

**EXHIBIT A**

ADMINISTRATIVE PROCEDURAL GUIDELINES AND FORMS  
FOR THE ADMINISTRATION AND ENFORCEMENT OF THE  
MANUFACTURED HOME FAIR PRACTICES ACT

(CHAPTER 16B ~~and 16C~~ OF THE OCEANSIDE CITY CODE)

[Adopted By CC Resolution 92-58 on](#) April 15, 1992

[Amended February     , 2025](#)

## PREFACE

The Administrative Procedural Guidelines and Forms for The Administration and Enforcement of the Manufactured Home Fair Practices Act (hereafter “~~the~~ Guidelines”) was prepared and adopted by the City Council under authority of ~~section~~Section 16B.4 (f) (1) of the Oceanside City Code. The Guidelines were adopted for the purpose of establishing a uniform procedure for the administration and enforcement of the Manufactured Home Fair Practices Act, codified as Chapter 16B of the Oceanside City Code.

The provisions of the Guidelines are intended to be applicable to the administration and enforcement of ~~both~~ Chapter 16B, as amended ~~and Chapter 16C~~ of the Oceanside City Code. As such, the Guidelines are applicable to “manufactured homes”, ~~and~~ “manufactured home parks,” ~~as defined in Chapter 16B, as well as~~ “small, manufactured homes,” and “small manufactured home parks,” as defined in Chapter 16B. For purposes of the Guidelines, reference to “manufactured homes” shall include small, manufactured homes and reference to “manufactured home park” or simply “park” shall include small manufactured home parks. ~~Reference to “Chapter 16B” is intended to encompass Chapter 16C.~~ All references to the “Consumer Price Index” or “CPI” shall denote the Consumer Price Index for all urban consumers, including all items, as reported by the United States Department of Labor for the San Diego area, with base year 1982-84 = 100.

The provisions, procedures and practices established in the Guidelines are not intended as an extension of any of the duties and responsibilities of the Commission or staff as provided in Chapter 16B, as amended. Any action taken by the Commission or any acts of the individual Commission members or staff in violation of these provisions shall not be deemed a violation of Chapter 16B, unless such action or act is expressly inconsistent with Chapter 16B, as amended. Thus, a violation of a provision of the Guidelines shall not be grounds to object to any action taken by the Commission, or individual acts at Commission members or staff that are otherwise authorized by or consistent with the provisions of Chapter 16B.

**Commented [LH1]:** Target audience for these Guidelines is staff and the Commission for administration of Chapter 16B.

**Commented [JA2]:** On July 11, 2001, the City Council adopted Ordinance No. 01-OR410-1 amending Chapter 16B and deleting chapter 16C in its entirety

## DEFINITIONS

All defined terms, as indicated by initial capitalization, shall have the same meanings as set forth in Chapter 16B of the Oceanside City Code, except as expressly indicated otherwise.

- (a) *Commission.* The manufactured home fair practices commission established by this chapter.
- (b) *Manufactured home.* For purposes of this chapter, the term "manufactured home" shall be synonymous with the term "mobile home."
- (c) *Manufactured home park.* An area of land where two (2) or more manufactured home sites are rented, or held out for rent, to accommodate manufactured homes used for human habitation. Also referred to herein as a "park."
- (d) *Manufactured home park owner.* The owner, lessor, operator or designated agent thereof of a manufactured home park. Also referred to herein as a "park owner."
- (e) *Manufactured home resident.* Any person entitled to occupy a manufactured home as the owner thereof or pursuant to a rental or lease agreement with the owner of a manufactured home. Also referred to herein as a "resident."
- (f) *Rental agreement.* An agreement between the manufactured home park owner and a resident establishing the terms and conditions of a tenancy. A lease is a rental agreement.
- (g) *Space rent.* The consideration, including any bonus, benefits or gratuities, demanded or received for and in connection with the use or occupancy of a manufactured home within a manufactured home park or the transfer of a rental agreement of such a manufactured home. The use and occupancy of a rental unit shall include the exercise of all rights and privileges and use of all facilities, services and amenities accruing to the residents thereof for which a separate fee authorized by the Mobile Home Residency Law (California Civil Code Section 798 et seq.) is not charged. Nothing herein shall be construed to prevent a park owner from establishing such fees as may be authorized by the Mobile Home Residency Law. Space rent shall not include utility charges for utility services, including gas, electricity, water, trash and/or sewer service, provided to an individual manufactured home residence (as opposed to the park in general) where such charges are billing to such a residence separately from the space rent and such charges are limited to the actual value of the utility services provided to the individual residence.
- (h) *Hearing officer.* The hearing officer shall be either a retired California state court judge or justice or federal court judge.
- (i) *Manufactured home residents' representative.* A person chosen by the affected residents empowered to enter into binding agreements or stipulations and to act on their behalf relating to the procedure to be followed in special adjustment proceedings before the commission and/or the hearing officer. Also referred to herein as the "residents' representative."
- (j) *Residents' Designee.* A person chosen by the residents of a Manufactured Home Park pursuant to the provisions of form 16B F Declaration of Designee to act in their behalf for matters listed in Form 16B F Declaration of Designee.

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(k) *Small manufactured home.* For purposes of this chapter, the term "small manufactured home" shall include any mobilehome, recreational vehicle, travel trailer, or other vehicle that is (1) located in a mobilehome, manufactured home, or recreational vehicle park, and is used by its owner or occupant as a permanent residence; and (2) is not a "mobilehome" or manufactured home" as defined in 16B.2(b).

(l) *Small manufactured home park.* An area of land where two (2) or more manufactured home sites are rented, or held out for rent, to accommodate small manufactured homes used for human habitation. Also referred to herein as a "park." For the purposes of this chapter, manufactured home park shall include mobilehome parks as defined in Section 798.4 of the California Civil Code, as well as recreational vehicle parks, as defined in Section 18215 of the California Health and Safety Code, that contain two (2) or more manufactured homes.

(m) *Permanent residence.* For the purposes of this chapter, a small manufactured home is being used as a permanent residence if such vehicle (1) occupies a space within a mobile home park, manufactured home park, or recreational vehicle park, (2) is subject to the payment of rent for the space occupied in such park, (3) has been continuously located in the park for a period of nine (9) months or longer, and (4) such occupancy does not violate the park's conditional use permit.

~~(Ord. No. 82 27, § 1, 6 23 82; Ord. No. 00 176 1, § 1, 3 15 00; Ord. No. 01 410 1, § 3, 6 20 01)~~

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## SECTION I

### OVERVIEW OF CHAPTER 16B

#### Section 1.01 Purpose of Chapter 16B

(a) The Manufactured Home Fair Practices Act was originally adopted by the Oceanside City Council on September 12, 1984, and was codified as Chapter 16B of the Oceanside City Code (Ordinance No. 82-27). The space rent limitations provided by the Ordinance became effective January 1, 1985.

(b) Prior to enacting the Ordinance, the City Council had determined that there existed in Oceanside a shortage of rental spaces for manufactured homes, which shortage had resulted in low vacancy rates and rapidly escalating rents. The stated purpose of the Ordinance was to protect residents of such parks from unreasonable rental increases while at the same time preserving for the park owner a “just and reasonable return” on the park owner’s investment. (~~See section~~Section 16B.1)

#### Section 1.02 Applicability

(a) The original Ordinance was applicable to all manufactured home parks in the City of Oceanside having over twenty-five (25) manufactured home spaces. However, the original Ordinance applied only to “manufactured homes” and “manufactured home parks” as defined by the Ordinance. Under the definitions provided, permanently situated recreational vehicles and other similar residential units located within such parks were excluded from the protections of the Ordinance.

(b) In 1991, the City Council adopted Ordinance No. 91-37 amending Chapter 16B to include manufactured home parks having 25 and under manufactured home spaces. In addition, Ordinance No. 91-38 was adopted providing for rent review of spaces for “small manufactured homes,” including permanently situated recreational vehicles and similar residential units located within such parks. ~~Codified as Chapter 16C, this latter ordinance incorporated relevant provisions of Chapter 16B by reference and was intended to mirror the substantive rent review provisions of Chapter 16B.~~

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#### Section 1.03 Base Year Space Rent Ceiling And Initial Adjustments

(a) Under Chapter 16B an owner of a manufactured home park covered by the Ordinance, ~~as amended~~, is limited in the amount of space rent that can be charged ~~to the~~ residents in the park. The total allowable space rent at any given time for all spaces subject to Chapter 16B is the park’s “space rent ceiling.” The space rent ceiling is periodically adjusted as provided by Chapter 16B. The original space rent ceiling was based upon the space rents that the owner actually charged for ~~each~~ space in the park as of December 31, 1979, the original “space rent ceiling date”. The year immediately preceding the space rent ceiling date (January 1, 1979, through December 31, 1979) is the “base year” for all manufactured home parks originally subject to the Ordinance. (~~See section~~Section 16B.8(a))

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(b) Parks and spaces first becoming subject to Chapter 16B or Chapter 16C through the 1991 amendments were subject to a space rent ceiling date of April 1, 1991. (See [sectionSection 16B.8 \(b\)](#))

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(c) Under the original ordinance, parks were allowed an “initial adjustment” of the space rent ceiling. (See [sectionSection 16B.9 \(b\)](#)). The initial permissive adjustment was the lesser of (1) an 8 percent increase per annum since the base year or (2) an increase equal to the percentage increase in the CPI from the end of the base year to the date of the initial adjustment. (See [sectionSection 16B.9 \(b\) \(1\)](#))

(d) Alternatively, park owners could apply for an initial NOI (Net Operating Income) adjustment that would enable the park owner to adjust the park’s initial space rent ceiling to allow the park an NOI that was equal to the lesser of (1) the percentage increase in the CPI since the end of the base year multiplied by that percentage of the CPI increase that represents the housing component of CPI, or (2) forty percent of the percentage increase in the CPI since the end of the base year. (See [sectionSection 16B.9 \(b\)](#)) The park’s NOI is the park’s gross income minus operating expenses. (See [sectionSection 16B.9 \(b\) \(2\)](#))

(e) The initial adjustments provided in [sectionSection 16B.9\(b\)](#) of Chapter 16B are not applicable to parks and park spaces first becoming subject to the Ordinance pursuant to the 1991 amendments to Chapter 16B or the adoption of Chapter 16C. (See [sectionSection 16B.9\(b\) \(4\)](#))

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#### Section 1.04 Annual Adjustments To Space Rent Ceiling

(a) In addition to the initial adjustment, park owners are permitted annual adjustments of the space rent ceiling, including alternatively, a “permissive adjustment” or “NOI adjustment.”

(b) The annual permissive adjustment allows the park owner to increase the park’s space rent ceiling each year by equal to the lesser of an eight (8) percent or an increase equal to seventy-five (75) percent 75% of the annual percentage increase in the CPI as reported for the calendar year in which the application is filed as reported by the Bureau of Labor Statistics, immediately preceding the date of the application. (See [sectionSection 16B.9 \(c\) \(1\)](#))

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(c) Alternatively, the park owner may elect an NOI adjustment. The NOI adjustment allows the park owner to increase his space rent ceiling for the current year to the extent necessary to allow the park’s net operating income to increase by the lesser of (a) the percentage increase in the CPI since the year of the initial adjustment multiplied by that percentage of the CPI increase that comprises the housing component of the CPI, or (b) 40% of the percentage increase in the CPI. (See [sectionSection 16B.9 \(c\) \(2\)](#))

#### Section 1.05 Pass-thru Adjustments To Space Rent

(a) Park owners are also permitted a “pass-thru” adjustment of space rent for government assessments that are related to the operation of the park. However, government assessments do not include federal, state, or local taxes, governmental license or registration fees, or fees paid as required by Chapter 16B. (See [sectionSection 16B.9\(d\)](#))

(b) Additionally, in addition to the above, park owners are permitted to include in a rent adjustment a pass-through of twenty-eight dollars and sixty cents (\$28.60) per space of the park's annual registration fee. By express resolution, the City Council may authorize an additional pass-through adjustment to space rent of additional amounts of the registration fee. (~~See section~~Section 16B.6(b)). On May 6, 2009, the City Council adopted Resolution 09-R0284-1, establishing an annual registration fee of \$132.34 per space to be increased annually consistent with the increase for the annual permissive adjustment and authorizing park owners to pass-through to park residents half of any increase in the registration fee beginning with the registration fees due November 12, 2009. Park owners opting to pass through the increased registration fees to park residents shall bill the park resident's share in twelve equal payments.

**Commented [LH14]:** The language of "in addition to the above" provides a linkage to the paragraph above for context. Therefore, reject language revision of "Additionally".

(c) Pass-thru adjustments do not affect the park's space rent ceiling, unless the underlying assessment is deemed by the Commission to be of a continuing nature without an express limit in the duration of the assessment. Any allowable pass-thru is added to the park's gross space rent only for each year the pass-thru adjustment is expressly allowed by the Commission. Thus, pass-thru adjustments are not included in the park's space rent ceiling when calculating annual adjustments.

NOTE: All pass-through adjustments are adjustments to allowable space rent, and not segregated and separately billed assessments to individual park residents.

#### Section 1.06 Special Adjustment To Space Rent Ceiling

(a) In the event a park owner believes that the permissive, NOI and pass-thru adjustments do not provide a "just and reasonable return" on the park owner's investment, the park owner may apply for a "special adjustment." (See 16B.10(d))

(b) Upon application for a special adjustment, a "fair return hearing" is held, at which time the park owner may present evidence and argument to the Commission in support of the position that the park owner is not receiving a fair return on his or her investment in the park. Other interested parties, including persons designated by the Commission or by residents of the park, may present evidence and argument in opposition to the position of the park owner.

(c) After receiving evidence and argument from the park owner, the park residents, and other interested parties, the Commission determines whether the park owner is receiving a just and reasonable return after application of the permissive, NOI, and pass-thru adjustments provided by the Ordinance. If it is determined that the park owner is not receiving such return, the Commission is required to grant an additional adjustment as necessary to ensure such fair return.

(d) The Ordinance expressly includes a presumption that the permissive, NOI, and pass-thru adjustments provided in the Ordinance provide all of the rent increases necessary to allow the park owner a just and reasonable return on investment for any given year. (~~See section~~Section 16B.10(c)) Thus, at the fair return hearing, the park owner carries a heavy the burden to prove to the Commission that under circumstances unique to the park and the park owner, the permissive, NOI, and pass-thru adjustments of the Ordinance are inadequate.

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## Section 1.07

### Exemptions

(a) Chapter 16B provides a “park rent schedule exemption” to a park owner who enters into an agreement with the residents of 67% of the spaces in the park to limit rents in accordance with the agreed upon rent schedule. The park rent schedule must be for a period of not less than two years, and if approved, is applicable equally to all spaces in the park. (~~See section~~[Section 16B.7](#))

—In addition to the park rent schedule, individual park spaces may be subject to an exemption based upon California Civil Code ~~s~~[Section 798.17](#) ~~and subject to Section 16B.16 (d).~~ Under this ~~section~~[Section](#), spaces are exempt from local rent control if they are governed by a lease agreement in excess of 12 months’ duration, and meet certain notice and other requirements of ~~s~~[Section 798.17](#). (~~See section~~[Section 16B.16\(d\) & \(e\)](#)). [AB 2782](#): “As of January 1, 2021, any long-term lease signed on or after February 13, 2020 is no longer exempt from local rent stabilization, and the rent regulations in the local ordinance will take precedence (OCC Chapter 16B). In addition, all long-term leases signed prior to February 13, 2020 shall continue to be exempt from local rent stabilization, but only until they expire, or until January 1, 2025, whichever occurs first. Effective January 1, 2021 through January 1, 2025, the exemptions from rent control/stabilization ordinances shall not apply to any rental agreement of more than 12 months entered into on or after January 1, 2021. As of January 1, 2025, any exemptions shall expire.” (California State Senate Select Committee on Manufactured Home Communities, 2024, #1, pg 70)

(b) ~~Park spaces subject to the provisions of Civil Code Section 798.21 or any other such provision of applicable state or federal law granting such exemption, are exempt from the rental rate restrictions of this chapter~~[Chapter 16B](#). ~~In general, this Section references mobilehome spaces within a mobilehome park that is not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party.~~

~~(b) (c)~~ (c) A tenancy in a manufactured ~~home~~ where the owner of the park is also the owner of the manufactured home throughout the duration of the tenancy shall be exempt from the provisions of this chapter. If the ownership of the home and the space later becomes separate rather than unified in the owner of the park, then the space rent subject to regulation shall be determined according to the space rental agreement at that time. ([See Section 16B.3\(c\)](#))

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## SECTION II

### THE COMMISSION AND COMMISSION STAFF

#### Section 2.01 The Manufactured Home Fair Practices Commission

(a) The Manufactured Home Fair Practices Commission was established by ~~section~~ [Section 16B.4](#) of [Chapter 16B](#). The Commission consists of five regular members and two alternates, the alternates participating only when a regular member is absent. Regular members serve for three years, alternate members for two years. Three (3) Commissioners constitute a quorum. A majority vote of the Commission is required for any findings or determinations made pursuant to adjustment applications or applications for an exemption. (~~See section~~[Section 16B.4\(l\)](#))

(b) The primary duties of the Commission relate to the processing and granting of applications for adjustments of space rent and applications for exemptions provided in the Ordinance. Such duties include ordering appropriate investigations and conducting hearings as required by Chapter 16B and ~~the Guidelines~~[These Guidelines](#). (~~See section~~[Section 16B.4\(m\)](#))

#### Section 2.02 The Commission Staff

(a) The City Manager is required to provide the Commission with the necessary support staff for the administration of Chapter 16B. (~~See section~~[Section 16B.4\(k\)](#)) The current staff is made up of city employees of the Oceanside Housing Department, and ~~the City Clerk's Office, with the City Clerk serving~~[as secretary of the Commission.](#)

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(b) The commission staff operates under the direction of the Commission and is responsible to the Commission. Responsibilities of staff members can be summarized as follows: (1) Processing annual park registrations and registration fees; (2) Processing applications for annual permissive and NOI adjustments to space rent ceiling; (3) Processing applications for pass-thru adjustments to space rent; (4) Processing applications for special adjustments to space rent ceiling; (5) Scheduling and coordinating hearings on NOI and special adjustment applications; (6) Preparing staff reports to aid Commissioners when considering an adjustment application or an application for an exemption; (7) Maintaining complete and accurate records of all actions taken by the Commission and staff; (8) Communicating with park owners, park managers, park residents, and the public, regarding all matters related to Chapter 16B. Specific responsibilities of the staff with respect to these functions are indicated throughout the Guidelines.

### SECTION III

#### REGISTRATION

##### Section 3.01 Registration Requirement

(a) All manufactured home park owners in the City of Oceanside must register their manufactured home parks annually with the Commission prior to November 12th of each year, or at such other time as directed by the Commission. (~~See section~~[Section 16B.5 \(c\)](#)) Registration shall consist of submitting a fully completed registration form provided by the Commission staff along with the required registration fee and supporting documents. (Registration Form – ~~16B-F-III-1 Form 16B-F~~)

(b) The manufactured home park owner must include in the registration all spaces in the park, including spaces exempt from the space rent ceiling provisions of Chapter 16B by reason of a park rent schedule exemption, and spaces exempt under Civil Code ~~section~~[Section 798.17, Civil Code Section 798.21, and Section 16B.3\(c\)](#). (~~See section~~[Section 16B.5\(e\)](#))

(c) No park owner shall receive any annual permissive, NOI, or special adjustment to a park's space rent ceiling, pass-thru adjustment to space rent, or space rent schedule exemption, unless said park has satisfied the registration requirements of Chapter 16B and ~~the Guidelines~~[these Guidelines](#), including payment of all required registration fees. (~~See section~~[Sections 16B.5 \(c\) & \(d\)](#))

##### Section 3.02 Processing the Registration Form

(a) On or before September 15th of each year, or on such other date as directed by the Commission, the Commission staff shall mail to each park owner a registration packet. Included with the registration packet shall be the following: (1). A registration form, (2) An information sheet indicating any amendments to Chapter 16B ~~or 16C~~ that shall be effective for the upcoming calendar year; (3) Form instructions for completing the registration form, including a statement indicating the park's registration fee for the upcoming year, a statement indicating the extent, if any, the registration fee can be passed-through to the park residents, a statement indicating when the registration form and fee is due, and a statement as to any late fees that will be assessed in the event the registration fee is late. Completed registration forms shall be due along with the appropriate registration fee no later than November 12th of each year, or as otherwise directed by the Commission. (Instructions for Completing Registration Form – ~~16B-F-III-2 Form 16B-F~~)

(b) All registration forms received by the Commission shall be reviewed by the Commission staff. Staff shall confirm that the registration form is complete, including verification that all information requested in the form has been provided. In the event the registration form is incomplete, the Commission staff shall return the registration form to the park owner with a form letter indicating the information needed to complete the registration. (Form Letter re: Incomplete Registration Form ~~16B-F-III-3 Form 16B-F~~) If the missing information is of a minor nature, the Commission staff may [contact by written correspondence or by telephone](#), the park owner to obtain the additional information.

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(c) Commission staff shall also confirm that the registration fee in the proper amount has been included with the registration form. In the event a registration form is received by the City Clerk's Office without the registration fee, or with less than the proper registration fee, Commission staff shall mail a form letter to the park owner indicating the failure to submit the proper registration fee. The letter shall also warn the park owner of the late fee that may be assessed to the park owner for failing to submit a timely registration fee. (Form letter re: Missing or Improper Registration Fee – ~~16B-F-III-4~~ -- ~~Form 16B-F~~ )

(d) Upon receipt of a complete registration form, and the proper registration fee, Commission staff shall carefully review the entire registration to determine that the information is internally consistent and is accurate based upon other information and documentation appearing in the permanent file for that park. Commission staff may conduct an investigation, including ~~contacting communication with~~ park residents, for the purpose of verifying the information on the registration form. The Commission staff shall notify the park owner of any discrepancies found in the registration form, or any inconsistencies that arise after an investigation. The Commission may request that the park owner furnish documentary evidence of any information contained on the registration form.

(e) If, after a request ~~by~~ ~~the~~ ~~by~~ the Commission staff, the park owner fails to provide documentary evidence in support of any information on the registration form, the Commission staff may correct the registration form as reasonably necessary to make the registration form accurate and consistent.

(f) Upon receipt of a complete registration form, including ~~payment of~~ the proper registration fee: ~~The City Council adopted Resolution 09-R0284-1 on May 6, 2009 authorizing that the fee may be paid by the park owners in twelve equal monthly installments, the first of which shall be due no later than November 12<sup>th</sup> of each year.~~ and after reasonable verification that the information on the registration form is correct, the registration form shall become part of the park's permanent file. The registration fee shall be given to the City Clerk for deposit in the City of Oceanside's general fund, allocated for the administration of the Manufactured Home Fair Practices Act. ~~On May 6, 2009, the City Council adopted Resolution 09-R0284-1, establishing an annual registration fee of \$132.34 per space to be increased annually consistent with the increase for the annual permissive adjustment and authorizing park owners to pass-through to park residents half of any increase in the registration fee. Park owners may elect to pay the fee in twelve equal monthly installments, the first of which shall be due no later than November 12<sup>th</sup> of each year.~~

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(g) After processing the registration form and fee, the Commission staff shall send a form letter to the park owner acknowledging compliance with the registration requirements of Chapter 16B and payment of the proper registration fee for that year. (Form letter re: Acknowledgment of Receipt of Complete Registration – ~~16B-F-III-5~~ -- ~~Form 16B-F~~) The letter shall also include the following: (1) Information as to adjustment and exemption application requirements, including due dates and any required hearing fees under Chapter 16B; and (2) ~~Two~~ a registration and application forms for an annual permissive adjustment, if not requested as part of the registration process.



## SECTION IV

### ANNUAL PERMISSIVE ADJUSTMENTS

#### Section 4.01

#### In General

(a) Chapter 16B provides that a park owner shall be entitled to an annual permissive adjustment of the park's space rent ceiling equal to ~~the lesser of an eight (8) percent or an increase equal to seventy-five (75) percent of the annual percentage increase in the CPI for the calendar year in which the application is filed as reported by the Bureau of Labor Statistics. immediately preceding the date the application for such adjustment is received.~~ (See ~~section~~ Section 16B.9(c)(1))

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(b) As part of the registration process, park owners may request Applications for the an annual permissive adjustment. Park owners not requesting an annual permissive adjustment at that time must submit an Application for an Annual Permissive Rent Adjustment to be received in the City Clerk's office no later than March 1st in the year the adjustment is sought. (Application for Annual Permissive Adjustment – 16B-F-III-1 – Form 16B-). Decisions on complete and timely applications shall be rendered by the Commission effectively April 30<sup>th</sup> of each year. (See ~~section~~ Section 16B.15(9)). Subject to subsection (d) below, all annual permissive adjustments that are granted by the Commission may be implemented on or after July 1st in the year the application is submitted. (See ~~section~~ Section 16B.15 (g))

(c) Approval of an annual permissive adjustment by the Commission shall be contingent upon verification by the Commission staff that the park is in compliance with all registration requirements for the current year and all prior years the park was subject to Chapter 16B. Upon such verification by the Commission staff, the Commission shall approve the permissive adjustment.

**Commented [JA27]:** Dollahon commented that this is not true and should be deleted. However, It is true and it needs to be verified

(d) Notwithstanding subsection (b) and (c) above, no approved permissive adjustment shall become effective until the park in question has passed a health and safety inspection conducted by the Oceanside Building Department (now Development Services). The purpose of the inspection is to confirm that the park is in compliance with all applicable relevant California Health and Safety requirements. (See ~~section~~ Section 16B-.15 (b)) The effective date of any permissive adjustment approved by the Commission as of April 30th shall be the latter of (1) July 1st of the year the application was submitted, or (2) the first day of the next month immediately following the date the park receives notice that the park has passed the health and safety inspection. If a park subsequently fails a health and safety inspection after receiving notice they have passed the inspection, the park will receive their permissive adjustment and the subsequent inspection failure will be addressed as a code enforcement matter. Note h However, that the effective date of any rent increase in the park is subject to the 60-day written notice requirement of California Civil Code section Section 798.30.

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**Commented [JA29]:** D. Dollahon; 16B Effective only upon the park's providing satisfactory evidence as required by the commission, that all unsatisfactory conditions in the park have been remedied Sec 16B.15 (b)(3)

**Commented [LH30]:** This is not specified under Chapter 16B.15 and has not been the City's pattern of practice.

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(e) Although a permissive adjustment is granted by the Commission contingent only upon compliance with the registration requirements of Chapter 16B, as indicated above, no such adjustment will become effective until passage of a health and safety inspection conducted by the Oceanside Building Department (now Development Services). Park residents, and other interested

parties, are invited to make written statements and provide documentation as to the condition of the park as such condition relates to health and safety code or other such regulations applicable to the park. Any such documents received by the Commission staff shall be forwarded to the Oceanside Building Department (now Development Services) for consideration and review by the person inspecting the park, to be known as the City Inspector, pursuant to sectionSection 16B.9(b)(1) of Chapter 16B and ~~the Guidelines~~ These Guidelines.

~~(e)-(f)~~ (f) A Resident Designee, chosen by the affected park's Home Owners Association (HOA), or if no HOA, chosen by the affected park residents ( Resident Designee Form – 16B-F-III-9) may accompany the inspector during their inspection to identify conditions that may be relevant to the health and safety inspection of the park.

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#### Section 4.02 Processing the Application for an Annual Permissive Adjustment

(a) Upon receipt of an application for an annual permissive adjustment, the Commission staff shall first verify that the application is complete. An application for a permissive adjustment is complete if all information requested in the application has been provided, and the park is current in all registration and registration fee requirements.

(b) The space rent ceiling for the park and the current individual space rents indicated in the application should be checked for accuracy and consistency with the information contained in the park's permanent file. If the application is incomplete or if the information provided appears inaccurate, the Commission staff shall return the application with a form letter indicating the problem with the application Form letter re: Notice of Receipt of Incomplete Application for A Permissive Adjustment – 16B-F-III-3 – ~~Form 16B-~~) Alternatively, if the missing or inaccurate information is of a minor nature, staff may telephone the park owner or park management to acquire the missing information.

(c) Upon receipt of a complete application for an annual permissive adjustment, and after reasonable verification of the accuracy of the information contained in the application, the Commission staff shall submit a form transmittal request for a park inspection to the Oceanside Building Department (now Development Services). (Request for Manufactured Home Park Inspection – 16B-F-III-6 – ~~Form 16B-F-~~) The transmittal shall also include any documents and materials received from residents or third parties that are relevant to the health and safety inspection of the park.

~~(e)~~ —

(d) The Oceanside Building Department (now Development Services) shall generally schedule the park inspections in February and March of each year in order to return the park inspection transmittal within a reasonable time after the inspection request is received from the Commission staff.

~~(d)-(e)~~ (e) Upon completion of the inspection, ~~The transmittal shall indicate the~~ results of the park inspection shall be transmitted to Commission staff. If the park failed the inspection, the transmittal shall state the specific code section or regulation being violated, and the general nature of repairs necessary to bring the park within compliance of the code or regulation. The transmittal may include any notes or comments of the inspector with respect to the condition of

the park or a park utility or facility. The permissive or pass-thru adjustment as provided in Chapter 16B shall be granted and effective upon the park's providing satisfactory evidence as required by the Commission, that all unsatisfactory conditions in the park have been remedied. The Commission may rely upon the City Inspector's findings and recommendations.

~~(e)~~ (f) After the Commission staff determines that the application is accurate and complete, Commission staff shall determine the amount of the annual permissive adjustment based upon the CPI data reported for the calendar year immediately preceding the date of the application. Commission staff shall then complete the section of the application that indicates the amount of the adjustment and make available forward copies of the application to each member of the Commission for review in or around February of each year. Commission staff shall then place the application on the consent calendar for a regularly scheduled Commission meeting in order to be held render a decision no later than April 30<sup>th</sup> of each year ~~within thirty (30) days from the date the application was deemed complete.~~

~~(f)~~ (g) Commission staff shall notify the park owner of the amount of the adjustment and the date, time and place of the Commission meeting where final approval will be considered. Any disagreements between the Commission staff and the park owner as to the proper amount or distribution of the adjustment should be resolved, if possible, prior to the Commission meeting.

~~(g)~~ (h) Commission staff shall also notify any residents of the park, or other third parties, of both the proposed adjustment and the meeting date who have requested such notice and have complied with the requisite provisions of ~~the Guidelines~~ these Guidelines related to such notice.

~~(h)~~ (i) If upon review of the permissive adjustment application. any commissioner is not satisfied that the amount or distribution of the adjustment as stated on the application is in accordance with Chapter 16B and ~~the Guidelines~~ these Guidelines, such Commissioner shall immediately notify the Commission staff and attempt to resolve the problem prior to the meeting. Commission staff shall keep the park owner informed of any questions raised by any Commissioner prior to the meeting and any changes in the adjustment, or distribution of the adjustment, as stated on the application.

~~(i)~~ (j) At a regular Commission meeting, the Commission shall consider the permissive adjustment application as part of the consent calendar for the meeting. The Commission shall invite any parties present to be heard only with respect to the correctness of the amount of the adjustment: and the correctness of the proposed distribution of the adjustment. The Commission shall not be required to hear objections or arguments related to issues not relevant to the permissive adjustment as established by Chapter 16B and ~~the Guidelines~~ these Guidelines.

~~(j)~~ (k) Absent a finding that the amount of the adjustment is incorrect, or the proposed distribution of the adjustment is incorrect, the Commission shall approve the permissive adjustment as stated in the application, such approval to be effective April 30th. The Commission may amend the application as necessary to conform to the requirements of Chapter 16B and ~~the Guidelines~~ these Guidelines and then grant the adjustment as provided in the amended application. If the Commission determines that the application is incorrect and cannot be properly

**Commented [LH34]:** It is the intent of staff to publish the registration application on the Housing and Neighborhood Services Department website similar to its process for publishing the inspection reports and MHFPC Resolutions. See <https://www.ci.oceanside.ca.us/government/housing-neighborhood-services/housing/mobile-home-rent-control/documents-and-resources>

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**Commented [LH36]:** Inconsistent with the April 30<sup>th</sup> date of the Commission to render a decision that is consistently stated throughout the Guidelines discussing the rent process.

amended at the meeting, the application should be returned to the Commission staff with further instructions and consideration of the application continued to a later meeting.

~~(\*)~~ (1) Upon approval by the Commission, or other action by the Commission, the Commission staff shall notify the park owner in writing of such approval or other action and the amount and proper distribution of the allowable adjustment. (Notice of Approval of Annual Adjustment – ~~16B-F-III-7FORM 16B-~~) If the permissive adjustment has been approved by the Commission prior to passage of the health and safety inspection, the Commission staff shall immediately notify the park owner by first class mail upon receipt of the results of the inspection. Such notice shall include a copy of the inspection transmittal. (Notice of Passage of Park Health and Safety Inspection ~~16B-F-III-8 --Form 16B-~~)

~~(1)~~ (m) If the park has initially failed the health and safety inspection, the park shall be required to present evidence to the Oceanside Building Department (now Development Services) showing that all violations indicated on the prior inspection transmittal have been remedied. Upon receipt of such evidence, the Oceanside Building Department (now Development Services) shall review the evidence and, if necessary, conduct a second inspection of the park to verify that all violations have been remedied and the park is currently in compliance with all applicable California codes and regulations. Upon making such determination, the Building Department (now Development Services) shall convey its findings in a written memorandum ~~writing~~ to the commission staff, indicating either that the park is in compliance with the applicable codes and regulations or indicating the specific violations that still exist in the park. Commission staff shall provide immediate notice to the park owner of the findings of the Building Department (now Development Services) as indicated above and make such findings available to the Commission.

~~(m)~~ (n) Notwithstanding any provision in Chapter 16B and ~~the Guidelines~~ these Guidelines, California law requires that park owners provide residents of the park ~~60 days'~~ written notice prior to the date of any rent increase pursuant to Civil Code, sectionSection 798.30. (Civil Code, section 798.30) Under the uniform application provisions of Chapter 16B (sectionSection 16B .15 (g)) the permissive adjustment shall be approved as of April 30th of the year of the application. Such approval will allow the park owner to provide ~~60 days~~ notice pursuant to California Civil Code, sectionSection 798.30 to the residents of the park prior to the July 1st effective date.

~~(n)~~ (o) In the event approval of the permissive adjustment has been given by the Commission as of April 30th, the park owner may ~~wish to~~ provide the required ~~60-day~~ written notice pursuant to Civil Code, sectionSection 798.30 to the park residents of the increase, even though notice of passage of the health and safety inspection has not yet been received. Park owners providing such notice should indicate, however, that the rent increase will not be effective until notice has been received that the health and safety inspection has been passed. Such notice should also indicate that the rent increase shall become effective on the latter of (1) July 1st or (2) the first day ~~of the next month~~ after the park has passed the required health and safety inspection.

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(a) The CPI represents an index of the costs of various goods and services during the CPI reporting period. It is based upon a base year representing 100 percent of the costs of goods and services for that base year. The current CPI base year is 1984. Years subsequent to the base year reflect the increase in the costs of goods and services relative to the base year. For example, a CPI of 134 indicates a cost that is 134 percent of the cost for goods and services indicated for the base year, or a 34% increase in the cost of goods and services since the base year.

(b) Chapter 16B provides for an annual permissive adjustment of a park's space rent ceiling equal to the lesser of eight percent, or 75% of the annual percentage increase in the CPI. The applicable percentage increase covers the most recently reported calendar year period. Thus, to determine the correct adjustment, the Commission staff must first determine the annual percentage increase in the CPI for the most recently reported calendar year. This is accomplished by first subtracting the CPI reported in the immediately prior reported year from the CPI reported in the most current reported year. This number is then divided by the CPI reported in the prior reported year, rounding to the nearest four decimal places. The total annual percentage increase is then multiplied by 0.75 percent to determine the allowable percentage adjustment. The park's current space rent ceiling is then multiplied by this final percentage to determine the allowable monetary adjustment. The allowable adjustment is then added to the park's prior space rent ceiling to determine the new space rent ceiling.

(c) For example, assume a reported CPI for the year immediately preceding the current reported year of 126, a reported CPI in the current reported year of 134, and a space rent ceiling of \$550,000. The percentage increase in the CPI is determined by taking the difference between the most recent CPI and the previous CPI (8) and dividing this by the previously reported CPI (126). The result is 0.0635 or 6.35 percent, the total annual percentage increase in the CPI ( $8/126 = 0.0635$ ). To determine the total allowable percentage adjustment, multiply the total percentage (6.35) by 75 percent ( $0.0635 \times 0.75$ ). Then multiply the result (0.04763) by the park's current space rent ceiling to determine the total monetary adjustment. ( $0.04763 \times \$550,000 = \$26,196.50$ ) Finally, add the adjustment to the current space rent ceiling to determine the new space rent ceiling including the permissive adjustment. ( $\$550,000 + \$26,196.50 = \$576,196.50$ ).

NOTE: The importance of not simply taking the difference between the most recent CPI and the previous CPI as the proper base CPI increase. In the above example such difference is 8 percent. This represents the increase in the CPI but not the percentage increase. Using this figure in place of the 6.35 percent figure in the above example results in an increase of almost \$7,000 over the correct allowable adjustment.

SECTION V  
NOI ADJUSTMENTS

Section 5.01      In General

(a) Chapter 16B allows a park owner to choose between an annual permissive adjustment and an NOI adjustment. The NOI adjustment allows the park owner to adjust his space rent ceiling for the current year sufficient to provide an increase in NOI since the initial adjustment equal to the lesser of a) the percentage increase in the CPI multiplied by that percentage of the CPI that represents the housing component of the CPI, or b) 40% of the percentage increase in the CPI. (~~See section~~Section 16B.9(c)(2)) For purposes of calculating the NOI adjustment, sectionSection 16B.12 defines NOI as simply gross income less operating expenses.

(b) Park owners requesting an NOI adjustment must submit a completed application, including all information and documentation requested on the application, to the city clerk's office no later than March 1st of the year the adjustment is sought. Application for NOI Adjustment ~~– 16B-F-V-1 – Form 16B-F –~~ (~~See section~~Section 16B.15 (g))

(c) Under sectionSection 16B.15(2) NOI applications must be accompanied by an affidavit from the park owner declaring that copies of the application have either been personally served on each park resident or mailed first class postage prepaid to each adult resident in the park. (Affidavit of mailing ~~– 16B-F-V2 –~~ Form 16B-F ) In addition, under sectionSection 16B.15(3), the application must be accompanied by two (2) sets of four-by-ten inch envelopes with first class postage affixed and pre-addressed to each park resident. (~~See section~~Section 16B.15(a) (2) & (3))

(d) The application for an NOI adjustment must also include the required hearing fee as determined by resolution of the City Council. (~~See section~~Section 16B.15(f)(3))

(e) Applications for an NOI adjustment that do not contain the affidavit of mailing, the prescribed envelopes, and the required hearing fee shall be deemed incomplete and shall not be accepted by the City Clerk's Office. (~~See section~~Sections 16B.15(a)(4) and 16B.15(f) (3))

(f) No NOI adjustment shall become effective until the park in question has passed a health and safety inspection conducted by the Oceanside Building Department (now Development Services). The purpose of the inspection is to confirm that the park is in compliance with all applicable~~relevant~~ California Safety and Health requirements. (~~See section~~Section ~~16B.15(b)~~) Park residents, and other interested parties, are invited to make written statements and provide documentation as to the condition of the park as such condition relates to the Health and Safety Code or other regulations applicable to the park. Any such documents received by the Commission staff shall be forwarded to the Oceanside Building Department (now Development Services) for consideration and review by the person~~City Inspector~~ inspecting the park pursuant to sectionSection 16B.9(b)(1) of Chapter 16B and ~~the Guidelines~~These Guidelines.

(g) Approval of an annual NOI adjustment by the Commission shall be contingent upon (1) a determination that the gross income and operating expense data provided by the park owner is accurate and consistent with the requirements of Chapter 16B, and (2) verification by the

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Commission staff that the park is in compliance with all registration requirements for the current year and all prior years the park was subject to Chapter 16B.

(h) The effective date of any NOI adjustment shall be the latter of (1) July 1st of the year the application was submitted, or (2) the 1st day ~~of the next month~~ immediately following the date the park receives notice from the Commission that the park has passed the health and safety inspection. Note however, that the effective date of any rent increases is subject to the 60-day notice requirement of California Civil Code ~~section~~Section 798.30.

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(i) Since the NOI adjustment is closely tied to gross income and operating expenses, the NOI application must request all information necessary to determine the NOI adjustment, specifically information regarding the park owner's gross operating income and operating expenses as defined below.

#### Section 5.02 Gross Income

(a) Chapter 16B defines Gross income to include all income generated by the park. Although the most obvious source of income is space rent, gross income also includes "other income" generated from the operation of the park, as indicated below. (~~See section~~Section 16B.13)

(b) Gross space rent includes all rental income generated by the park based upon 100% occupancy. Thus, the park owner initially includes in gross income the rents of all spaces in the park, even rent for unoccupied spaces, and uncollectible rents from occupied spaces. (~~See section~~Section 16B.13(a)) A deduction from gross income is then provided for unrealized space rents due to vacancy and bad debts to the extent the same are beyond the park owner's control. Uncollected space rents in excess of three percent are presumed unreasonable and are included in the park's gross income. (~~See section~~Section 16B.13(d))

NOTE: ~~That~~ gross space rents includes space rent income generated from spaces in the park that are exempt from rent control under Civil Code ~~section~~Section 798.17. Thus, gross space rent does not equate with the park's gross space rent ceiling which is limited to space rent charged for nonexempt spaces only.

(c) Gross income also includes any charges, separate from rent, made by the park for any services provided by the park to either residents or non-residents. Thus, charges for laundry, recreational vehicle storage, or other facilities and amenities are to be included in gross income. In addition, charges to individual residents for cleaning a space, repair, or fines of any kind, are included as gross income. (~~See section~~Section 16B.13(b))

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(d) Gross income also includes any income to the park resulting from the sale of natural gas, electricity, water, cable T.V., and/or other services separately billed to the residents of the park. The amount of income from such sale is any difference between what the park owner charged the residents for utilities and what the park owner pays to the utility company for the same services. (~~see section~~Section 16B.13(c))

## Section 5.03

### Operating Expenses

(a) Operating expenses includes: (1) Real Property taxes and assessments; (2) Utility costs; (3) Management expenses; (4) Normal repair and maintenance expenses; (5) Limited owner performed labor; (6) Operating supplies; (7) Insurance premiums prorated over the life of the policy; (8) Other Taxes, fees and permits related to the operation of the park; (9) Resersve for capital improvements; (10) Other Limited capital improvements costs exceeding reserves for replacement; (11) Certain expenses resulting from involuntary re-financing of mortgage debt; and (12) Increases in lease payments for rental of land. (~~See section~~Section 16B.14(a))

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~~(b)~~ (b) In order to include as an operating expense any expenditure for a capital improvement, the park owner must complete an Addendum A to the NOI application Which requests information as to the amount and nature of the expenditure. (Addendum A – 16B-F V-3) In addition, the consent referred to in subsection (g) must be secured on a form provided by the Commission (Consent Form – 16B-F-V-4).

~~(b)~~ Utility costs, including natural gas, electricity, water, cable T.V., etc., only to the extent such costs are included in the space rent of the residents of the park. (See section 16B.14(a) (2))

~~(c)~~ Management expenses includes compensation for administrative personnel, including the value of space rent provided as partial or total compensation to a resident manager or maintenance person. Advertising expenses are allowed only to promote occupancy of the park. Reasonable accounting services may be included, as well as legal fees and costs that are unrelated to legal proceedings against the Commission or the City of Oceanside pursuant to any provision of Chapter 16B or 16C. Management expenses are presumed to be less than 5% of gross income. Operating expenses in excess of such percentage must be fully and completely documented by the park owner. (See section 16B.14(a)(3))

~~(d)~~ A park owner may also include as an operating expense the value of labor performed by the owner in operating and maintaining the park. The maximum allowance for such expense is 5% of gross income, unless such limitation would be "substantially unfair". In addition, the owner must devote at least 40 hours per week in order to warrant the maximum 5% allowance and must fully document the nature of the services performed, and the hours expended. (See section 16B.14(a) (5))

~~(e)~~ The park owner may include as an operating expense any money set aside as a reserve for necessary future capital improvements, up to 5% of gross income. The park owner is entitled to include as an operating expense any amounts necessary to replenish the reserve fund during any given year up to the 5% maximum. The reserve fund must be kept separate and apart from the park's other financial resources and cannot be commingled with funds included in other accounts maintained by the park. Any operating expense claimed as a deposit to this account should indicate the balance of the account before the deposit, the balance of the account after the deposit, and the nature of the expenditure in the prior year, if any, that reduced the reserve from its prior balance. (See section 16B.14(a)(9))

~~(f)~~ In addition to the reserve fund, park owners may include as an operating expense expenditures for capital improvements with certain limitations. First, to include such expenditure as an operating expense, the owner is required to consult with the park residents prior to initiating the construction of such improvements and must secure the written consent of at least one adult resident in a majority of the park's rental spaces. Any capital improvement must be amortized over the reasonable life of the improvement, or as approved by the Commission. The operating expense for a capital improvement cannot include any amounts reimbursed to the park owner by an insurance company. (See section 16B.14(a)(10))

~~(g)~~ In order to include as an operating expense any expenditure for a capital improvement, the park owner must complete an Addendum A to the NOI application Which requests information as to the amount and nature of the expenditure. (Form 16B-F70) In addition, the consent referred to in subsection (g) must be secured on a form provided by the Commission (Form 16B-F89).

~~(h)~~ (c) The following ~~o~~Operating expenses are expressly exclusionsded: (1) All debt service expenses and rental payments made on leases of land, except as provided in ~~section~~Section 16B.14(a) of Chapter 16B; (2) Depreciation; (3) Any expense for which the park owner is reimbursed; (4) Attorney's fees and costs incurred in proceedings before the Commission, against the Commission, or incurred in challenging Chapter 16B; ~~and~~ (5) Any late charges incurred for failure to pay the registration fee required by Chapter 16B.

~~(i)~~ (d) All operating expenses must be reasonable, both in substance and amount. The Commission may disallow any claimed operating expense deemed to be unreasonable or excessive. (~~See section~~Section 16B.14(c)) Park owners and Commission staff should consult ~~section~~Section 16B.14 for complete information on allowable operating expenses.

~~(j)~~ (e) The operating expenses allowed under Chapter 16B require full documentation as requested in the NOI application. Commission staff is responsible for reviewing such documentation to verify that the operating expenses claimed by the park are accurate.

#### Section 5.04 Determining the NOI Adjustment

(a) In general, the NOI adjustment allows the park owner to increase the park's space rent ceiling to the extent necessary to allow the NOI for the current year to reflect the increase in the CPI from the base year until the year of the most recently reported CPI. Thus, it is necessary to determine the percentage increase in the CPI from the base year until the year of the currently reported CPI.

(b) If the park owner had any prior initial or annual NOI adjustment, the adjusted NOI from that adjustment will be the starting point in determining the NOI adjustment for the current year. If the park owner had no prior NOI adjustment, the starting point in calculating the NOI adjustment for the current year will be the park's actual NOI for the year the park first received an initial or annual permissive adjustment. For purposes of calculating the NOI adjustment, the year of the last NOI adjustment or the year of the first permissive adjustment, whichever is applicable, shall hereafter be referred to as "the base year," and the NOI of that year as "the base year NOI."

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(c) To determine the total percentage increase in the CPI from the base year to the current CPI reported year, subtract the currently reported CPI from the reported CPI of the base year, then divide this number by the reported CPI for the base year.

(d) The NOI adjustment allows the park owner to increase the space rent ceiling, and thus the subject individual space rents, to allow the current year's NOI to increase by the lesser of (a) the total percentage increase in the CPI multiplied by that percentage of the total that represents the housing component of CPI, or (2) 40 percent of the percentage increase in the CPI. Thus, if the percentage of the current CPI that represents the housing component of the CPI is less than 40 percent, multiply the total percentage increase by that percentage. On the other hand, if the percentage of the total CPI that represents the housing component of CPI is over 40 percent, multiply the total percentage increase by 40 percent. The result is the allowable NOI percentage increase.

(e) Multiply the base year NOI by the allowable NOI percentage increase as determined in (e) above to determine the allowable adjusted NOI for the current year.

(f) Now add the result reached in (f) above to the operating expenses reported by the park for the most recent calendar year to determine the allowable adjusted gross income for the current year.

(g) Finally, to determine the allowable space rent ceiling for the current year, including the NOI adjustment, subtract from the gross income all "other" reported income, including all gross income that does not represent space rent. Also, subtract from gross income all space rent income from spaces not subject to Chapter 16B due to a Civil Code [sectionSection](#) 798.17 exemption. The result is the new space rent ceiling including the NOI adjustment for the current year.

#### Section 5.05 Example of NOI Adjustment

(a) Assume the following: (1) the applicant/park owner received an initial NOI adjustment effective January 1, 1985; (2) The initial adjustment was based upon an adjusted NOI of \$250,000; (3) The reported CPI for 1984 (the base year) was 100 (Note: the current CPI index also has a base year of 1984); (4) The current CPI is 134 with the housing component of CPI representing 41 percent of the reported CPI; (5) The park owner's gross income for the calendar year immediately preceding the application date was \$575,000, all but \$25,000 of which was space rent from spaces subject to Chapter 16B; and (6) The park owner's total operating expense for the preceding calendar year was \$325,000.

(b) The percentage increase in the CPI from the base year to the most recently reported year (100 to 134) is 34 percent.  $(134-100=34; 34 \text{ divided by } 100=.34)$  Forty percent of this percentage increase is 13.6 percent  $(.34 \times .40=.136)$ . Since the housing component of the CPI is 41 percent, the total percentage increase in the CPI multiplied by the housing percentage equals 13.9 percent  $(.34 \times .41=.139)$  Since the percentage increase in the CPI multiplied by the housing component of the CPI is greater than the percentage increase multiplied by 40 percent, this lesser figure is used to determine the allowable NOI adjustment.

(c) Multiplying the adjusted NOI for the base year (\$250,000) by 13.6 percent results in an allowable NOI adjustment for the current year of \$34,000 ( $\$250,000 \times .136 = \$34,000$ ). Thus, the allowable adjusted NOI for the current year is \$284,000 ( $\$250,000 + \$34,000 = \$284,000$ ). Adding the park's current operating expenses (\$325,000) to the adjusted NOI results in an allowable gross income of \$609,000. Now, subtracting "other income" (\$25,000) from the gross income, the total adjusted space rent ceiling for the current year is \$584,000.

(d) To compare the above NOI adjustment with the permissive adjustment for the same year, assume that the percentage increase in the CPI from the prior CPI reported year to the current reported year was 8 percent. Assume also a space rent ceiling for the reported CPI year of \$550,000. Multiplying 8% (.08) by 75 percent (.75) results in an allowable percentage increase of 6 percent (.06). Multiplying the current space rent ceiling (\$550,000) by the allowable percentage adjustment (.06) results in a permissive adjustment of \$33,000. Finally, adding this adjustment to the space rent ceiling results in a new space rent ceiling of \$583,000. Thus, under these circumstances the NOI adjustment provides the park owner with a space rent ceiling adjustment preferable to the permissive adjustment.

#### Section 5.06 Processing the NOI Application

(a) Upon request by a park owner, the Commission staff shall provide the park owner with an NOI application packet including (1) the application form, (2) the NOI worksheet (NOI Worksheet ~~16B-F-V-5--Form 16B--~~), the Affidavit of Mailing and a form cover letter (NOI Application Letter ~~16B-F-V-6--Form 16B--~~). The cover letter shall inform the park owner that the NOI application must be submitted by the park owner no later than March 1st of the year the adjustment is sought and shall also state the hearing fee that must accompany the application.

(b) Upon receipt of an application for an NOI adjustment, the Commission staff must first verify that the application is complete. An application for an NOI adjustment is complete if (1) all information requested in the application including the work sheet has been provided with accompanying documentation, (2) the appropriate hearing fee has been submitted with the application, (3) the park has submitted the required mailing affidavit and envelopes, and (4) the park is current in all registration and registration fee requirements. Applications for an NOI adjustment that do not contain the affidavit of mailing, the prescribed envelopes, and the hearing fee shall not be accepted by the City Clerk's Office. (Section 16B.15(a) (4))

(c) If the NOI application is incomplete, the Commission staff shall return the application with a form letter indicating what must be provided in order to complete the application. (Form letter re: Notice of Receipt of Incomplete Application for An NOI Adjustment ~~16B-F-V-7Form 16B--~~) Alternatively, if the missing information is of a minor nature, the Commission staff may [contact by written correspondence or](#) telephone the park owner, or park management, to acquire the missing information.

(d) Upon receipt of a complete application for an NOI adjustment, the Commission staff shall submit a form transmittal request for a park inspection to the Oceanside Building Department ([now Development Services](#)). (Request for Manufactured Home Park Inspection ~~16B-F-III-6--Form 16B-F--~~) The transmittal shall also include any documents and materials

received from residents or third parties that are relevant to the health and safety inspection of the park.

(e) The Oceanside Building Department (now Development Services) shall return the park inspection transmittal within a reasonable time after the inspection request is received from the Commission staff. The transmittal shall indicate the results of the park inspection. If the park failed the inspection the transmittal shall state the specific code section or regulation violated, and the general nature of repairs necessary to bring the park within compliance of the code or regulation. The transmittal may include any notes or comments of the inspector with respect to the condition of the park or a park utility or facility.

(f) After the commission staff determines that the application is complete, Commission staff shall thoroughly review the application and worksheet submitted by the park. The Commission staff shall (1) verify that the information on the application is consistent with information contained in the park's permanent file, (2) verify that the calculations on the worksheet are mathematically correct and that the total NOI adjustment indicated on the worksheet follows from the data provided, (3) verify that the gross income and operating expenses indicated on the worksheet are properly formulated in accordance with Chapter 16B and ~~the Guidelines~~ these Guidelines, and (4) verify that the gross income and operating expenses are in each instance supported with adequate documentary evidence.

(g) It is extremely important that the Commission staff review the gross income and operating expenses claimed by the park in the NOI application in view of the limitations provided in Chapter 16B and ~~the Guidelines~~ these Guidelines. Failure to include all income or allowance of improper operating expenses can have a severe impact on the final NOI adjustment and will be compounded in subsequent years through the permanent adjustment of the park's space rent ceiling. Each item of claimed Operating expense must be clearly allowable under ~~section~~ Section 16B.14 of Chapter 16B, and the amount of the expense must be supported by objective, documentary evidence provided by the park owner.

(h) Once the Commission staff has thoroughly reviewed the application for an NOI adjustment, the staff shall inform the park owner of the status of the application, including any errors or omissions discovered in the application materials and any additional information or supporting documentation that is required. (Form letter, Status of the NOI Application – 16B-F-V-8—Form 16B—) To the extent possible, Commission staff shall work with the park owner to properly complete the application including determining the proper amount of the NOI adjustment. In the event the Commission staff and the park owner cannot agree on any aspect of the application, the Commission staff shall submit the application to the Commission as requested by the park owner.

(i) The commission staff shall prepare a staff report to the Commission based upon the NOI application and its review of the materials submitted with the application. The staff report shall state the staff's belief with respect to the accuracy of the application as submitted to the Commission, including the accuracy of the NOI adjustment requested in the application. The staff report should be specific in identifying any discrepancies or inconsistencies in the application, and note specifically any reported facts or figures that the staff believes are not adequately supported by the park owner. If the Commission staff has an opinion as to the proper NOI adjustment, the



staff report should so state that opinion. The staff report shall also state any continuing disagreements between the staff and the park owner with respect to the application. A copy of the staff report shall be provided to the park owner no later than seven (7) days before~~from~~ the date of the NOI hearing unless such notice is waived in writing by the park owner.

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(j) Upon completion of the staff report, the Commission staff shall schedule a hearing on the NOI application within thirty (30) days from the date the application was complete. The Commission staff shall provide each Commissioner with (1) a copy of the application, (2) a copy of the NOI worksheet, (3) the staff report, (4) any response to the staff report provided by the park owner, (5) letters from the park residents, and (6) any other materials that are relevant to any disagreement between the Commission staff and the park owner. Within reason, the park owner may request that certain materials be provided to the Commissioners in advance of the hearing.

(k) The Commission staff shall notify the park owner of the hearing date. Using the prepaid envelopes submitted with the application, Commission staff shall then notify the residents of the park of the scheduled hearing date. Commission staff shall also Notify any other persons previously requesting notice of the hearing in conformity with ~~the Guidelines~~ These Guidelines.

(l) At the hearing, the Commission shall consider any relevant evidence presented by the park owner in support of the application. The Commission shall also invite any parties present to be heard but only with respect to the correctness of the amount of the adjustment including the correctness of the gross income and operating expense figures as stated in the application, and the correctness of the proposed distribution of the adjustment. The Commission shall not be required to hear objections or arguments related to issues not relevant to the NOI adjustment as established by Chapter 16B and ~~the Guidelines~~ These Guidelines.

(m) Absent a finding that the amount of the adjustment is incorrect, or the proposed distribution of the adjustment is incorrect, the Commission shall grant the NOI adjustment as stated in the application. The Commission may amend the application as necessary to conform to the requirements of Chapter 16B and ~~the Guidelines~~ These Guidelines, and then grant the adjustment as appropriate from the amended application. If the Commission determines that the application is incorrect and cannot be properly amended at that hearing, the application should be returned to the Commission staff with further instructions and the hearing on the application continued.

(n) As part of its decision on the NOI application, the Commission shall determine at the hearing whether and to what extent the park owner shall be allowed to pass through to the park residents the NOI hearing fee.

(o) Upon approval by the Commission, or other action by the Commission, the Commission staff shall notify the park owner in writing of such approval or other action and the amount and proper distribution of the allowable adjustment. (Notice of Passage of Park Health and Safety inspection – ~~16B-F-III-8–Form 16B–~~) If the NOI adjustment has been approved by the Commission prior to passage of the health and safety inspection, the Commission staff shall immediately notify the park owner by first class mail upon receipt of the results of the inspection. Such notice shall include a copy of the inspection transmittal. (Notice of Approval of Annual Adjustment – ~~16B-F-V-9–Form 16B–~~)

(p) If the park has initially failed the health and safety inspection, the park shall be required to present evidence to the Oceanside Building Department (now Development Services) showing that all violations indicated on the prior inspection transmittal have been remedied. Upon receipt of such evidence, the Oceanside Building Department (now Development Services) shall review the evidence and, if necessary, conduct a second inspection of the park to verify that all violations have been remedied and the park is currently in compliance with all applicable California codes and regulations. Upon making such determination, the Building Department (now Development Services) shall convey its findings in a written memorandum to the commission staff, indicating either that the park is in compliance with the applicable codes and regulations or indicating the specific violations that still exist in the park. Commission staff shall provide immediate notice to the park owner of the findings of the Building Department (now Development Services) as indicated above.

(q) Notwithstanding any provision in Chapter 16B and ~~the Guidelines~~ these Guidelines, California law requires that park owners provide residents of the park ~~60 days'~~ written notice prior to the date of any rent increase. (Civil Code, ~~section~~ Section 798.30) Under the uniform application provisions of Chapter 16B (~~section~~ Section 16B.15(g)) the NOI adjustment shall be approved as of April 30th of the year of the application. Such approval will allow the park owner to provide ~~60 days' written~~ notice, pursuant to California Civil Code, sectionSection 798.30, to the residents of the park prior to the July 1<sup>st</sup> effective date.

(r) In the event approval of the NOI adjustment has been given by the Commission as of April 30th, the park owner may wish to provide the required ~~60-day written~~ notice, pursuant to California Civil Code, sectionSection 798.30 to the park residents of the increase, even though notice of passage of the health and safety inspection has not yet been received. Park owners providing such notice should indicate that the rent increase is contingent upon passage of the health and safety inspection and that the rent increase shall become effective on the latter of (1) July 1st or (2) the first day ~~of the next month~~ after the park has passed the required safety inspection.

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## SECTION VI

### PASS-THRU ADJUSTMENTS TO SPACE RENTS

#### Section 6.01 In ~~g~~General

(a) Chapter 16B provides for a “pass-thru” adjustment to space rents of park expenses arising from government assessments. (~~See section~~Section 16B.9(d))

(b) In addition to the pass-thru adjustment of increases in government assessments the park owner is entitled to a pass-through of \$28.60 per space of the park’s annual registration fee. The City Council may, by resolution; allow the park owner to pass-through an additional portion of the registration fee, but only as expressly determined by the City Council. (~~See section~~Section 16B.6(b)) Absent a resolution of the City Council allowing such pass-through, such pass-through of the park registration fee is limited to \$28.60.

(c) Finally, the park may be entitled to pass-through an NOI or fair return hearing fee. Allowance of this pass-through is dependent on the specific determination of such a pass-through by the Commission in conjunction with the decision of the Commission on these adjustments. Absent specific allowance, a park owner may not pass through any hearing fee. (~~See section~~Section 16B.15(f)(3))

(d) Note, the pass-through allowance represented in paragraphs (b) and (c) above, are not adjustments to the park’s space rent ceiling, unless the Commission expressly determines that a government assessment is of a continuing nature warranting such permanent adjustment (~~See section~~Section 16B.9(b)(2))

(e) Though pass-through adjustments generally do not affect the park’s space rent ceiling, such adjustments are to be included in the rent charged to the appropriate residents in the park. Under California law, pass-through adjustments generally cannot be billed to park residents separately from the rent.

#### Section 6.02 Government Assessments Pass-Thru

(a) Chapter 16B does not expressly identify government assessment increases that may be passed through to the park residents. Section 16B.9(d)(4), however, indicates that federal, state, and local taxes, governmental license and registration fees, and fees assessed pursuant to the requirements of Chapter 16B, shall not be deemed government assessments for purposes of the pass-through adjustment.

(b) Subject to the above limitations, the Council interprets the term “government assessments” to be all inclusive, including assessments by federal, state, and municipal governments. Thus, with the above limitation, a pass-through adjustment of any assessments of such government related to the ownership and operation of the manufactured home park shall be permitted.

## Section 6.03

### Processing Pass-Thru Adjustment Applications

(a) All pass-thru adjustments based upon increases in government assessments and authorized by ~~section~~Section 16B.9(d), shall be initiated by application of a park owner. (Application for Pass-Thru Adjustment ~~--16B-F-VI-1--~~ Form 16B-F ) The pass-thru adjustment application shall be provided to park owners by the Commission staff upon request. The park owner shall be required to submit with the application documentation of the assessment in the form of a photocopy of any notice of assessment received by the park owner.

(b) Upon receipt of a pass-thru application, Commission staff shall review the application to determine that it is complete, including the documentation described in ~~section~~Section (a) above. If the application is incomplete, the staff member shall notify the park owner of the incompleteness of the application and the information or documentation required to complete the application. (Form letter re: Notice of Incomplete Application for Pass-Thru Adjustment ~~--16B-F-VI-2--Form 16B-F--~~)

(c) Upon receipt of a complete application for a pass-through adjustment, and after reasonable verification of the accuracy of the information contained in the application, the Commission staff shall determine if the park has passed a health and safety inspection in the calendar year in which the application is submitted. If the park has not passed such inspection, and such inspection is not currently pending pursuant to another adjustment application, Commission staff shall submit a form transmittal request for a park inspection to the Oceanside Building Department (~~now Development Services~~). (Request for Manufactured Home Park Inspection Form ~~--16B-F-III-6-16B-F--~~) The transmittal shall also include any documents and materials received from residents or third parties that are relevant to the health and safety inspection of the park. If the park has previously passed such an inspection during the calendar year in which the pass-through application is submitted, or an inspection is currently pending, the Commission staff shall not request an additional inspection.

(d) The Oceanside Building Department (~~now Development Services~~) shall return the park inspection transmittal within a reasonable time after the inspection request is received from the Commission staff. The transmittal shall indicate the results of the park inspection. If the park failed the inspection the transmittal shall state the specific code section or regulation being violated, and the general nature of repairs necessary to bring the park within compliance of the code or regulation. The transmittal may include any notes or comments of the inspector with respect to the condition of the park or a park utility or facility.

(e) After an application is complete, the Commission staff shall provide copies of the application to each Commissioner. Commission staff shall also place the application on the consent calendar of a regular commission meeting to be held within ~~thirty (30)~~ days of the date the application was complete.

(f) Commission staff shall notify the park owner of the date, time, and place of the Commission meeting where final approval of the pass-thru adjustment will be considered. Commission staff shall also notify any residents of the park, or other third parties, of both the proposed adjustment and the meeting date, who have requested such notice and have complied with the requisite provisions of ~~the Guidelines~~~~These Guidelines~~ related to such notice.

(g) At a regularly scheduled Commission meeting, the Commission shall consider the pass-thru adjustment application as part of the consent calendar for the meeting. The Commission shall invite any parties present to be heard only with respect to the correctness of the amount of the adjustment and the correctness of the proposed distribution of the adjustment. The Commission shall not be required to hear objections or arguments related to issues not relevant to the pass-thru adjustment, as established by Chapter 16B and ~~the Guidelines~~ these Guidelines.

(h) Absent a finding that the amount of the adjustment is incorrect, or the proposed distribution of the adjustment is incorrect, the Commission shall grant the pass-thru adjustment as stated in the application. The Commission may amend the application as necessary to conform to the requirements of Chapter 16B and ~~the Guidelines~~ these Guidelines, and then grant the adjustment as stated in the amended application. If the Commission determines that the application is incorrect and cannot be properly amended at the meeting, the application should be returned to the Commission staff with further instructions and the hearing on the application continued.

(i) Upon approval by the Commission, or other action by the Commission, the Commission staff shall notify the park owner of such approval or other action and the amount and proper distribution of the allowable adjustment. (Notice of Approval of Pass-thru Adjustment = ~~16B-F-VI-3--Form 16B--~~) If the pass-thru adjustment has been approved by the Commission prior to passage of the health and safety inspection, the Commission staff shall immediately notify the park owner by first class mail upon receipt of the results of the inspection. Such notice shall include a copy of the inspection transmittal. (Notice of Passage of Health and Safety Inspection = ~~16B-F-III-8--Form 16B--~~)

(j) If the park has initially failed the health and safety inspection, the park shall be required to present evidence to the Oceanside Building Department (now Development Services) showing that all violations indicated on the prior inspection transmittal have been remedied. Upon receipt of such evidence, the Oceanside Building Department (now Development Services) shall review the evidence and, if necessary, conduct a second inspection of the park to verify that all violations have been remedied and the park is currently in compliance with all applicable relevant California codes and regulations. Upon making such determination, the Building Department (now Development Services) shall convey its findings in a written memorandum to the Commission staff, indicating either that the park is in compliance with the applicable codes and regulations or indicating the specific violations that still exist in the park. Commission staff shall provide immediate notice to the park owner of the findings of the Building Department (now Development Services) as indicated above.

#### Section 6.04 Adjustment to Space Rent Ceiling

(a) As part of the decision of the Commission with respect to a pass-thru adjustment, the Commission shall determine if the nature of the assessment warrants an adjustment of the space rent ceiling of the park, or whether the assessment is a one-time assessment that should not be continually reflected in the park's ongoing space rent ceiling.

(b) Any government assessment, or increase in assessment, that reflects a permanent periodic assessment, and a continuing expense to the park owner for an unspecified duration, shall

warrant a one-time adjustment of the space rent ceiling to reflect such assessment, based upon an annualization of the assessment.

(c) Any government assessment that reflects single, one-time assessment to the park owner, or a periodic assessment payable over a fixed term, shall not be reflected in the space rent ceiling of the park, even though the Commission grants a pass-thru of such assessment to the park owner. The park owner shall apply for a pass-thru adjustment for each subsequent year a fixed term assessment is applicable.

(d) The Commission may apportion the allowable pass-thru adjustment for a single assessment over a period of years if in the Commission's judgment such apportionment is necessary to reduce the burden on the residents of the park.

## SECTION VII

### SPECIAL ADJUSTMENTS

#### Section 7.01 In ~~g~~General

(a) Chapter 16B provides that a park owner who believes that the annual permissive, NOI, and pass-thru adjustments provided by Chapter 16B do not, in any given year, provide a just and reasonable return on investment may apply for a “special adjustment”. The special adjustment is provided to allow the park owner to present a broad range of evidence to the Commission at a “fair return hearing” to support the claim that the permissive, NOI and pass-thru adjustments provided by Chapter 16B do not provide a fair return on the park owner’s investment.

(b) A hearing fee, as established by the City Council, must be submitted with the Application for Special Adjustment. (~~See section~~Section 16B.15(f))

(c) Section 16B.10(c) expressly provides a presumption that the permissive, NOI, and pass-through adjustments provide the park owner with a reasonable return on investment for any given year. Section 16B.10(e) expressly indicates that the park owner bears the burden of proof in establishing that such adjustments are not adequate for any given year.

(d) In considering an application for a special adjustment, the Commission may consider all relevant and available evidence, including, but not limited to, the following: (1) Changes in the consumer price index; (2) rent for comparable mobile home spaces in the City of Oceanside; (3) the length of time since the last rent increase or rent adjustment; (4) capital improvements made to the park and the costs for such improvements; (5) changes in property taxes or other assessed taxes to the park; (6) rent paid by park owner for leased land; (7) changes in utility charges or rates; (8) changes in reasonable operating and maintenance expenses; (9) the need for repairs caused by circumstances other than ordinary wear and tear; (10) the amount and quality of services and amenities provided by the park owner to the residents of the park; (11) the park owner’s return on investment considering the park owners initial cash investment, additional investments, appreciation, depreciation, and possible tax benefits; and (12) any particular hardship circumstances of the park owner or the residents. (~~See section~~Section 16B.15(d)(7))

(e) Unlike the permissive and NOI adjustment, there is no set formula to be used to determine the fair return issue. However, the primary consideration in determining whether the park owner received a fair return on investment is the park owner’s depreciated cash investment in the park as compared with the park owner’s net income from the park. Several California appellate courts have refused to require consideration of fair market value in determining fair return. This is because “fair market value” is often determined by capitalizing rents. Using capitalization of rents as a basis for determining fair rent has been determined to be inappropriately circular. Nevertheless, the Commission may consider fair market value if under the particular circumstances indicated in the special adjustment application it deems such a consideration warranted.

(f) As stated by one court, “A just and reasonable rate of return is one high enough to encourage good management, reward efficiency, discourage the flight of capital and enable operators to maintain their credit, and which is commensurate with returns in comparable

enterprises, but which is not so high as to defeat the purpose of rent control to prevent excessive rents.”

#### Section 7.02      Processing The Application For A Special Adjustment

(a) Upon request by a park owner, the Commission staff shall provide the park owner with a special adjustment application. (Special Adjustment Application ~~– 16B-F-VII-1–Form 16B-1~~) An accompanying letter shall state the hearing fee that must accompany the completed application. There is no time requirement for the submittal of a special adjustment application.

(b) The special adjustment application shall request a statement from the park owner indicating the specific basis for the claim that the park owner cannot receive a fair return on investment through the application of the permissive, NOI, and/or pass-thru adjustments, including a statement as to the intended argument to be presented to the Commission. At the fair return hearing, the park owner shall be restricted to arguments summarized on the special adjustment application, unless the Commission determines that good cause exists to waive such a restriction.

(c) In addition, the special adjustment application shall include a form to be used by the park owner to provide an itemized list of all documents submitted with the application that the park owner believes supports the application. (Documents Submitted in support of Special Adjustment Application Form ~~– 16B-F-VII-2+16B-2~~) Documents not indicated on the form shall not be considered by the Commission.

(d) The application for a special adjustment may be amended by the park owner at any time. Amendments made within seven (7) days of the hearing date may result in a continuance of the hearing.

(e) Special adjustment applications must be accompanied by an affidavit from the park owner declaring that copies of the application have either been personally served on each manufactured home resident or mailed first class postage prepaid to each adult resident in the park. (Affidavit of mailing ~~–16B-F-VII 3–Form 16B-F 3~~). In addition, under ~~section~~Section 16B.15(3), the application must be accompanied by two (2) sets of four-by-ten inch envelopes with first class postage affixed and preaddressed to each manufactured home resident in the park.

(f) A special adjustment application shall be deemed complete if (1) all information requested in the application is provided, (2) all documents listed in the application have been submitted, (3) the required hearing fee has been submitted, (4) the affidavit of mailing and required envelopes have been submitted, and (5) the park owner is current in all registration requirements for the park. Applications for a special adjustment that do not contain the affidavit of mailing, the prescribed envelopes, and the hearing fee shall not be accepted by the City Clerk’s Office. (Section 16B.15(a) (4)).

(g) Upon receipt of a complete application for a special adjustment, the Commission staff shall determine if the park has passed a health and safety inspection in the calendar year in which the application is submitted. If the park has not passed such inspection, and such inspection is not currently pending pursuant to another adjustment application, Commission staff shall submit a form transmittal request for a park inspection to the Oceanside Building Department (now Development Services). (Request for Manufactured Home Park Inspection ~~– 16B-F-III-6–Form~~



~~16B-F4~~) The transmittal shall also include any documents and materials received from residents or third parties that are relevant to the health and safety inspection of the park. If the park has previously passed such an inspection during the calendar year in which the pass-through application is submitted, or an inspection is currently pending, the Commission staff shall not request an additional inspection.

(h) The Oceanside Building Department (now Development Services) shall return the park inspection transmittal within a reasonable time after the inspection request is received from the Commission staff. The transmittal shall indicate the results of the park inspection. If the park failed the inspection, the transmittal shall state the specific code section or regulation being violated, and the general nature of repairs necessary to bring the park within compliance of the code or regulation. The transmittal may include any notes or comments of the inspector with respect to the condition of the park or a park utility or facility.

(i) Upon receipt of a complete application for a special adjustment, the Commission staff shall prepare a staff report to the Commission. The staff report shall provide: (1) a brief history of the park, including a history of the park's space rent ceiling adjustments since the inception of Chapter 16B, (2) a summary of any correspondence or communications received from residents in the park, (3) a summary of the special adjustment application and the arguments of the park owner in support of the adjustment and any opposition by the residents.

(j) The Commission staff shall schedule a fair return hearing on the application in accordance with ~~the Guidelines~~ These Guidelines and notify the park owner of the hearing date. Using the prepaid envelopes submitted with the application, Commission staff shall then notify the residents of the park of the scheduled hearing date. Commission staff shall also notify other persons who have previously requested such notice in conformity with the requirements of ~~the Guidelines~~ These Guidelines. Commission staff shall then mail a copy of the application to each Commissioner for review prior to the hearing.

(k) Residents of the park, and other interested third parties, shall be invited to submit written objections and documentation in opposition to the special adjustment application. Such objections and documentation must be received by the Commission staff and copies delivered to the park owner no later than seven (7) days prior to the scheduled hearing. Any parties making such objection shall indicate the name, address and phone number of any persons who will represent the party at the hearing and the time requested to present argument at the hearing. Commission staff shall forward any documents received from residents or third parties to each Commissioner prior to the hearing.

(l) At the fair return hearing the Commission shall hear all relevant evidence as provided in ~~section~~ Section 16B.15(d)(7) of Chapter 16B, and ~~the Guidelines~~ These Guidelines. The park owner or authorized representative shall be heard and allowed to present evidence first, followed by any resident or third party who, in accordance with ~~the Guidelines~~ These Guidelines, had previously requested to be heard. After hearing the evidence, the Commission shall render a decision in accordance with ~~section~~ Section 16B.4(1) of Chapter 16B. In its decision the Commission shall either grant the adjustment requested in the application, deny any adjustment, or grant an adjustment less than that requested in the application. The presiding Commissioner, or Commissioner designated by the presiding commissioner, shall enter into the record of the meeting

the specific findings of fact of the majority of the Commission in support of its decision. Any Commissioner dissenting from the finding of the majority may enter into the record the basis for such dissent.

(m) As part of its decision on a special adjustment application, the Commission shall determine whether, and to what extent, the park owner shall be allowed to pass-through to the park residents as part of the space rent the hearing fee paid by the park owner pursuant to the special adjustment application.

(n) The Commission staff shall notify the park owner in writing of the decision of the Commission with respect to the special adjustment application. (Notice of Decision on Application for Special Adjustment ~~– 16B-F-VII-4 – Form 16B-5~~) If a special adjustment has been approved the Commission prior to passage of the health and safety inspection, the commission staff shall immediately notify the park owner by first class mail upon receipt of the results of the inspection. Such notice shall include a copy of the inspection transmittal. (Notice of Passage of Park Health & Safety Inspection ~~– 16B-F-III-8 – Form 16B-6~~)

(o) If the park has initially failed the health and safety inspection, the park shall be required to present evidence to the Oceanside Building Department (now Development Services) showing that all violations indicated on the prior inspection transmittal have been remedied. Upon receipt of such evidence, the Oceanside Building Department (now Development Services) shall review the evidence and, if necessary, conduct a second inspection of the park to verify that all - violations have been remedied and the park is currently in compliance with all-applicable-relevant California codes and regulations. Upon making such determination, the Building Department (now Development Services) shall convey its findings in a-written-memorandumwriting to the Commission staff, indicating either that the park is in compliance with the applicable codes and regulations or indicating the specific violations that still exist in the park. Commission staff shall provide immediate notice to the park owner of the findings of the Building Department (now Development Services) as indicated above.

(p) The decision of the Commission shall be final. Any party dissatisfied with the decision should seek review in accordance with state or federal law.

## SECTION VIII

### DISTRIBUTION OF ALLOWABLE ADJUSTMENTS

#### Section 8.01 In General

(a) Under Chapter 16B, as amended, park owners must distribute all allowable adjustments on a percentage basis to all spaces subject to Chapter 16B. (~~See section~~Section 16B.9(f)). In order to determine the allowable increase per space, it is necessary to first determine the allowable percentage increase in the gross space rents including increases to the park's gross space rent ceiling and any allowable pass-thru adjustments.

#### Section 8.02 Determining the Proper Distribution of Gross Rent Adjustments

(a) To determine the allowable individual adjustment for each space in the park, first determine the total of all allowable space rent ceiling adjustments, including permissive, NOI, and special adjustments, to be distributed. Add to this amount the total of any new allowable pass-thru adjustments, including any allowable registration and hearing fee pass-thru adjustments to be distributed. To this figure add the park's prior space rent ceiling and any previously granted pass-thru adjustments effective for the current year. The result is the new gross allowable space rent.

(b) Note: If the adjustment to be distributed is an annual or NOI adjustment, do not add the gross space rents of the prior year instead of the park's space rent ceiling to the adjustments. The prior year gross space rents may include pass-thru adjustments that: have been fully recovered.

(c) Subtract the previous allowable gross space rent from the new allowable gross space rent to determine the amount of the gross rent adjustment for the entire park. Divide this gross adjustment by the prior allowable gross space rents to determine the percentage increase in the allowable gross space rent, rounded to the nearest hundredth. Finally, multiply each individual space rent in the park by the percentage increase in the gross space rents to determine the allowable increase for each space.

#### Section 8.03 Example

(a) Assume a park with 100 spaces had gross space rents on June 30th of \$554,860. Assume also that of this figure, \$550,000 was the park's space rent ceiling and \$4,860 represents allowable pass-thru adjustments for the prior year (\$28.60 registration fee pass-through per space and a \$2,000 NOI hearing fee).

(b) Assume that in the current year the park received a permissive adjustment of \$33,000 effective July 1st. In addition, the park wishes to again pass-through the allowable portion of the registration fee, representing \$2,860.

(c) First determine the new gross space rent adjustment by adding the annual permissive adjustment and the pass-through adjustment for the registration fee. The result is a gross adjustment of \$35,860. Add this figure to the park's prior space rent ceiling of \$550,000 to determine the new allowable gross space rent of \$585,860. (Note: Do not add the prior allowable

gross space rent (\$554,860) instead of the space rent ceiling because this figure contains pass-thru adjustments that have already been recovered in the prior year.

(d) Now subtract the prior gross space rent (\$554,860) from the new gross space rent (\$585,860) to determine the gross adjustment of \$31,000. Dividing this figure by the prior gross space rent (\$554,860) results in a percentage increase in gross space rent of .06, or 6 percent.

(e) Finally, multiply the current space rent of each space in the park subject to Chapter 16B by .06 to determine the allowable rent increase for that space.

## SECTION IX

### Commission Hearings, Meeting, and Rulings

#### Section 9.01 Hearings

(a) Chapter 16B provides for a mandatory hearing only pursuant to an NOI adjustment application and an application for a special adjustment. Applications for permissive and pass-thru adjustments are considered at regular Commission meetings as part of the consent calendar.

(b) Chapter 16B does not, however, prevent the Commission from ordering an evidentiary hearing for the purpose of determining the validity of any adjustment provided for under Chapter 16B, or for the purpose of determining any other matter within the duties of the Commission as provided in Chapter 16B. Thus, the Commission has broad discretion in ordering any hearings the Commission determines necessary to fulfill its duties under Chapter 16B.

(c) Any interested party, or any member of the Commission staff may make a written request for a hearing on any issue relevant to Chapter 16B. Such a request should be directed to the presiding Commissioner. The presiding Commissioner shall present the request to the entire Commission for consideration at the next regularly scheduled meeting. The Commission shall order a hearing only if (1) the matter at issue is not already established by Chapter 16B and/or ~~the Guidelines~~ these Guidelines, and (2) the Commission believes that such a hearing would better enable the Commission to render a proper decision in the matter at issue.

#### Section 9.02 Regular and Special Commission Meetings

(a) All Commission meetings shall comply with the applicable provision of the Brown Act (Government Code, ~~section~~ Section 54950 et seq.). All exceptions and limitations provided in such Act shall also be applicable.

(b) The Commission shall ~~by resolution~~ establish a time and place for regularly scheduled meetings in accordance with the requirements of the Commission in fulfilling its duties under Chapter 16B.

(c) In addition to regular meetings, the presiding Commissioner, or a majority of the Commissioners, may call a special meeting as it deems necessary to fulfill its duties under Chapter 16B. The person(s) calling the special meeting must provide written notice of such meeting, including the date, time, and place of the meeting, to all other Commissioners, and to any persons requesting such notice in writing, at least 24 hours before the time set for the meeting. (See Government Code, ~~section~~ Section 54956).

(d) All Commission meetings, whether regular or special, shall be open to the public, and all persons shall be permitted to attend. (See Government Code, ~~section~~ Section 54953)

(e) The Commission staff shall provide mailed notice of any regular Commission meeting to any person who has filed a written request for such notice with the Commission staff. Such notice shall be mailed ~~to by~~ the Commission staff at least one week prior to the date set for

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the meeting, unless such notice is impractical for a special meeting called less than seven (7) days prior to the date set for the meeting. (See Government Code, ~~section~~Section 54954.1).

(f) At least 72 hours prior to any regular meeting, the Commission staff shall post an agenda containing a brief description of each item of business to be transacted or discussed at the meeting. The agenda shall specify the time and location of the meeting and shall be consistently posted at a location that is freely accessible to the public. (See Government Code, ~~section~~Section 54954.2)

(g) At the regular meeting, the Commission shall not consider any item of business not listed on the posted agenda, unless such consideration is allowable under ~~section~~Section 54954.2 of the Government Code.

#### Section 9.03 Time and Place of Hearings; Notice

(a) All hearings of the Commission shall be held at the time and place designated by the Commission through the Commission staff. However, all hearings shall take place in public owned facilities and be held on days other than Saturdays, Sundays, or legal holidays.

(b) To the extent consistent with the time requirements of Chapter 16B, the Commission and Commission staff should cooperate with park owners, residents, or other witnesses attending the hearing with regard to the date and time of the hearing. However, the Commission or staff shall not be responsible for the failure of any party or witness to attend a scheduled hearing regardless of the circumstances surrounding such failure.

(c) The Commission secretary shall notify the park owner, or other person designated in the park's registration, and the park residents of the time, date and place of an NOI or special adjustment hearing. Such notice must be mailed at least fifteen (15) days prior to the scheduled hearing date. The Commission staff shall use the envelopes provided by the park owner pursuant to ~~section~~Section 16B.15(c)(2) to inform the residents of the park of the hearing.

(d) Any interested person may request notice of any hearing by notifying the Commission staff in writing at least ~~thirty~~ (30) days in advance of such hearing. The Commission may require that such persons provide the Commission staff with a stamped self-addressed envelope for each hearing that notice is requested. Any such person making a request for notice of any hearing shall be given notice by the Commission staff at least ~~seven~~ (7) days in advance of such meeting.

#### Section 9.04 Conduct of Hearings and Commission Meetings

(a) All Commission meetings and hearings shall be open to the public. (Section 16B.15(d)(1)). However, the Commission shall have no duty to publish any meeting or hearing date, or provide notice of any hearing, except as provided in Chapter 16B and ~~the Guidelines~~ these Guidelines.

(b) The presiding Commissioner, or a Commissioner designated by the presiding Commissioner, shall conduct and direct the meeting or hearing.

(c) All hearings of the Commission brought to consider an application for an NOI or special adjustment, shall be recorded on an audio tape recorder. The audio record shall not be transcribed but shall be kept by the Commission staff for a period of two years. A copy of the recording may be purchased by any person for an amount as determined by the Commission.

(d) The City Clerk, or such person designated by the City Clerk, shall keep minutes of all meetings and hearings of the Commission. No meetings of the Commission, called for the purpose of conducting Commission business, shall be held without a written record being taken as to the purpose of the meeting and the substance of what transpired at the meeting. The minutes shall include (1) the names of all Commission members and participating staff personnel present at the meeting, (2) the names, addresses, and telephone numbers of all persons participating in the meeting, (3) the names of witnesses presenting evidence or testimony and the substance of such evidence or testimony, and (4) the substance of any decisions or conclusions reached by the Commission and the vote of each Commissioner as to such decisions.

(e) Commission hearings shall be conducted in a courteous and professional manner. Participants and spectators at the hearing shall observe a standard of conduct of courtesy and decorum. All participants shall respect the direction of the Commission as to the conduct of the hearing. The presiding Commissioner, after adequate warning, shall have authority to expel from the hearing any person refusing to abide by the rules and standard of conduct set by the Commission as to the conduct of the hearing.

#### Section 9.05 Evidence and Burden of Proof

##### (a) NOI Hearing

(1) At the NOI hearing the park owner shall be entitled to present evidence that is relevant to the NOI adjustment formula, including evidence of the park's gross income, operating expenses, and net operating income. The park owner shall not be entitled to present evidence at an NOI hearing that is not relevant to the issues raised in ~~section~~[Section 16B.9\(c\)\(2\)](#) and related provisions of chapter 16B.

(2) Any documentary evidence presented by the park owner in support of the application must have been previously disclosed and submitted to the Commission staff within a reasonable time prior to the hearing. The Commission may refuse to consider any documentary evidence presented by the park owner that was not previously disclosed. The Commission may elect to continue the hearing to another date in order to allow each Commissioner the opportunity to review any documentary evidence that was not previously disclosed.

(3) The burden of proof as to all issues raised by the NOI adjustment formula, including proof as to the park's gross income and allowable operating expenses shall be on the park owner. The burden of producing evidence shall also be on the park owner. The Commission shall not be responsible to consider any evidence that has not been provided to the Commission. The Commission shall not be required to accept oral testimony of any material fact when the substance of such testimony would, under normal business practice, be evidenced by written documentation.

(b) Special Adjustment Hearing

(1) At the fair return hearing the park owner shall be permitted to present any evidence, written or oral, that the park owner deems relevant to the issue of whether a special adjustment is necessary in order for the park owner to receive a just and reasonable return on his or her investment in the park. Park residents and other interested parties previously requesting to be heard shall also be permitted to present evidence in opposition to the special adjustment.

(2) Any documentary evidence presented by the park owner or other party either in support of or in opposition to the application must have been previously disclosed and submitted to the Commission staff at least seven days prior to the hearing. The Commission may refuse to consider any documentary evidence presented by the park owner or other party that was not previously disclosed. The Commission may elect to continue the hearing to another date in order to allow each Commissioner the opportunity to review any documentary evidence that was not previously disclosed as provided in this ~~section~~[Section](#).

(3) The burden of proof as to all issues raised by the special adjustment application, including proof as to the park's gross income, operating expenses, and investment in the park shall be on the park owner. The burden of producing evidence shall also be on the park owner. The Commission shall not be responsible to consider any evidence that has not been provided to the Commission by the park owner. The Commission shall not be required to accept oral testimony of any material fact when the substance of such testimony would, under normal business practice, be evidenced by written documentation.

(4) The park owner shall have the burden to rebut the presumption of a just and reasonable return stated in ~~section~~[Section](#) 16B.10(c) of Chapter 16B.



## SECTION X

### PARK RENT SCHEDULE EXEMPTION

#### Section 10.01 In General

(a) Section 16B.7 provides for a “park rent schedule exemption” through which a park otherwise subject to Chapter 16B is exempt from the provisions of this chapter. The park rent schedule exemption is applicable when there is an agreement between the park owner and the residents of 67 percent of the spaces in the park as to park rents that will be charged such residents for the period covered by the agreement.

(b) Like the rent adjustments provided for in Chapter 16B, a park rent schedule exemption must be approved by the Commission before it becomes effective. Park owners desiring such an exemption must follow the procedures outlined in Chapter 16B and ~~the Guidelines~~ [these Guidelines](#).

#### Section 10.02 The Park Rent Schedule Agreement

(a) The park rent schedule agreement must cover a period of at least two years from the date of commencement of the agreement. (~~See section~~ [Section](#) 16B.7(b) (1.))

(b) The agreement shall be on such form as provided by the Commission, however, the agreement may contain such provisions as agreed upon by the parties and approved by the Commission. (~~See section~~ [Section](#) 16B.7(b)(2))

(c) The agreement must be voluntarily agreed to by at least one adult resident from sixty-seven percent (67%) of the rental spaces in the park, excluding only those spaces that are exempt from the operation of rent control because of the existence of a long-term rental agreement that meets the criteria of Civil Code ~~section~~ [Section](#) 798.17 of the Mobilehome Residency Law. Park spaces that are vacant shall not be included when calculating the percentage of agreement of park residents.

(d) Upon final approval by the Commission, the park rent schedule shall govern the rents charged to all residents of the park for the duration of the agreement, including those residents not previously agreeing to the rent schedule, and those who may subsequently move into the park. However, the park rent schedule shall not apply to any spaces subject to a Civil Code ~~section~~ [Section](#) 798.17 exemption. (~~See section~~ [Section](#) 16B 7(b)(4))

#### Section 10.03 The Application for a Park Rent Schedule Exemption

(a) A park owner desiring an exemption from the provisions of Chapter 16B based upon a park rent schedule exemption must request a park rent schedule exemption form packet from the Commission staff.

(b) The park rent schedule exemption packet shall include: (1) the park rent schedule form (Park Rent Schedule Form ~~- 16B-F-X-1-~~ Form 16B- ); (2) Instructions for applying for a park rent schedule exemption (Park Rent Schedule Exemption Instructions Form ~~- 16B-F-X-~~

~~216B-~~); (3) Resident consent forms (Resident Consent Form ~~- 16B-F-X-3-Form 16B-~~); and (4) Cover letters to park residents (Rent Schedule Exemption Cover Letter ~~- 16B-F-X-4-Form 16B-~~).

(c) The completed park rent schedule agreement shall contain: (1) the proposed rent schedule; (2) the proposed effective date and duration of the rent schedule; and (3) any other proposed provisions of the park owner.

(d) The provisions of the park rent schedule agreement, including both rent provisions and other provisions, must be applicable equally to all spaces in the park, and all residents in the park, including future residents. The agreement may not compromise the interest of any minority subset of park residents, or future residents of the park, through provisions that treat such residents or future residents differently than other residents in the park.

(e) The park owner is required to hand deliver, or mail by first class mail postage prepaid, a copy of the completed proposed rent schedule agreement to each resident of the park. Included with the park rent schedule must be a consent form, as provided by the Commission, and a stamped envelope pre-addressed to the City Clerk of the City of Oceanside. The package shall also contain a cover letter on such form as provided by the Commission, instructing the resident as to the nature and purpose of the park rent schedule agreement, and requesting that the resident indicate approval or disapproval of the agreement by mailing the completed consent form to the City Clerk within ~~twenty~~ (20) days of the date it was received.

(f) Within ~~three~~ (3) days of delivery or mailing of the proposed park rent schedule agreement to the residents of the park, the park owner shall submit the park rent schedule application including the original park rent schedule to the Commission along with a signed declaration stating that the information on the park rent schedule agreement is complete and accurate, and that the delivery or mailings, as described above, have been made.

(g) After a period of ~~thirty~~ (30) days and prior to the expiration of ~~sixty~~ (60) days, the Commission staff shall review the park rent schedule and all consent forms received by the City Clerk's office. Commission staff shall determine if the park owner has met the requirement of approval of at least one resident from sixty-seven percent of the spaces in the park. It shall be presumed by the Commission staff that any space not represented by a consent form represents an intent by the resident of that space to disapprove of the park rent schedule.

(h) The Commission staff shall accept only written consents by the residents of the park on the consent form provided by the Commission staff. A resident wishing to change his or her vote after previously submitting a consent form may do so by written communication directed to the Commission staff within ~~thirty~~ (30) days of the date the rent schedule exemption application was received by the Commission staff. The Commission staff shall accept no oral communications from any residents indicating their consent or objection to a proposed park rent schedule agreement.

(i) "Voting" on the park rent schedule agreement shall be cut off after 30 days from the date the Commission staff receives the park rent schedule exemption application from the park owner. After such date no further consent forms received from residents of the park, either in favor

or opposed to the rent schedule agreement, will be considered by the Commission staff. Park residents shall not be permitted to change their vote after such date.

Section 10.04      Processing the Application for a Park Space Rent Schedule Exemption

(a) Upon receipt of the proposed rent schedule agreement from the park owner pursuant to an application for a park rent schedule exemption, Commission staff shall review the proposed rent schedule agreement and determine that it is complete and accurate. Commission staff shall also verify that it includes the signed declaration as provided above.

(b) In the event the application is incomplete, the commission staff may return the application of the park owner with notice of the missing information or declaration. If the missing information is of a minor nature, Commission staff may telephone the park owner to obtain the missing information.

(c) After a period of ~~thirty~~ (30) days has elapsed from the date of receipt of the park rent schedule exemption application, the Commission staff shall review the consent forms sent by the residents of the park to determine if the required percentage of agreement has been met. If the required agreement has not been met, Commission staff shall notify the park owner of (1.) the number of spaces consenting to the schedule, (2) the number of spaces indicating disapproval, and (3) the number of spaces where no response was received. Unless otherwise required by the law, the Commission staff shall not reveal to the park owner the names of any residents voting for or against the schedule, or any resident not submitting a vote.

(d) In the event it appears that the park owner has met the consent requirements for the park rent schedule exemption, the Commission staff shall submit the completed application and park rent schedule, along with the results of the vote, to each Commissioner for review. Commission staff shall place the park rent schedule exemption on the consent calendar of the next available Commission meeting.

(e) The Commission shall approve or reject the park rent schedule exemption within ~~sixty~~ (60) days from the date the completed proposed park rent schedule was received by the Commission secretary. If the Commission rejects the application, the Commission shall state the grounds for such rejection, including any findings of the Commission.

(f) Commission staff shall promptly notify the applicant in writing of the decision of the Commission. The park rent schedule exemption shall become effective no sooner than the first day of the next month following the date the park owner was notified of Commission approval.

(g) The park rent schedule exemption shall terminate upon expiration of the rent schedule agreement. In order to renew the agreement, the park owner must obtain a new application and rent schedule agreement and submit the application to the Commission in accordance with Chapter 16B and ~~the Guidelines~~ these Guidelines as if a new exemption were being applied for.

## SECTION XI

### EXEMPTION OF SPACES COVERED UNDER CIVIL CODE SECTION 798.17

#### Section 11.01 — In General

~~Spaces in a manufactured home park subject to lease agreements meeting the criteria of Civil Code section 798.17 are exempt from local rent control regulation under state law, including any registration fee imposed by any local rent control ordinance.~~

~~In order for any space in a manufactured home park in the City of Oceanside to be exempt from the provisions of Chapter 16B by reason of Civil Code section 798.17, the first paragraph of a rental agreement must contain a provision notifying the resident that the rental agreement will be exempt from any ordinance, rule, regulation, or initiative measure adopted by any local government entity which establishes a maximum amount that a landlord may charge a tenant for rent. In addition, any park owner proposing a section 798.17 rental agreement to be effective after December 31, 1991, must present with the proposed rental agreement a notice to the resident tenant containing the following language:~~

~~IMPORTANT NOTICE TO HOMEOWNER REGARDING THE PROPOSED RENTAL AGREEMENT FOR ——— MOBILEHOME PARK. PLEASE TAKE NOTICE THAT THIS RENTAL AGREEMENT CREATES A TENANCY WITH A TERM IN EXCESS OF TWELVE MONTHS. BY SIGNING THIS RENTAL AGREEMENT, YOU ARE EXEMPTING THIS MOBILEHOME SPACE FROM THE PROVISIONS OF THE CITY OF OCEANSIDE MANUFACTURED HOME FAIR PRACTICES ACT FOR THE TERM OF THIS RENTAL AGREEMENT. THE CITY OF OCEANSIDE'S ACT AND THE STATE MOBILEHOME RESIDENCY LAW (CALIFORNIA CIVIL CODE SECTION 798 ET. SEQ.) GIVE YOU CERTAIN RIGHTS. BEFORE SIGNING THIS RENTAL AGREEMENT, YOU MAY CHOOSE TO SEE A LAWYER. UNDER THE PROVISIONS OF STATE LAW, YOU HAVE A RIGHT TO BE OFFERED A RENTAL AGREEMENT FOR (1) A TERM OF TWELVE MONTHS, OR (2) A LESSER PERIOD AS YOU MAY REQUEST, OR (3) A LONGER PERIOD AS YOU AND THE MOBILEHOME PARK MANAGEMENT MAY AGREE. YOU HAVE A RIGHT TO REVIEW THIS AGREEMENT FOR 30 DAYS BEFORE ACCEPTING OR REJECTING IT. IF YOU SIGN THE AGREEMENT YOU MAY CANCEL THE AGREEMENT BY NOTIFYING THE PARK MANAGEMENT IN WRITING OF THE CANCELLATION WITHIN 72 HOURS OF YOUR EXECUTION OF THE AGREEMENT. IT IS UNLAWFUL FOR A MOBILEHOME PARK OWNER, OR ANY AGENT OR REPRESENTATIVE OF THE OWNER TO DISCRIMINATE AGAINST YOU BECAUSE OF THE EXERCISE OF ANY RIGHTS YOU MAY HAVE UNDER THE CITY OF OCEANSIDE MOBILEHOME FAIR PRACTICES LAW, OR BECAUSE OF YOUR CHOICE TO ENTER INTO A RENTAL AGREEMENT WHICH IS SUBJECT TO THE PROVISIONS OF THAT LAW.~~

**Commented [LH54]:** Section deleted in its entirety. AB 2782: "As of January 1, 2021, any long-term lease signed on or after February 13, 2020 is no longer exempt from local rent stabilization, and the rent regulations in the local ordinance will take precedence (OCC Chapter 16B). In addition, all long-term leases signed prior to February 13, 2020 shall continue to be exempt from local rent stabilization, but only until they expire, or until January 1, 2025, whichever occurs first

**Commented [LH55R54]:** Please be advised that a legal challenge of AB 2782 is currently underway. A motion for a preliminary injunction has been filed and will be heard on November 5, 2024. As this issue progresses or an injunction issued, staff will keep the MHFPC apprised.

In addition to the above notice requirements, Civil Code section 798.17(b) requires that in order for a rental agreement to be exempt from rent control under this section, the rental agreement must conform to the following additional requirements:

~~The rental agreement shall be in excess of 12 months duration.~~

~~The rental agreement shall be entered into between the management and a homeowner for the personal and actual residence of the homeowner.~~

~~The homeowner shall have at least 30 days from the date the rental agreement is first offered to the homeowner to accept or reject the rental agreement.~~

~~The homeowner who executes a rental agreement offered pursuant to this section may void the rental agreement by notifying management in writing within 72 hours of the homeowner's execution of the rental agreement.~~

#### Section 11.02 — Administration of Section 798.17 Exemption

~~At the time any rental space becomes subject to a Civil Code section 798.17 exemption, before such exemption is recognized by the Commission, a park owner shall complete a Claim for Civil Code section 798.17 Exemption, provided by the Commission staff. (Claim for Civil Code section 798.17 Exemption — 16B-F-XI-1 — Form 16B-F ) The claim shall state the name, address, and telephone number of the resident of the park subject to the exemption and the park space number of such resident. In addition, the park owner shall indicate the terms of the underlying agreement, and the substance of the space rent provisions of the agreement. (Declaration of Valid 798.717 Lease Agreement Form — 16B-F-XI-2 16B — ) The park owner shall sign a declaration included in the claim attesting to full compliance with the requirements of section 798.17. The park owner shall submit a copy of the lease agreement upon request by the Commission staff.~~

~~Upon receipt of a claim for exemption the Commission staff shall review the claim to determine that all information requested in the claim form is complete. The Commission staff may conduct an investigation into the lease agreement for the purpose of verifying any information on the claim for exemption.~~

~~Upon receipt of the claim for exemption and verifying the information on such claim as necessary, the Commission staff shall then provide a copy of the claim to each Commissioner for review. The Commission staff shall then place the matter of the exemption on the consent calendar of the next available regular meeting of the Commission.~~

~~The Commission shall grant the exemption unless it determines that the park owner has not complied with the requisite provisions of Civil Code section 798.17, section 16B.16(d) & (e) of Chapter 16B, or the Guidelines These Guidelines. In the event the Commission rejects the claim for a 798.17 exemption, the Commission shall state the specific reason(s) for such rejection. The Commission staff shall notify the park owner in writing that the claim for such exemption is not recognized by the Commission and that the subject space~~

must comply with the provisions of Chapter 16B. Such notification shall state the findings of the Commission underlying such determination.



# CITY OF OCEANSIDE

## NEIGHBORHOOD SERVICES DEPARTMENT / HOUSING

### Table A Administrative Guidelines Forms

1. Registration and Annual Permissive Adjustments (III)
  - 16B-F-III-1 (Registration and Annual permissive Form)
  - 16B-F-III-2 (Instructions for Completing Registration Form)
  - 16B-F-III-3 (Notice of Receipt of Incomplete Registration and Annual Permissive Form)
  - 16B-F-III-4 (Missing or Improper Registration Fee)
  - 16B-F-III-5 (Acknowledgement of Receipt of Complete Registration)
  - 16B-F-III-6 (Request for Manufactured Home Park Inspection)
  - 16B-F-III-7 (Notice of Approval of Annual Adjustment)
  - 16B-F-III-8 (Notice of Passage of Park Health and Safety Inspection)
  - 16B-F-III-9 (Resident Designee Form)
2. NOI Adjustments (V)
  - 16B-F-V-1 (Application for NOI Adjustment)
  - 16B-F-V-2 (Affidavit of Mailing)
  - 16B-F-V-3 (Addendum A)
  - 16B-F-V-4 (Consent Form)
  - 16B-F-V-5 (NOI Worksheet)
  - 16B-F-V-6 (Application Letter)
  - 16B-F-V-7 (Notice of Receipt of Incomplete Application for an NOI)
  - 16B-F-III-6 (Request for Manufactured Home Park Inspection)
  - 16B-F-V-8 (Status of The NOI Application)
  - 16B-F-III-8 (Notice of Passage of Park Health and Safety Inspection)
  - 16B-F-V-9 (Notice of Approval of NOI Adjustments)
3. Pass-Thru Adjustments to Space Rents (VI)
  - 16B-F-VI-1 (Application for Pass-Thru adjustment)
  - 16B-F-VI-2 (Notice of Incomplete Application for Pass-Thru Adjustment)
  - 16B-F-III-6 (Request for Manufactured Home Park Inspection)
  - 16B-F-VI-3 (Notice of Approval of Pass-Thru Adjustment)
  - 16B-F-III-8 (Notice of Passage of Park Health and Safety Inspection)
4. Special Adjustments (VII)
  - 16B-F-VII-1 (Special Adjustment Application)
  - 16B-F-VII-2 (Documents Submitted in Support of Special Adjustment Application)
  - 16B-F-VII-3 (Affidavit of Mailing)
  - 16B-F-III-6 (Request for Manufactured Home Park Inspection)
  - 16B-F-VII-4 (Notice of Decision on Application for Special Adjustment)
  - 16B-F-III-8 (Notice of Passage of Park Health and Safety Inspection)



# CITY OF OCEANSIDE

## NEIGHBORHOOD SERVICES DEPARTMENT / HOUSING

5. Park Rent Schedule Exemption (X)
  - 16B-F-X-1 (Park Rent Schedule)
  - 16B-F-X-2 (Park Rent Schedule Exemption Instructions)
  - 16B-F-X-3 (Resident Consent Form)
  - 16B-F-X-4 (Rent Schedule Exemption Cover Letter)
  
6. Exemption of Spaces Covered Under Civil Code Section 798.17 (XI)
  - 16B-F-XI-1 (Claim for Civil Code Section 798.17 Exemption)
  - 16B-F-XI-2 (Declaration of Valid 798.17 Lease Agreement)