



Date: December 3, 2024

To: Honorable Mayor and Members of the City Council

From: Michelle Ramirez, Community Development Director| MRamirez@TorranceCA.Gov

Subject: Community Development – Conduct Public Hearing, Determine California Environmental Quality Act (CEQA) Exemption, and Adopt **ORDINANCE** Amending the Torrance Municipal Code by Establishing a Mobile Home Space Rent Stabilization Ordinance ("SRSO"). Expenditure: None.

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## RECOMMENDATION

Recommendation of the Community Development Director that City Council:

1. Conduct a Public Hearing regarding amending the Torrance Municipal Code by establishing a Mobile Home Space Rent Stabilization Ordinance ("SRSO") and consider any testimony during the hearing; and
2. Determine the project is exempt from California Environmental Quality Act pursuant to Sections 15060(c)(2), 15060(c)(3), 15378, and 15061(b)(3); and
3. Adopt an **ORDINANCE** amending the Torrance Municipal Code to add Chapter 17 entitled "Mobile Home Space Rent Stabilization and Mobile Home Owner Protections" to Division 4 of the Torrance Municipal Code; and
4. Approve an Ordinance Summary for publication.

## DISCUSSION

On October 8, 2024, City Council directed staff to draft a SRSO for their review and consideration.

Mobile homes, also known as "manufactured homes," are built in a factory and placed on a chassis trailer to allow them to be moved. Mobile homes are generally placed in a mobile home park on leased land. In these cases, the owner rents a space or leases land but owns the mobile home itself. Alternatively, mobile home owners can place mobile homes on land they own or are buying under contract.

A person who owns both the land and the mobile home might see the value of the combined property increase over time, but that is likely the result of the underlying land increasing in value, not the mobile home. One reason a mobile homes value depreciates is because they are personal property, not real property. "Real property" is defined as land and anything attached to it permanently. Anything that can be removed without "injury" to the land is not real property. Personal property, on the other hand, is anything that is movable and not classified as real property. Even though mobile homes are not easily removed from land once placed, they are still considered personal property.

The California Department of Housing and Community Development (“HCD”) has jurisdiction over the inspection and enforcement of mobile home parks within Torrance for normal site operations and violations. In addition, HCD further protects consumers by enforcing regulations for those who build and sell manufactured homes. Shown below are the 10 registered mobile home parks within Torrance. It is important to note that not all the mobile home parks in Torrance have the same characteristics nor are they run in the same manner. As a result, not every mobile home park space rents or resident’s concerns are the same.

Name	Address	Number of Space	Age Restricted	Average Space Rent
Torrance Mobilehome Park	1900 Artesia Boulevard	66	No	\$1,200
Royal Western Mobile Home Park	17799 Western Avenue	120	No	\$2,100
South Bay Mobile Estates	18801 Hawthorne Boulevard	99	Yes - 55+	\$1,450
Southwood Mobile Estates	20550 Earl Street	48	No	\$1,200
Del Amo Gardens	20566 Palm Way	98	No	\$1,250
Skylark Torrance Mobile Home Park	1820 Torrance Boulevard	33	No	\$650
AllState Trailer Village Court	1925 Crenshaw Boulevard	25	No	\$657
Knolls Lodge	23701 Western Avenue	257	No	\$2,100
Knolls Manor	24200 Walnut Street	73	No	\$2,200
Skyline Mobile Park	2550 Pacific Coast Highway	264	Yes - 55+	\$1,629
<b>TOTAL</b>		<b>1,083</b>		

### Statewide Laws

Staff have researched applicable rent control efforts by the State including the Costa-Hawkins Rental Housing Act (Costa-Hawkins), and Assembly Bills (AB) 1482, AB 978 and AB 2782. Each of the legislative actions is briefly described below.

- 1) The Costa-Hawkins Rental Housing Act (Costa-Hawkins) was adopted by the state in 1995, and contains the most important restrictions cities would need to comply with, including:
  - a. prohibits rent control on any units built after 1995;
  - b. prohibits rent control on single-family homes or on condominiums where ownership has a separate subdivided interest (but rent control is possible for apartments, if they were built before 1995); and
  - c. mandates that landlords must be allowed to increase rent to the market rate whenever the original tenant vacates.
- 2) AB 1482 (“Tenant Protection Act of 2019”) was signed into law by the Governor on October 8, 2019, with an effective date of January 1, 2020. Under AB 1482, annual rent increases are capped at 5% plus the change in the regional Consumer Price Index (CPI), or no more than 10% of the lowest gross rental rate charged to the tenant at any time during the 12 months prior to the effective date of the increase. The rental units covered by AB 1482 include apartments, duplex, and single-family homes that were built before 2005. AB 1482 sunsets on January 1, 2030.
- 3) AB 978 (Mobilehome Parks: Rent Caps) was signed into law by the Governor on July 23, 2021. There has been some confusion over AB 978 and the protections provided to mobile home parks. The intent of AB 978 is to (1) cap annual rent increases in mobile home parks at 3% plus cost of living or up to a maximum 5%, whichever is lower; and (2) prohibit an owner from terminating a tenancy without just cause if the tenant has lived in a unit for 12 months or more. However, regarding the rent caps, this section of the bill

only applies to a mobile home park that is located within, and governed by, two or more incorporated cities. This bill was created by Assemblywoman Sharon Quirk-Silva (out of Fullerton) specifically for Rancho La Paz Mobile Home Park, which is the only mobile home park within California located with two incorporated cities, Anaheim and Fullerton. AB 978 sunsets on January 1, 2030.

- 4) AB 2782 provides the restrictions and guidelines shown below.
- a. Mobile home leases over 12 months in length are subject to local rent control ordinances only if they were entered into on or after February 13, 2020.
  - b. If mobile home leases over 12 months in length were entered into before February 13, 2020, they will be exempt from and not subject to local rent control ordinances until January 1, 2025, when the long-term lease exemption expires.
  - c. Once the long-term lease exemption expires on January 1, 2025, all mobile home leases, regardless of length, will be subject to local rent control ordinances.

Essentially, AB 2782 currently eliminates rent control exemption from any long-term lease signed after February 13, 2020. In sum, AB 2782 only applies to mobile home leases that are 12 months or less in length and mobile home leases that are more than 12 months in length only if entered into on or after February 13, 2020. After January 1, 2025, any rent control adopted by a city would affect all mobile home leases, unless the law is amended.

With respect to Costa-Hawkins and AB 1482, neither of these acts apply to mobile home parks. In addition, AB 978 only applies to mobile home parks located between two incorporated cities, which would not include any of the mobile home parks located in Torrance. Instead, mobile homes are regulated by the Mobilehome Residency Law ("MRL"), found in Section 798 et seq. of the California Civil Code. The MRL does not regulate the amount of a rent increase in a mobile home park. Rent control or rent stabilization is a "local control issue", but only to the extent a city's ordinance does not conflict with the rules and regulations of the MRL or AB 2782 ("Mobilehome Parks: Change of Use: Rent Control").

Under the MRL the following units are exempt from a rent control ordinance:

- 1) any newly constructed mobile home space that was first offered for rent after January 1, 1990;
- 2) any unit that has a rental agreement of at least 12 months in duration, and also meets other designated requirement in the MRL; and
- 3) units that are not used as a person's primary residence and are not being leased to someone else.

While the MRL does not regulate the amount of rent increase, it does require a landlord to give residents of a mobile home park a 90-day advance written notice of a rent increase.

### *Skyline Mobile Home Park*

Skyline Mobile Home Park is known as a "senior" park restricted in age to 55 or older. Originally, Skyline Mobile Home Park was condition by the City as an "adults only" park in the '70s. However, in the late '80s, the California Supreme Court ruled that mobile home parks could not discriminate against families with children by having an "adults only" park unless the park was designated as a "senior" park. As a result, Skyline Mobile Home Park voluntary converted to a "senior" park, limited to persons 55 years of age or older. Additionally, in 2011, the property owner at the time

recorded a Land Use Covenant and Restriction against the property. This Covenant restricts the use of land to a mobile home park until December 29, 2037.

Currently, there are a total of 264 mobile homes within the Skyline Mobile Home Park. Of the 264 mobile homes, 127 mobile home owners are under a space rent lease agreement that includes the same annual increase language as AB 1482. However, 19 of the 127 mobile home owners have also been approved for the Skyline Mobile Home Park Subsidy Program (Subsidy Program). These 19 mobile home owners have their maximum annual space rental increase set at \$0, \$37, or \$67, depending on their finances. The remaining 137 mobile home owners are not under a space rent lease agreement and do not receive the same annual rent protection as outlined within AB 1482.

The current average space rent is \$1,629, with the lowest space rent at \$1,169 and the highest space rent at \$2,632. Recently, a large percentage of the residents received a 60-day rent increase notice. For those under a space rent lease agreement, and not part of the Subsidy Program, the increase equaled to 8.8% while those not under a space rent lease agreement received an increase anywhere between 10% to 16%, depending on the location of the mobile home.

#### *Mobile Home Space Rent Stabilization Ordinance ("SRSO")*

A SRSO limits the frequency and magnitude of rent increases on rental units, restricting any rent increase to a certain percentage at specified intervals, usually once annually.

Under the City's proposed SRSO, a mobile home park may only increase mobile home space rent once per year, unless otherwise allowed by the Ordinance. This Ordinance will also cap annual rent increases, create a registry of mobile home park spaces, establish a base rent, and a process to allow mobile home park owners to petition the City to demonstrate that the annual rent increase does not allow for a reasonable profit on their investment, as required by state law.

The proposed SRSO would limit the annual rent increase a resident of a Mobile Home Park receives to five percent (5%) plus the percentage change in the average annual April-to-April CPI for the Los Angeles-Long Beach-Anaheim area. In no event would a rent increase be allowed to exceed ten percent (10%) per each twelve (12) month period. Additionally, only one rent increase would be allowed in any twelve (12) month period, unless otherwise permitted by the City of Torrance's Community Development Department. Additionally, the attached SRSO, would establish a base rent and a process to allow mobile home park owners to petition the City to demonstrate that the annual rent increase does not allow for a reasonable profit on their investment, as required by state law. The Ordinance covers the following matters:

- Definitions
- Applicability of Chapter
- Exemptions from this Chapter
- Compliance with Applicable Law
- Base Rent and Rent Increases
- Automatic Annual Rent Increase for Mobile Home Spaces
- Fair Return
- Procedure for Review of Fair Return Petitions
- Rent Increases for New Services and Capital Improvements

- Rent Reductions for Service Reductions
- Waivers
- Information to be Supplied by the Mobile Home Park Owner to Tenants and Prospective Tenants
- Information to be Provided by the City to the Public
- Resident Representatives
- Rights of Prospective Tenants
- Annual Registration and Other Notices Required from Owner
- Retaliation Prohibited
- Excessive Rents or Demands Therefor
- Excessive Rents—Civil Penalties
- Rules and Guidelines
- Authority of City Council to Bring Civil Action to Compel Compliance
- Administrative Service Fees
- Appeal of Decisions Pursuant to this Chapter

It should also be noted that, as required under AB 2782, the attached draft SRSO would only affect:

- 1) mobile home leases that are 12 months or less in length, and
- 2) mobile home leases that are more than 12 months in length and entered into on or after February 13, 2020.

After January 1, 2025, any adopted SRSO would affect all mobile home leases, unless the law is amended.

### Consumer Price Index (CPI)

As noted above, the proposed SRSO includes a cap on rent increases that would allow a landlord to raise the rents by 5% annually plus the percentage change in the cost of living, or up to a maximum 10%, whichever is lower. Similar to AB 1482, the increase is tied to the annual April-to-April CPI for the Los Angeles-Long Beach-Anaheim area. To provide historical context, the annual April-to-April CPI percentage change for the last eight years is shown below.

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
0.5%	2.0%	2.7%	4.0%	3.3%	0.7%	3.6%	7.9%	4.9%	3.9%

As an example of how an annual increase would work, had the City adopted the SRSO in 2021, the maximum allowable increase for 2022 would have been 10% (5% automatic allowable rent increase + 7.9% CPI increase = 12.9%, which would equate to 10%, as the overall allowable rent increase is capped at 10%). In 2023, the maximum allowable increase would have been 9.9% (5% automatic allowable rent increase + 4.9% CPI increase). For 2024, the maximum allowable rent increase would have been 8.9% (5% automatic allowable rent increase + 3.9% CPI increase).

### Fiscal Impact

The fiscal impact of a SRSO should be limited, as the SRSO includes the establishment of appeal fees and administrative fees to cover the execution and compliance of the SRSO.

## ENVIRONMENTAL FINDINGS

The subject ordinance was reviewed pursuant to the California Environmental Quality Act (Public Resources Code Section 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations Section 15000, et seq., the "CEQA Guidelines"). The subject ordinance is not subject to the CEQA because it does not constitute a "project" within the meaning of Public Resources Code Section 21065, and CEQA Guidelines Sections 15060(c)(2), 15060(c)(3), or 15378 because there is no potential that it will cause a reasonably foreseeable direct or indirect physical change in the environment. The restrictions contained herein, including but not limited to the residential rental cap, will not affect the physical environment. Additionally, the subject ordinance is exempt from CEQA pursuant to the "common sense" exemption, CEQA Guideline Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment. There are no unusual circumstances, or other factors per CEQA Guideline Section 15300.2, that support an exception to this exemption.

## ATTACHMENTS

1. Rent Stabilization Ordinance
2. Ordinance Summary
3. Map of Mobile Home Parks in Torrance
4. Skyline Mobile Home Park Land Use Covenant and Restrictions
5. Proof of Publication

## ORDINANCE NO. \_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TORRANCE, CALIFORNIA, ADDING CHAPTER 17 “MOBILE HOME SPACE RENT STABILIZATION AND MOBILE HOME OWNER PROTECTIONS” TO DIVISION 4 OF THE TORRANCE MUNICIPAL CODE ESTABLISHING MOBILE HOME SPACE RENT STABILIZATION AND MOBILE HOME OWNER PROTECTIONS**

**RECITALS**

**WHEREAS**, the City of Torrance is a charter City under California law with a recognized mandate to preserve, protect, and enhance the general health and welfare of its residents; and

**WHEREAS**, implicit in any plan or regulation is the City's interest in maintaining the quality of life and the character of the City's neighborhoods, as without stable, well-planned neighborhoods, Sections of the City can quickly deteriorate, with consequences to social, environmental, and economic values; and

**WHEREAS**, the City desires to prevent and address unreasonable increases in mobile home park space rents and help preserve affordable mobile home space rents within the City while permitting mobile home park owners to receive a fair return; and

**WHEREAS**, City has researched and evaluated legislative measures at the State level and other rent control efforts by the legislature and other local jurisdictions. City staff have been conducting a survey of cities, speaking with mobile home park residents, mobile home park property owners and other interested individuals to gather information regarding mobile home park issues in the City and surrounding cities; and

**WHEREAS**, there are currently 10 registered mobile home parks within Torrance that have a combined total of approximately 1,083 mobile homes per the State Department of Housing and Community Development (HCD) or approximately 1.83% of the total housing units (59,065), per the State Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 2021-2024, and

**WHEREAS**, residents in a mobile home park typically own their mobile home as personal property and rent the space on which the home sits and mobile home park residents have raised concerns to City staff and City Council about affording the rents and annual rent increases; and

**WHEREAS**, issues discussed by City Council and City staff, residents and other attendees at a Torrance City Council meeting included, but were not limited to housing cost burdens for mobile home residents, maintenance and safety concerns, escalating space rents, and the proposal from residents for a space rent stabilization ordinance program were presented; and

**WHEREAS**, mobile home parks provide a significant pool of affordable housing for very-low, low, and moderate-income families, senior citizens, and disabled residents in the City; and

**WHEREAS**, the City has received complaints from mobile home park residents relating to poor maintenance and high monthly space rent and housing cost burdens for mobile homes; and

**WHEREAS**, excessive rent increases over the past years threaten the public peace, health, or safety by jeopardizing the health, safety, and financial well-being of mobile home park residents, including seniors, those on fixed incomes, those with very low, low, and moderate-income levels, and those with special needs to the extent that such persons may be forced to choose between paying rent and providing food, clothing and medical care for themselves and their families; and

**WHEREAS**, the Legislature has recognized that California is in a severe housing crisis, exacerbated by skyrocketing home sale and rental prices, and that mobile homes serve as an excellent affordable Homeownership option for many Californians; and

**WHEREAS**, the housing shortage is particularly severe for very low, low and moderate-income households. Mobile home parks are a precious source of affordable housing for many lower-income households in the City of Torrance and throughout California.

**NOW, THEREFORE**, the City Council of the City of Torrance does hereby ordain as follows:

#### **SECTION 1**

The City Council of the City of Torrance hereby finds and determines that all the above Recitals are true and correct and incorporates such Recitals into this Ordinance.

#### **SECTION 2**

Chapter 17 is added to Division 4 of the Torrance Municipal Code to read in its entirety as follows:

### **“CHAPTER 17**

#### **MOBILE HOME SPACE RENT STABILIZATION AND MOBILE HOME OWNER PROTECTIONS**

##### **417.1.010 DEFINITIONS.**

The following definitions apply to the use of these terms for the purposes of this Chapter:

- a) “Base Rent” means the Rent charged for a Mobile Home Space on December 3, 2024, when the City Council first introduced its intent to regulate Rent for Mobile Home Parks within the City, or the Rent charged at the initiation of Tenancy, whichever is later, plus any Rent Increase allowed thereafter pursuant to this Chapter.



- b) "Capital Improvement" means the addition, substantial repair, or replacement of any improvements to a Mobile Home Space within the geographic boundaries of a Mobile Home Park which materially adds to the value of the Mobile Home Park and appreciably prolongs its useful life or adapts it to new uses, and which is of the same type of improvement as those allowed to be amortized over the useful life of the improvement in accordance with the Internal Revenue Code and its regulations.
- c) "City Manager" means the City Manager of the City of Torrance, or his or her designee.
- d) "Code" means the City of Torrance Municipal Code.
- e) "City" means the City of Torrance.
- f) "City Council" means the City Council for the City of Torrance.
- g) "CPI" means Consumer Price Index for all urban consumers of the Los Angeles-Riverside-Orange County, California area, or any successor designation of that index that may later be adopted by the United States Department of Labor. Calculation of the change in CPI percentage will be determined by the Department.
- h) "Department" means the Community Development Department or any individual, organization, board or body, as designated by the City Council by adopting an appropriate resolution vesting the review powers and/or other duties set forth in this Chapter.
- i) "Housing Services" means all services provided by a Mobile Home Park Owner related to the use or occupancy of a Mobile Home Space, including but not limited to, water and sewer, natural gas, electricity, refuse removal, management and administration, maintenance and repairs, recreation facilities (including pools), laundry facilities, storage space, parking (including one or more automobiles), security services, insurance and the payment of property taxes for the current year (but not past or future years). The term "Housing Services" shall not include legal fees, mortgage payments, whether for principal, interest, or both, bonuses of any nature paid to Mobile Home Park employees, penalties, fees, damages, or interest assessed or awarded for violations of this Chapter or any other law, or any expenses for which the Mobile Home Park Owner has been reimbursed by any security deposit, insurance, settlement, judgment for damages, settlement, or any other method.
- j) "Mobile Home" means the definition set forth in California Civil Code Section 798.3.
- k) "Mobile Home Owner" means a person who has a tenancy under a Rental Agreement with the Mobile Home Park Owner, or any other person entitled under the terms of a Rental Agreement to the use or occupancy of the Mobile Home, which may include the use of the Housing Services of the Mobile Home Park and any other amenities. For clarity, this definition shall include persons who have tenancies under a Rental Agreement regardless of whether such person owns or rents their Mobile Home.

- l) "Mobile Home Park" means any area of land in the City where two or more Mobile Home Spaces are rented, or held out for rent, to accommodate Mobile Homes used as residences.
- m) "Mobile Home Park Owner" means the owner, lessor, operator, or manager of a Mobile Home Park in the City who receives, or is entitled to receive, Rent for the use and occupancy of any Mobile Home Space, and the agent, representative or successor of any of the foregoing.
- n) "Mobilehome Residency Law" means Civil Code Sections 798 *et seq.*, as amended.
- o) "Mobile Home Space" means the site within a Mobile Home Park intended, designed, or used for the location or accommodation of a Mobile Home and any accessory structures or appurtenances attached thereto whether or not the Mobile Home Space is permitted pursuant to State or local law, and all Housing Services, privileges and facilities supplied in connection with the use or occupancy of the site.
- p) "Rent" means consideration paid for the use or occupancy of a Mobile Home Space or for Housing Services provided, or both, but does not include any of the following, each of which shall be separately listed and identified in the Rental Agreement:
  - 1) Any amount paid for rent, use, or occupancy of the Mobile Home,
  - 2) Security deposits,
  - 3) User fees for services or facilities (including laundry and storage) which may be utilized at the option of the Mobile Home Owners and are expressly not included as Rent in the Rental Agreement,
  - 4) Utility charges for those Mobile Home Parks which bill the Mobile Home Owner separately, whether or not the Mobile Homes are individually metered,
  - 5) Any Rent discounts, incentives, concessions, or credits offered by the Mobile Home Park Owner, or
  - 6) Any pass-through authorized pursuant to this Chapter.
- q) "Rent Increase" means any Rent demanded of or paid by a Mobile Home Owner in excess of Rent paid for the Mobile Home Space immediately prior to such demand or payment. Rent Increase includes any Service Reduction, without a corresponding reduction in the moneys demanded for or paid as Rent.
- r) "Rental Agreement" means a lease or other oral or written agreement between the Mobile Home Park Owner and Mobile Home Owner establishing the terms and conditions of the Tenancy. Rental Agreements are required to comply with Civil Code Section 798.15, however, a Rental Agreement's unlawful failure to comply with such section shall not exempt a Rental Agreement which would otherwise be subject to this Chapter.

- s) "Resident Representative" shall be that person designated pursuant to Section 417.1.140 herein to represent the Mobile Home Owners as specified in this Chapter.
- t) "Service Reduction" means any decrease or diminution in the level of Housing Services provided by the Mobile Home Park on or after the effective date of this Chapter which are either or both of the following:
  - 1) Housing Services required by applicable laws, including but not limited to California Civil Code Section 1941 *et seq.*, the Mobilehome Residency Law, The Mobile Home Parks Act, California Health and Safety Code Section 18200 *et seq.*, and the Mobile Home Park Owner's implied warranty of habitability, which cannot be contractually excluded or waived; and/or
  - 2) Housing Services included within the scope of the Rental Agreement between the Mobile Home Park Owner and the Mobile Home Owner, including the applicable rules and regulations of the Mobile Home Park, and the level of service as implied by the condition of improvements, fixtures, and equipment, and their availability for use by the Mobile Home Owner at the time of execution of the Rental Agreement.
  - 3) A Service Reduction shall not include the elimination or reduction of a recreational facility or service when such elimination or reduction and rent decrease resulting therefrom have the prior written approval of two-thirds of the affected Mobile Home Owners.
- u) "State" means the State of California.
- v) "Tenancy" means the legal right of a Mobile Home Owner or any other occupant who took possession of the Mobile Home for the use or occupancy of the Mobile Home, to use a Mobile Home Space within a Mobile Home Park on which to locate, maintain, and occupy a Mobile Home, site improvements, and accessory structures for residence, including the use of the Housing Services of the Mobile Home Park, subject to the terms and conditions of the Rental Agreement and Mobilehome Residency Law.

#### **417.1.020      APPLICABILITY OF CHAPTER.**

This Chapter shall be applicable to all Mobile Home Spaces within the City except as provided in Section 417.1.030 of this Chapter.

#### **417.1.030      EXEMPTIONS FROM THIS CHAPTER.**

- a) Exemptions Provided by Preempting Law. This Chapter shall not apply to Mobile Home Spaces which are exempt from mobile home rent control ordinances pursuant to a preempting Federal or State Law, including:

- 1) Mobile Home Spaces that meet the exemption requirements of the Mobilehome Residency Law (including Civil Code Section 798.17) or are otherwise expressly exempt under State or Federal Law.
- 2) Newly constructed Mobile Home Spaces, which were initially held out for Rent on or after January 1, 1990, per Civil Code Section 798.45.
- 3) Mobile Home Spaces not the principal residence of the homeowner and the homeowner has not rented the mobile home to another party, per Civil Code Section 798.21.
- 4) Mobile Home Spaces used or rented for non-residential uses.

The purpose of this Subsection is to provide information about exemptions based on State and Federal Law, which preempts local law, rather than to provide any basis for an exemption greater than what is required by State and Federal Law.

- b) Units Owned or Operated by Government Agencies. This Chapter shall not apply to Mobile Homes, Mobile Home Spaces, or Mobile Home Parks owned or operated by any governmental agency or any rental unit whose Rent is subsidized pursuant to a public program that limits the rent that can be charged for the mobile home.

#### **417.1.040 COMPLIANCE WITH APPLICABLE LAW.**

Mobile Home Park Owners shall comply with all applicable requirements of Federal, State, and Local laws, including but not limited to Mobilehome Residency Law, which includes express requirements regarding the content and form of Rental Agreements, and notice to Mobile Home Owners regarding their rights under Mobilehome Residency Law. Violation of any of the applicable requirements in Federal, State, or Local law shall be a violation of this Chapter.

#### **417.1.050 BASE RENT AND RENT INCREASES.**

Except as hereinafter provided, a Mobile Home Park Owner shall not demand, accept, or retain Rent for a Mobile Home Space exceeding the Base Rent set forth in Section 417.1.010. This Chapter provides for permissible Rent Increases. Rent Increases shall not be authorized except pursuant to Section 417.1.060 (Automatic Annual Rent Increase for Mobile Home Spaces), and Section 417.1.070 (Fair Return).

#### **417.1.060 AUTOMATIC ANNUAL RENT INCREASE FOR MOBILE HOME SPACES.**

- a) Notice. A Mobile Home Park Owner may impose an annual Rent Increase for any Mobile Home Space, as allowed in this Section, only after providing at least ninety (90) days' written notice to the Mobile Home Owner of the Rent Increase pursuant to the Civil Code Section 798.30.
- b) Registration. A Mobile Home Park Owner may impose an annual Rent Increase only upon registering the Mobile Home Space in the City's Registry System, paying

required annual registration fees pursuant to Section 417.1.160, and in compliance with Federal, State, and local laws and requirements

- c) **Maximum Rent Increase.** Annual Rent Increases shall be limited to five percent (5%) of the lowest gross rental rate charged for tenancy at any time during the twelve (12) months prior to the Rent Increase plus the percentage change in the average CPI over the previous twelve (12) month period ending in April (April of the previous year to April of the current year). In no event shall a Rent Increase exceed ten percent (10%) of the lowest gross rental rate charged for tenancy at any time during the twelve (12) months prior to the Rent Increase per each twelve (12) month period. The annual allowable Rent Increase based on the percentage change in the average CPI relevant to this Paragraph shall be calculated annually by the Department and posted by May 31<sup>st</sup> of each year in City Hall and on the City's website and shall be mailed to each Mobile Home Park Owner and to the Resident Representative in each Mobile Home Park. A copy of the annual Rent Increase notice shall be posted in a prominent place by each Mobile Home Park Owner in each Mobile Home Park within three (3) calendar days after it is received by the Mobile Home Park Owner.
- d) **Rent Increase Upon Expiration of Exempt Lease.** In the event a Mobile Home Space was previously exempt under a Rental Agreement pursuant to Civil Code Section 798.17, or any other applicable law, the Base Rent, for purposes of calculating the annual allowable Rent Increase, shall be the Rent in effect as of the date of expiration of the Rental Agreement; provided, that such Rent can be verified by information required on, and/or documentation submitted with, the annual registration pursuant to Section 417.1.160. In the event the Department determines that the Rent in effect as of the date of expiration of the Rental Agreement cannot be verified, the Base Rent shall be set pursuant to the definition provided in Subsection c).
- e) **Frequency of Annual Rent Increases.** Only one annual Rent Increase may be imposed on a Mobile Home Owner in any twelve (12) month period, unless otherwise permitted by the Department pursuant to this Chapter.
- f) **Rent Excess Paid.**
  - 1) In the event a Mobile Home Owner paid Rent in excess of that permitted by this Chapter, the Mobile Home Park Owner shall reimburse the Mobile Home Owner for the Rent overpayment.
  - 2) The Mobile Home Park Owner may elect either:
    - A. Reimburse the Mobile Home Owner for the Rent overpayment through one lump sum payment, which must be paid by the time the next monthly obligation is due, or
    - B. Reimburse the Mobile Home Owner for the Rent overpayment over a six (6) month period in the form of a monthly credit towards Rent otherwise due from

the Mobile Home Owner, to which the first credit must be applied at the time the next monthly obligation is due.

- 3) Where the reimbursement(s) due to the Mobile Home Owner exceeds the Rent due for the remainder of the Tenancy, the reimbursement(s) exceeding the Rent due shall be immediately paid to the Mobile Home Owner as a lump sum payment.

g) Rent Paid Following Vacancy of Mobile Home Space.

- 1) Upon termination of a Tenancy in accordance with the Mobile Home Residency Law, or upon the voluntary, permanent removal of a Mobile Home by a Mobile Home Owner from a Mobile Home Space, a Mobile Home Park Owner may implement a Rent Increase subject to Subsection c) of this Section. A removal of the Mobile Home from the Mobile Home Space due to fire, earthquake, or water damage, or for the purpose of upgrading the Mobile Home, shall not constitute a voluntary removal of the Mobile Home for the purposes of this Paragraph.

- 2) Upon the sale, transfer, or other conveyance of a Mobile Home located in a Mobile Home Space where the Rental Agreement with the original Mobile Home Owner has expired, a Mobile Home Park Owner may increase the Rent for that Mobile Home Space to market rate.

- 3) Upon the sale, transfer, or other conveyance of a Mobile Home located in a Mobile Home Space where the Rental Agreement has not expired, a Mobile Home Park Owner may increase the Rent for that Mobile Home Space to market rate upon the expiration of the lease. Provided however, that no Rent Increase may occur in any of the following situations:

A. An existing Mobile Home Owner or resident replaces an existing Mobile Home with another Mobile Home, and occupies the same Mobile Home Space under an existing Rental Agreement subject to the provisions of this Chapter, or

B. Title to the Mobile Home passes to one or more persons who, at the time of the title transfer, (a) is a lawful, authorized resident of the Mobile Home, or (b) is a spouse, registered domestic partner, child, grandchild under 18 years of age, parent, or grandparent of the Mobile Home Owner, and the Mobile Home remains in the same Mobile Home Space, or

C. A Rent Increase was imposed pursuant to this Paragraph within the preceding twelve (12) month period.

- h) No Decrease if CPI Decreases. In the event that the CPI decreases, no rent decrease shall be required pursuant to this Section. However, in the event that the CPI decreases by more than two (2) percent in any year, the percentage amount of said decrease shall be subtracted from the following annual Rent Increase(s) allowable pursuant to this Section.



- i) **No Rent Banking.** A Mobile Home Park Owner who does not impose an annual Rent increase or a portion of the permitted annual Rent increase in any twelve (12) month period, as provided in this Section, waives the annual Rent Increase or the remaining portion of the permitted annual Rent Increase, for the remainder of the Tenancy.
- j) **Mobile Home Owner's Right of Refusal.** A Mobile Home Owner may refuse to pay a Rent Increase that is in violation of this Chapter. Such refusal to pay the increased amount shall be a defense in any action brought to recover possession of a Mobile Home Space or to collect the Rent Increase.

#### **417.1.070 FAIR RETURN.**

- a) **Right to Fair Return.** A Mobile Home Park Owner has the right to obtain a fair return, and may petition the City, pursuant to Section 417.1.080 herein, for an additional Rent Increase to the annual Rent Increase provided by Section 417.1.060 upon a showing that the Mobile Home Park Owner will not obtain a fair return without such additional Rent Increase.
- b) **Presumption of Fair Base Year Net Operating Income.** It shall be presumed that the net operating income received by the Mobile Home Park Owner in the base year provided the Mobile Home Park Owner with a fair return. It shall be presumed that a net operating income equal to the base year net operating income adjusted by one hundred percent of the percentage increase in the CPI since the base year provides a fair return. It shall be further presumed that the Maintenance of Net Operating Income (MNOI) standard provides a fair return. The base year CPI shall be the annual average CPI in effect for April 2025 (based on the change from April 2024 to April 2025). The current year CPI shall be the annual average CPI for the calendar year which is used as the current year in which the fair return petition is filed. "Base year" shall mean the 2025 calendar year. "Current year" shall mean the calendar year that precedes the year in which the fair return petition is filed.
- c) **Net Operating Income.** Net operating income shall be calculated by subtracting operating expenses from gross rental income, as those terms are set forth below:
  - 1) *Gross Rental Income.* Gross rental income shall include:
    - A. Gross Rent calculated as gross rental income at one hundred percent occupancy, adjusted for uncollected rent due to vacancy and bad debts to the extent such vacancies or bad debt are beyond the control of the Mobile Home Park Owner. Uncollected Rent in excess of five (5) percent of the applicable Rent for a Mobile Home Space shall be presumed to be unreasonable unless established otherwise and shall not be included in computing gross income.
    - B. All other income or consideration received or receivable in connection with the use or occupancy of the Mobile Home Space, except the gross rental income shall not include any of the items excluded from the definition of "Rent" in Section 417.1.010.

## 2) *Operating Expenses.*

### A. Operating expenses shall include the following:

- i. Reasonable cost of providing the Housing Services, except to the extent preempted by State or Federal Law. However, the operating expenses which may be subtracted from gross rental income for the purpose of calculated net operating income shall not exceed five percent (5%) of the gross rental income, unless the Mobile Home Park Owner demonstrates, to the satisfaction of the Department, that greater Housing Services were provided for the benefit of the residents. For the purposes of this Subparagraph, management and administration costs shall be presumed to be reasonable if equal to or lower than the higher of the percentage of Rent Increase, or CPI increase for the subject year. For the purposes of this Subparagraph, labor shall be performed at reasonable hourly rates.
- ii. Costs of Capital Improvements. Costs of Capital Improvements plus an interest allowance to cover the amortization of those costs where all the following conditions are met:
  - (1) The Capital Improvement is made at a direct cost of not less than one hundred dollars (\$100) per affected Mobile Home Space or at a total direct cost of not less than five thousand dollars (\$5000), whichever is lower.
  - (2) The costs, less any insurance proceeds or other applicable recovery, are averaged on a per Mobile Home Space basis for each Mobile Home Space actually benefited by the improvement.
  - (3) The costs are amortized over a period of not less than thirty-six (36) months.
  - (4) The costs do not include any additional costs incurred for property damage or deterioration that result from any unreasonable delay in undertaking or completing any repair or improvement.
  - (5) The costs do not include costs incurred to bring a Mobile Home Park Space, or Mobile Home Park into compliance with a provision of the Torrance Municipal Code or State Law where the original installation of the improvement was not in compliance with such requirements.



- (6) At the end of the amortization period, the allowable Rent is decreased by any amount it was increased because of the application of this provision.
  - (7) The amortization period shall be in conformance with a schedule adopted by the City Manager unless it is determined that an alternate period is justified based on the evidence presented in the petition hearing.
- iii. Legal Expenses. Attorneys' fees and costs incurred in connection with successful good faith attempts to recover Rents owing, successful good faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the park to the extent such expenses are not recovered from adverse or other parties, subject to the following requirements:
  - (1) Reasonable fees, expenses, and other costs incurred in the course of successfully pursuing rights under or in relationship to this Chapter and regulations adopted pursuant to the Chapter including costs incurred in the course of pursuing successful fair return petitions. Said expenses shall be amortized over a five- (5) year period, unless the City Manager concludes that a differing period is more reasonable.
  - (2) Recovery of expenses incurred in the course of preparing and presenting a fair return petition shall be limited when a Mobile Home Park Owner rejects a settlement offer and then does not recover more than proposed settlement. The purpose of this limitation is to encourage both Mobile Home Park Owners and Mobile Home Owners to minimize, to the extent possible, the cost and expense of fair rate of return Mobile Home Space Rent administrative proceedings by providing a mechanism for the early settlement of fair rate of return administrative proceedings.
  - (3) At any time after filing a fair rate of return petition, the Resident Representative may serve an offer in writing to the Mobile Home Park Owner who has filed that petition to stipulate to a compromise amount for the fair rate of return rent increase requested in the petition. The Resident Representative shall also file a copy of this written settlement offer with the City in a separately sealed envelope and with a statement on the outside of the envelope stating that it is a written settlement offer pursuant to this Subsection.

- (4) The sealed copy of the written settlement offer that is so filed with the City is not to be opened by the City until it is either accepted by the Mobile Home Park Owner or, if it is not accepted by the Mobile Home Park Owner, after a final rent increase award or denial has been made on the Mobile Home Park Owner's petition by either the City Manager or the Hearing Officer. Upon receiving such an offer to compromise, the Mobile Home Park Owner has seven (7) calendar days to accept the offer by filing a written acceptance with the City Clerk.
  - (5) A Mobile Home Park Owner is not entitled to recover a portion of application expenses, fees, or other costs that are incurred following the submission of a prevailing offer and the residents may recover reasonable attorneys' fees incurred by the residents after the rejection of a "prevailing" offer. The Resident Representative shall be determined to have made a prevailing offer if a settlement offer has been made and that offer has not been accepted by the Mobile Home Park Owner within seven (7) calendar days after the making of that offer, and the Mobile Home Park Owner's rent increase award fails to exceed the amount of that settlement offer.
  - (6) Allowable legal expenses which are of a nature that does not recur annually shall be amortized over a reasonable period of time to be determined by the City Manager. At the end of the amortization period, the allowable monthly rent shall be decreased by any amount it was increased because of the application of this provision.
- iv. Interest Allowance for Expenses That Are Amortized. An interest allowance shall be allowed on the cost of amortized expenses; the allowance shall be the interest rate on the cost of the amortized expense equal to the "average rate" for thirty-year fixed rate on home mortgages plus two percent. The "average rate" shall be the rate Freddie Mac last published in its weekly Primary Mortgage Market Survey (PMMS) as of the date of the initial submission of the petition. In the event that this rate is no longer published, the index which is most comparable to the PMMS index shall be used.
  - v. Exclusions from Operating Expenses. Operating expenses shall expressly not include (1) mortgage principal or interest payments or other debt service costs, (2) any penalties, fees or interest assessed or awarded for violation of any provision of this Chapter or of any other provision of law, (3) land lease expenses, (4) political contributions and payments to organizations which are substantially devoted to legislative lobbying purposes, (5) depreciation, (6) any expenses for which the Mobile Home Park

Owner has been reimbursed by any utility rebate or discount, security deposit, insurance settlement, judgment for damages, settlement or any other method or device, (6) unreasonable increases in expenses since the base year, (7) expenses associated with the provision of master-metered gas and electricity services, (8) expenses which are attributable to unreasonable delays in performing necessary maintenance or repair work or the failure to complete necessary replacements (e.g., a roof replacement may be a reasonable expense, but if water damage occurred as a result of unreasonable delays in repairing or replacing the roof, it would not be reasonable to pass through the cost of repairing the water damage).

vi. Adjustments to Operating Expenses. Base year and/or current operating expenses may be averaged with other expense levels for other years or amortized or adjusted by the CPI or may otherwise be adjusted, in order to establish an expense amount for that item which most reasonably serves the objectives of obtaining a reasonable comparison of base year and current year expenses. Grounds for such adjustments include, but are not limited to:

- (1) An expense item for a particular year is not representative,
- (2) The base year expense is not a reasonable projection of average past expenditures for that item in the years immediately preceding or following the base year,
- (3) The current year expense is not a reasonable projection of expenditures for that item in recent years or of future expenditures for that item,
- (4) A particular expense exceeds the normal industry or other comparable standard for the area, the Mobile Home Park Owner shall bear the burden of proving the reasonableness of the expense. To the extent that it is found that the expense is unreasonable it may be adjusted to reflect the normal industry standard,
- (5) A base year expense is exceptionally low by industry standards and/or on an inflation adjusted basis is exceptionally low relative to current year expenses although the level or type of service has not changed significantly, and
- (6) An increase in maintenance or management expenses is disproportionate to the percentage increase in the CPI, while the level of services has not changed significantly and/or is not justified by special circumstances.

#### **417.1.080      PROCEDURE FOR REVIEW OF FAIR RETURN PETITIONS.**

- a) *Right to Petition.* A Mobile Home Park Owner may petition for an additional Rent Increase to the annual Rent Increases provided by Section 417.1.060 in order to obtain a fair return. No petition for a fair return rent adjustment may be filed pursuant to this Chapter until thirty (30) calendar after this Chapter goes into effect.
- b) *Grounds for Petition.* A Mobile Home Park Owner may petition and present evidence to rebut the presumption of fair return set forth in Subsection a) of Section 417.1.070 based on at least one of the following findings:
  - 1) *Exceptional Expenses in the Standard Base Year.* The Mobile Home Park Owner's operating expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating operating expenses, so the base year operating expenses reflect average expenses for the property over a reasonable period of time. The following factors shall be considered in making such a finding:
    - A. Extraordinary amounts were expended for necessary maintenance and repairs.
    - B. Maintenance and repair were below accepted standards so as to cause significant deterioration in the quality of services provided.
    - C. Other expenses were unreasonably high or low notwithstanding the application of prudent business practices.
  - 2) *Exceptional Circumstances in the Base Year.* The gross income during the base year was disproportionately low due to exceptional circumstances. In such instances, adjustments may be made in calculating the base year's gross income consistent with the purposes of this Chapter. The following factors shall be considered in making such a finding:
    - A. If the gross income during the base year was lower than it might have been because some residents were charged a reduced rent.
    - B. If the gross income during the base year was significantly lower than normal because of the destruction of the premises and/or temporary eviction for construction or repairs.
    - C. The pattern of rent increases in the years prior to the base year and whether those increases reflected increases in the CPI.
    - D. If the base year rents were disproportionately low in comparison to the base year rents of other comparable Mobile Home Parks in the City.

- E. Other exceptional circumstances considered in the discretion of the Department.
- c) *Limit on Frequency of Petitions.* Only one petition pursuant to this Section may be filed for a mobile home park within a twelve- (12) month period. An exception to this limitation shall be authorized in the event of extraordinary circumstances that could not reasonably have been foreseen at the time the prior petition was filed.
- d) *Submission of Petition.*
  - 1) *Petition Form Required.* The fair return petition shall be on a form prescribed by the City Manager. The form may require any information deemed relevant by the City. The form shall include, but not be limited to:
    - A. A list of the names and addresses of all Mobile Home Park tenants subject to the Rent Increase.
    - B. A statement of the date the Rent Increase is proposed to be effective.
    - C. The rent for each Mobile Home Space in the Mobile Home Park in the base year, the current year, and the three prior years.
    - D. An income and expense statement for the base year, the current year, and the three years prior to the current year.
    - E. Evidence documenting the income and expenses claimed by the Mobile Home Park Owner.
    - F. All other documentation and opinion testimony upon which the Mobile Home Park Owner is relying to justify the Rent Increase.
    - G. A statement of the petitioner's theories in support of the Rent Increase application.
    - H. Three sets of typed gummed labels listing the names and addresses of each Mobile Home Owner within the Mobile Home Park.
  - 2) *Petition Fee.* The fair return petition shall be subject to a fee set by resolution of the City Council.
  - 3) *Notice of Petition.* The Mobile Home Park Owner shall provide a copy of the notice of a fair return petition by:
    - A. Sending a hard copy and electronic .pdf copy, if possible, of the fair return petition to each Mobile Home Owner.
    - B. Providing the City with a hard and electronic copy of the fair return petition, and

- C. Notifying each tenant household that the fair return petition has been filed on a form provided by the City.
- 4) *Determination That the Petition Is Complete.* The City Manager will determine if a fair return petition pursuant to this Section is complete within thirty (30) calendar days after the petition is submitted. A petition will not be deemed complete if the required fees have not been paid. If the application is incomplete, the City Manager will inform the petitioner as to what additional information is required.
  - 5) *Access to the Petition.* The documentation required by this Section shall be available for inspection and copying by any person during the normal business hours of the City. The City shall make a copy of all submissions by the Mobile Home Park Owner and the Mobile Home Park residents in conjunction with a petition that shall be available in the form of an electronic .pdf file, if requested.
  - 6) *Cost of Expert Analysis.* Upon the receipt of a fair return application, the City Manager shall determine if the employment of experts will be necessary or appropriate for a proper analysis of the applicant's petition. If the City Manager so determines, the City Manager shall also determine the anticipated cost of employing any such experts. The resulting figure shall be communicated to the petitioner. The petition shall not be further processed until the petitioner has paid to the City the estimated cost of expert analysis. Within thirty (30) calendar days after a petition and the required fee, if any, is submitted to the City, the City Manager shall determine if the petition is complete. Any unused portion for payments so collected shall be refunded to the petitioner.
  - 7) *Contents of Expert Analysis.* Any analysis pursuant to this Paragraph 6) shall include a determination of:
    - A. Base year and current year rental income,
    - B. Base year and current year operating expenses by category,
    - C. Base year and current year overall operating expenses,
    - D. Base year and current year net operating income,
    - E. The percentage change in net operating income between the base period and the current period,
    - F. The percentage change in the CPI between the base period and the current period,
    - G. The ratio of the percentage change in net operating income to the percentage change in the CPI between the base period and the current period, and
    - H. The Rent adjustment required under an MNOI standard pursuant to Chapter.

- 8) *Submission by Mobile Home Owner Tenants.* The Mobile Home Owners may submit a written response to the Mobile Home Park Owner's submission within twenty (20) calendar days after the petition is deemed complete.

e) *Review Procedures.*

- 1) An application for a fair return adjustment shall be decided by the City Manager within sixty (60) calendar days of the date that the petition is complete. The decision shall be sent by first-class mail to the Mobile Home Park Owner, the Mobile Home Park Owner's designated representative for the petition, and the Mobile Home Owners.
- 2) *Appeal of City Manager's Decision.* The decision of the City Manager may be appealed within twenty calendar days to a Hearing Officer. An appeal by the Mobile Home Owners must be signed by residents from a majority (fifty percent (50%) plus one) of the Mobile Home Spaces that are subject to the decision. The appealing party shall be required to pay for the costs of the appeal process in accordance with any fees set forth by resolution of the City Council.

- 3) *Procedure for Selection of a Hearing Officer.*

A. *Qualifications.* Hearing Officers shall be licensed attorneys of the State Bar of California in good standing, and shall have no financial interest in mobile homes, mobile home spaces or mobile home parks and shall not have represented Mobile Home Park Owners or mobile home park residents in rent setting cases or park closing or park conversions or any disputes between Mobile Home Park Owners and park residents.

B. A Hearing Officer shall be selected through the California Office of Administrative Hearings (OAH). In the event that it is not possible to set up a hearing through the OAH, the City Manager may elect to contract with another statewide agency that provides arbitration services or may establish a panel in accordance with the procedure set forth in this Section.

C. In the event that a panel of Hearing Officers is established, the City Manager shall make all reasonable efforts to ensure that there are at least five (5) qualified candidates to form a panel of prospective Hearing Officers.

The Hearing Officers shall be selected on a rotational basis from the panel list. A Hearing Officer shall disqualify himself or herself from serving as Hearing Officer in a particular matter where he/she has a conflict of interest within the meaning of the Political Reform Act (Government Code Section 87100 et seq.), and shall otherwise comply with the disqualification provisions of Canon 3.E. of the Code of Judicial Ethics. The parties shall be advised in writing of the selected Hearing Officer and advised of their right to disqualify the selected Hearing Officer. In the event of a disqualification, another Hearing Officer shall be randomly selected from the panel, and a new notice of hearing sent to the parties. Each party shall have the right to disqualify one Hearing Officer for a particular matter if there are five or fewer Hearing

Officers on the list and may disqualify up to two Hearing Officers if there are eight or more Hearing Officers on the list.

4) *Time of and Scheduling of Hearing.*

A. A hearing on the petition shall commence within thirty (30) calendar days of the selection of a Hearing Officer unless both parties agree to a different schedule. The hearing shall be completed within fifteen calendar days after it is commenced. These deadlines may be extended if the Hearing Officer finds that there is good cause to commence and/or complete the hearing at a later date.

B. The hearing may be scheduled during the normal business hours of the City unless a majority of the residents that are subject to the petition requests that the hearing be scheduled during the evening. The hearing shall be scheduled at a time that it is convenient for the residents' and Mobile Home Park Owner's representatives.

C. The presentations of each party at the hearing and of the City staff and experts shall be limited to ninety (90) minutes each unless there is good cause for providing a greater period of time. Each party and the City shall be permitted one hour of cross-examination of expert witnesses.

5) *Notice of Hearing.* Written notice of the time, date and place of the hearing shall be given to the parties and at least ten (10) calendar days prior to the hearing.

6) *Requests for Additional Information by Opposing Party.* Either party or the City may request that additional specific supporting documentation be provided to substantiate the claims made by a party. The request shall be presented in writing to the Hearing Officer. The Hearing Officer may order production of such requested documentation if the Hearing Officer determines the information is relevant to the proceedings.

7) *Submission of Reports.*

A. Any response by the Mobile Home Owners or the Mobile Home Park Owner to the decision of the City Manager or report by the City must be submitted to the other parties at least ten (10) calendar days prior to the hearing. The submissions shall be in printed and electronic form.

B. Rebuttal reports may be submitted by the Mobile Home Park Owner, Mobile Home Owners, and/or the City and/or a consultant on behalf of the City; it shall be submitted to the parties at least five (5) calendar days prior to a hearing.

C. For good cause, the Hearing Officer may accept additional information at the hearing.



8) *Conduct of Hearing.*

- A. The hearing shall be conducted in accordance with such rules and regulations as may be promulgated by the City Council and any rules set forth by the Hearing Officer.
- B. The Hearing Officer shall have the power and authority to require and administer oaths or affirmations where appropriate, and to take and hear evidence concerning any matter pending before the Hearing Officer.
- C. The rules of evidence generally applicable in the courts shall not be binding in the hearing. Hearsay evidence and any and all other evidence which the Hearing Officer deems relevant and proper may be admitted and considered.
- D. Any party or such party's representative, designated in writing by the party, may appear at the hearing to offer such documents, oral testimony, written declaration or other evidence as may be relevant to the proceedings.
- E. The Hearing Officer may grant or order not more than two (2) continuances of the hearing for not more than fifteen calendar each. Additional continuances may be granted only if all parties stipulate in writing or if the Hearing Officer finds that there is good cause for the continuance. Such continuances may be granted or ordered at the hearing without further written notice to the parties.
- F. An audio recording of the proceedings shall be made by the City in a format that is easily made available and is easily usable.
- G. The hearing shall be conducted in a manner that ensures that parties have an opportunity to obtain documents and to obtain information about the theories and facts to be presented by the opposing parties in adequate time in advance of the hearing to enable preparation of a rebuttal.

9) *Required Findings in Decision.* Any decision pursuant to this Subsection shall include a determination of:

- A. Base year and current year rental income,
- B. Base year and current year operating expenses by category,
- C. Base year and current year overall operating expenses,
- D. Base year and current year net operating income,
- E. The percentage change in net operating income between the base period and the current period,
- F. The percentage change in the CPI between the base period and the current period,

- G. The ratio of the percentage change in net operating income to the percentage change in the CPI between the base period and the current period, and
  - H. The rent adjustment required under a Maintenance of Net Operating Income (MNOI) standard pursuant to Section 417.1.070 and this Section.
- 10) *Conditions for Allowance or Disallowance of Rent Increase.* The allowance or disallowance of any proposed Rent Increase or portion thereof may be reasonably conditioned in any manner necessary to effectuate the purposes of this Chapter.
  - 11) *Deadline for Decision.* An petition for a fair return adjustment shall be decided by the Hearing Officer within sixty (60) calendar days of the date that the filing of the appeal, including the receipt of fees, has been deemed complete, unless the Hearing Officer determines that there is good cause for an extension of this period or the City Manager extends this period due to the length of time required to accommodate scheduling availability and limitations required to obtain the services of a Hearing Officer.
  - 12) *Notice of Decision.* The City Manager shall mail copies of the decision to the Mobile Home Park Owner and all affected Mobile Home Owners within five (5) calendar days of the decision. Copies of the decision shall be emailed to the Mobile Home Park Owner as soon as possible after the decision is made and in all cases within seventy-two hours after the decision is made.
  - 13) *Preservation of Record.* Any findings pursuant to this Section shall be reported to the City in an agenda packet and permanently preserved in the City records, so that they are available in the event of a future Rent Increase application involving the same Mobile Home Park.
  - 14) *Representation of Parties.*
    - A. The parties in any hearing may be represented at the hearings by a person of the party's choosing. The representative need not be an attorney.
    - B. The written designation of representatives shall be filed with the City Manager or Hearing Officer.
    - C. The written designation of the representative shall include a statement that the representative is authorized to bind the party to any stipulation, decision or other action taken at the administrative hearing.
  - 15) *Modification of Decision in the Event of Mathematical or Clerical Inaccuracies.* Any party alleging that the Hearing Officer's statement of decision contains mathematical or clerical inaccuracies may notify the Hearing Officer and the other party within fifteen (15) calendar days of the mailing of the decision. The Hearing Officer may make any corrections warranted, and re-file the statement

of decision within fifteen calendar days after receiving the allegation of the mathematical error. Upon re-filing of the statement, the decision shall be final.

- 16) *Calculation of Allowable Application Expenses if a Sealed Offer Has Been Submitted.* If any sealed settlement offers have been submitted to the City by any parties to the dispute, after the Hearing Officer determines the allowable rent adjustment pursuant to this Section, the Hearing Officer shall open the sealed offers and make a determination of whether there has been a “prevailing party” and shall announce that determination in the Hearing Officer’s notice of decision issued pursuant to this Section. Within seven (7) calendar days of their receipt of the notice of decision awarding fees, the prevailing party shall submit a written request and accounting of these fees and serve that request simultaneously on all parties by first-class mail. Within seven (7) calendar days of receiving the request by the prevailing party, the opposing party may file an objection to that request. Within calendar seven (7) days of the date that an opposition is submitted or within seven (7) calendar days of the deadline for an opposition, if none is submitted, the Hearing Officer shall submit a proposed supplemental decision stating the amount of fees included in the award, which shall become final in seven calendar days after the proposed decision, unless either party requests an evidentiary hearing within seven (7) calendar days, in which case a final decision shall be made within seven calendar days after the hearing. If the prevailing party is the Mobile Home Owners, then the Mobile Home Park Owner shall file an affidavit with the City Manager, stating that the award of attorneys’ fees has been paid in full and shall not be permitted to implement a rent increase pursuant to this Section until such payment has been made. For good cause, the Hearing Officer may modify the procedure set forth in this Subsection for determining an award for a prevailing party.
- f) *Overall Period for Review of Fair Return Petition.* After a petition is deemed complete, the overall time for a decision of the City Manager and conducting a hearing and issuing a final decision by the Hearing Officer shall not exceed one hundred eighty (180) calendar days, unless the Hearing Officer determines that there is good cause for extending this deadline or the City Manager extends this period due to the length of time required to accommodate scheduling availability and limitations required to obtain the services of a Hearing Officer.
- g) *Retroactivity.* In the event that the period for determining the allowable Rent Increase pursuant to this Section exceeds one hundred twenty (120) calendar days, the Mobile Home Park Owner may recover Rent Increases that would have been permitted if the Rent Increase decision had been made within one hundred twenty (120) calendar days. In the discretion of the City Manager, or the Hearing Officer, the allowance for these Rent Increases may be amortized or may be factored into the prospective allowable increase in order to avoid undue hardship on the Mobile Home Owners.
- h) *Limitation on Rent Increases.* The allowable Rent Increase per Mobile Home Space pursuant to this Section shall not be increased as a result of the fact that there are exempt spaces in the Mobile Home Park.

- i) *Assurance of a Fair Return.* Nothing in this Chapter shall preclude the City Manager, or the Hearing Officer, from granting an increase that is necessary in order to meet constitutional fair return requirements.

**417.1.090 RENT INCREASES FOR NEW SERVICES AND CAPITAL IMPROVEMENTS.**

- a) Subject to Civil Code Section 798.32(a), a Mobile Home Park Owner may obtain a pass-through of a new service or Capital Improvement cost under this Section (collectively "pass-through improvements"). Any pass-through improvement cost shall be identified separately and listed on Rent statements along with their date of expiration.
- b) *New Pass-Through Improvements.* Improvements that did not previously exist in the Mobile Home Park shall be deemed "new pass-through improvements," unless the Mobile Home Park Owner was required by law to make the new pass-through improvements. A Mobile Home Park Owner may charge each affected Mobile Home Owner as additional Rent the pro rata share of the new pass-through improvements including financing costs subject to the following preconditions:
  - 1) Pursuant to Civil Code Section 798.32(a), the Mobile Home Park Owner must provide at least sixty (60) days' written notice if the new pass-through improvement is not discussed in the Rental Agreement.
  - 2) Prior to initiating the service or incurring the Capital Improvement cost, the Mobile Home Park Owner must consult with the Mobile Home Owners regarding the nature and purpose of the improvements and the estimated cost of the improvements.
  - 3) The Mobile Home Park Owner must obtain the prior written consent of at least one adult Mobile Home Owner in a majority of the Mobile Home Spaces which are occupied by the Mobile Home Owner to the proposed new pass-through improvement. Each Mobile Home Space shall have only one vote.

**417.1.100 RENT REDUCTIONS FOR SERVICE REDUCTIONS.**

- a) *Submission of Service Reduction Complaint to City Manager.* Mobile Home Owners may submit a Service Reduction complaint to the City Manager in the event the Mobile Home Park Owners believe a Service Reduction has occurred. A Service Reduction complaint shall be submitted in writing to the City Manager and shall state:
  - 1) The affected Mobile Home Park Spaces,
  - 2) The prior level of service established by the Mobile Home Park Owner for the affected Mobile Home Park Spaces,
  - 3) The specific changes in the prior level of services comprising the alleged Service Reduction,

- 4) The date the Service Reduction was first noticed by the complainant,
- 5) The date of notice to the Mobile Home Park Owner of the alleged Service Reduction, and if such notice was given, whether the notice was given orally or in writing,
- 6) When and how the Mobile Home Park Owner responded to the complainant's notice, if notice was given,
- 7) Whether the condition was improved or corrected, and if so, when and how,
- 8) The status of the condition as of the date the complaint is signed, and
- 9) Whether such Service Reduction was the result of a vote of a majority of the affected Mobile Home Owners.

b) *Submission of Service Reduction Complaint to Hearing Officer.*

- 1) Thirty (30) calendar days after the service reduction complaint is submitted to the City Manager, if the dispute is not settled, either one-third of the tenants in a park or the Mobile Home Park Owner may request that the dispute be submitted to a Hearing Officer.
- 2) If the Hearing Officer finds that a material Service Reduction has occurred, the Hearing Officer shall determine the resultant percentage reduction in the Mobile Home Owners' enjoyment of their homes due to the Service Reduction.
- 3) Rent shall be reduced by that percentage or amount. The Mobile Home Owners also shall be entitled to a rebate of the following sum: the monthly Rent reduction multiplied by the number of months between the date the Mobile Home Owners notified the Mobile Home Park Owner of the reduction in service, and the date the Hearing Officer determined the Rent reduction.
- 4) A service reduction shall not include the elimination or reduction of a recreational facility or service when such elimination or reduction and rent decrease resulting therefrom have the prior written approval of two-thirds of the Mobile Home Owners. In such cases no rebate shall be required.
- 5) No recreational service or facility which has been reduced or eliminated shall be reinstituted at any cost to the Mobile Home Owners without prior written approval of two-thirds of the homeowners.

c) *Consolidation of Service Reduction Complaint with Consideration of Fair Return Petition.* In the event that a Service Reduction complaint is filed while a fair return petition is pending, either the City, the Mobile Home Park Owner, or the tenants may require consideration of a claim pursuant to this Section in conjunction with the fair return claim.

**417.1.110 WAIVERS.**

- a) Any waiver or purported waiver by a Mobile Home Owner of rights granted under this Chapter shall be void as contrary to public policy.
- b) It shall be unlawful for a Mobile Home Park Owner to require or attempt to require, as a condition of Tenancy, a Mobile Home Owner, or a prospective Mobile Home Owner, to waive in a Rental Agreement or in any other agreement the rights granted to a Mobile Home Owner by this Chapter.
- c) It shall be unlawful for a Mobile Home Park Owner to deny or threaten to deny Tenancy to any person on account of such person's refusal to an agreement prohibited by this Section.

**417.1.120 INFORMATION TO BE SUPPLIED BY THE MOBILE HOME PARK OWNER TO TENANTS AND PROSPECTIVE TENANTS.**

*Posting of Chapter.* A copy of this Chapter shall be posted in the office of every Mobile Home Park and in the recreation building or clubhouse of every Mobile Home Park.

**417.1.130 INFORMATION TO BE PROVIDED BY THE CITY TO THE PUBLIC.**

The City's web page shall include a copy of this Chapter, a summary of this Chapter and other issues related to Mobile Home Space rentals within the City, and a copy of California's Mobilehome Residency Law.

**417.1.140 RESIDENT REPRESENTATIVES.**

The residents of each Mobile Home Park in the City shall annually elect by majority vote, with one vote per Mobile Home Space, a Resident Representative to receive all notices required by this Chapter. The residents shall advise the City Manager of the name, address and phone number of the elected Resident Representative in writing no later than June 30<sup>th</sup> of each year and shall promptly notify the City Manager of any change of representative.

**417.1.150 RIGHTS OF PROSPECTIVE TENANTS.**

Any prospective tenant must be offered the option of renting a Mobile Home Space in a manner which will permit the "tenant-to-be" to receive the benefits of the mobile home space rent stabilization program which includes, but is not limited to, rental of a mobile home space on a month-to-month basis. Such a person cannot be denied the option of a tenancy of twelve months or less in duration.

The Mobile Home Park Owner shall provide each prospective tenant with a photocopy of the written notification contained in Appendix A to this Chapter and will provide each prospective tenant with a copy of this Chapter.

Any effort to circumvent the requirements of this Section shall be unlawful.

**417.1.160 ANNUAL REGISTRATION AND OTHER NOTICES REQUIRED FROM OWNER.**

- a) *Due Date.* No later than July 31<sup>st</sup> of each year, each Mobile Home Park Owner shall file an annual registration statement, on a form provided by the City Manager.
- b) *Contents of Registration Form.* The registration forms shall include the name(s), business address(es), and business telephone number(s) of each person or legal entity possessing an ownership interest in the Mobile Home Park and the nature of such interest; the number of Mobile Home Spaces within the Mobile Home Park; a Rent schedule reflecting the current space Rents within the park; a listing of all other charges, including utilities not included in space Rent, paid by Mobile Home Owners within the park and the approximate amount of each such charge; the name and address to which all required notices and correspondence may be sent; and other information required by the City Manager.
- c) *Certification of Registration Forms.* All registration forms, and any documentation accompanying any registration forms, shall contain an affidavit or declaration, signed by the Mobile Home Park Owner or a designated agent, with his/her signature notarized, certifying that the information contained therein is true, correct and complete.
- d) *Notice of Sale of a Park.* Upon the sale or transfer of a Mobile Home Park, the seller or transferor shall notify the City Manager of the sale or transfer and of the name and address of the buyer or transferee. Within ten (10) calendar days of the sale or transfer of a mobile home park, the buyer or transferee shall provide a new registration form.
- e) *Notice to Prospective Park Purchasers.* The Mobile Home Park Owner shall provide prospective Mobile Home Park purchasers with a copy of this Chapter and notice that the following would be a prerequisite implementing Rent Increases:
  - 1) A statement of the base year income, expenses, and net operating income of the park with a breakdown of income and expenses by category.
  - 2) Documents supporting the amounts reported in the income and expense statement.

**417.1.170 RETALIATION PROHIBITED.**

- a) It shall be unlawful for any Mobile Home Park Owner to evict a Mobile Home Owner where the Mobile Home Park Owner's dominant motive in seeking to recover possession of the Mobile Home Space is:
  - 1) Retaliation for the Mobile Home Owner's organizing, petitioning the government for rent relief, or exercising any right granted under this Chapter; or
  - 2) Evasion of the purposes of this Chapter.

- b) It shall be unlawful for a Mobile Home Park Owner to retaliate against a Mobile Home Owner for the owner's or tenant's assertion or exercise of rights under this Chapter in any manner, including but not limited to:
  - 1) Threatening to bring or bringing an action to recover possession of a Mobile Home Space.
  - 2) Engaging in any form of harassment that causes the Mobile Home Owner to quit the premises.
  - 3) Decreasing Housing Services.
  - 4) Increasing Rent.
  - 5) Imposing or increasing a security deposit or other charge payable by the Mobile Home Owner.
- c) A Mobile Home Park Owner who violates this Article shall be subject to the issuance of an administrative citation as set forth in Article 2, Chapter 1, Division 1 of this Code. Issuance of an administrative citation shall not be deemed a waiver of any other enforcement remedies provided in this Code, or any other remedies available pursuant to state or federal law.

#### **417.1.180 EXCESSIVE RENTS OR DEMANDS THEREFOR.**

It shall be unlawful for a Mobile Home Park Owner to demand, accept, receive, or retain any rent in excess of the amounts authorized by this Chapter.

#### **417.1.190 EXCESSIVE RENTS—CIVIL PENALTIES.**

- a) If any person is found to have demanded, accepted, received or retained any payment of rent in excess of the maximum rent allowed by this Chapter, such person shall be liable to the Mobile Home Owner from whom such payment was demanded, accepted, received, or retained for damages as determined by a court of competent jurisdiction.
- b) In the event a Mobile Home Owners is the prevailing party in a civil action against a person found to have demanded, accepted, received or retained any payment of rent described in Subsection a) of this Section, such Mobile Home Owner, in addition to damages as determined by the court pursuant to Subsection (a) of this Section, may, in the discretion of the court, be awarded an amount not to exceed five hundred dollars or three times the damages determined by the court pursuant to Subsection a) of this Section, whichever is greater. For the purposes of this Subsection, a Mobile Home Owner shall be deemed to be a prevailing party if the judgment is rendered in such Mobile Home Owner's favor or if the litigation is dismissed in such Mobile Home Owner's favor prior to final judgment, unless the parties otherwise agree in the settlement or compromise.



- c) Remedies provided by this Section are in addition to any other legal or equitable remedies and are not intended to be exclusive.

#### **417.1.200 RULES AND GUIDELINES.**

The City Manager may adopt rules and procedures to implement the applications, notices, registration, verification and certification required by this Chapter, and for the review of Rent Increase applications and the conduct of hearings. Such rules and guidelines shall be submitted to the City Council for review and approval.

#### **417.1.210 AUTHORITY OF CITY COUNCIL TO BRING CIVIL ACTION TO COMPEL COMPLIANCE.**

The City Council may institute a civil action to compel compliance with this Chapter.

#### **417.1.220 ADMINISTRATIVE SERVICE FEES.**

- a) *Definition.* "Administrative service fee" or "fee" means a charge upon persons occupying a space within a mobile home park for the privilege granted by this Chapter of receiving the specific space rent stabilization benefits conferred by this Chapter.
- b) *Collection.* The administrative service fee is to be paid to the City from every occupied Mobile Home Space except exempt spaces which shall be excluded from paying the fee.
- c) *Purpose and Limitation on Use.* The purpose of the fee is to reimburse, in whole or in part, the City for the reasonable costs of conferring the benefits and privileges provided by this Chapter to the benefit of the Mobile Home Owners who are collectively paying the fee.

These costs may include, but not be limited to, the costs of administering and enforcing the space rent stabilization provisions of this Chapter; defending those provisions and their administrative enforcement from litigation challenging them; defending the administrative decisions of the City that would result in the preservation of the mobile home spaces receiving the benefits of this Chapter as rental spaces that are qualified, under State Law, to continue to receive the benefits of this Chapter from their conversion to subdivided lots or other uses that would result in their loss of the space rent stabilization benefits and privileges conferred by this Chapter from litigation challenging them and providing grants to mobile home park homeowners' associations, or legal service providers, to partly cover the costs of providing the legal services necessary for enforcing their rights in administrative proceedings under this Chapter. All moneys collected by the City through this administrative fee shall be set aside and used by the City only for the purposes set forth in this Subsection and shall not exceed the reasonable costs of conferring the benefits and privileges provided by this Chapter to the persons collectively paying the fee, including providing the City with a reserve for covering such future costs, compensating the City for the expenditure of such prior costs and covering the payment of any loans that the City has or may incur to help pay for the costs of

providing the benefits and privileges of this Chapter, including loans to help pay the City's costs of defending against litigation that is covered under this Subsection.

- d) *Fees Set by City Council Resolution.* The amount of administrative fees and requirements for submission of the fees shall be set by resolution of the City Council in compliance with the purpose and limits of this Section. Monthly fees applicable to Mobile Home Spaces covered by this Chapter shall be collected by each Mobile Home Park Owner and submitted to the City on a quarterly basis, within thirty calendar days after the end of each quarter. The payments shall be accompanied by reporting as required on a form provided by the City Manager.

#### **417.1.230 APPEAL OF DECISIONS PURSUANT TO THIS CHAPTER.**

City determinations pursuant to this Chapter, including but not limited to fair return determinations, shall be subject to review pursuant to California Code of Civil Procedure Section 1094.5 as a final administrative determination, within the time constraints established pursuant to Code of Civil Procedure Section 1094.6."

#### **SECTION 3**

Any provisions of the Municipal Code or its appendices, or any other ordinances of the City of Torrance inconsistent with this ordinance to the extent of the inconsistencies and no further, are repealed.

#### **SECTION 4**

If any Section, Subsection, sentence, clause, phrase or portion of this ordinance is for any reason deemed or held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council of the City of Torrance hereby declares that it would have adopted this ordinance and each Section, Subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more Sections, Subsections, sentences, clauses, phrases or other portions might subsequently be declared invalid or unconstitutional.

#### **SECTION 5**

This ordinance was reviewed pursuant to the California Environmental Quality Act (Public Resources Code Section 21000, et seq., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations Section 15000, et seq., the "CEQA Guidelines"). This ordinance is not subject to the CEQA because it does not constitute a "project" within the meaning of Public Resources Code Section 21065, and CEQA Guidelines Sections 15060(c)(2), 15060(c)(3), or 15378 because there is no potential that it will cause a reasonably foreseeable direct or indirect physical change in the environment. The restrictions contained herein, including but not limited to the residential rental cap, will not affect the physical environment. Additionally, the ordinance is exempt from CEQA pursuant to the "common sense" exemption, CEQA Guideline Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment. There are no unusual circumstances, or other factors per CEQA Guideline Section 15300.2, that support an exception to this exemption.

**SECTION 6 EFFECTIVE DATE**

This ordinance will take effect thirty days after the date of its adoption. Within fifteen days following adoption, this ordinance or a summary of this ordinance, if authorized by the City Council, will be published at least once in the Daily Breeze, a newspaper of general circulation, published and circulated in the City of Torrance.

**INTRODUCED** and **APPROVED** this day of \_\_\_\_\_, 2024.

**ADOPTED** and **PASSED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Mayor George Chen

APPROVED AS TO FORM:  
PATRICK Q. SULLIVAN, City Attorney

ATTEST:

By:\_\_\_\_\_  
Tatia Y. Strader, Assistant City Attorney

\_\_\_\_\_  
Rebecca Poirier, City Clerk

## APPENDIX A

IMPORTANT NOTICE TO PROSPECTIVE MOBILE HOME OWNER REGARDING  
THE PROPOSED RENTAL AGREEMENT FOR THE  
\_\_\_\_\_ MOBILE HOME 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  
MOBILE HOME SPACE FROM THE PROVISIONS OF THE CITY OF TORRANCE  
MOBILE HOME SPACE RENT STABILIZATION ORDINANCE FOR THE TERM  
OF THIS RENTAL AGREEMENT.

THE CITY OF TORRANCE MOBILE HOME SPACE RENT STABILIZATION  
ORDINANCE AND THE STATE MOBILE HOME RESIDENCY LAW (CALIFORNIA  
CIVIL CODE SEC. 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 MOBILE HOME 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 MOBILE HOME 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 TORRANCE MOBILE HOME RENT REVIEW LAW, OR BECAUSE OF  
YOUR CHOICE TO ENTER INTO A RENTAL AGREEMENT WHICH IS SUBJECT  
TO THE PROVISIONS OF THAT LAW.

### ORDINANCE SUMMARY

On December 3, 2024, the City Council of the City of Torrance introduced by title only, at first reading, Ordinance No. \_\_\_\_\_ “An Ordinance of the City Council of the City of Torrance, California, Adding Chapter 17 “Mobile Home Space Rent Stabilization and Mobile Home Owner Protections” to Division 4 of the Torrance Municipal Code Establishing Mobile Home Space Rent Stabilization and Mobile Home Owner Protections.” On December 17, 2024, the City Council of the City of Torrance adopted Ordinance No. \_\_\_\_\_. Ordinance No. \_\_\_\_\_ will take effect 30 days after the adoption date of December 17, 2024. The following is a summary of Ordinance No. \_\_\_\_\_.

*Addition to the Torrance Municipal Code:*

Ordinance No. \_\_\_\_\_ would limit the annual rent increase a resident of a Mobile Home Park receives to five percent (5%) plus the percentage change in the average CPI over the previous twelve (12) month period ending in April (April of the previous year to April of the current year). In no event would a rent increase be allowed to exceed ten percent (10%) per each twelve (12) month period. Additionally, only one rent increase would be allowed in any twelve (12) month period, unless otherwise permitted by the City of Torrance’s Community Development Department pursuant to Ordinance No. \_\_\_\_\_. The Ordinance covers the following matters:

- Definitions
- Applicability of Chapter
- Exemptions from this Chapter
- Compliance with Applicable Law
- Base Rent and Rent Increases
- Automatic Annual Rent Increase for Mobile Home Spaces
- Fair Return
- Procedure for Review of Fair Return Petitions
- Rent Increases for New Services and Capital Improvements
- Rent Reductions For Service Reductions
- Waivers
- Information to be Supplied by the Mobile Home Park Owner to Tenants and Prospective Tenants
- Information to be Provided by the City to the Public
- Resident Representatives
- Rights of Prospective Tenants
- Annual Registration and Other Notices Required from Owner
- Retaliation Prohibited
- Excessive Rents or Demands Therefor
- Excessive Rents—Civil Penalties
- Rules and Guidelines
- Authority of City Council to Bring Civil Action to Compel Compliance
- Administrative Service Fees
- Appeal of Decisions Pursuant to this Chapter

Passed, Approved, and Adopted the 17<sup>th</sup> day of December, 2024, by the following vote:

Ayes:  
Noes:  
Absent:

Abstain:

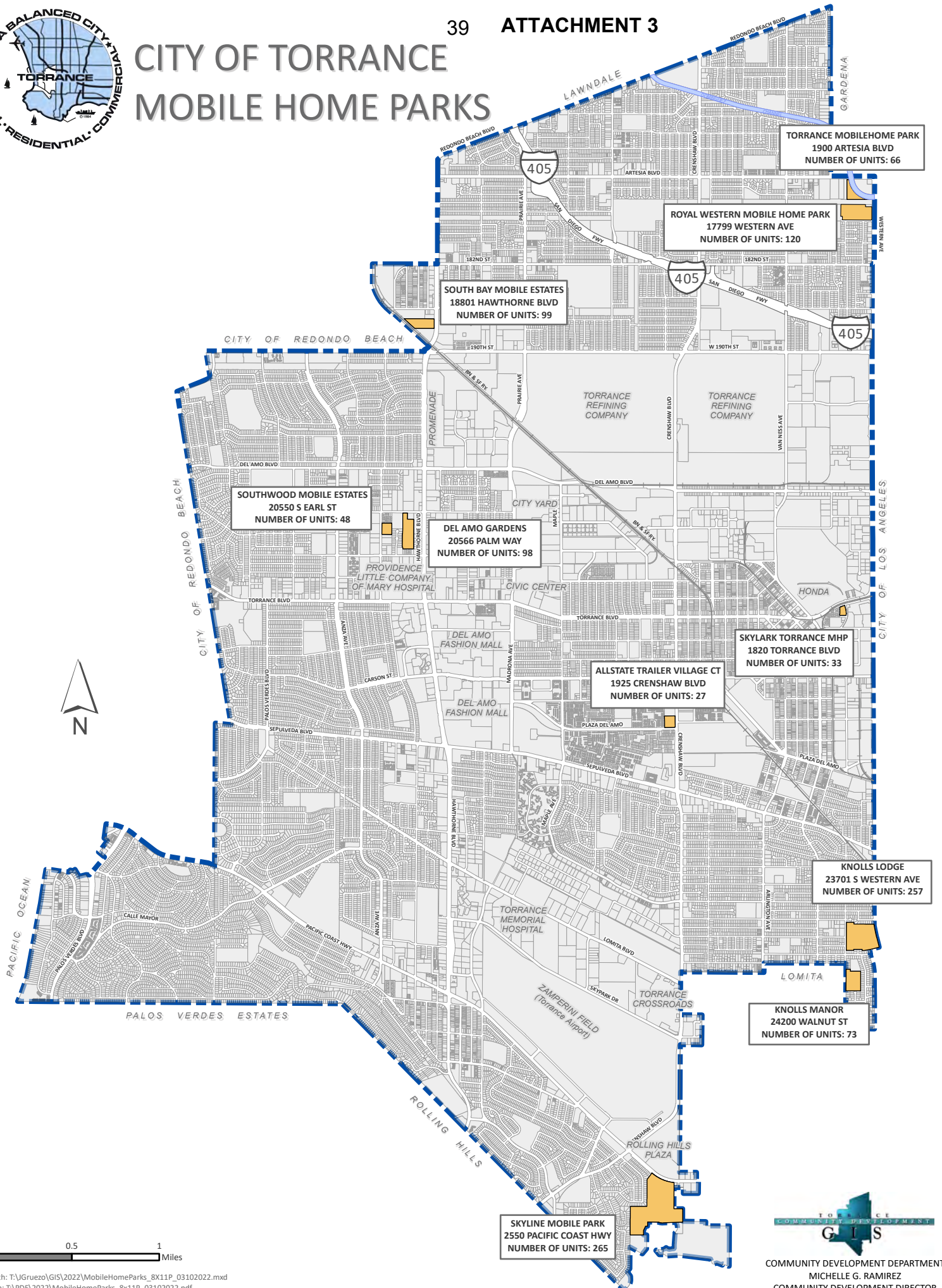
The full text of Ordinance No. \_\_\_\_\_ is available for inspection during regular business hours at the City Clerk's Office (3031 Torrance Boulevard, Torrance, California 90503) Monday through Friday with alternating closed Fridays from 7:30 a.m. to 5:30 p.m. or at <https://www.torranceca.gov/government/city-clerk>.

DATED THIS \_\_\_\_ DAY OF DECEMBER, 2024

Rebecca Poirier, City Clerk  
City of Torrance  
3031 Torrance Boulevard  
Torrance, California 90503



# CITY OF TORRANCE MOBILE HOME PARKS



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**20110885230**

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California

06/30/11 AT 08:35AM

Pages:  
0006

FEES:	30.00
TAXES:	0.00
OTHER:	0.00
PAID:	30.00



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SEQ:  
01

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THIS FORM IS NOT TO BE DUPLICATED



RECORDING REQUESTED BY

WILLIAM BEVERLY, ESQ.

WHEN RECORDED MAIL TO

WILLIAM BEVERLY, ESQ.  
LAW OFFICES OF WILLIAM J. BEVERLY  
3424 CARSON STREET, SUITE 400  
TORRANCE, CA 90503

05/30/2011



\*20110885230\*

2

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE

LAND USE COVENANT AND RESTRICTON

3

**RECORDING REQUESTED BY  
WILLIAM BEVERLY, ESQ.**

**WHEN RECORDED MAIL TO  
WILLIAM BEVERLY, ESQ.  
LAW OFFICES OF WILLIAM J. BEVERLY  
3424 CARSON STREET, SUITE 400  
TORRANCE, CA 90503**

---

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

---

## **LAND USE COVENANT AND RESTRICTION**

This Land Use Covenant and Restriction ("Covenant") pertains to and shall constitute a covenant running with the real property described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

For a good and valuable consideration, the receipt of which is acknowledged, and intending to legally bind themselves and the Property hereby, the Owners of the Property signatory hereto hereby covenant and agree as follows:

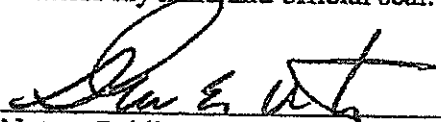
1. The Owners, Chandler Perris, LLC., a Delaware limited liability company, and BR Mobile Home Park, LLC, a Delaware limited liability company, covenant and agree that the Property shall be restricted to use as a mobile home park under the California Mobile Home Residency Law, as permitted under City of Torrance Conditional Use Permit Number 70-21. This covenant and restriction shall expire and be of no further force or effect from and after December 28, 2037.

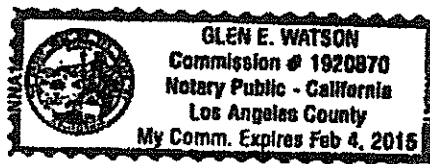
State of California )  
 ) ss.  
County of *Los Angeles* )

On June 2, 2011, before me, Glen E. Watson, a Notary Public, personally appeared John Robertson, who proved to me on the basis of satisfactory evidence to be the person(x) whose name(x) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(x) on the instrument the person(s), or the entity upon behalf of which the person(x) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

  
Notary Public



## ACKNOWLEDGEMENT

**STATE OF CALIFORNIA**  
**COUNTY OF** Los Angeles

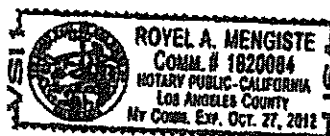
On June 13, 2011, before me, Royel A. Mengiste Notary Public,  
 personally appeared William C Mertz, who  
 proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to  
 the within instrument and acknowledged to me that he/she/they executed the same in his/her/their  
 authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity  
 upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
 paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

Notary Public



(Seal)

### Description of attached document

Title or type of document:	<u>Land Use Covenant &amp; Restriction</u>
Number of pages:	<u>2</u>
Document date:	<u>Not Dated</u>
Signer(s) other than named above:	<u>John Robertson</u>

This is a true and certified copy of the record  
if it bears the seal, imprinted in purple ink,  
of the Registrar-Recorder/County Clerk

JAN 26 2022

*Diane C. Lynn* REGISTRAR-RECORDER/COUNTY CLERK  
LOS ANGELES COUNTY, CALIFORNIA



**DAILY BREEZE**  
 Local. News. Matters.  
 dailybreeze.com

2615 Pacific Coast Highway #329  
 Hermosa Beach, California 90254  
 (310) 543-6635  
 pfernandez@scng.com

City of Torrance  
 3031 Torrance Blvd  
 Torrance, California 90503

*Account Number:* 5007865  
*Ad Order Number:* 0011701757  
*Customer's Reference/PO Number:*  
*Publication:* Daily Breeze  
*Publication Dates:* 11/22/2024  
*Total Amount:* \$502.89  
*Payment Amount:* \$0.00  
*Amount Due:* \$502.89  
*Notice ID:* syQgngQZCzjep0yJIXLO  
*Invoice Text:*

CITY OF TORRANCE NOTICE OF PUBLIC HEARING NOTICE IS HEREBY GIVEN that the City Council appoints the day of December 3, 2024, at the hour of 6:30 p.m., or as soon thereafter as the matter may be heard for a public hearing in the LeRoy J. Jackson Council Chamber located at 3031 Torrance Boulevard, Torrance, CA 90503, regarding the AMENDMENT OF THE TORRANCE MUNICIPAL CODE PERTAINING TO A MOBILE HOME SPACE RENT STABILIZATION ORDINANCE ("SRSO"):  
 Conduct a Public Hearing on a proposed amendment to the Torrance Municipal Code adding Chapter 17 "Mobile Home Space Rent Stabilization and Mobile Home Owner Protections" to Division 4 of the Torrance Municipal Code Establishing Mobile Home Space Rent Stabilization and Mobile Homeowner Protections. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Manager's office at (310) 618-5880. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28CFR35.102-35.104 ADA Title II] NOTICE IS GIVEN that if you challenge the aforementioned action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City at, or prior to the public hearing. Members of the public MAY VIEW THE MEETING via CitiCABLE Channel 3 (Spectrum) and Channel 31 (Frontier), streaming on TorranceCA.Gov, Facebook@City of Torrance CA Government, and YouTube Channel TorranceCitiCABLE. Members of the public may participate before the hearing by submitting a public comment on the OneMeeting Public Portal at

Daily Breeze  
2615 Pacific Coast Highway #329  
Hermosa Beach, California 90254  
(310) 543-6635

0011701757

City of Torrance  
3031 Torrance Blvd  
Torrance, California 90503

**PROOF OF PUBLICATION  
(2015.5 C.C.P.)**

**STATE OF CALIFORNIA  
County of Los Angeles**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not party to or interested in the above-entitled matter. I am the principal clerk of the printer of Daily Breeze, a newspaper of general circulation, printed and published in the City of Torrance\*, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of County of Los Angeles, State of California, under the date of June 15, 1945, Decree No. Pomo C-606. The notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

**11/22/2024**

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Hermosa Beach, California

On this 22nd day of November, 2024.



Signature

\*Daily Breeze circulation includes the following cities: Carson, Compton, Culver City, El Segundo, Gardena, Harbor City, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, Los Angeles, Long Beach, Manhattan Beach, Palos Verdes Peninsula, Palos Verdes, Rancho Palos Verdes, Rancho Palos Verdes Estates, Redondo Beach, San Pedro, Santa Monica, Torrance and Wilmington

**CITY OF TORRANCE  
NOTICE OF PUBLIC HEARING**

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**Members of the public MAY VIEW THE MEETING** via CitiCABLE Channel 3 (Spectrum) and Channel 31 (Frontier), streaming on [torranceca.primegov.com/public/portal?fromiframe=true](https://torranceca.primegov.com/public/portal?fromiframe=true) beginning November 25, 2024. All comments submitted before **5:30 p.m. on Monday, December 2, 2024**, will be published for public review prior to the meeting. Comments received after 5:30 p.m., but prior to the adjournment of the meeting will be added to the record.

**Members of the public may participate before the hearing** by submitting a public comment on the OneMeeting Public Portal at <https://torranceca.primegov.com/public/portal?fromiframe=true> beginning November 25, 2024. All comments submitted before **5:30 p.m. on Monday, December 2, 2024**, will be published for public review prior to the meeting. Comments received after 5:30 p.m., but prior to the adjournment of the meeting will be added to the record.

For further information, contact the Community Development Department at (310) 618-5990.

**REBECCA POIRIER  
CITY CLERK**

**Daily Breeze  
Published: 11/22/24**