



Mobilehome Park Rent Stabilization Commission Agenda Report

To: Members of the Mobilehome Park Rent Stabilization Commission

Prepared by: Frances Arricale, Deputy City Manager

Approved by: Rob DuBoux, Interim City Manager

Date prepared: January 8, 2026 Meeting date: January 15, 2026

Subject: Mobilehome Park Rent Stabilization Administrative and Commission Regulations Chapters 1 – 4

RECOMMENDED ACTION: Review and discuss Mobilehome Park Rent Stabilization Administrative Regulations and Commission Regulations Chapters 1 – 4.

DISCUSSION: The Commission has been provided with a copy of the Mobilehome Park Rent Stabilization Administrative Regulations and Commission Regulations Chapter 1-4.

ATTACHMENTS: Mobilehome Park Rent Stabilization Administrative Regulations and Commission Regulations

City of Malibu

Adopted 6/13/95

Mobilehome Park Rent Stabilization Commission

Administrative Regulations

Commission Regulations

Regulations adopted by the City Manager:

- Chapter 1 General Description of Chapter 7, Article VI
- Chapter 2 Registration of Mobilehome Spaces
- Chapter 3 Determination of Base Rents
- Chapter 4 Appeals from Rent Determinations

Regulations adopted by the Commission:

- Chapter 5 Formula Rent Increases
- Chapter 6 Vacancy Increases
- Chapter 7 Government Required Services (Special/Limited Rent)
- Chapter 8 Capital Improvement
- Chapter 9 Reduction in Services
- Chapter 10 Rent Increase to Assure a Fair and Reasonable Return
- Chapter 11 Necessary Infrastructure Improvements
- Chapter 12-29 RESERVED
- Chapter 30 General Procedures for Rent Adjustment Applications
- Chapter 31 Hearings and Decisions

Chapter 32 Regulations Governing Commission Meetings

(Rev.: 4-19-99)

Chapter 1

GENERAL DESCRIPTION OF ORDINANCE

Section 1001. Purpose of M.M.C. Chapter 7, Article VI

The Malibu Mobilehome Park Rent Stabilization Ordinance was adopted to prevent unwarranted and excessive space rent increase and to protect the substantial investment of the homeowners in their mobilehome, while at the same time affording the park owner a fair and reasonable return on their property.

Section 1002. Applicability.

The provisions of these regulations are intended to be applicable to the administration and enforcement of the provisions of Chapter 7 of Article VI of the Malibu Municipal Code.

Chapter 2

REGISTRATION OF MOBILEHOME SPACES

Section 2001. Registration Requirement

All mobilehome parks within the City of Malibu are required to be registered annually with the City. Park owners must register their mobilehome parks with the City prior to July 1 of each year. The 1992 initial registration of all mobilehome parks and subsequent registrations shall be completed on a form provided by the City Manager and to the satisfaction of the City Manager along with the required registration fee. The registration provisions of this section shall apply to all mobilehome spaces within the City of Malibu, including spaces exempt from rent regulation or exempt under Civil Code Section 798.17. No park owner shall be considered or permitted to receive any annual rent increase, rent adjustment or special adjustment to a mobilehome space rent unless said park has satisfied the registration requirements of this section and these administrative regulations, including payment of all required registration fees.

Section 2002. Initial Registration

All park owners shall register their mobilehome parks on or before February 3, 1992, which is sixty (60) days after the adoption of Chapter 7, Article VI.

Section 2003. Subsequent Registration

A park owner shall re-register the mobilehome park upon change of ownership or in the event significant changes in the information provided on the initial or annual registration has occurred.

Section 2004. Annual Registration Renewal

In the event no significant changes to park ownership, address or other information has occurred, a park owner renews its annual registration upon paying of the appropriate registration fee and signing and submitting a verification stating that the current registration information is true and correct.

Section 2005. Acceptance of Registration

The City shall accept registration of a mobilehome park in the event that the registration form contains all the information required and is accompanied by the required registration fee. The mere submission of information does not constitute or guarantee acceptance of registration and compliance with this section.

Section 2006. Failure to Register or Re-register Parks

Any park owner who fails to register and pay registration fees shall not be entitled to formula increases or other rent adjustments as provided for by Chapter 7 of Article VI, shall not be entitled to pass through the registration fees to homeowners, and shall be subject to fines in the amount of 100% of the registration fees.

Chapter 3

DETERMINATION OF BASE RENTS

Section 3001. Determination

The City shall determine the base rent and the maximum allowable rent for each mobilehome space in the City. The determinations shall be in accordance with Section 6701(B) of Chapter 7, Article VI.

Section 3002. Park Owners' Responsibility to Provide Information

Upon request by the City, the park owners shall provide the City with a list of the current rent for each space for which a valid long-term lease was in effect on December 3, 1991 where such lease exempts the space from local rent control pursuant to State law and, for all other spaces in the park, the amount of the rent that was in effect on December 31, 1984, and March 28, 1991, and documents supporting the rent information for all spaces in the park.

Section 3003. Alternative Sources of Information

The City may also accept information from current or former park residents or real estate agents or any responsible party reasonably likely to have actual knowledge of or access to credible sources for the amount of the rent in effect on December 31, 1984.

Section 3004. Opportunity to Rebut

Determinations of the base rent shall be mailed to both the park owner and current resident and shall not be final for ten (10) days after such mailing. During this time, either party may produce evidence to rebut the amount determined and rebut such determination in writing to the City Manager. The City Manager shall consider such information and make a final decision.

Section 3005. Recalculation

For the purposes of recalculating rents in accordance with Section 6701(B) of Chapter 7, Article VI, the City accepts the following percentages which represent 75% of the Consumer Price Index (CPI-U) for All Urban Wage Earners within the Los Angeles-Anaheim-Riverside Metropolitan Area as those used by the County of Los Angeles in enforcing Section 8.57.070 of the Los Angeles County Code:

<u>For the Calendar Year</u>	<u>Percentage - 75% of CPI</u>
1985	3.5%
1986	2.5%

1987	3.2%
1988	3.5%
1989	3.8%
1990	4.4%
1991	2.3%

Chapter 4

APPEALS FROM RENT DETERMINATIONS

Section 4001. Scope of Regulations

The regulations contained in this Chapter apply to appeals from rent determinations made by the City Manager or his designee pursuant to M.M.C. Section 6705(c).

Section 4002. Right to Appeal

The determination of a base rent made pursuant to M.M.C. Section 6705[©] may be appealed to the Commission by any affected party.

Section 4003. Grounds for Appeal

The determination of a base rent may be appealed on any of the following grounds:

A. The determination is not reasonably supported by the evidence submitted to the City in accordance with M.M.C. Section 6705; or

B. There was a typographical error or an error in calculation; or

C. There is new and relevant information which was not available to the City Manager because of mistake, inadvertence or excusable neglect where such information could have affected the City Manager's decision. A summary of the reasons why such evidence was not available shall be included in the application.

Section 4004. Time for Appeal

An appeal from a rent determination must be filed fifteen (15) days after receipt of final Staff determination. Staff or the Commission may waive the time limits for good cause. Notwithstanding the deadlines in this section, the Commission shall accept and schedule for hearing those appeals of base rent determinations received up to and including October 15, 1992. (amended 9/24/92 by Res. No. RC 92-05)

Section 4005. Appeal Forms

Appeals pursuant to this Chapter may be filed on the form provided by the City or in writing pursuant to the requirements set forth in the remainder of this Chapter.

Section 4006. Appeal Fees(Reserved)

Section 4007. Procedure for Filing an Application or Appeal

A. Applications and appeals under this Chapter shall be submitted to the City Manager. Applications and appeals submitted are not automatically deemed filed. An application or appeal shall meet the requirements of Section 4008 before it may be filed.

B. The City Manager shall determine within thirty (30) days after receipt of an appeal or application whether said application or appeal is complete or whether additional information is needed in order to make it complete. If the City Manager determines the application or appeal is not complete, it shall so notify the applicant or appellant in writing, setting forth the additional information required.

Section 4008. Requirements for Filing

Appeals and applications shall not be filed when any of the following circumstances exist:

A. The application or appeal is not made on the appropriate form or, if submitted by letter, does not contain the required information.

B. If the appeal is by the park owner, where the park is not registered in accordance with Section 6705(A) and (B) of the Malibu Municipal Code.

C. The Commission has already issued a decision setting initial base rent for the subject space or has failed to act, thereby making the City Manager's determination final. In the case of an appeal of a vacancy increase on a space for which the initial base rent was previously determined, the Commission may hear the appeal of the vacancy increase and set the base rent for the new home owner.

Section 4009. Evidence

Formal rules of evidence shall not apply except as set forth in Chapters 30 and 31 of these Regulations.

Section 4010. Staff Report

The Staff Report shall be submitted pursuant to the regulations set forth in Chapters 30 and 31.

Section 4011. Hearing Procedure

The Hearing Procedure shall be as set forth in Chapters 30 and 31 of these Regulations.

Section 4012. Continuances

Continuances may be permitted pursuant to Chapters 30 and 31 of these Regulations.

Section 4013. Commission Action on Appeal

A. The Commission may affirm or modify the City Manager's determination or, in the event that insufficient information is available to determine the appropriate base rent, the Commission may remand the matter to the City Manager.

B. If the Commission fails to make a decision, the determination of the City Manager shall be final.

C. Except as supplemented herein, Commission action shall be as set forth in Chapters 30 and 31 of these regulations.

Chapter 5

FORMULA RENT INCREASES

Section 5001. Scope of Regulations

The regulations contained in this Chapter apply to formula rent increases pursuant to M.M.C. Section 6708(A).

Section 5002. Consumer Price Index (CPI)

A. The Consumer Price Index used in this regulation shall be as defined in M.M.C. Section 6701(F): "CPI" means the Consumer Price Index (All Item) prepared by the Bureau of Labor Statistics for the Los Angeles-Anaheim-Riverside area relating to all urban consumers. If the method of calculating the CPI is subsequently substantially revised, this method shall continue to be used, or the revised CPI shall be adjusted by the City to correspond to this method.

B. The Consumer Price Adjustment Period used in this regulation shall be as defined in M.M.C. Section 6701(G): "CPI Adjustment Period." The City shall determine a figure constituting the percentage change to the CPI for use as the basis of rent increases. Such figure need only be based upon available data. This figure shall be based on the percentage change in the CPI during the last available 12-month period for which information is available from the United States Bureau of Labor Statistics.

C. As necessary and for good cause, the City Manager may determine a percentage change to the CPI at any time during the year using the previous twelve (12) month period from the date of a request.

Section 5003. CPI Adjustment Period

On or before January 1 of each year, the City Manager shall determine and notice the percentage change in the Consumer Price Index to be used throughout the entire year for formula increases.

Section 5004. Formula Increase

Pursuant to M.M.C. Section 6708(A), space rents may be increased automatically and annually by the total percentage increase in the CPI for the applicable CPI adjustment period as determined by the City Manager. Notwithstanding, no space rent shall be increased by more than 5% per year even if CPI increase is greater; and space rent may be increased by up to 2%

per year, even if CPI increase is less than 2%. Calculation of the one-year limit on formula increases shall be from the date the last increase became effective at a particular space.

Section 5005. Posting and Notification

A. On or before January 1 of each year the City Manager shall post the formula increase percentage at the City of Malibu posting places.

B. On or before January 1 of each year the City Manager shall notify park owners by certified mail, return receipt requested, of the formula increase percentage.

C. On or before January 1 of each year the Park Owner shall post the formula increase percentage in a convenient location at each park.

D. On or before January 1 of each year the City Manager shall notify the Mobilehome Park Rent Stabilization Commissioners by mail of the formula increase percentage.

E. The notice shall contain the specific date and description of CPI used and shall detail the calculations made in order to determine the maximum formula increase.

Section 5006. Space Rent Increase

The park owner may increase space rents up to the formula increase according to notifications made pursuant to Civil Code Section 798.30.

Section 5007. Separately Billed Services and Capital Improvements

No formula increase shall be permitted for separately billed services or capital improvements.

Chapter 6

VACANCY INCREASES

Section 6001. Scope of Regulations

The regulations contained in this Chapter apply to vacancy rent increases pursuant to M.M.C. Section 6708(B).

Section 6002. Vacancy

A. A space shall be considered vacant when the home is sold, resold, abandoned or when the ownership of the home changes.

B. Change in ownership of the home does not occur under the following circumstances:

1. Addition or deletion of a spouse to the title due to marriage, divorce or death.
2. Addition or deletion of one or more names to title at any time one or more of the prior owners remains the same.
3. When title to home is changed to a trust, the beneficiary(ies) and/or trustee(s) of which are one or more of the prior owners.
4. When title to home is changed to reflect removal of or addition of the holder of a note secured by the home.
5. When title to home is changed to reflect removal of or addition of the names of parents or children to the title, even if the prior owner(s)'s name(s) no longer remain on the title.
6. When title to a home passes to children of the owner.

Section 6003. Increase

Upon vacancy, the park owner may increase the space rent up to 15% of the last space rent charged on vacancy. No increase shall be permitted for separately billed fees, services, capital improvements and the like.

Section 6004. Re-registration

A. The park owner shall re-register the space within sixty (60) days of occupancy by providing to the City Manager:

1. The name and address of the new resident.
2. The space affected.
3. The last space rent charged to the previous resident.
4. The new space rent.

B. If the space is subject to a long-term lease exempt from the rent stabilization provisions of the Ordinance pursuant to Civil Code Section 798.17, the park owner shall provide to the City Manager within sixty (60) days information pertaining to the duration of the lease, expiration date of the lease, any rent increases provided for by the lease, and the rent in effect when the lease expires (or the formula by which the rent charged under the lease is calculated).

Chapter 7

GOVERNMENT REQUIRED SERVICES (SPECIAL AND LIMITED RENT)

Section 7001. Scope of Regulations

The regulations contained in this Chapter apply to government required services and special rent and limited rent increases pursuant to M.M.C. Section 6708(D)(1).

Section 7002. Notification to Home Owner

Besides the notification required under M.M.C. Section 6708(D)(1), the park owner shall provide to each affected home owner:

- A. Access to copies of the documents requiring added services by the government.
- B. A statement of the actual costs paid in the prior twelve months.
- C. The computation of the homeowner charge.

Section 7003. Notification to the City

The park owner shall provide to the City Manager a summary of the data required under Section 4002. The summary shall be provided at the same time as the owner notification.

Section 7004. Multi-year Required Services

A separate notification is required for each 12 month period that a service is in effect.

Chapter 8

CAPITAL IMPROVEMENT

Section 8001. Scope of Regulations

The regulations contained in this Chapter apply to capital improvement, special or limited rent increases pursuant to M.M.C. Sections 6708(D)(2) and 6712(C)(1)(a).

Section 8002. Definition

Capital improvements are defined in M.M.C. Section 6701(D).

Section 8003. Request for Capital Improvements

A. The park owner may apply for a capital improvement charge according to Chapters 30 and 31 of these regulations.

B. In addition to the data required in Chapters 30 and 31 of these regulations, the park owner shall provide:

1. Currently approved capital improvement pass throughs by space.
2. Signature (executed under penalty of perjury) of one adult owner from at least 2/3 of the spaces in the park indicating consent to the capital improvement.
3. Final approval by the City Environmental and Building Department, if required.
4. Justification of amortization period proposed based upon Internal Revenue Code.
5. Verification of current prime interest.

Section 8004. Hearing

The hearing shall be conducted according to Chapters 30 and 31 of these regulations.

Section 8005. Decision and Findings

The decision and findings shall be in accordance with Chapters 30 and 31 of these regulations. Additionally, the findings shall set forth:

- A. The approved dollar value of the capital improvement.
- B. The interest rate and interest rate computation.
- C. The amortization schedule.
- D. The monthly cost for each space affected, computed by adding the total costs (including interest and application fee approved) divided by the amortization period and converted to a monthly rate.
- E. At the homeowner's option, the entire principal balance plus accrued interest to date may be paid in one sum at any time.

Section 8006. Implementation of the Payment Change

Implementation of the change shall be in accordance with Chapters 30 and 31 of these Regulations. The capital improvements shall be separately billed to the homeowner.

Section 8007. Review of Commission Decision

Review of the Commission decision shall be in accordance with Chapters 30 and 31 of these Regulations.

Chapter 9

REDUCTION IN SERVICES

Section 9001. Scope of Regulations

The regulations contained in this Chapter apply to a reduction in housing services pursuant to M.M.C. Section 6710(A).

Section 9002. Definition

Pursuant to M.M.C. Section 6701(J), "housing services" means services provided by the park owner related to the use or occupancy of a mobilehome space, including, but not limited to, water and sewer, natural gas, electricity, refuse removal, management and administration (including employee salaries and fringe benefits), maintenance and repairs, supplies, advertising, recreation facilities, laundry facilities, parking, security services, insurance, property taxes, governmental assessments, and other costs reasonably attributable to the operation of the mobilehome park. The term "housing services" shall not include legal fees or mortgage payments, whether for principal, interest, or both.

Section 9003. Notification to Park Owner

Prior to submitting an application for a rent reduction, the applicant must send written notification to the park owner specifying the grounds for a possible rent reduction and requesting repair of the condition or restoration of the services. No application for rent reduction may be submitted until 30 days after delivery of the written notice or written refusal to perform the work by the park owner, whichever occurs first.

Section 9004. Request for Rent Adjustment Due to Reduction in Housing Services

A. The park owner or home owner or home owners as a group may apply for a rent adjustment based on a reduction in services in accordance with Chapters 30 and 31 of these Regulations.

B. If a housing service alleged reduced or eliminated effects all or other spaces, the Commission may order rent adjustments without new applications.

C. To determine the value of a housing service which has been reduced or eliminated, the Commission shall consider all relevant evidence including any and all of the following:

1. Information relating to the significance of the reduced service in relation to the

safety, health, convenience and comfort of the home owner(s).

2. The prevailing market value of the service as an amenity.
3. The extent to which the home owner relies on the service.
4. The cost to the park owner of providing the service.

Section 9005. Hearing

The hearing shall be conducted in accordance with Chapters 30 and 31 of these Regulations.

Section 9006. Decision and Findings

The decision and findings shall be rendered in accordance with Chapters 30 and 31 of these Regulations.

Section 9007. Implementation of Change

Implementation of the change shall be in accordance with Chapters 30 and 31 of these Regulations.

Section 9008. Review of Commission Decision

Review of the Commission decision shall be in accordance with Chapters 30 and 31 of these Regulations.

Chapter 10

RENT INCREASE TO ASSURE A FAIR AND REASONABLE RETURN

Section 10001. Scope of Regulations

The regulations contained in this Chapter apply to rent adjustments pursuant to M.M.C. Sections 6708(C), 6712 and 6721.

Section 10002. Definition

- A. Base Rent is defined in M.M.C. Section 6701(B).
- B. Space Rent is defined in M.M.C. Section 6701(O).
- C. Gross Income is defined in M.M.C. Section 6701(H).
- D. Housing Services is defined in M.M.C. Section 6701(J).
- E. Operating Expenses is defined in M.M.C. Section 6701(N). Operating expenses shall not include the capital costs and expenses associated with developing rentable spaces, for example, costs of preparing the site, extension or improvement of the infrastructure to accommodate a new site, advertising and rental expenses associated with the first time rental of the space and other costs related to adding a new space to the park.
- F. Base Year is defined in M.M.C. Section 6701(C).
- G. Net Operating Income is defined as gross annual income plus adjustments required under these Regulations, less annual operating expenses.
- H. Current Year shall be the most recent calendar or fiscal year prior to the date of application.

Section 10003. Presumption of a Fair Return

M.M.C. Section 6712 provides that the base rent, as adjusted pursuant to M.M.C. Sections 6708(A) and 6708(B), is presumed to result in a fair return to the park owner in the base year.

Section 10004. Rebutting Presumption of a Fair Return in the Base Year

Should the Commission determine that the base rents yielded a park owner other than a fair return on investment, the rent may be adjusted accordingly. In order to make such a determination, the Commission must make at least one of the following findings:

A. The park owner's operating and maintenance expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be made in such expenses so the base year operating expenses reflect average expenses for the property over a reasonable period of time. The Commission shall consider the following factors:

1. The park owner made substantial capital improvements which were not reflected in the rent levels on the base year date.
2. Substantial repairs were made due to damage caused by natural disaster or vandalism not reimbursed by insurance.
3. Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of housing services.
4. Other expenses were unreasonably high or low, notwithstanding the following of prudent business practice. In making this determination, the fact that property taxes prior to 1991 may have been higher than in the base year shall not be considered. It is not the intent of this Chapter to reward or to compensate for inefficient business practices.

B. The rent on the base date was disproportionate due to one of the enumerated factors below. In such instances, adjustments may be made in calculating gross rents, consistent with the purposes of M.M.C. Section 6700, et seq.

1. The rent on the base date was established by a lease or other formal rental agreement which provided for substantially higher rent at other periods during the term of the lease, for example a reduced rent during the first year of the lease.
2. The rent on the base date was substantially higher or lower than at other times of the year by reason of seasonal demand or seasonal variations in rent.
3. The rent on the base date was substantially higher or lower than preceding months because of premiums being charged or rebates being given for reasons unique to particular units or limited to the period determining the base rent.

Section 10005. Application for Adjustment

- A. An Applicant may apply for an adjustment to base rent according to Chapters 30

and 31 of these Regulations.

B. In addition to the information required by these Regulations, the applicant shall provide the following:

1. Rental and tenant history for the space(s).
2. Total amount of employee wages and fringe benefits included in operating expenses, decreased by the percentage of time employees whose wages and fringe benefits are wholly included in operating expenses spent performing duties for the park owner which do not relate to provision of housing services or maintaining the park.
3. Total cost of leased/rented equipment or depreciation of owned equipment included in operating expenses, decreased by the percentage of time the equipment is utilized for work for the park owner which does not relate to provision of housing services or maintenance of the park.

C. For applications for rent increases based on the Net Operating Income Formula or an alternative method, in addition to the information required by these Regulations, the applicant shall also provide, at a minimum, the following data:

1. The net operating income for the base year and the current year.
2. Space rent for each space.
3. Detailed description of any adjustment to the space rent for each space which shall include adjustments for which park owner was eligible, and those approved, whether implemented or not.
4. Detailed description of uncollected rents due to vacancy or bad debt.
5. Detailed list of income other than space rent.
6. Detailed description of operating expenses for provision of housing services.
7. Total amount of adjustment requested.
8. Total amount of adjustment requested for each space.
9. Documents, books, records, invoices, cancelled checks, financial statements and all other materials which support the application. All records and documents submitted must be

readable, including all copies made. To the extent that this information exists in this form, the following should be included (and must be submitted, upon request by staff within 20 days of initial application, when determined by staff to be reasonably required for a meaningful review of the application): (Resolution RC99-03, 03-30-99)

(a) audited financial statements, including a balance sheet, income statement and cash analysis (inflows/outflows);

(b) invoices to specific accounts (using payment vouchers) using adequate descriptions of areas of expense which relate to the expense categories set forth in Sections 6.7.12(A) and 6.7.01(N) and shall be accompanied by a cover document summarizing all invoices submitted.

(c) cancelled checks organized into the appropriate expense categories set forth in Sections 6.7.12(A) and 6.7.01(N) and shall be accompanied by a cover document summarizing all cancelled checks submitted.

(d) monthly bank statements to support data on both revenues and expenditures along with bank reconciliations.

(e) books of original entry (journals) with related documents.

(f) ledgers of accounts and charts of accounts with related documents.

(g) a double-entry accounting or bookkeeping system presenting documents related to the application.

(h) a ledger of fixed assets as necessary for the application.

(i) a summary of all written accounting procedures used with the related documents.

(j) a purchase order system, traceable to accounting records, showing order, receipt and payment.

(k) a payroll system which interfaces with the accounting records.

Section 10006. Net Operating Income Formula

A. The park owner may request a rent adjustment in order to permit the owner to receive a just and reasonable return. The Commission will determine whether the park owner is

receiving a fair and reasonable return based on the Net Operating Income (NOI) Formula set forth in these Regulations. It is presumed that this formula will assure a fair and reasonable return on the park owner's investment.

B. A rent adjustment shall be approved in order to provide a fair and reasonable return and maintain net operating income in accordance with the following formula: Net Operating Income equals gross income minus operating expenses. A fair NOI is 75% of the percentage increase in the CPI over the base year. (For example, if the CPI has increased by 10% since base year, the park shall be entitled to a NOI which is 7.5% above the base year level).

C. The park owner shall adjust the base year gross income upward for any space(s) occupied by the park owner, park owner's family, or by a manager, agent or employee where the space was rent free or charged at a rent level below that of comparable spaces.

D. For each space removed from park use since the base year, the park owner shall adjust the current gross income upward at the space rent which would have existed had the space not been removed from use.

E. The park owner shall adjust the current year gross income upward in the amount of any increases the park owner is eligible to receive under the provisions of the Malibu Municipal Code but which the park owner has not yet imposed.

F. If a space is added to the park after 1984 and is not exempted from rent control by state law, the park owner shall adjust the gross income upward for the year the space is added and for each succeeding year.

G. If a park owner is earning its base year NOI, after any adjustment pursuant to Section 10004 and 10008, adjusted by 75% of CPI, it is presumed that the park owner is receiving a fair return and no increases in rent are warranted. If the park owner is not receiving a fair return as defined herein, the Commission shall grant rent increases accordingly. The Commission may increase rents to the minimum level necessary to assure a fair return based on the evidence in the record.

Section 10007. Alternative Methods of Assuring a Fair Return

A park owner may rebut the presumption that the increase calculations provided in Section 10006 of these Regulations are sufficient to provide a fair and reasonable return by showing that the rate of return on its investment being earned by the park owner is not fair and reasonable even after adjustments in rents are made pursuant to Section 10006 of these Regulations.

The Commission shall consider all relevant evidence, including, but not limited to, the following:

- A. The rent being charged by comparable mobilehome parks.
- B. The rate of return on investment earned by the park owner in 1985 and 1991, the rate of return of investment earned by the park owner in each year since 1991, including the rate of return on investment earned in the most recent calendar year.
- C. The average rate of return on investment earned by other mobilehome parks in the City and surrounding areas during the year the application is filed and each of the 5 preceding years.
- D. The mobilehome park's pattern of income and expenses over each of the past 5 years.
- E. The quality of the services, amenities and maintenance provided at the mobilehome park and any decrease or increase in services, maintenance and amenities in the current year.

Section 10008. Selecting a different base year

If the Commission determines that, after reasonable effort, information is unavailable for the base year or the base year is not representative, the Commission may select a new base year by designating the next chronological year for which information is available and which is representative.

Section 10009. Hearing

The hearing shall be conducted according to Chapters 30 and 31 of these Regulations.

Section 10010. Decision and Findings

The decision and findings shall be made in accordance with Chapters 30 and 31 of these Regulations and shall take into account those factors set forth in M.M.C. Section 6713.

Section 10011. Implementation of Adjustment

Implementation of the change shall occur in accordance with Chapters 30 and 31 of these Regulations.

Section 10012. Review of Commission Decision

Review of the Commission decision shall be in accordance with Chapters 30 and 31 of these Regulations.

Chapter 11

NECESSARY INFRASTRUCTURE IMPROVEMENTS

Section 11001. Scope of Regulations

The regulations contained in this Chapter apply to necessary infrastructure improvements as set forth in M.M.C. Sections 6701(M.5) and 6708(D)(2).

Section 11002. Definition

Necessary infrastructure improvements are defined in M.M.C. Section 6701(M.5).

Section 11003. Request for Necessary Infrastructure Improvements

A. The park owner may apply for a necessary infrastructure improvement charge by submitting a complete application to the City Manager. The application shall be in sufficient detail to permit a reasonable person to adequately review the request and, at a minimum, shall include the following:

1. Description and rationale for the application and the proposed improvement with copies of at least three bids from qualified bidders.
2. Total dollar amount of the application.
3. The current and proposed MAR, or service charge, as applicable, for each affected space.
4. Detailed information on leases pursuant to M.M.C. Section 6710(D).
5. Documentation to demonstrate the industry standard for maintenance of the proposed improvement. Documentation establishing park owner's substantial compliance with the industry standard. All other documents, books, records, invoices, canceled checks, financial statements, and similar documentation which support the application.
6. Additional data required to support the application as set forth in the Regulations under which the application is made.
7. Proof of service signed under penalty of perjury that all affected parties have been notified pursuant to M.M.C. Section 6710(A)(2).

B. A park owner's application is not complete unless the park is current in all registration and fee requirements.

C. Within twenty (20) days of receipt of the application, the City Manager shall notify the applicant whether the application is complete. The application shall be deemed filed as of the date of notice of a complete application or, if no notice is sent, twenty (20) days after submission.

D. Within ten (10) days of filing, the City Manager shall send notice to the applicant and to each affected party of the date, time and place of hearing on the application and of the availability of the application and supporting documents for review at City Hall during normal business hours. The hearing shall be set no sooner than twenty (20) days and no later than forty (40) days after filing of a complete application.

E. Any person may order and purchase a copy of the application and supporting documents and same shall be delivered promptly to insure that those wishing to be informed prior to and participate in the hearing may do so.

Section 11004. Opposition

A. All documentary evidence presented by any individual or group or individuals opposing any application shall be received no later than fifteen (15) days prior to the scheduled hearing date.

B. Any person may order and purchase a copy of the opposing documentary evidence and the staff report, and same shall be delivered promptly to insure that those wishing to be informed prior to and participate in the hearing may do so.

Section 11005. Supplemental and Rebuttal Evidence

Documentary evidence not presented prior to the date for completion of the Staff Report may be considered if good cause is demonstrated as to why it was not submitted prior to the hearing.

Section 11006. Evidence

A. Formal rules of evidence or procedure which must be followed in court shall not apply to administrative proceedings except as follows:

1. Parties submitting documentary evidence shall execute a declaration under penalty of perjury that the matters set forth in the documents are true either to their personal knowledge or upon information and belief. If the document is a copy, the declaration shall

include a statement that the document is a true copy of the original.

2. Witnesses shall be sworn and shall testify truthfully under penalty of perjury.

B. Each written statement to be considered evidence shall:

1. Be made under penalty of perjury.

2. Set forth the full name and current residence and business address and telephone number of the person making the statement.

Section 11007. Hearing

The City Manager or his designee shall conduct a duly noticed public hearing prior to rendering a decision.

Section 11008. Decision and Findings

The City Manager's decision and findings shall be in writing. Additionally, the findings shall set forth:

A. The approved dollar value of the necessary infrastructure improvement.

B. The interest rate and interest rate computation.

C. The amortization schedule.

D. The monthly cost for each space affected, computed by adding the total costs(including interest and application fee approved) divided by the amortization period and converted to a monthly rate.

Section 11009. Implementation of the Payment Change

Implementation of the change shall be in accordance with Chapters 30 and 31 of these Regulations. The necessary infrastructure improvements shall be separately billed to the homeowner. At the homeowner's option, the entire principal balance plus accrued interest to date may be paid in one sum at any time.

Section 11010. deleted.

Chapter 30

GENERAL PROCEDURES FOR RENT ADJUSTMENT APPLICATIONS

Section 30001. Scope of Regulations

The regulations contained in this Chapter apply to all applications for rent adjustments as authorized by M.M.C. Section 6700, et seq. These Regulations are in addition to regulations in other Chapters of the Malibu Mobilehome Rent Stabilization Commission Regulations.

Section 30002. Applications

A. All applications shall be in writing and in a form prescribed by the City Manager, or in letter form which shall provide the same information as required on the form prescribed by the City Manager and as required in these Regulations.

B. The applicant shall pay a filing fee with the application in the form of a check or money order made payable to the City of Malibu. The filing fee shall be determined by resolution of the Malibu City Council.

C. The application shall be in sufficient detail to permit a reasonable person to adequately review the request and shall, at a minimum, include:

1. Description and rationale for the application.
2. Total dollar amount of the application.
3. The current and proposed base rent, or service charge, as applicable, for each affected space.
4. Detailed information on leases pursuant to M.M.C. Section 6710(D).
5. Documents, books, records, invoices, canceled checks, financial statements, etc. which support the application.
6. Additional data required to support the application as set forth in the Regulations under which the application is made.
7. Proof of service signed under penalty of perjury that all affected parties have been notified pursuant to M.M.C. Section 6710(A)(2).

D. A park owner's application is not complete unless the park is current in all registration and fee requirements.

E. The application is complete if all information required in sub-sections 1 through 7 hereof is provided and all application fees have been paid to the City; and additionally upon compliance with sub-sections (D) and (E) hereof if applicant is a park owner.

F. Within ten (10) days of receipt of a completed application, the City Manager shall send notice to the applicant and to each affected party of the date, time and place of hearing on the application and of the availability of the application and supporting documents for review at City Hall during normal business hours.

G. Any person may order and purchase a copy of the application and supporting documents and same shall be delivered within three (3) days to insure that those wishing to be informed prior to and participate in the hearing may do so.

Section 30003. Opposition

A. All documentary evidence presented by any individual of group or individuals opposing any application shall be received by the City within twenty (20) days of the application being deemed complete. (Resolution RC99-02, 03-30-99)

B. Within fifteen (15) to twenty-five (25) days after the deadline for receiving opposing evidence, the City Manager shall prepare a staff report.(Resolution RC99-02, 03-30-99)

C. Any person may order and purchase a copy of the opposing documentary evidence and the staff report, and same shall be delivered within three (3) days to insure that those wishing to be informed prior to and participate in the hearing may do so.

Section 30004. Supplemental and Rebuttal Evidence

Documentary evidence not presented prior to the date for completion of the Staff Report may be considered if good cause is demonstrated as to why it was not submitted on time.

Section 30005. Evidence

A. Formal rules of evidence or procedure which must be followed in court shall not apply to Commission proceedings except as follows:

1. Parties submitting documentary evidence shall execute a declaration under

penalty of perjury that the matters set forth in the documents are true either to their personal knowledge or upon information and belief. If the document is a copy, the declaration shall include a statement that the document is a true copy of the original.

2. Witnesses shall be sworn and shall testify truthfully under penalty of perjury.

B. Each written statement to be considered evidence shall:

1. Be made under penalty of perjury.

2. Set forth the full name and current residence and business address and telephone number of the person making the statement.

Section 30006. Staff Report

A. No later than fifteen (15) days prior to the scheduled date of the hearing the City Manager shall prepare a staff report containing the following, in addition to specific matters required to be included pursuant to regulations for particular applications: (Resolution RC99-02, 03-30-99)

1. Summary of the application and the staff's recommendation.

2. Summary of the applicant's arguments in favor of the application.

3. Summary of any opposing evidence.

4. Summary of any arguments received from opponents of the application.

5. List of discrepancies or inconsistencies in the application.

6. Specific notes of any facts or figures the City Manager believes are not adequately supported by the applicant.

B. A copy of the staff report shall be made available at City Hall.

Section 30007. Documents to be Reviewed by Commissioners

A. The Commissioners shall review the application, supporting documentary evidence, opposition and evidence, staff report and all correspondence and other notes prior to the scheduled hearing.

B. In order to effectuate the provisions of sub-section (A), the City Manager shall

deliver to each Commissioner no later than fifteen (15) days prior to the scheduled hearing date copies of the application, supporting documentary evidence, opposition and evidence, staff report and all correspondence and other notes. (Resolution RC99-02, 03-30-99)

C. All documents relating to a hearing which arrive after the package described in sub-section (B) has been delivered shall be delivered to each Commissioner on the same day they are received with a note clearly setting forth the date and time each arrived.

Section 30008. Log of Applications

The City Manager shall maintain as a public record a log setting forth each application or appeal received. This log shall contain the following:

- A. Any control number assigned.
- B. Date the application or appeal was received.
- C. Date the application or appeal was filed.
- D. Name of party/entity presenting the application or appeal to be filed.
- E. Names of affected parties.
- F. Type of application or appeal submitted.
- G. Date(s) documentary evidence supporting the application or appeal was received, including supplemental submissions.
- H. Date(s) documentary evidence and/or argument opposing the application or appeal is received, including supplemental submissions.
- I. Date scheduled for hearing.
- J. Date Staff Report is due.
- K. Date Staff Report is completed.
- L. Date(s) document package(s) must be delivered to Commissioners.
- M. Date(s) document package(s) actually delivered to Commissioners.
- N. Date(s) of receipt of request(s) for continuance and any continuance granted by the

Commission.

- O. Date of hearing; include all dates if hearing occurs on more than one date.
- P. Date of receipt of Commission decision.
- Q. Date of posting notice of filing of Commission decision.

Section 30009. Notice of Commission decision

The City Manager shall send a copy of the final Commission decision to all parties as soon as it is available. The notice shall contain a provision as to how the decision may be appealed in civil court pursuant to Code of Civil Procedure Section 1094.5.

Section 30010. Implementation of Change

The City Manager shall note in the City's records for each space all adjustments in rent relating to that space and said shall be permanently maintained as a public record which shall reflect the following:

- A. The initial base rent determination.
- B. The date each increase or decrease was ordered by the Commission.
- C. The date for implementation of increases or decreases ordered by the Commission.
- D. The current maximum allowable rent.
- E. Each permitted additional charge, its date of implementation and completion.

Chapter 31

HEARINGS AND DECISIONS

Section 31001. Scope of Regulations

The regulations contained in this Chapter apply to all hearings before and decisions of the Malibu Mobilehome Park Rent Stabilization Commission held pursuant to M.M.C. Section 6700, et seq.

Section 31002. Hearings

A. A hearing on an application shall be scheduled no earlier than twenty (20) days and no later than forty (40) days after the completed application is accepted for filing.

B. The hearing shall be conducted according to M.M.C. Section 6711 and these Regulations.

C. The hearing shall be conducted by a quorum of the Commission.

D. The hearing shall proceed in the following order:

1. Presentation of the staff report.

2. Presentation on behalf of applicant, including testimony of any affected parties and witnesses in support of the application.

3. Presentation on behalf of opponents, including testimony of any affected parties and witnesses in opposition to the application.

4. Rebuttal by applicant.

E. The burden of proof shall be on the applicant to demonstrate its case by a preponderance of the evidence.

F. All parties to the hearing may have assistance from an attorney or such other person as may be designated by the parties in presenting evidence or arguing their position.

G. In the event that either the park owner or the homeowner(s) should fail to appear at the hearing at the specified time and place, the Commission may hear and review such evidence

as may be presented and make such decisions as if both parties had been present.

H. All hearings shall be tape-recorded. Tapes shall be preserved for two (2) years.

I. Commissioners may ask questions of any witness at the end of that witness's testimony if the need arises.

J. Formal rules of evidence or procedure which must be followed in court shall not apply to Commission proceedings except as follows:

1. Parties submitting documentary evidence shall execute a declaration under penalty of perjury that the matters set forth in the documents are true either to their personal knowledge or upon information and belief. If the document is a copy, the declaration shall include a statement that the document is a true copy of the original.

2. Witnesses shall be sworn and shall testify under penalty of perjury.

3. Each written statement used as evidence shall:

a) Be made under penalty of perjury.

b) Set forth the full name and current residence and business address and telephone number of the person making the statement.

K. Unless specifically requested by the Commission at a public meeting, no documentary evidence or written or oral argument shall be sent or made to the Commission or to any Commissioner by any party or member of the public after the conclusion of the hearing.

L. No Commissioner shall request or accept documentary evidence or written or oral argument from any party or member of the public after the conclusion of the hearing.

Section 31003. Continuance

The Commission may continue a hearing on its own motion or at the request of an applicant or affected party.

Section 31004. Decorum at Hearing

A. Hearings shall begin promptly. Late arrivals shall seat themselves quietly, without interrupting the proceedings.

B. Because the hearing must be tape recorded, and because members of the public wish to hear what is being said, all speakers (including Commissioners and staff) shall speak loudly and clearly so the record will be clear and the audience can hear. Those persons who cannot, for any reason, speak loudly and clearly may assign someone who can do so to make any oral presentation on their behalf.

C. There shall be no noise, whispering, outcries, audible expressions of approval or disapproval, or any other type of disruption by any person in the hearing room at any time during the hearing. Such disruptions are discourteous to all concerned and will not be tolerated. Offending parties shall be warned by the Chair. If disruptions continue, the Chair may remove offending parties in order to insure that the hearing may go forward without further disruption or delay.

D. There shall be no smoking at any time and no side conversations during the hearing in the hearing room, in the hallways outside the hearing room or in other rooms in the building where the hearing is held. Persons wishing to engage in these activities shall go outside the building.

E. All persons attending or participating in the hearing in any fashion shall treat others with the same courtesy and respect with which they expect to be treated.

F. Commissioners, parties and the audience shall not interrupt the presentation of a party or testimony of a witness.

G. Vulgar or offensive language and/or behavior shall not be tolerated.

H. The Chair shall enforce these regulations as is necessary and appropriate in order to insure a fair hearing to the participants and that the hearing is concluded without undue delay.

Section 31005. Decision of the Commission

A. The findings and conclusions of the Commission shall be written. The Commission may adopt a proposed resolution prepared by the Staff, may amend a proposed resolution and adopt it at the conclusion of the hearing, may direct staff to prepare a resolution consistent with the Commission's decision, or may prepare a resolution at the hearing.

B. The decision shall become final upon adoption of the resolution. The City Manager shall mail the applicant a copy of the decision.

Section 31006. Implementation of Change

A. Any increase in rent granted by the Commission shall be noticed by the park owner pursuant to state law. A rent reduction shall go into effect the next date that rent is due after the date of the Commission's final decision.

B. The City Manager shall note in the City's records for each space all adjustments in rent relating to that space and said shall be permanently maintained as a public record which shall reflect:

1. The initial base rent determination.
2. The date each increase or decrease was ordered by the Commission.
3. The date for implementation of increases or decreases ordered by the Commission.
4. The current maximum allowable rent.

Chapter 32

REGULATIONS GOVERNING COMMISSION MEETINGS

Section 32001. Scope of Regulations

The regulations contained in this Chapter apply to meetings, other than hearings, of the Malibu Mobilehome Park Rent Stabilization Commission.

Section 32002. Preparation for Meeting

A. Commissioner packets, including the agenda, shall be delivered to Commissioners no later than 2:00 p.m. on the day which is seven (7) days prior to each regular or adjourned Commission meeting.

B. The City Manager shall prepare the agenda for the Commission meeting pursuant to instructions from the Commission.

C. The City Manager shall post the agenda and make the meeting packet available at each of the three legal posting places of the City of Malibu no later than close of business 72 hours prior to the meeting.

Section 32003. Meeting Conduct and Decorum

A. Absent agreement of the Commissioners, no meeting shall be scheduled except on the regularly scheduled meeting day or continued meeting day of the Commission.

B. Meetings shall begin promptly. Late arrivals shall seat themselves quietly, without interrupting the proceedings. Similarly, following a break, those arriving after the meeting has resumed shall seat themselves quietly without interrupting the proceedings.

C. Because the meeting is being tape recorded, and because members of the public wish to hear what is being said, all speakers (including Commissioners and staff) shall speak loudly and clearly so the record will be clear should reference need to be made to it. Those who cannot speak loudly and clearly may ask someone else to make their oral presentation or should present their comments in writing.

D. There shall be no noise, whispering, outcries or any other type of disruption by any person at any point during the meeting. Such disruptions are discourteous to the Commissioners and attendees and may well obliterate the tape-recording being made of the meeting. Offending parties will be warned to be quiet by the Chair. If disruptions continue, the Chair may remove

offending parties in order to insure that the meeting may go forward without interruption.

E. Those persons who wish to converse may do so in the parking lot outside the building as sound carries clearly into the meeting room from the hallways.

F. There shall be no smoking in the meeting room.

G. All persons attending or participating in the meeting in any fashion shall treat others with the same courtesy and respect with which they expect to be treated.

H. Commissioners and attendees shall not interrupt each other or talk over each other. They shall seek recognition by the Chair before speaking.

I. Vulgar or offensive language and/or behavior shall not be tolerated.

J. The Chair shall enforce these regulations as is necessary and appropriate in order to insure meeting decorum without unduly limiting public participation.

Section 32004. Excused absences

For good cause, the Chair, Vice Chair or a majority of the Commission members may excuse an absence of any of its members.

Section 32005. Commission Agendas and Commissioner Packets

A. Prior to preparing the Commission Agenda, the City Manager shall verify with the Commission Chair the matters to be included on the agenda, including any closed session to be noticed.

B. The City Manager shall complete the Commission Agenda and prepare Commissioner packets, which shall include the Agenda, minutes of prior meetings remaining to be approved, and all materials to be considered or discussed at the meeting no later than seven (7) days prior to each scheduled meeting, or if a special meeting, as many days as possible prior to the meeting, but in no event less than three (3) days prior to the meeting.

C. The City Manager shall make available the Commission Agenda and Commissioner packet to each Commissioner no later than 2:00 p.m. seven (7) days prior to the meeting. If a special meeting is scheduled which does not permit materials to be delivered seven (7) days prior to the meeting, they shall be available as many days as possible prior to the meeting.