

AMENDED AND RESTATED AGREEMENT BETWEEN THE CITY OF
RANCHO CUCAMONGA AND OWNERS OF CERTAIN MOBILE HOME
PARKS WITHIN RANCHO CUCAMONGA PROVIDING FOR AN
ANNUAL MAXIMUM RENT ADJUSTMENT

This Amended and Restated Agreement ("Agreement"), which shall be known as "The Mobile Home Park Accord" or "Accord" is made and entered into by and between the City of Rancho Cucamonga, California, a municipal corporation (hereinafter referred to as "City"), and the owners of certain mobile home parks in the City of Rancho Cucamonga, California (hereinafter collectively and individually referred to as "Owner"), and is effective as of this 16th day of December, 2015; and provides as follows:

RECITALS

WHEREAS, there exists within the City and the surrounding areas a serious shortage of mobile home rental spaces, which has resulted in low vacancy rates and potential for rising space rents; and

WHEREAS, because of the high cost of moving mobile homes, the potential for damage resulting therefrom, the requirements relating to the installation of mobile homes, including permits, landscaping and site preparation, the lack of alternative home sites for mobile home residences and the substantial investment of mobile home owners in such homes, there exists a shortage of mobile home park spaces; and

WHEREAS, it is necessary to protect the residents of mobile homes from unreasonable space rent increases, while at the same time recognizing the need for mobile home park owners to receive a just and reasonable income sufficient to cover the costs of repairs, maintenance, insurance, employee services, additional amenities and other operations, as well as a just and reasonable return on investment; and

WHEREAS, it is commonly known that, after initial installation, virtually all mobile homes are never thereafter moved and when a resident decides to move, the mobile home is commonly sold in place and if rents are below free-market levels, the possibility exists that a portion of the mobile home space value might be transferred upon such sale unless rents are allowed to rise upon such sale to levels which are closer to or at free-market levels; and

WHEREAS, decisions of a rent stabilization board or similar decision-making body may not necessarily fulfill the intent of protecting mobile home residents from unreasonable space rent increases, nor do such decisions always provide an owner with the opportunity for a just and reasonable income sufficient to operate a mobile home park, and to gain a fair and reasonable return on investment; and

WHEREAS, concerns among residents and owners of mobile home parks over rent increases and other park-related situations can often best be resolved between the two parties to negotiate in good faith and reach agreement; and

WHEREAS, it is the intent of this Mobile Home Accord to protect mobile home park residents from unreasonable space rent adjustments and mobile home park owners from infringement upon property rights; and

WHEREAS, the City Council has adopted Resolution No. 332 which creates a residence committee in each of the eight mobile home parks, and which authorizes the Mayor to execute this Agreement on behalf of the City; and

WHEREAS, by mutual agreement, a mobile home accord between the City and Owner has been in existence from January 1, 1985 to the effective date of this Agreement and said accord has fulfilled its purpose by stabilizing rents during the period 1985 through 2015 and of generally improving relations between residents and owners within the City.

NOW, THEREFORE, the parties agree as follows:

1. **Recitals.** The above recitals are incorporated in this Agreement.
2. **Consideration.** In consideration of Owner entering into this Agreement, and Owner keeping and performing all of the terms, covenants and conditions to be kept and performed by Owner, City agrees that during the term of this Agreement, provided Owner is not in breach of this Agreement, the City Council of City shall not enact any ordinance, resolution, or other regulation which imposes restrictions upon or otherwise controls Owner's increase or decrease of mobile home space rents.
3. **Definitions.** For purposes of this Agreement, the following words and phrases shall have the meanings hereinafter stated:
 - A. "Annual Rent Adjustment" shall mean the rent adjustment made to the Base Rent not more frequently than once every 365 days.
 - B. "Base Rent" shall be that rent charged by a Mobile Home Park as of December 31, 2015, and recalculated thereafter each year according to any increase only for changes in the Consumer Price Index and shall not include any additional increases other than CPI except as provided in paragraph 8 hereof and as otherwise specifically provided for herein.
 - C. "Capital Project" shall mean a project which includes the construction of (i) new improvements mandated by a public entity for health or safety purposes, or (ii) the replacement of old improvements in a mobile home park, including, but not limited to, construction, installation or replacement of a clubhouse or portions thereof, common area facilities, swimming pool, sauna or hot tub, or other recreational amenities, streets and driveways, security gates, outdoor or common area lighting, retaining walls, sewer, electrical, plumbing, water, or television reception systems, sprinkler systems, or any similar improvement. Capital projects are improvements defined herein which have a life expectancy of five (5) years or more, which are treated as Capital Improvements for Federal and State income tax purposes, which may not be deducted for such tax purposes as expenses and which have a minimum value of at least ten thousand dollars (\$10,000) for each project. Capital Projects do not include normal repairs or maintenance or insured repairs or replacements. Further, Capital Projects do not include

improvements required due to Owner's failure to provide reasonable and sound maintenance of a facility or facilities.

D. "Consumer Price Index" (CPI) shall mean the Consumer Price Index for Urban Consumers (CPI-U) as published for the Los Angeles-Anaheim-Riverside area by the U.S. Department of Labor, Bureau of Labor Statistics.

E. "Mobile Home" shall mean a structure designed for human habitation and for being moved on a street or highway under permit pursuant to Section 35790 of the California Vehicle Code. Mobile home includes a manufactured home, as defined in Section 18007 of the Health and Safety Code, and a mobilehome, as defined in Section 18008 of the California Health and Safety Code, but does not include a recreational vehicle, as defined in Section 799.24 of the California Civil Code and Section 18010 of the California Health and Safety Code or a commercial modular or commercial coach as defined in Section 18001.8 of the California Health and Safety Code.

F. "Mobile Home Park" shall mean any area of land within the City where two or more mobile home spaces are rented, or held out for rent, to accommodate mobile homes used for human habitation, which is subject to the terms and provisions of this Agreement, including a mobilehome park, as defined in Section 798.4 of the California Civil Code, a manufactured housing community as defined in Section 18210.7 of the Health and Safety Code, or as "mobilehome park" is otherwise defined by state law.

G. "Mobile Home Space" shall mean 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 or used in conjunction therewith, which is subject to the terms and provisions of this Agreement.

H. "Owner" shall include the owner or operator of a mobile home park or an agent or representative authorized to act on said owner's or operator's behalf in connection with the maintenance or operation of that park.

I. "Rent" shall mean the money paid in consideration of the use and occupancy of a mobile home space, including services, amenities, and benefits in connection therewith.

J. "Resident" shall mean any person entitled to occupy a mobile home dwelling unit pursuant to ownership thereof or rental or lease arrangement with the owner of the subject dwelling unit, or as authorized pursuant to the Mobile Home Residency Law.

K. "Resident Committee" shall mean that five-member committee for each mobile home park established by resolution of the City Council.

L. "Voluntary Vacancy" shall mean any one of the following: a sale or resale of a mobile home to a new resident(s); a removal of the mobile home from the space; or a termination of tenancy pursuant to the Mobile Home Residency Law. A sale, resale or transfer of interest between members of the same immediate family (defined as the homeowner's legal spouse, the homeowner's legal parents or the homeowner's legal children) shall not constitute a voluntary vacancy under this provision.

4. **Term.** The term of this Agreement shall be deemed to have commenced on February 6, 2016 and shall end at 11:59 p.m. on February 5, 2026.

5. **Applicability.**

A. The provisions of this Agreement shall apply to all Mobile Home Parks and all Mobile Home Spaces owned by Owner within the City, except as provided in subparagraph B.

B. This Agreement shall not apply to Mobile Home Spaces covered by leases at the effective date of this Agreement, which provided for more than month-to-month tenancy, but only for the duration of any such lease. Upon the expiration or other termination of any such lease, all provisions of this Agreement shall immediately be applicable to the Mobile Home Space, unless and until such space is again leased for more than a month-to-month tenancy.

C. None of the provisions of this Agreement shall preclude a Resident from entering into a written lease with and the Owner for more than a month-to-month tenancy.

D. Owner shall inform any prospective Resident of the applicability of this Agreement to the prospective Mobile Home Space and shall supply a copy of this Agreement to such prospective Resident prior to executing a written lease with such prospective Resident. At the time a Lease is executed with an Owner, the Resident shall sign an acknowledgement, which will be retained by the Owner, which states the Accord was offered but was declined by the Resident.

E. This Agreement shall not be effective for any purpose until it has been executed by duly authorized representatives of the Owners of all Mobile Home Parks which are situated in the City as of March 4, 1992 other than The Groves Mobile Home Park (formerly known as Foothill Mobile Manor).

F. Nothing in this Agreement shall be deemed to impose any obligation upon any owner with respect to a Mobile Home Park not subject to such Owner's control.

6. **Mobile Home Park Registration.** Within sixty (60) days of written notice by the City Manager or his designee, Owner shall be required to file with the City Manager or his designee a Rent Registration Statement for each Mobile Home Space affected by this Agreement. The City Manager or his designee shall devise such registration forms so as to call for information reasonably necessary to carry out the purposes and policies of this Agreement, and shall mail such forms to Owner in sufficient time as to allow Owner to file its/their Registration Statements. The Rent Registration Statement shall be made part of this Agreement upon its filing.

7. **Rent Adjustment.**

A. At least ninety (90) days prior to the effective date of a rental adjustment, Owner shall serve all affected Residents, either personally or by mail, with notice of the proposed adjustment in accordance with state law. Within five (5) days prior to any notice to Residents of a rent adjustment, Owner shall provide the City Manager or his designee with the following information:

- (1) The effective date of the noticed adjustment;
- (2) Identification of the Mobile Home Spaces affected;
- (3) The amount of the Rent prior to the effective date of the notice for each of those Mobile Home Spaces;
- (4) The amount of the increase (in dollars) for each of those Mobile Home Spaces and the basis for the increase with supporting data and calculations;
- (5) The identity of spaces under lease.

B. No adjustment to the Base Rent for a Mobile Home Space shall be noticed or permitted or enforced more frequently than once every 365 days, except as provided in paragraph 8 hereof.

C. Maximum Allowable Adjustment to Rent.:

(1) Owner shall be permitted to increase rent as to a Mobile Home Space in excess of that which was lawfully charged during the previous year based upon all or any of the following bases:

(a) Once each calendar year, Owner may adjust the Base Rent in an amount not to exceed that amount derived by multiplying said Base Rent by one hundred percent (100%) of the change of the CPI, as defined herein and as established by the City Manager. Said increase shall not be less than three percent (3%) of said Base Rent nor greater than nine percent (9%) hereof.

(b) Owner may be granted an increase in Rent spread across all Mobile Home Spaces in the Mobile Home Park on a pro rata basis in the event of an increase in the taxes (except any increase in property taxes due to a change in ownership), assessments, or levies imposed upon the Mobile Home Park by local, state or federal government agencies. Owner shall so decrease Rent in said manner in the event of a decrease in such costs to Owner. Any such increase may be made and any such decrease shall be made at the time when Owner incurs the same subject to notice requirements applicable thereto.

(c) Owner may be granted an increase in Rent in the event of an increase in the amount charged to Owner for refuse collection, sewer, water, electric, gas and other public utility services. Owner may be granted said increase only for that increased amount charged which is greater than the charge effective as of the conclusion of the previous calendar year multiplied by the percentage adjustment to the Base Rent last calculated and allowed pursuant to subparagraph 7(C)(1)(a) hereof. Any such increase shall be spread across all Mobile Home Spaces in the Mobile Home Park on a pro rata basis. Owner shall decrease Rent in an amount equivalent to the total decrease in such costs. Such decrease shall be spread across all Mobile Home Spaces in the Mobile Home Park on a pro rata basis. Any such increase may be made and any such decrease shall be at the time when Owner incurs the same subject to notice requirements applicable thereto. The amount adjusted for refuse collection for each space within a Mobile Home Park shall not be greater than any adjustment for refuse collection made to

residential units within the City. Documentation substantiating any such additional increase or decrease must be submitted to the City at least five (5) days before notice of such is made to any park resident.

(d) Owner may be granted an increase in Rent spread across all Mobile Home Spaces in the Mobile Home Park on a pro rata basis in the event a Capital Project, as defined herein, is made within the Mobile Home Park. The amount allowed as increased Rent shall be equal to fifty percent (50%) of the costs of the Capital Project, including design, permits, construction and financing costs. The increase in Rent may be made at the time when the Capital Project is completed as determined by final inspection of all governmental entities, if any, having jurisdiction over the Capital Project, subject to notice requirements applicable thereto. Said increase in Rent shall be evenly spread over a period of time equivalent to either the Internal Revenue Service amortization period applicable to the Capital Improvement or a shorter period agreed to by Owner and the Resident Committee in the subject Mobile Home Park.

In the event the Resident Committee asserts that no Rent increase based on the Capital Project should occur because the need for the same assertedly was generated by Owner's failure to provide reasonable and normal maintenance of a facility or facilities and Owner disputes said assertion, the dispute shall be submitted to binding arbitration pursuant to the applicable procedures of the American Arbitration Association. The determination made pursuant to such arbitration shall be binding, final and enforceable in the same manner as a final judgment of a court of law. The costs of such arbitration shall be shared equally by the Owner and the Residents.

Notwithstanding anything to the contrary stated herein, Owner and the residents of a Mobile Home Park, by and through the Resident Committee, may enter into a written amendment(s) to this Agreement providing for Owner installing a new amenity in such park in consideration of Owner being enabled to recover all or a portion of the costs thereof by way of increases to Rent charged pro rata to all Mobile Home Spaces within such park.

Owner and the Residents of a Mobile Home Park, by and through the Resident Committee, shall in good faith negotiate the sharing of costs of repairing or replacing facilities incurred due to any acts of God.

(2) Annually, beginning on the effective date of this Agreement, the City Manager or his designee shall determine the percentage change in the Consumer Price Index which shall be used to calculate rent adjustments allowed for all applicable Mobile Home Spaces. Said percentage CPI shall be calculated by dividing the sum of all monthly CPI percentage changes during the previous year by twelve, beginning with CPI released in the previous to the current year and ending with the CPI released in November of the immediately previous year. The City Manager or his designee, upon request, shall notify an Owner of such allowable Consumer Price Index.

D. In the event an Owner attempts to increase without complying with the provisions of this Agreement, such an increase shall be deemed null and void, and Residents shall not be required to pay such increase.

E. In the event the park Resident Committee questions the validity of a request to increase or decrease Rent, said committee may request City to review said request. Owner agrees to meet with City and Resident Committee, and shall provide documentation explaining the validity of any such request as provided herein. Said increase shall not be valid until approved in writing by the City Manager or his designee to be in compliance with this Agreement.

8. **Voluntary Vacancies.** In addition to any other adjustments to Rent allowed under paragraph 7(C) hereof, and notwithstanding the limitation providing for only one rental adjustment per year to the Base Rent pursuant to Paragraph 7(B), Owner shall be permitted to increase the Base Rent applicable to a Mobile Home Space upon a voluntary vacancy of the space by an amount not greater than to fifteen percent (15%) of the Base Rent for the Mobile Home Space applicable at the time of the voluntary vacancy. The Base Rent on a particular Mobile Home Space shall not be increased due to a voluntary vacancy more frequently than once in any thirty-six (36) month period.

9. **Discretion for Lower Adjustments.** Nothing in this Agreement shall be construed as requiring an Owner to adjust Rents each year or as preventing an Owner from adjusting Rent to levels less than those herein allowed. Further, Owner shall give good faith consideration to a Resident's request to be relieved from an increase in Rent allowable hereunder due to that Resident's suffering substantial economic hardship.

10. **Responsibilities of Owner.**

A. Owner agrees that during the term of this Agreement Owner shall furnish all of the facilities and utilities listed on Exhibit "A" hereto to all Residents at no extra charge. Owner also agrees to provide and maintain in satisfactory working order and condition, during the term of this Agreement, all physical improvements and common facilities and areas within the Mobile Home Park which are listed on Exhibit "A" hereto. Owner shall also comply with all requirements set forth in the Mobile Home Residency Law. Notwithstanding the foregoing, with the consent of City, Owner may reduce or eliminate a service within the Mobile Home Park or to any Resident which does not affect the health, safety and welfare of any Resident, provided that a proportionate share of the cost savings resulting from such reduction or elimination is passed on to the Residents in the form of a decrease in Rent. If a Mobile Home Park Owner who provides utility services, reduces or eliminates such service by separate metering or other lawful means of transferring to the Resident, the obligation for payment for such services, the cost savings shall be deemed to be the cost of such transferred utility service for the twelve (12) months prior to the installation and use of the metering system reasonably apportioned to exclude common area costs.

For the purposes of this section, in determining cost savings to be passed on to the resident in the form of decreased Rent, the cost of installation of separate utility meters, or similar costs to Mobile Home Park Owner to shift the obligation per payment of utility costs to the Resident, shall not be considered.

B. The Owner shall meet upon reasonable notice with the Resident Committee recognized by resolution of the City Council or as required by the Mobile Home Residency Law.

There shall be a minimum of one meeting per year to generally discuss general park welfare, or City and Community items of importance. The Owner or his/her/its authorized representative shall also meet with the Resident Committee within thirty (30) days of a written request by the Resident Committee and prior to:

- (1) Alterations or deletions of amenities, services, or equipment; or
- (2) Changes to the Mobile Home Park rules and regulations.

With respect to any concerns submitted in writing by the Resident Committee to the Owner, the Owner shall provide a written response to the action items within twenty (20) days after the meeting.

11. **Renegotiation at Expiration of Agreement.** Within the six (6) month period prior to the termination of this Agreement, Owner and City may renegotiate the terms of this Agreement.

12. **Remedies.**

A. City shall enforce the provisions of this Agreement on behalf of a Resident or Residents in the event of breach of or noncompliance with this Agreement by Owner.

B. Any Resident aggrieved by a breach of or noncompliance with this Agreement by an Owner shall, as a third party beneficiary of this Agreement, have the right on such resident's own behalf to prosecute a civil action against Owner, in any court of competent jurisdiction, to enforce the provisions of this Agreement or recover damages for the breach hereof.

13. **Miscellaneous.**

A. This Agreement supersedes all prior agreements, amendments, supplements, addenda and/or extensions of any agreements between the City and each and/or all of the Owners listed below, and all exhibits or appendices attached thereto, providing for a mobile home accord, an annual maximum rent adjustment or as otherwise relating to or with respect to the subject matter of this Agreement.

B. This Agreement shall be interpreted according to the laws of the State of California.

C. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of each Owner.

D. If any provision of this Agreement or the application thereof to any person or circumstance is held to be unlawful or is otherwise invalidated by a final judgment of any court of competent jurisdiction, such invalidity shall not affect other provisions or applications of this Agreement which can be implemented without the invalid provision or application, and, to this end, the provisions of this Agreement are deemed to be severable.

E. To the extent that the context of this Agreement so requires, the singular shall include the plural and the masculine, feminine and neuter genders shall each include the other.

F. This Agreement may not be altered, amended or revoked except by an instrument in writing executed by City and all Owners who are signatories hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Agreement on the day and year first above written.

City of Rancho Cucamonga
A municipal corporation

By: _____
L. Dennis Michael, Mayor

Attest:

By: _____
Linda A. Troyan, City Clerk

Approved as to Form:

By: _____
James L. Markman, City Attorney

Owner: Alta Laguna Mobile Home Estates

By: _____
Name: _____
Title: _____

Owner: Alta Vista Mobile Home Park

By: _____
Name: _____
Title: _____

Owner: Casa Volante Mobile Home Park

By: _____
Name: _____
Title: _____

Owner: Chaparral Heights Mobile Home Park

By: _____
Name: _____
Title: _____

Owner: The Pines Mobile Home Park

By: _____
Russell C. Jay Family Trust
dated October 22, 1987
General Partner

By: _____
Name: _____
Title: _____

By: _____
The Ben Rochelle Revocable Trust
dated August 9, 1998
General Partner

By: _____
Ben Rochelle

Owner: Ramona Villa Mobile Home Park

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Owners: Sycamore Villa Mobile Home Park

By: _____
Name: _____
Title: _____

By: _____
Name: _____

Title: _____

Attachment: Exhibit "A"