.

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- D. Registration Fee. A Mobilehome Park Owner must pay an annual registration fee for each Mobilehome Space in the Mobilehome Park. This registration fee shall be determined by the Board and shall be sufficient to pay operating costs for this Chapter, including but not limited to, administrative time and costs, legal fees and costs, and any other expense incurred to implement, administer, and enforce this Chapter. The Department may waive registration fees for special circumstances and as further set forth in its procedures and guidelines.
- E. Registration Fee Pass-Through. A Mobilehome Park Owner may recover up to fifty percent (50%) of a registration fee from the Mobilehome Owners. The registration fee pass-through cost shall be calculated in accordance towith the Department's procedures and guidelines. A Mobilehome Park Owner may only collect one annual registration fee pass-through cost at a time and must also meet the following requirements to pass-through this registration fee:
- Timely and accurately submits an annual registration for each
 Mobilehome Space and Housing Services in the Mobilehome Park;

. . .

- 3. Provides Mobilehome Owner with thirty (30) <u>dD</u>ays notice <u>beforeprior to</u> collecting any registration fee pass-through cost; and
- 4. A Mobilehome Owner's payment to the Mobilehome Park Owner for the registration fee pass-through cost is paid in twelve (12) equal, monthly installments, unless otherwise agreed to by the Mobilehome Owner. Penalty or late fees for failure to register shall not be passed through to Mobilehome Owners.
 - F. Excess Registration Fee Pass-Through Cost Paid:

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3. Reimbursement for Overpayment Exceeds Monthly Obligation(s)

Due. Where the reimbursement due to the Mobilehome Owner exceeds the total monthly obligation(s) due for the remainder of the Tenancy, the reimbursement exceeding the monthly obligation(s) shall be immediately paid to the Mobilehome Owner as a lump sum payment.

SECTION 8. Section 8.57.120 is hereby amended to read as follows:

8.57.120 Administrative Review and Appeals to the Rental Housing Oversight Commission.

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C. Time Limit. A party must file an appeal before the Commission within fifteen (15) <u>dD</u>ays of the Department's final decision. The Commission shall have no authority to consider matters not filed within fifteen (15) <u>dD</u>ays of the Department's final decision.

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F. Decision and Notice.

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- 2. Decisions shall be rendered within thirty (30) <u>dD</u>ays of the close of the hearing. If the Commission fails to act within thirty (30) <u>dD</u>ays of the close of the hearing, the Department's decision shall be deemed affirmed.
- 3. The secretary or Department staff assigned to the Commission shall mail the Commission's decision to the parties within ten (10) <u>dD</u>ays after it is rendered.

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SECTION 9. Section 8.57.140 is hereby amended to read as follows:

8.57.140 Remedies.

A. Civil Liabilities Liability. Any Mobilehome Owner, or any other person or entity acting on behalf of the Mobilehome Owner who will fairly and adequately represent Mobilehome Owner's interest, including the County, is authorized to bring a civil action and/or proceeding in a court of competent jurisdiction for violation of this Chapter, 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 Chapter. The court may award reasonable attorneys' fees and costs to a Mobilehome Park Owner who prevails in any such action if the court determines that the Mobilehome Owner's action was frivolous.

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C. Criminal Penalty. Any person violating any of the provisions or failing to comply with any of the requirements of this Chapter, shall be guilty of a misdemeanor and punished by a fine of not more than not to exceed One Thousand Dollars (\$1,000), or by imprisonment in the County jail for a period of not more than six (6) months, or by both.

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SECTION 10. Section 8.57.180 is hereby amended to read as follows:

8.57.180 Mobilehome Park Closure, Conversion or Change of Use - Relocation Impact Reports.

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- C. Notice of Intent of Closure, Conversion or Change of Use of Mobilehome Park.
- 1. Notice of Intent. Applicant shall provide each Resident a written Notice of Intent of Closure, Conversion or Change of Use of Mobilehome Park at least one hundred twenty (120) dDays prior to a Relocation Impact Report being filed with the Department. Proof of service of the Notice of Intent on the Residents, via personal service or certified mail return receipt requested, must be provided to the Department on a form approved by the Department, within ten (10) dDays of providing each Resident a Notice of Intent. A Notice of Intent provided to each Resident does not relieve a Resident from his or her obligation to pay Rent.
- 2. Notice to Prospective Residents. When an application for a Conversion or Change of Use of Mobilehome Park has been filed with the County

Department or the Mobilehome Park has been determined to be undergoing Closure, the Applicant shall advise each prospective new Resident who proposes to occupy a Mobilehome within such Mobilehome Park, in writing, prior to the execution of a Rental Agreement or commencement of such occupancy whichever occurs first, that such application has been filed or Closure determined, and that the prospective new Resident may not be entitled to any relocation assistance under this Section.

. . .

- E. Relocation Impact Report. The Relocation Impact Report shall be in compliance with this Section and set forth the impact of the Closure, Conversion or Change of Use upon the Residents who will be displaced.
- 1. Timing for Filing Relocation Impact Report. A Relocation Impact Report, prepared by an Applicant or Relocation Specialist, must be filed with the Department within one hundred twenty (120) &Days of Applicant providing a Notice of Intent to the Residents. Applicant must use a Relocation Specialist to assist Residents as required by this Section and the Department's procedures and guidelines.

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3. Contents of Relocation Impact Report. A Relocation Impact Report shall contain the following information:

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d. Relocation Assistance Information. The Applicant shall state how relocation assistance will be implemented to comply with this Section. The Relocation Impact Report shall include the following:

(i) Applicant's procedure to accommodate the Residents or Mobilehomes that are not able to relocate and the specific relocation assistance and options available to each Resident;

. . .

(iii) The specific relocation assistance and options proposed shall be provided to each Resident byvia personal service or certified or registeredmail return receipt requested at least fifteen (15) dDays prior to filing the Relocation Impact Report with the Department. Proof of service via personal service or certified mail return receipt requested of the specific relocation assistance and options proposed to the Residents of the Mobilehome Park must be provided to the Department at the time of filing of the Relocation Impact Report;

. . .

4. Failure to Prepare Relocation Impact Report.

. . .

b. If the Applicant fails to prepare or cause to be prepared a Relocation Impact Report within such required time, the Department shall cause such Relocation Impact Report to be prepared at the expense of the Applicant. Failure of the Applicant to reimburse the County for such cost within thirty (30) dDays of receipt of such statement, may cause the matter to be brought before the Commission resulting in potential fines and penalties assessed against the Applicant.

F. Hearing and Notice.

- 1. Department Review of the Relocation Impact Report. The Commission shall not be required to take any action to hold public hearings to consider a Relocation Impact Report until the Department has had a reasonable time, not to exceed thirty (30) dDays, within which to verify that the Relocation Impact Report is complete and contains all of the information required by this Section. If the Department determines that the Relocation Impact Report does not contain all of the information required by this Section, it shall set forth in writing the specific deficiencies.
- 2. Setting of Hearing. The Department will deem a Relocation Impact Report complete and shall set a time, date, and place for hearing to take place not less than sixty (60) dDays after the date the Department determines the Relocation Impact Report is complete and upon Applicant payment of any applicable fees in accordance with this Section and the Department's procedures and guidelines. The secretary of the Commission or Department staff may give such additional notice as it deems necessary or desirable. Such time may be extended to the extent necessary to comply with any State regulations, including the California Environmental Quality Act.
- 3. Notice of Hearing. The Department shall provide Applicant a Notice of Hearing containing a general explanation of the matters to be considered by the Commission and any other information as the Department shall deem necessary, as set forth in the procedures and guidelines.
- a. Applicant shall furnish a written Notice of Hearing to each Resident proposed to be displaced in the Mobilehome Park at least sixty (60) dDays

prior to the hearing informing Residents that the Applicant will appear at the Commission for review and approval of a Relocation Impact Report.

. . .

c. Applicant must provide a proof of service, on a form approved by the Department, of the Notice of Hearing sent to each Resident within ten (10) dDays of the hearing before the Commission.

. . .

- G. Findings and Decision.
- 1. The Commission shall conduct a hearing to review the Relocation Impact Report at the noticed date and time. The Commission may consider all relevant evidence presented at the hearing and shall render its findings and decision within thirty (30) dDays therefrom. The secretary of the Commission or Department staff assigned by the Director shall mail the Commission's decision within ten (10) dDays after it is rendered to the Applicant, Residents and to all persons who have filed a written request for notification. The decision of the Commission shall be final and not subject to further review by the County.

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