

**CITY OF SANTA CLARITA  
CITY COUNCIL / BOARD OF LIBRARY TRUSTEES  
AND CITY COUNCIL ACTING AS THE GOVERNING  
BOARD OF THE SUCCESSOR AGENCY TO THE FORMER  
SANTA CLARITA REDEVELOPMENT AGENCY**

**JOINT REGULAR MEETING**

**Tuesday, February 24, 2015  
6:00 PM**

City Council Chambers  
23920 Valencia Blvd.  
Santa Clarita, CA 91355

**AGENDA**

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PUBLIC FINANCING AUTHORITY – No New Business

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**How to Address the City Council**

You may address the Council during *Public Participation* on any matter within the Council's jurisdiction that is *not* listed on the agenda. Each person wishing to speak should prepare a presentation of not more than three (3) minutes. Public Participation speaker's cards must be submitted to the City Clerk BEFORE this portion of the meeting begins. Public Participation takes place before the consideration of the agenda items and following the consideration of agenda items. However, each person will be allowed to speak only one time during *Public Participation* per meeting.

Anyone wishing to address an *item* on the agenda should fill out a speaker's card and submit it to the City Clerk BEFORE the Mayor announces the item. Each person addressing the Council is given three (3) minutes to speak indicated by a colored light system on the Council dais; a green light appears when the speaker begins; a yellow light appears when 30 seconds remain and a red light appears when time has expired. Comments should be complete at this time. Each presentation may not exceed three (3) minutes.

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In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office, (661) 255-4391. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.102-35.104 ADA Title II)

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**INVOCATION - MCLEAN**

**CALL TO ORDER**

**ROLL CALL**

**FLAG SALUTE**

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## **EXECUTIVE MEETING**

This time has been set aside for Councilmembers to review the agenda and obtain any further information that may be needed. Council will also discuss each individual item during the course of the meeting with the exception of the Consent Calendar, which may be approved in its entirety by one motion, unless there is a request to pull an item for discussion. No action will be taken on public agenda items during the Executive Meeting.

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**APPROVAL OF AGENDA** – Mayor to inquire whether there are any changes to the Agenda or if any member of the Council or the public would like to pull for discussion, any item on the Consent Calendar.

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### **AWARDS AND RECOGNITIONS**

Recognize Jimmy Warshawsky for being a contestant on MasterChef Junior

Recognition of new Saugus High School Z Club officially chartered by Zonta International

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### **PRESENTATIONS**

Presentation from UCLA Health, Santa Clarita

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## **PUBLIC PARTICIPATION**

This time has been set aside for the public to address the City Council on items NOT listed on the agenda. The City Council will not act upon these items at this meeting other than to review and/or provide direction to staff. All speakers must submit a speaker's card to the City Clerk PRIOR to the beginning of this portion of the meeting. Thirty minutes are allotted for public input at this time. The FIRST TEN people to submit a speaker card prior to the beginning of Public Participation will be heard. Speaker cards will be accepted beginning at 5:45 p.m. Any speaker cards received once the first speaker has begun will be heard at the end of the meeting regardless if the ten person limit has been met. Speakers may not exceed three (3) minutes and may only be heard once per meeting under Public Participation.

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## STAFF COMMENTS

## COMMITTEE REPORTS/COUNCILMEMBER COMMENTS

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### CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and will be enacted by one motion by the City Council. The items are not individually discussed by the City Council unless a request is made by a member of the public or the Council, in which case, the item(s) will be removed from the Consent Calendar and will be considered separately.

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1. **APPROVAL OF MINUTES** - The minutes of the Joint City Council and Board of Library Trustees meeting are submitted for approval.

**RECOMMENDED ACTION:**

City Council and Board of Library Trustees: Approve the minutes of the February 10, 2015, special and regular meetings.

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2. **GOLDEN VALLEY ROAD BRIDGE WIDENING OVER STATE ROUTE 14, PROJECT S3028 – AWARD CONSTRUCTION CONTRACT** - This project will widen the Golden Valley Road bridge over State Route 14 to provide two through lanes in each direction, two dedicated left-turn lanes onto northbound State Route 14, and one dedicated left-turn lane onto southbound State Route 14. Improvements will also include a six-foot-wide sidewalk on the north side of the bridge and a Class 1 bicycle trail on the south side of the bridge.

**RECOMMENDED ACTION:**

City Council:

1. Approve the plans and specifications for the Golden Valley Road Bridge Widening over State Route 14, Project S3028.
2. Award the construction contract to Security Paving Company, Inc., in the amount of \$6,437,715, and authorize a contingency in the amount of \$965,700, for a total contract amount not to exceed \$7,403,415.
3. Award professional services contract for construction support to MNS Engineers, Inc., in the amount of \$1,412,210 for the resident engineer, bridge inspector for night work and peak work load, surveying, material testing, source inspection, and construction staking.
4. Authorize Reimbursable Letter of Agreement with the California Highway Patrol in the amount of \$100,000 for the Construction Zone Enhanced Enforcement Program

during construction.

5. Authorize the following transactions to fund the Golden Valley Road Bridge Widening Over State Route 14, Project S3028:
  - Appropriate \$3,980,146 to Proposition C Grant revenue account 265-4422.008 and appropriate \$3,980,146 to Golden Valley Road over State Route 14 Bridge Widening project expenditure account S3028265-5161.001.
  - Authorize the transfer of project savings in the amount of \$95,000 in Landscape Maintenance District funds (Fund 357) from Sand Canyon Road/State Route 14 Beautification project, expenditure account B3003357-5161.001, to Golden Valley Road over State Route 14 Bridge Widening project, expenditure account S3028357-5161.001.
  - Authorize the appropriation of \$5,473,711 in Eastside Bridge and Thoroughfare funds (Fund 301) to Golden Valley Road over State Route 14 Bridge Widening project expenditure account S3028301-5161.001.
6. Authorize the City Manager or designee to execute all necessary documents, subject to the approval of the City Attorney.

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3. **DEMOLITION OF 22520 LYONS AVENUE** - This item will authorize the expenditure to allow for the demolition of the building located at 22520 Lyons Avenue using rental income received from the previous tenant of the property.

**RECOMMENDED ACTION:**

City Council appropriate \$66,000 from Fund 393 City Housing Successor fund balance to expenditure account 13405-5161.001 in order to demolish the existing structure located at 22520 Lyons Avenue.

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4. **AGREEMENT BETWEEN THE CITY OF SANTA CLARITA AND THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARITA AUTHORIZING THE REPAYMENT OF LOANS MADE FROM THE CITY TO THE REDEVELOPMENT AGENCY -**

Throughout the course of the existence of the Redevelopment Agency, the City has loaned funds to the Redevelopment Agency for administrative purposes and to fund redevelopment projects undertaken by the Agency. As part of the dissolution process of the Redevelopment Agency, a new agreement for repayment must be entered in to in order for the City to be repaid.

**RECOMMENDED ACTION:**

1. City Council adopt a resolution approving an “Agreement Regarding Reinstatement of Loan,” and direct the City Manager to execute the agreement; and

2. Successor Agency Board adopt a resolution approving an “Agreement Regarding Reinstatement of Loan,” direct staff to bring this action to the Oversight Board for their approval, and upon concurrence from the Oversight Board and the Department of Finance, direct staff to execute the agreement.

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5. **CHECK REGISTER NO. 4 FOR THE PERIOD 01/23/15 THROUGH 02/05/15 AND 02/12/15. ELECTRONIC FUNDS TRANSFERS FOR THE PERIOD 01/30/15 THROUGH 02/12/15.** - Check Register No. 4 for the Period 01/23/15 through 02/05/15 and 02/12/15.

Electronic Funds Transfers for the Period 01/30/15 through 02/12/15.

**RECOMMENDED ACTION:**

City Council approve and ratify for payment the demands presented in Check Register No. 4.

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## NEW BUSINESS

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6. **FIRST READING OF AN ORDINANCE ENTITLED AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA, CALIFORNIA, AMENDING CHAPTER 6.02 OF MANUFACTURED HOME PARK RENT ADJUSTMENT PROCEDURES** - An update process has been completed for Santa Clarita Municipal Code 6.02 - Manufactured Home Park Rent Adjustment Procedures. These updates include the re-ordering of sections for ease of use and understanding, removal of some little-used sections, clarification of the language in some sections, broadening of the Manufactured Home Rental Adjustment Panel's discretion in some areas, and a reduction in the types of space rent increases allowed in a non-standard space rent increase.

**RECOMMENDED ACTION:**

City Council discuss, approve, and pass to second reading an ordinance entitled "SANTA CLARITA MUNICIPAL CODE 6.02 - MANUFACTURED HOME RENT ADJUSTMENT PROCEDURES."

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## PUBLIC PARTICIPATION

This time has been set aside for any speakers that have turned in speaker cards and *were not heard* in the first thirty minutes allotted to address the City Council on items that are NOT on the agenda. No further speaker cards will be accepted once Public Participation begins. Speakers may not address items that have been considered this evening. Speaker cards may not be submitted relating to any items listed on the agenda.

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**STAFF COMMENTS****ADJOURNMENT**

In memory of Ruth Levine and Ralph Edward Gray, Sr.

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**FUTURE MEETINGS**

The next Joint Regular Meeting of the City Council will be held Tuesday, March 10, 2015, at 6:00 p.m. in the Council Chambers, 1st floor of City Hall, 23920 Valencia Blvd., Santa Clarita, CA.

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**CERTIFICATION**

I, Kevin Tonoian, City Clerk, do hereby certify that I am the duly appointed and qualified City Clerk for the City of Santa Clarita and that on February 19, 2015, between the hours of 9:00 a.m. and 5:00 p.m., the foregoing agenda was posted at City Hall and the Santa Clarita Sheriff's Station.

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Kevin Tonoian  
City Clerk  
Santa Clarita, California



**CITY OF SANTA CLARITA  
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL: \_\_\_\_\_

DATE: February 24, 2015  
 SUBJECT: APPROVAL OF MINUTES  
 DEPARTMENT: Administrative Services  
 PRESENTER: Kevin Tonoian

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RECOMMENDED ACTION

City Council and Board of Library Trustees: Approve the minutes of the February 10, 2015, special and regular meetings.

BACKGROUND

The minutes from the previous City Council and Joint City Council/Board of Library Trustees meetings are submitted for approval.

ALTERNATIVE ACTION

Amendments to the minutes may be approved as necessary.

FISCAL IMPACT

None by this action.

ATTACHMENTS

February 10, 2015 Special Meeting Minutes  
 February 10, 2015 Regular Meeting Minutes

**CITY OF SANTA CLARITA  
CITY COUNCIL  
SPECIAL MEETING  
Tuesday, February 10, 2015  
5:30 P.M.  
City Council Chambers  
MINUTES**

**CALL TO ORDER**

Mayor McLean called to order the special meeting at 5:30 p.m.

**ROLL CALL**

All Councilmembers were present.

**PUBLIC PARTICIPATION (one minute limit)**

No requests to speak were received.

**CLOSED SESSION**

Joseph Montes, City Attorney, advised of the need to conduct a Closed Session for the purpose of holding a:

**CONFERENCE WITH PROPERTY NEGOTIATOR**

Government Code Section 54956.8  
Star Oil House, 24148 Pine Street, Newhall, CA 91321  
Property Acquisition Discussion  
Negotiating Party: David Ramirez  
City's Authorized Negotiator: City Manager  
Under Negotiation: Price and Terms of Payment

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Government Code Section 54956.9(d)(1)  
Jim Soliz and Rosemarie Sanchez-Fraser v. City of Santa Clarita;  
and DOES 1-100, inclusive  
Los Angeles County Superior Court - Central District Case No.: BC 512735

**RECESS TO CLOSED SESSION**

Mayor McLean recessed the meeting to Closed Session at 5:31 p.m.

**RECONVENE TO OPEN SESSION**

Mayor McLean reconvened the meeting at 6:10 p.m.

**CITY ATTORNEY ANNOUNCEMENT**

Joseph Montes, City Attorney, announced that no action was taken in Closed Session that was required to be reported.



**ADJOURN**

Mayor McLean adjourned the meeting at 6:10 p.m.

ATTEST:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

Attachment: February 10, 2015 Special Meeting Minutes (1176 : APPROVAL OF MINUTES)

**CITY OF SANTA CLARITA**  
**CITY COUNCIL / BOARD OF LIBRARY TRUSTEES**  
**JOINT REGULAR MEETING**

Tuesday, February 10, 2015  
6:00 PM

City Council Chambers

**MINUTES**

**INVOCATION**

Mayor Pro Tem Kellar delivered the invocation.

**CALL TO ORDER**

Mayor/President McLean called to order the regular joint meeting of the City Council/Board of Library Trustees at 6:13 p.m.

**ROLL CALL**

All Councilmembers were present.

**FLAG SALUTE**

Boy Scout Troop 602 led the flag salute.

**EXECUTIVE MEETING**

**APPROVAL OF AGENDA**

**Motion by Weste, second by Boydston, to approve the agenda, pulling item 3 for public comment.**

**Hearing no objections, it was so ordered.**

**AWARDS AND RECOGNITIONS**

Mayor McLean and Council recognized The Annual Tournament Players Club West Ranch Art and Wine Gala Committee and presented them with certificates.

Mayor McLean and Council recognized the outstanding sports achievements at Saugus High School and presented the athletes with certificates.

**PRESENTATIONS**

Parks, Recreation and Community Services Commission Chair Ruthann Levison presented the Commission goals for 2015.

## **PUBLIC PARTICIPATION**

Addressing the Council was Elaine Ballace regarding the mobile home ordinance; Linda Zuchegna regarding affordable housing; Allan Cameron, representing Affordable Clean Water Alliance, regarding the Sanitation District Environmental Impact Report (EIR); Steven Flamm, representing FPK Security & Investigations, regarding homeless in Santa Clarita; Diane Trautman regarding extension of the Sanitation District EIR; Steve Petzold regarding the Council committee selection process at the meeting of January 27, 2015, and Yes on S Committee.

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## **STAFF COMMENTS**

City Manager Ken Striplin commented on the Brown Act requirements regarding discussion of the mobile home ordinance and the extension of the Sanitation District EIR; and commented regarding the homeless situation and strategies to deal with this matter.

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## **COMMITTEE REPORTS/COUNCILMEMBER COMMENTS**

Councilmember Weste commented regarding attending a library subcommittee meeting concerning library services in Saugus; invited residents to attend the dedication of River Village Park on Thursday, February 12 at 10:00 a.m.; and requested that the meeting be adjourned in memory of Dennis Powell.

Councilmember Acosta commented regarding attending the Straightening Reins Equestrian gala event; commented regarding his experience as Principal for a Day at Canyon High School; and commented that Cowboy Festival tickets are currently on sale.

Mayor Pro Tem Kellar commented on his participation as Principal for a Day at Mint Canyon Elementary School; and invited residents to attend the Santa Clarita Valley Economic Development Corporation Forum taking place at the Valencia Hyatt on March 5.

Councilmember Boydston commented regarding the Sanitation District Environmental Impact Report and urged Sanitation District Board to request an extension in their upcoming meeting; commented on his participation as Principal for a Day at La Mesa Jr. High School; and inquired of the City Attorney regarding the Yes on S Committee campaign reporting and the responsibility of the City to investigate such matters; requested clarification from Director of Parks, Recreation and Community Services Rick Gould regarding the process of awarding the Arts and Community Services Grants; and commented that the process should be changed.

Mayor McLean commented regarding the City working with the US Postal service to relocate the former Newhall Post Office branch back to Newhall; commented on her participation as Principal for a Day at Newhall Elementary School; commented on the San Fernando Valley Council of Governments which is partnering with Move LA, for a Transportation Forum on February 26 to discuss transportation needs; and commented regarding the 50th anniversary of Southern California Association of Governments.

**CONSENT CALENDAR**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Laurene Weste, Councilmember
<b>SECONDER:</b>	Dante Acosta, Councilmember
<b>AYES:</b>	Acosta, Boydston, Kellar, Weste, McLean

**ITEM 1****APPROVAL OF MINUTES**

The minutes of the Joint City Council and Board of Library Trustees meeting are submitted for approval.

**RECOMMENDED ACTION:**

City Council and Board of Library Trustees: Approve the minutes of the January 27, 2015, special and regular meetings.

**ITEM 2****FISCAL YEAR 2014-15 ANNUAL CONCRETE REHABILITATION PROGRAM (CITYWIDE), PROJECTS M0103, M0104, AND T0045 - AWARD CONSTRUCTION CONTRACT**

These capital improvement projects consist of the removal and replacement of damaged sidewalks, driveway approaches, curb and gutter, and the construction of access ramps at various locations within the City.

**RECOMMENDED ACTION:**

City Council:

1. Approve the plans and specifications for the Fiscal Year 2014-15 Annual Concrete Rehabilitation Program (Citywide), Projects M0103, M0104, and T0045.
2. Award the construction contract to the lowest responsible bidder, FS Construction, in the amount of \$1,145,965 and authorize additional work in the amount of \$172,035, for a total contract amount not to exceed \$1,318,000.
3. Authorize the City Manager or designee to execute all contracts and associated documents, contingent upon the appropriation of funds by the City Council in the annual budget for such fiscal year, and execute all documents subject to City Attorney approval.

**ITEM 3****VALENCIA BOULEVARD MEDIAN REFURBISHMENT, PROJECT B1014 - AWARD DESIGN CONTRACT**

This action will fund the design of the Valencia Boulevard Median Refurbishment project, which will remove existing turf in the medians, replace it with low and moderate water use plant material, and install an efficient irrigation system along Valencia Boulevard from Tourney Road to Magic Mountain Parkway.

**RECOMMENDED ACTION:**

City Council:

1. Award the design contract to Pacific Coast Land Design, Inc., for the Valencia Boulevard Median Refurbishment, Project B1014, in the amount of \$88,748 and authorize a contingency in the amount of \$13,252 for a total contract amount not to exceed \$102,000.
2. Transfer \$94,000 of Zone 2008-1 Landscape Maintenance District funds (357) project savings from expenditure account B3003357-5161.001 to expenditure account B1014357-5161.001.
3. Authorize the City Manager or designee to execute all documents, subject to City Attorney approval.

Addressing the Council on this item was Alan Ferdman.

City Manager Ken Striplin commented regarding recycled water infrastructure.

**ITEM 4****CHECK REGISTER NO. 2 FOR THE PERIOD 12/26/14 THROUGH 01/08/15 AND 01/15/15. ELECTRONIC FUNDS TRANSFERS FOR THE PERIOD 01/01/15 THROUGH 01/15/15. CHECK REGISTER NO. 3 FOR THE PERIOD 01/09/15 THROUGH 01/22/15 AND 01/29/15. ELECTRONIC FUNDS TRANSFERS FOR THE PERIOD 01/16/15 THROUGH 01/29/15.**

Check Register No. 2 for the Period 12/26/14 through 01/08/15 and 01/15/15.

Electronic Funds Transfers for the Period 01/01/15 through 01/15/15.

Check Register No. 3 for the Period 01/09/15 through 01/22/15 and 01/29/15.

Electronic Funds Transfers for the Period 01/16/15 through 01/29/15.

**RECOMMENDED ACTION:**

City Council approve and ratify for payment the demands presented in Check Register numbers 2 and 3.

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**PUBLIC PARTICIPATION II**

Addressing the City Council was Doug Fraser, representing mobile home park residents, regarding the Brown Act; translation services for the February 24 and March 10 City Council meetings; and requested written comment cards be read aloud.

One written comment was received from Roger Haring, representing Bouquet Canyon Network, thanking Council for providing a public comment letter to the US Forest Service, regarding the upper watershed.

**ADJOURNMENT**

Mayor McLean adjourned the meeting in memory of Dennis Powell at 7:29 p.m.

ATTEST:

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MAYOR

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CITY CLERK



**CITY OF SANTA CLARITA  
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL: \_\_\_\_\_

DATE: February 24, 2015

SUBJECT: GOLDEN VALLEY ROAD BRIDGE WIDENING OVER STATE  
ROUTE 14, PROJECT S3028 – AWARD CONSTRUCTION  
CONTRACT

DEPARTMENT: Public Works

PRESENTER: Damon Letz

RECOMMENDED ACTION

City Council:

1. Approve the plans and specifications for the Golden Valley Road Bridge Widening over State Route 14, Project S3028.
2. Award the construction contract to Security Paving Company, Inc., in the amount of \$6,437,715, and authorize a contingency in the amount of \$965,700, for a total contract amount not to exceed \$7,403,415.
3. Award professional services contract for construction support to MNS Engineers, Inc., in the amount of \$1,412,210 for the resident engineer, bridge inspector for night work and peak work load, surveying, material testing, source inspection, and construction staking.
4. Authorize Reimbursable Letter of Agreement with the California Highway Patrol in the amount of \$100,000 for the Construction Zone Enhanced Enforcement Program during construction.
5. Authorize the following transactions to fund the Golden Valley Road Bridge Widening Over State Route 14, Project S3028:
  - Appropriate \$3,980,146 to Proposition C Grant revenue account 265-4422.008 and appropriate \$3,980,146 to Golden Valley Road over State Route 14 Bridge Widening project expenditure account S3028265-5161.001.
  - Authorize the transfer of project savings in the amount of \$95,000 in Landscape Maintenance District funds (Fund 357) from Sand Canyon Road/State Route 14

Beautification project, expenditure account B3003357-5161.001, to Golden Valley Road over State Route 14 Bridge Widening project, expenditure account S3028357-5161.001.

- Authorize the appropriation of \$5,473,711 in Eastside Bridge and Thoroughfare funds (Fund 301) to Golden Valley Road over State Route 14 Bridge Widening project expenditure account S3028301-5161.001.
6. Authorize the City Manager or designee to execute all necessary documents, subject to the approval of the City Attorney.

BACKGROUND

The Golden Valley Road Bridge over State Route 14 was constructed in 1973 and seismic retrofitted in 1998. The existing two-span, cast-in-place, pre-stressed box girder structure is approximately 237 feet long and 51 feet wide. It is supported by diaphragm abutments on spread footing and two 4-foot diameter columns on spread footing at the center of the freeway below.

The proposed bridge widening improvements will provide an additional 61 feet of bridge width, increasing the bridge to a total width of 112 feet. The new roadway will provide two lanes of through travel in each direction, two dedicated left-turn lanes onto northbound State Route 14, and one dedicated left-turn lane onto southbound State Route 14. Improvements will also include a 6-foot-wide sidewalk on the north side of the bridge and a Class 1 bicycle trail on the south side of the bridge. The park-and-ride lot at the State Route 14 southbound off-ramp is being enlarged and will result in an increase of approximately 11 spaces to mitigate for the parking spaces being eliminated on the north side, due to the widening of the bridge. Improvements to Golden Valley Road are also being constructed east and west of the bridge and will include traffic signal modifications, landscaped median, and parkway landscaping. Funding from Landscape Maintenance District will be used to construct raised, landscaped medians from the bridge to San Rafael Drive (west of the bridge) and from the bridge approximately 500 feet to the east.

During the 14 months of construction, there will be unavoidable traffic delays. Traffic control plans and phasing for construction are designed to maintain the current two-lane roadway with one lane in each direction. However, even with signage and traffic control measures provided, traffic will be impacted. The only lane closures and detouring contemplated for this project is on State Route 14. The lane closures will occur during the day and night and the freeway detour will only occur during the night work schedule.

An invitation to bid was published two times: November 10 and November 17, 2014, and was noticed on the City of Santa Clarita’s (City) website. Plans and specifications were also sent to area plan rooms. Eight bids were submitted to the City and opened by Purchasing on January 13, 2015. The results of the bids are shown below:

<u>Ranking</u>	<u>Company</u>	<u>Location</u>	<u>Bid Amount</u>
1.	Security Paving Company, Inc.	Sylmar, CA	\$6,437,715
2.	Powell Construction, Inc.	Fontana, CA	\$6,689,687
3.	MCM Construction, Inc.	North Highlands, CA	\$6,798,004



4.	Griffith Company	Brea, CA	\$6,892,050
5.	C.C. Myers, Inc.	Rancho Cordova, CA	\$6,989,174
6	Ortiz Enterprises, Inc.	Irvine, CA	\$7,236,026
7.	USS Cal Builders, Inc	Stanton, CA	\$7,341,758
8.	C.A. Rasmussen, Inc.	Valencia, CA	\$7,425,025

Staff recommends the project be awarded to Security Paving Company, Inc., the lowest responsive bidder. This contractor possesses a valid state contractor’s license and is in good standing with the Contractor State License Board. The contractor’s bid was reviewed for accuracy and conformance to the contract documents and found to be complete. The construction contingency requested would be used to respond to any unforeseen conditions working over a heavily trafficked state highway or in the state right-of-way.

This project is within the California Department of Transportation (Caltrans) right-of-way, requiring a Caltrans Encroachment Permit and construction oversight from a Caltrans construction engineer. The City is also required to provide staffing with a resident engineer qualified to perform bridge construction within Caltrans right-of-way. Staff prepared a Request for Proposal (RFP) for consultants qualified to provide the City with a resident engineer, fully meeting Caltrans requirements.

City staff received three proposals and through a selection process selected MNS Engineers, Inc., (MNS). MNS has the most qualified resident engineer to meet requirements and will be responsible for providing the resident engineer; bridge inspector for night work and peak work load; surveying; material testing; source inspection; and construction staking. Staff recommends the award of the contract with MNS at a cost of \$1,412,210.

Construction within Caltrans right-of-way requires the California Highway Patrol (CHP) to provide uniformed officers and patrol vehicles during lane closure and detours for the night work on this project. The Construction Zone Enhanced Enforcement Program is estimated to cost \$100,000 for this project. The CHP will require the City to execute a Reimbursable Services Contract Request and deposit the funds with the CHP. The final cost will be determined only on the hours of service for the uniformed officers and patrol vehicles used on the construction project. Staff recommends the execution of the Reimbursable Services Contract Request with the CHP for the cost of \$100,000.

City staff will also award contracts totaling \$237,200 to the following engineers and firms to provide support and respond to contractor requests for information, design questions, or changes during construction:

<u>Consultant</u>	<u>Responsible for</u>	<u>Amount of Contract</u>
Dokken Engineering	General Engineering	\$50,000
T.Y. Lin Engineering	Bridge Designer	\$42,000
Stantec, Inc.	Civil Engineering	\$30,000
KOA	Traffic Engineering	\$50,000
Rincon Consultant	Environmental	\$20,000
Allan Seward Engineering	Geotechnical Engineering	\$25,200
Pacific Coast Land Design	Landscaping	\$20,000

Staff will also award a contract to Padilla and Associates to perform labor compliance for the construction project in the amount of \$15,000 and award of a document management control contract to EADOC in the amount of \$10,200.

City staff successfully participated in the 2011 Metro Call for Projects and was awarded a Proposition C Grant in the amount of \$4,264,449. The City's contribution consists of Eastside Bridge and Thoroughfare fees (Fund 301) and Landscape Maintenance District funds (Fund 357).

The California Environmental Quality Act requirement for this project was met through a determination of Categorical Exclusion approved by Caltrans on April 29, 2009, and revalidated by Caltrans on September 11, 2014.

While the City maintains a "Support of Local Businesses" policy that can be utilized by the City Council when warranted, the City is governed by the State Public Contract Code with regard to public works project procurement. In these types of procurement, the Public Contract Code does not permit a City to utilize a "Support of Local Businesses" policy and instead requires the contract be awarded to the "lowest responsible bidder."

#### ALTERNATIVE ACTION

Other action as determined by the City Council.

#### BUDGET SUMMARY

Upon approval of the recommended action, Proposition C Grant revenues will be adjusted accordingly. The existing budget of \$687,098 and requested appropriations totaling \$9,548,857 will create a project budget of \$10,235,955.

Source	Account Number	Current FY Budget	Requested Appropriation	Transfer Project Savings	Total
Prop. C Grant	S3028265-5161.001	284,303	3,980,146		4,264,449
Eastside Bridge & Thoroughfare	S3028301-5161.001	287,098	5,473,711		5,760,809
LMD Zone 2008-1	S3028357-5161.001	115,697		95,000	210,697
LMD Zone 2008-1	B3003357-5161.001			(95,000)	
Total Project Budget		\$687,098	\$9,453,857	-	\$10,235,955

This amount will adequately provide for award of the construction contract for a maximum amount of \$7,403,415, construction support contracts totaling \$1,674,610, and for the

Reimbursable Letter of Agreement with the California Highway Patrol for \$100,000. The remaining budget of \$1,057,930 will provide for staff oversight, project management, public works inspection, water meter for landscaping, clerical support, printing, and contingency for costs other than construction.

#### FISCAL IMPACT

Upon approval of the recommended action, the budget will be adjusted accordingly. With the requested appropriations and transfers referenced in the Budget Summary above, there will be adequate funds available in Golden Valley Road over State Route 14 Bridge Widening project expenditure accounts S3028265-5161.001 (Prop C Grant), S3028301-5161.001 (Eastside B&T), and S3028357-5161.001 (LMD Zone 2008-1).

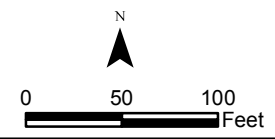
#### ATTACHMENTS

Location Map

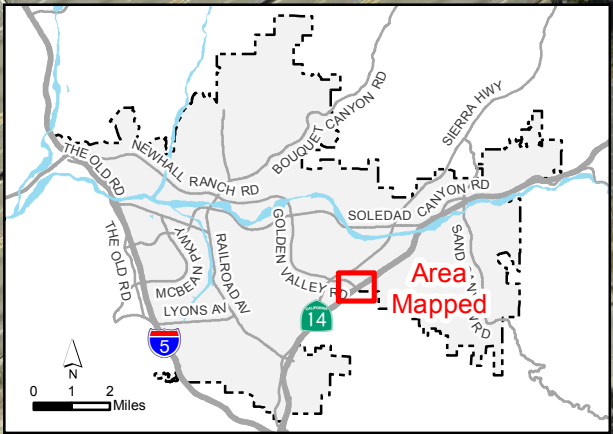
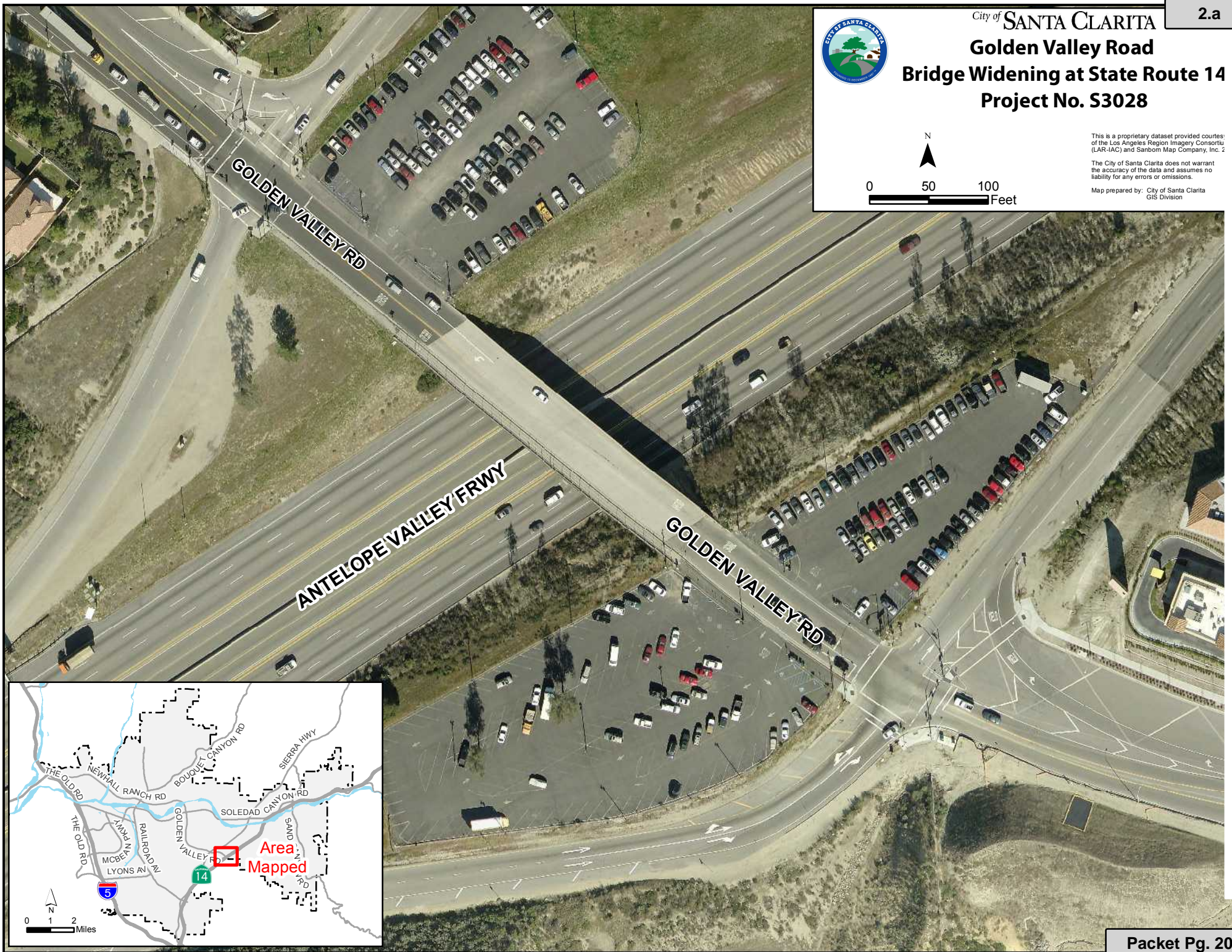
Contract for Security Paving Company, Inc. (available in the City Clerk's Reading File)



# Golden Valley Road Bridge Widening at State Route 14 Project No. S3028



This is a proprietary dataset provided courtesy of the Los Angeles Region Imagery Consortium (LAR-IAC) and Sanborn Map Company, Inc. 2  
The City of Santa Clarita does not warrant the accuracy of the data and assumes no liability for any errors or omissions.  
Map prepared by: City of Santa Clarita GIS Division



Attachment: Location Map (1174 : Golden Valley Rd Bridge Widening over SR14 - Approve Contract)



**CITY OF SANTA CLARITA  
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL: \_\_\_\_\_

DATE: February 24, 2015  
 SUBJECT: DEMOLITION OF 22520 LYONS AVENUE  
 DEPARTMENT: Community Development  
 PRESENTER: Jason Crawford

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RECOMMENDED ACTION

City Council appropriate \$66,000 from Fund 393 City Housing Successor fund balance to expenditure account 13405-5161.001 in order to demolish the existing structure located at 22520 Lyons Avenue.

BACKGROUND

The Redevelopment Agency of the City of Santa Clarita (Redevelopment Agency) acquired a block of property in Old Town Newhall in November 2008. The approximately 2-acre site encompasses one full city block, directly across the street from the Old Town Newhall Library, bounded by Lyons Avenue to the north, Railroad Avenue to the east, 9<sup>th</sup> Street to the south, and Main Street to the west. As a result of the dissolution of the Redevelopment Agency as dictated by AB X1 26 and AB 1484, the entire block now has multiple ownership interests: the City, the City as the Housing Successor Agency to the former Redevelopment Agency, and the Successor Agency to the former Redevelopment Agency.

This property is currently the subject property of a Request for Qualifications for development, which was released in November 2014. Staff is currently going through the evaluation process of submitted responses to ultimately recommend to City Council a developer to create a mixed-use project on this site that combines retail and residential uses, a theater component, and public parking. This concept is anticipated to be presented to the City Council in Summer 2015. A portion of this property is currently being used to provide public parking for the Old Town Newhall area.

At the time the property was purchased, there were four structures on the property: three buildings leased to private automotive uses and a building previously occupied by the City for the former Newhall Community Center, which was also utilized as the construction office for the duration of the construction of the Old Town Newhall Library. Two of the three automotive uses vacated the property in 2011. In 2012, those two former automotive buildings, as well as the

former Newhall Community Center/construction office, were demolished.

The last remaining automotive use tenant located on this property vacated in December 2014. Staff is proposing to utilize rental income received from the former tenant to complete the demolition of this building in preparation for the future development of the site and to ensure the health and safety of the surrounding areas.

Staff will be utilizing an open contract for "As Needed General Contractor Services" to complete this work. On November 27, 2013, a bid was posted on the City's Bid Management website for "As Needed General Contractor Services." Planet Bids notified 442 vendors, and 40 vendors downloaded the bid package. As a result, seven bids in response were received and opened by Purchasing staff on January 8, 2014. City Council awarded contracts on February 11, 2014, for "As Needed General Contractor Services."

The contractor has provided a quote of \$66,000 to complete the demolition work. Staff has already had the site inspected for environmental concerns, including asbestos and lead based paint. Asbestos was found on the property, and therefore, the remediation of asbestos is included in the price provided by the contractor. It is estimated that the demolition, including the environmental remediation, will take one week to complete.

#### ALTERNATIVE ACTION

Other action as determined by City Council.

#### FISCAL IMPACT

Upon approval of the recommended action, the budget will be adjusted accordingly. The rental income the City received from this tenant was determined by the Department of Finance to be a Housing Asset, and therefore, the City, as Housing Successor Agency to the Former Redevelopment Agency, has collected rent and placed it in Fund 393. The \$66,000 of rental income from the subject property (fund balance in Fund 393) will be used to demolish the existing structure located at 22520 Lyons Ave.



**CITY OF SANTA CLARITA  
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL: \_\_\_\_\_

DATE: February 24, 2015

SUBJECT: AGREEMENT BETWEEN THE CITY OF SANTA CLARITA AND THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARITA AUTHORIZING THE REPAYMENT OF LOANS MADE FROM THE CITY TO THE REDEVELOPMENT AGENCY

DEPARTMENT: Community Development

PRESENTER: Jason Crawford

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RECOMMENDED ACTION

1. City Council adopt a resolution approving an “Agreement Regarding Reinstatement of Loan,” and direct the City Manager to execute the agreement; and
2. Successor Agency Board adopt a resolution approving an “Agreement Regarding Reinstatement of Loan,” direct staff to bring this action to the Oversight Board for their approval, and upon concurrence from the Oversight Board and the Department of Finance, direct staff to execute the agreement.

BACKGROUND

Throughout the course of the existence of the Redevelopment Agency, the City has loaned funds to the Redevelopment Agency for administrative purposes and to fund redevelopment projects undertaken by the Agency, such as streetscape design and construction, the preparation of the Old Town Newhall Specific Plan, the preparation of the North Newhall Specific Plan, and property acquisition.

When the Redevelopment Agency was dissolved in February 2012, the legislation that caused for the dissolution of Redevelopment Agencies throughout the state (AB X1 26) made it so that all loans made by cities to former Redevelopment Agencies were no longer eligible for repayment. In June 2012, the dissolution law substantially changed with the passage of AB 1484. AB 1484 provided a mechanism by which these loans could be repaid as long as the Successor Agency to the former Redevelopment Agency (Successor Agency) took a number of administrative steps to obtain a Finding of Completion. The Successor Agency received its Finding of Completion on June 20, 2013.

In addition to obtaining a Finding of Completion, AB 1484 outlined the following repayment criteria:

- Interest rates have to be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (LAIF);
- Loans have to be repaid in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF;
- The annual amount of repayments are subject to specified limitations outlined in a complex formula; and
- Twenty percent of repaid amounts have to be deposited into the City Housing Successor Agency's housing fund.

To date, there are a total of 15 loans between the City and the former Redevelopment Agency, of which 14 remain outstanding. Using the interest rate required by AB 1484, the total amount due to the City is \$13,402,810. A breakdown of each of those loans is shown in the attached table entitled "Loan Summary." Following the complex formula to determine annual repayment amounts, the Successor Agency may pay \$357,387 in fiscal year 2015-16, of which \$285,910 would be used to reimburse the General Fund and Developer Fee Fund that made the loans originally, and \$71,477 is legislatively mandated to be deposited in to the City's Housing Successor Agency fund to be utilized to further affordable housing efforts in the City.

The amount anticipated to be available in future fiscal years to repay the loan will vary, as it is subject to the repayment formula outlined in the law. This takes into account whether former tax increment amounts increase or decrease, enforceable obligations are reduced or eliminated, and also any legislative changes that may occur. The proposed loan reinstatement agreement takes these unknowns into account and allows for accelerated repayments to be made consistent with the law in effect at the time.

Additionally, the anticipated payoff year also varies. The year 2043 is the year the redevelopment plan states that no further tax may be collected to pay debts, including any balance on these loans. If that sunset were to apply, given the formulas that dictate how much the Successor Agency can pay the City back per fiscal year as outlined above, the City could potentially not be fully repaid using the current legislative framework that dictates repayment. The Department of Finance has previously made statements indicating that such sunset would not apply to obligations reinstated after issuance of a Finding of Completion. However, recently proposed "clean up" legislation indicates that only repayment of bonded indebtedness would be exempt from the sunset.

Upon approval by the City Council and the Successor Agency Board, the Successor Agency must present this item to the Oversight Board. An Oversight Board meeting is scheduled for February 25, 2015, to consider this item. The Oversight Board must find that these loans were originally made for legitimate redevelopment purposes and approve the repayment agreement. After the Oversight Board has approved, the agreement must be provided to the Department of Finance, who has the ultimate approval authority. This will then allow the Successor Agency to list these loans as enforceable obligations on the six-month Recognized Obligation Payment Schedules (ROPS) and receive future allocations from the County Auditor-Controller's



Redevelopment Property Tax Trust Fund (which was formally redevelopment tax increment) so that these loans can be repaid.

#### ALTERNATIVE ACTION

Other action as determined by City Council.

#### FISCAL IMPACT

This action by the City Council and the Successor Agency Board will provide repayment to the City in the amount of \$357,387 in Fiscal Year 2015-16, of which \$285,910 would be used to reimburse the General Fund and Developer Fee Fund that made the loans originally, and \$71,477 would be required to be deposited in to the City's Housing Successor Agency fund to be utilized to further affordable housing efforts in the City. Repayment is anticipated to begin in Fiscal Year 2015-16.

#### ATTACHMENTS

Resolution - City Council

Resolution - Successor Agency

Agreement Regarding Reinstatement of Loans

Loan Summary

## RESOLUTION 15- \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SANTA CLARITA APPROVING AN AGREEMENT  
REGARDING REINSTATEMENT OF CITY LOANS MADE TO  
THE FORMER REDEVELOPMENT AGENCY

WHEREAS, pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (“CRL”), the former Redevelopment Agency of the City of Santa Clarita (“Redevelopment Agency”) had responsibility to implement the Redevelopment Plans for the Newhall Redevelopment Project Area (“Project Area”); and

WHEREAS, the City of Santa Clarita (“City”) agreed to serve as the successor agency to the Redevelopment Agency (“Successor Agency”) commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill X1 26; and

WHEREAS, pursuant to Health and Safety Code Section 33220, the City was authorized to assist the Redevelopment Agency for the purpose of aiding and cooperating in the planning, undertaking, construction, and operation of redevelopment projects located within the jurisdiction of the City, upon the terms and with or without consideration as the City determined; and

WHEREAS, pursuant to Health and Safety Code Section 33445, the Redevelopment Agency was authorized to enter into agreements with the City pursuant to which the Redevelopment Agency would agree to reimburse the City for funds provided by the City for the cost of installation and construction of public improvements, structures and facilities located within or outside the Project Areas; and

WHEREAS, pursuant to Health and Safety Code Sections 33132 and 33601, the Redevelopment Agency was authorized to borrow money and accept financial assistance from the City for redevelopment projects located within the Redevelopment Agency’s jurisdiction; and

WHEREAS, consistent with the foregoing authority, the City made the following loans (collectively, the “Loans”) to the Redevelopment Agency:

- (a) a loan in the original principal amount of \$500,000, in accordance with the terms set forth in City Council Resolution No. 96-101 and Redevelopment Agency Resolution No. 96-2, each dated July 9, 1996 for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding operating costs for the Redevelopment Agency (**Loan A**); and
- (b) a loan in the original principal amount of \$750,000, in accordance with the terms set forth in City Council Resolution No. 98-94 and Redevelopment Agency Resolution No. 98-2, each dated June 23, 1998, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency (**Loan B**); and

- (c) a loan in the original principal amount of \$445,000, in accordance with the terms set forth in City Council Resolution No. 00-95 and Redevelopment Agency Resolution No. 00-1, each dated June 27, 2000, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency (**Loan C**); and
- (d) a loan in the original principal amount of \$50,000, in accordance with the terms set forth in City Council Resolution No. 03-48 and Redevelopment Agency Resolution No. 03-1, each dated April 8, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape along San Fernando Road (**Loan D**); and
- (e) a loan in the original principal amount of \$160,000, in accordance with the terms set forth in City Council Resolution No. 03-85 and Redevelopment Agency Resolution No. 03-3, each dated June 24, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape design (**Loan E**); and
- (f) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan F**); and
- (g) a loan in the original principal amount of \$335,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan G**); and
- (h) a loan in the original principal amount of \$845,000, in accordance with the terms set forth in City Council Resolution No. 05-13 and Redevelopment Agency Resolution No. 05-1, each dated January 25, 2005, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24513 San Fernando Road (**Loan H**); and
- (i) a loan in the original principal amount of \$770,000, in accordance with the terms set forth in City Council Resolution No. 06-4 and Redevelopment Agency Resolution No. 06-2, each dated January 10, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24158 San Fernando Road (**Loan I**); and
- (j) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 06-3 and Redevelopment Agency Resolution No. 06-1, each dated January 10, 2006, for the purpose of

advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan J**); and

- (k) a loan in the original principal amount of \$439,400, in accordance with the terms set forth in City Council Resolution No. 06-40 and Redevelopment Agency Resolution No. 06-3, each dated May 9, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding the North Newhall Specific Plan and Environmental Impact Report (**Loan K**); and
- (l) a loan in the original principal amount of \$5,000,000, in accordance with the terms set forth in City Council Resolution No. 06-71 and Redevelopment Agency Resolution No. 06-5, each dated June 27, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape and striping projects (**Loan L**); and
- (m) a loan in the original principal amount of \$2,550,000, in accordance with the terms set forth in City Council Resolution No. 09-105 and Redevelopment Agency Resolution No. 9-15, each dated December 8, 2009, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project (**Loan M**); and
- (n) a loan in the original principal amount of \$2,309,886, in accordance with the terms set forth in City Council Resolution No. 10-42 and Redevelopment Agency Resolution No. 10-5, each dated June 22, 2010, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project (**Loan N**); and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b), once a successor agency has received a Finding of Completion pursuant to Health and Safety Code Section 34179.7, loan agreements entered into between the redevelopment agency and the entity that created the redevelopment agency (“Sponsoring Jurisdiction Loans”) shall be deemed to be enforceable obligations provided that the successor agency’s oversight board makes a finding that the Sponsoring Jurisdiction Loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a Finding of Completion on June 20, 2013; and

WHEREAS, on February 25, 2015, the Successor Agency’s Oversight Board (“Oversight Board”) will consider Resolution No. 2015-01 pursuant to which the Oversight Board will be asked to adopt findings determining that the Loans were made for legitimate redevelopment purposes as authorized by and consistent with the CRL, and to approve repayment of the Loans in accordance with the Agreement (defined below), which findings are necessary for final approval of the Agreement; and

WHEREAS, Health and Safety Code Section 34191.4(b)(2) provides that: (i) the accumulated interest on Sponsoring Jurisdiction Loans shall be recalculated from origination at

the interest rate earned by funds deposited into the Local Agency Investment Fund (“LAIF”), (ii) Sponsoring Jurisdiction Loans shall be repaid to the sponsoring jurisdiction in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF, and (iii) the annual amount of repayments on Sponsoring Jurisdiction Loans provided for in the Recognized Obligation Payment Schedule (“ROPS”) is subject to specified limitations; and

WHEREAS, Successor Agency staff have prepared an Agreement Regarding Reinstatement of Loans (the “Agreement”) which provides for repayment of the Loans in accordance with the requirements of Health and Safety Code Section 34191.4(b) and commits the City to use the Loan repayment proceeds in accordance with Health and Safety Code Section 34191.4(b).

NOW, THEREFORE, the City Council of the City of Santa Clarita does hereby resolve as follows:

SECTION 1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council’s adoption of this Resolution.

SECTION 2. The Agreement is approved, and the City Manager or his designee is authorized to execute the Agreement on behalf of the City substantially in the form presented with the staff report accompanying this Resolution.

SECTION 3. The City Manager and his designees are authorized to take such further actions as may be necessary to carry out the intent of this Resolution.

SECTION 4. The City Clerk shall certify to the adoption of the Resolution.

PASSED, APPROVED, AND ADOPTED this 24<sup>th</sup> day of February 2015.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

DATE: \_\_\_\_\_

Attachment: Resolution - City Council (1185 : Successor Agency - Reinstate Loans)

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) ss.  
CITY OF SANTA CLARITA )

I, Kevin Tonoian, City Clerk of the City of Santa Clarita, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Santa Clarita at a regular meeting thereof, held on the 24<sup>th</sup> day of February 2015, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

\_\_\_\_\_  
CITY CLERK

Attachment: Resolution - City Council (1185 : Successor Agency - Reinstate Loans)

## RESOLUTION SA 15- \_\_\_\_\_

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE  
FORMER REDEVELOPMENT AGENCY OF THE CITY OF  
SANTA CLARITA APPROVING AN AGREEMENT  
REGARDING REINSTATEMENT OF CITY LOANS MADE TO  
THE FORMER REDEVELOPMENT AGENCY

WHEREAS, pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (“CRL”), the former Redevelopment Agency of the City of Santa Clarita (“Redevelopment Agency”) had responsibility to implement the Redevelopment Plans for the Newhall Redevelopment Project Area (“Project Area”); and

WHEREAS, the City of Santa Clarita (“City”) agreed to serve as the successor agency to the Redevelopment Agency (“Successor Agency”) commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill X1 26; and

WHEREAS, pursuant to Health and Safety Code Section 33220, the City was authorized to assist the Redevelopment Agency for the purpose of aiding and cooperating in the planning, undertaking, construction, and operation of redevelopment projects located within the jurisdiction of the City, upon the terms and with or without consideration as the City determined; and

WHEREAS, pursuant to Health and Safety Code Section 33445, the Redevelopment Agency was authorized to enter into agreements with the City pursuant to which the Redevelopment Agency would agree to reimburse the City for funds provided by the City for the cost of installation and construction of public improvements, structures and facilities located within or outside the Project Areas; and

WHEREAS, pursuant to Health and Safety Code Sections 33132 and 33601, the Redevelopment Agency was authorized to borrow money and accept financial assistance from the City for redevelopment projects located within the Redevelopment Agency’s jurisdiction; and

WHEREAS, consistent with the foregoing authority, the City made the following loans (collectively, the “Loans”) to the Redevelopment Agency:

- (a) a loan in the original principal amount of \$500,000, in accordance with the terms set forth in City Council Resolution No. 96-101 and Redevelopment Agency Resolution No. 96-2, each dated July 9, 1996 for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding operating costs for the Redevelopment Agency (**Loan A**); and
- (b) a loan in the original principal amount of \$750,000, in accordance with the terms set forth in City Council Resolution No. 98-94 and Redevelopment Agency Resolution No. 98-2, each dated June 23, 1998, for the purpose of

advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency (**Loan B**); and

- (c) a loan in the original principal amount of \$445,000, in accordance with the terms set forth in City Council Resolution No. 00-95 and Redevelopment Agency Resolution No. 00-1, each dated June 27, 2000, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency (**Loan C**); and
- (d) a loan in the original principal amount of \$50,000, in accordance with the terms set forth in City Council Resolution No. 03-48 and Redevelopment Agency Resolution No. 03-1, each dated April 8, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape along San Fernando Road (**Loan D**); and
- (e) a loan in the original principal amount of \$160,000, in accordance with the terms set forth in City Council Resolution No. 03-85 and Redevelopment Agency Resolution No. 03-3, each dated June 24, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape design (**Loan E**); and
- (f) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan F**); and
- (g) a loan in the original principal amount of \$335,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan G**); and
- (h) a loan in the original principal amount of \$845,000, in accordance with the terms set forth in City Council Resolution No. 05-13 and Redevelopment Agency Resolution No. 05-1, each dated January 25, 2005, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24513 San Fernando Road (**Loan H**); and
- (i) a loan in the original principal amount of \$770,000, in accordance with the terms set forth in City Council Resolution No. 06-4 and Redevelopment Agency Resolution No. 06-2, each dated January 10, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24158 San Fernando Road (**Loan I**); and



- (j) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 06-3 and Redevelopment Agency Resolution No. 06-1, each dated January 10, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan J**); and
- (k) a loan in the original principal amount of \$439,400, in accordance with the terms set forth in City Council Resolution No. 06-40 and Redevelopment Agency Resolution No. 06-3, each dated May 9, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding the North Newhall Specific Plan and Environmental Impact Report (**Loan K**); and
- (l) a loan in the original principal amount of \$5,000,000, in accordance with the terms set forth in City Council Resolution No. 06-71 and Redevelopment Agency Resolution No. 06-5, each dated June 27, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape and striping projects (**Loan L**); and
- (m) a loan in the original principal amount of \$2,550,000, in accordance with the terms set forth in City Council Resolution No. 09-105 and Redevelopment Agency Resolution No. 9-15, each dated December 8, 2009, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project (**Loan M**); and
- (n) a loan in the original principal amount of \$2,309,886, in accordance with the terms set forth in City Council Resolution No. 10-42 and Redevelopment Agency Resolution No. 10-5, each dated June 22, 2010, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project (**Loan N**); and

WHEREAS, pursuant to Health and Safety Code Section 34191.4(b), once a successor agency has received a Finding of Completion pursuant to Health and Safety Code Section 34179.7, loan agreements entered into between the redevelopment agency and the entity that created the redevelopment agency (“Sponsoring Jurisdiction Loans”) shall be deemed to be enforceable obligations provided that the successor agency’s oversight board makes a finding that the Sponsoring Jurisdiction Loans were for legitimate redevelopment purposes; and

WHEREAS, the Successor Agency received a Finding of Completion on June 20, 2013; and

WHEREAS, on February 25, 2015, the Successor Agency’s Oversight Board (“Oversight Board”) will consider Resolution No. 2015-01 pursuant to which the Oversight Board will be asked to adopt findings determining that the Loans were made for legitimate redevelopment purposes as authorized by and consistent with the CRL, and to approve repayment of the Loans in accordance with the Agreement (defined below), which findings are necessary for final approval of the Agreement; and

WHEREAS, Health and Safety Code Section 34191.4(b)(2) provides that: (i) the accumulated interest on Sponsoring Jurisdiction Loans shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (“LAIF”), (ii) Sponsoring Jurisdiction Loans shall be repaid to the sponsoring jurisdiction in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF, and (iii) the annual amount of repayments on Sponsoring Jurisdiction Loans provided for in the Recognized Obligation Payment Schedule (“ROPS”) is subject to specified limitations; and

WHEREAS, Successor Agency staff have prepared an Agreement Regarding Reinstatement of Loans (the “Agreement”) which provides for repayment of the Loans in accordance with the requirements of Health and Safety Code Section 34191.4(b) and commits the City to use the Loan repayment proceeds in accordance with Health and Safety Code Section 34191.4(b).

NOW, THEREFORE, the Governing Board of the Successor Agency to the Former Redevelopment Agency of the City of Santa Clarita does hereby resolve as follows:

SECTION 1. The Governing Board hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the adoption of this Resolution.

SECTION 2. The Agreement is approved contingent on the approval of the Oversight Board, and consistent with the Oversight Board approval the Executive Director of the Successor Agency or her designee is authorized to execute the Agreement on behalf of the Successor Agency substantially in the form presented with the staff report accompanying this Resolution.

SECTION 3. Contingent on and consistent with the Oversight Board approval, the Successor Agency is authorized and directed to list the Agreement and the repayment of the Loans on the Successor Agency’s ROPS for the July 1 to December 31, 2015 period (“ROPS 15-16A”) and for each succeeding ROPS period until the Loans are repaid in full in accordance with the Agreement.

SECTION 4. The Executive Director and his designees are authorized to take such further actions as may be necessary to carry out the intent of this Resolution.

SECTION 5. The Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 24<sup>th</sup> day of February 2015.

\_\_\_\_\_  
SUCCESSOR AGENCY BOARD CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

DATE: \_\_\_\_\_

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    ) ss.  
CITY OF SANTA CLARITA        )

I, Kevin Tonoian, Secretary of the Governing Board of the Successor Agency, do hereby certify that the foregoing Resolution was duly adopted by the Successor Agency Board of the former Redevelopment Agency of the City of Santa Clarita at a regular meeting thereof, held on the 24<sup>th</sup> day of February 2015, by the following vote:

AYES:            BOARDMEMBERS:

NOES:           BOARDMEMBERS:

ABSENT:         BOARDMEMBERS:

\_\_\_\_\_  
SECRETARY

## AGREEMENT REGARDING REINSTATEMENT OF LOAN

(City of Santa Clarita/Successor Agency to the former Redevelopment Agency of the City of Santa Clarita)

THIS AGREEMENT REGARDING REINSTATEMENT OF LOAN (this “**Agreement**”) is entered into effective as of \_\_\_\_\_, 2015 (“**Effective Date**”) by and between the Successor Agency to former Redevelopment Agency of the City of Santa Clarita (“**Successor Agency**”) and the City of Santa Clarita, a municipal corporation (“**City**”). The Successor Agency and the City are hereinafter collectively referred to as the “**Parties**.”

### RECITALS

A. Pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (“**CRL**”), the former Redevelopment Agency of the City of Santa Clarita (“**Redevelopment Agency**”) had responsibility to implement the Redevelopment Plans for the Newhall Redevelopment Project Area (“**Project Area**”).

B. The City Council of the City of Santa Clarita (“**City Council**”) agreed to serve as the successor agency to the Redevelopment Agency commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill x1 26.

C. Pursuant to Health and Safety Code Section 33220, the City was authorized to assist the Redevelopment Agency for the purpose of aiding and cooperating in the planning, undertaking, construction, and operation of redevelopment projects located within the jurisdiction of the City, upon the terms and with or without consideration as the City determined.

D. Pursuant to Health and Safety Code Section 33445, the Redevelopment Agency was authorized to enter into agreements with the City pursuant to which the Redevelopment Agency would agree to reimburse the City for funds provided by the City for the cost of installation and construction of public improvements, structures and facilities located within or outside the Project Areas.

E. Pursuant to Health and Safety Code Sections 33132 and 33601, the Redevelopment Agency was authorized to borrow money and accept financial assistance from the City for redevelopment projects located within the Redevelopment Agency’s jurisdiction.

F. Consistent with the foregoing authority, the City made the following loans (the “**Loans**”) to the Redevelopment Agency:

- (a) a loan in the original principal amount of \$500,000, in accordance with the terms set forth in City Council Resolution No. 96-101 and Redevelopment Agency Resolution No. 96-2, each dated July 9, 1996 for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding operating costs for the Redevelopment Agency (**Loan A**); and

- (b) a loan in the original principal amount of \$750,000, in accordance with the terms set forth in City Council Resolution No. 98-94 and Redevelopment Agency Resolution No. 98-2, each dated June 23, 1998, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency (**Loan B**); and
- (c) a loan in the original principal amount of \$445,000, in accordance with the terms set forth in City Council Resolution No. 00-95 and Redevelopment Agency Resolution No. 00-1, each dated June 27, 2000, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of operating costs for the Redevelopment Agency (**Loan C**); and
- (d) a loan in the original principal amount of \$50,000, in accordance with the terms set forth in City Council Resolution No. 03-48 and Redevelopment Agency Resolution No. 03-1, each dated April 8, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape along San Fernando Road (**Loan D**); and
- (e) a loan in the original principal amount of \$160,000, in accordance with the terms set forth in City Council Resolution No. 03-85 and Redevelopment Agency Resolution No. 03-3, each dated June 24, 2003, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape design (**Loan E**); and
- (f) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan F**); and
- (g) a loan in the original principal amount of \$335,000, in accordance with the terms set forth in City Council Resolution No. 04-74 and Redevelopment Agency Resolution No. 04-2, each dated June 8, 2004, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan G**); and
- (h) a loan in the original principal amount of \$845,000, in accordance with the terms set forth in City Council Resolution No. 05-13 and Redevelopment Agency Resolution No. 05-1, each dated January 25, 2005, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24513 San Fernando Road (**Loan H**); and
- (i) a loan in the original principal amount of \$770,000, in accordance with the terms set forth in City Council Resolution No. 06-4 and Redevelopment Agency Resolution No. 06-2, each dated January 10, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the acquisition of property located at 24158 San Fernando Road (**Loan I**); and

- (j) a loan in the original principal amount of \$250,000, in accordance with the terms set forth in City Council Resolution No. 06-3 and Redevelopment Agency Resolution No. 06-1, each dated January 10, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of the Downtown Newhall Specific Plan (**Loan J**); and
- (k) a loan in the original principal amount of \$439,400, in accordance with the terms set forth in City Council Resolution No. 06-40 and Redevelopment Agency Resolution No. 06-3, each dated May 9, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding the North Newhall Specific Plan and Environmental Impact Report (**Loan K**); and
- (l) a loan in the original principal amount of \$5,000,000, in accordance with the terms set forth in City Council Resolution No. 06-71 and Redevelopment Agency Resolution No. 06-5, each dated June 27, 2006, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of streetscape and striping projects (**Loan L**); and
- (m) a loan in the original principal amount of \$2,550,000, in accordance with the terms set forth in City Council Resolution No. 09-105 and Redevelopment Agency Resolution No. 9-15, each dated December 8, 2009, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project (**Loan M**); and
- (n) a loan in the original principal amount of \$2,309,886, in accordance with the terms set forth in City Council Resolution No. 10-42 and Redevelopment Agency Resolution No. 10-5, each dated June 22, 2010, for the purpose of advancing funds to assist in the redevelopment of the Project Area, including the funding of phase II of the streetscape project (**Loan N**); and

G. Pursuant to Health and Safety Code Section 34191.4(b), once a successor agency has received a Finding of Completion pursuant to Health and Safety Code Section 34179.7, loan agreements entered into between the redevelopment agency and the entity that created the redevelopment agency (“**Sponsoring Jurisdiction Loans**”) shall be deemed to be enforceable obligations provided that the successor agency’s oversight board makes a finding that the Sponsoring Jurisdiction Loans were for legitimate redevelopment purposes.

H. The Successor Agency received a Finding of Completion on June 20, 2013.

I. Health and Safety Code Section 34191.4(b)(2) provides that: (i) the accumulated interest on Sponsoring Jurisdiction Loans shall be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund (“**LAIF**”), (ii) Sponsoring Jurisdiction Loans shall be repaid to the sponsoring jurisdiction in accordance with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by funds deposited into LAIF, and (iii) the annual amount of repayments for Sponsoring

Jurisdiction Loans provided for in the Recognized Obligation Payment Schedule (“**ROPS**”) is subject to specified limitations.

J. This Agreement provides for repayment of the Loans in accordance with the requirements of Health and Safety Code Section 34191.4(b), and commits the City to use the Loan repayment proceeds in accordance with Health and Safety Code Section 34191.4(b).

K. On February 25, 2015, the Oversight Board for the Successor Agency (“**Oversight Board**”) adopted Resolution No. 15-01 pursuant to which the Oversight Board adopted findings determining that the Loans were made for legitimate redevelopment purposes as authorized by and consistent with the CRL, authorized the Successor Agency to enter into this Agreement, and authorized the Successor Agency to list this Agreement and repayment of the Loans on the ROPS.

NOW, THEREFORE, the Successor Agency and the City agree as follows:

1. Reinstatement of Loans. The Parties acknowledge and agree that pursuant to the facts stated in the foregoing Recitals, which by this reference are incorporated into this Agreement, the Loans constitute enforceable obligations, eligible to be listed on the Successor Agency’s ROPS and repaid pursuant to and in accordance with Health and Safety Code Section 34191.4(b). In accordance with Health and Safety Code Section 34191.4(b)(2), the interest accumulated on the outstanding principal balance of the Loans from origination through the Effective Date (“**Accumulated Interest**”) is as set forth below, based upon application of the applicable LAIF Rates. The Parties acknowledge and agree that as of the Effective Date, the outstanding principal balance and accumulated interest of the Loans are as follows:

- (a) The Accumulated Interest on Loan A equals \$280,730. When added to the \$500,000 principal amount, taking in to account a payment made of \$133,128, the total due to the City for the Loan A as of the Effective Date is \$647,602.
- (b) The Accumulated Interest on Loan B equals \$329,925. When added to the outstanding \$750,000 principal amount, the total due to the City for Loan B as of the Effective Date is \$1,079,925.
- (c) The Accumulated Interest on Loan C equals \$56,559. When added to the outstanding \$202,409 principal amount, the total due to the City for Loan C as of the Effective Date is \$258,968.
- (d) The Accumulated Interest on Loan D equals \$12,156. When added to the outstanding \$50,000 principal amount, the total due to the City for Loan D as of the Effective Date is \$62,156.
- (e) The Accumulated Interest on Loan E equals \$31,015. When added to the outstanding \$160,000 principal amount, the total due to the City for Loan E as of the Effective Date is \$191,015.

- (f) The Accumulated Interest on Loan F equals \$48,460. When added to the outstanding \$250,000 principal amount, the total due to the City for Loan F as of the Effective Date is \$298,460.
- (g) The Accumulated Interest on Loan G equals \$64,937. When added to the outstanding \$335,000 principal amount, the total due to the City for Loan B as of the Effective Date is \$399,937.
- (h) The Accumulated Interest on Loan H equals \$153,185. When added to the outstanding \$843,760 principal amount, the total due to the City for Loan H as of the Effective Date is \$996,944.
- (i) The Accumulated Interest on Loan I equals \$91,165. When added to the outstanding \$770,000 principal amount, the total due to the City for Loan I as of the Effective Date is \$861,165.
- (j) The Accumulated Interest on Loan J equals \$9,481. When added to the outstanding \$89,060 principal amount, the total due to the City for Loan J as of the Effective Date is \$98,541.
- (k) The Accumulated Interest on Loan K equals \$19,583. When added to the outstanding \$212,890 principal amount, the total due to the City for Loan K as of the Effective Date is \$232,473.
- (l) The Accumulated Interest on Loan L equals \$716,096. When added to the \$5,000,000 principal amount, taking in to account a repayment made in the amount of \$2,385,673, the total due to the City for Loan L as of the Effective Date is \$3,330,423.
- (m) The Accumulated Interest on Loan M equals \$48,504. When added to the outstanding \$2,550,000 principal amount, the total due to the City for Loan M as of the Effective Date is \$2,598,504.
- (n) The Accumulated Interest on Loan N equals \$36,812. When added to the outstanding \$2,309,886 principal amount, the total due to the City for Loan N as of the Effective Date is \$2,346,698.

Commencing upon the Effective Date, interest shall accrue on the outstanding principal balance of the Loans and the interest accrued thereon (including the Accumulated Interest) at a rate equal to the Local Agency Investment Fund Quarterly Apportionment Rate (the “**LAIF Rate**”) in effect from time to time as posted on the State Treasurer’s website (<http://www.treasurer.ca.gov/pmia-laif/historical/quarterly.asp>). The interest rate applicable to any payment due on the Loans, shall be the LAIF Rate in effect from time to time immediately prior to the date on which a ROPS that includes a payment hereunder is prepared and submitted to the Oversight Board for approval. Interest shall accrue in accordance with this Section until the Loans are repaid in full. Interest shall be calculated on the basis of a year of 365 days and charged for the actual number of days elapsed.



2. Repayment Term. The Loans shall be repaid in annual or semi-annual installments in an amount not to exceed the sum determined pursuant to Health and Safety Code Section 34191.4(b)(2)(A) (i.e., in the aggregate, the payments made in each fiscal year shall not exceed one-half of the increase between the amount distributed to the taxing entities pursuant to paragraph (4) of subdivision (a) of Section 34183 in each fiscal year and the amount distributed to the taxing entities pursuant to that paragraph in the 2012-13 base year) until repaid in full. Payments shall be applied first to accrued interest, and then to outstanding principal. Notwithstanding the foregoing, if the amount of funds available to be distributed by the Los Angeles County Auditor-Controller from the Redevelopment Property Tax Trust Fund for any ROPS period is not sufficient to fully fund the superior enforceable obligations on the Successor Agency's ROPS, payments due on the Loans, then the amount of the Loan payments due shall be reduced to the extent necessary to fully fund the superior enforceable obligations. The reduced Loan payments shall be applied first to accrued interest and then to outstanding principal.
3. Use of Loan Repayment Funds. The City shall use the Loan repayments in accordance with the requirements of Health and Safety Code Section 34191.4(b)(2)(B) and (C) to repay any amounts previously borrowed from the Low and Moderate Income Housing Fund of the Redevelopment Agency (if any) and to fund the City's Low and Moderate Income Housing Asset Fund established by the City in its capacity as the housing successor to the Redevelopment Agency. Any repayment amounts remaining after the foregoing obligations are satisfied may be used by the City for purposes identified in the discretion of the City Council.
4. Subordination. Notwithstanding any contrary provision hereof, the Parties agree that the Successor Agency's obligation to repay the Loans shall be subordinate to the pledge of tax increment revenue for the payment of debt service on tax allocation bonds or other indebtedness issued by the Redevelopment Agency and the payment of the Successor Agency's other enforceable obligations.
5. Amendments. No amendment to or modification of this Agreement shall be effective unless and until such amendment or modification is in writing, properly approved in accordance with applicable procedures, and executed by the Parties. Notwithstanding the foregoing, in the event of subsequently-enacted legislation that would facilitate an accelerated repayment of the Loans on the same or more favorable terms to the City, the Parties intend that such accelerated repayment will occur consistent with the requirements of such legislation and agree to amend this Agreement if necessary under that legislation to effectuate such accelerated payments.
6. Severability. If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.
7. No Third-Party Beneficiaries; Assignments. Nothing in this Agreement is intended to create any third-party beneficiaries to this Agreement, and no person or entity other than the Successor Agency and the City, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

8. Further Assurances. Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of the transactions contemplated by this Agreement.
9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

***SIGNATURES ON FOLLOWING PAGES.***

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first written above.

**CITY:**

**SUCCESSOR AGENCY:**

**CITY OF SANTA CLARITA**

**SUCCESSOR AGENCY TO THE  
FORMER REDEVELOPMENT AGENCY  
OF THE CITY OF SANTA CLARITA**

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
Executive Director

Attest: \_\_\_\_\_  
City Clerk

Attest: \_\_\_\_\_  
Secretary

Approved as to form:

Approved as to form:

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
Successor Agency Counsel

Attachment: Agreement Regarding Reinstatement of Loans (1185 : Successor Agency - Reinstate Loans)

**ADVANCES FROM CITY TO REDEVELOPMENT AGENCY**

	Resol. Date	City Council Resolution No.	RDA Resolution No.	Loan Purpose	Loan Amount Authorized	Principal Advanced	Payments	Accumulated Interest through 2/24/15	Balance as of 02-24-15 (LAIF Quarterly Rate from Loan Origination)
LOAN A	7/9/1996	96-101	96-2	Operating Budget	\$ 500,000	\$ 500,000	\$ 133,128	\$ 280,730	\$ 647,602
LOAN B	6/23/1998	98-94	98-2	Operating Budget	750,000	750,000		329,925	1,079,925
LOAN C	6/27/2000	00-95	00-1	Operating Budget	445,000	202,409		56,559	258,968
LOAN D	4/8/2003	03-48	03-1	San Fernando Road Streetscape	50,000	50,000		12,156	62,156
LOAN E	6/24/2003	03-85	03-3	Streetscape Design	160,000	160,000		31,015	191,015
LOAN F	6/8/2004	04-74	04-2	Downtown Newhall Specific Plan	250,000	250,000		48,460	298,460
LOAN G	6/8/2004	04-74	04-2	Downtown Newhall Specific Plan	335,000	335,000		64,937	399,937
LOAN H	1/25/2005	05-13	05-1	Acquisition of 24513 San Fernando Rd (APN#2831-006-008)	845,000	843,760		153,185	996,944
LOAN I	1/10/2006	06-4	06-2	Acquisition of 24158 San Fernando Rd	770,000	770,000		91,165	861,165
LOAN J	1/10/2006	06-3	06-1	Downtown Newhall Specific Plan	250,000	89,060		9,481	98,541
LOAN K	5/9/2006	06-40	06-3	North Newhall Specific Plan & EIR	439,400	212,890		19,583	232,473
LOAN L	6/27/2006	06-71	06-5	Streetscape and Striping Projects	5,000,000	5,000,000	2,385,673	716,096	3,330,423
	5/13/2008	08-36	08-4		5,135,000	5,135,000	5,314,327	179,327	-
LOAN M	12/8/2009	09-105	09-15	Newhall Streetscape Phase II Completion	2,550,000	2,550,000		48,504	2,598,504
LOAN N	6/22/2010	10-42	10-5	Newhall Streetscape Phase II Completion	2,309,886	2,309,886		36,812	2,346,698
<b>**TOTALS:</b>					<b>\$ 19,158,005</b>	<b>\$ 7,833,128</b>	<b>\$ 7,833,128</b>	<b>\$ 2,077,933</b>	<b>\$ 13,402,810</b>

GENERAL FUND	\$ 13,838,119	\$ 7,833,128	\$ 1,900,986	\$ 7,905,977
DEVELOPER FEES	5,319,886	-	176,947	5,496,833
<b>TOTAL</b>	<b>\$ 19,158,005</b>	<b>\$ 7,833,128</b>	<b>\$ 2,077,933</b>	<b>\$ 13,402,810</b>



**CITY OF SANTA CLARITA  
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL: \_\_\_\_\_

DATE: February 24, 2015

SUBJECT: CHECK REGISTER NO. 4 FOR THE PERIOD 01/23/15 THROUGH 02/05/15 AND 02/12/15. ELECTRONIC FUNDS TRANSFERS FOR THE PERIOD 01/30/15 THROUGH 02/12/15.

DEPARTMENT: Administrative Services

PRESENTER: Carmen Magana

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RECOMMENDED ACTION

City Council approve and ratify for payment the demands presented in Check Register No. 4.

BACKGROUND

Check Register No. 4 for the Period 01/23/15 through 02/05/15 and 02/12/15 in the aggregate amount of \$4,776,566.01.

Electronic Funds Transfers included in Check Register No. 4 for the Period 01/30/15 through 02/12/15 in the aggregate amount of \$575,894.07.

FISCAL IMPACT

No Fiscal Impact.

ATTACHMENTS

Check Register No. 4 (available in the City Clerk's Reading File)



**CITY OF SANTA CLARITA  
AGENDA REPORT**

NEW BUSINESS

CITY MANAGER APPROVAL: \_\_\_\_\_

DATE: February 24, 2015

SUBJECT: FIRST READING OF AN ORDINANCE ENTITLED AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA, CALIFORNIA, AMENDING CHAPTER 6.02 OF MANUFACTURED HOME PARK RENT ADJUSTMENT PROCEDURES

DEPARTMENT: Community Development

PRESENTER: Erin Lay

RECOMMENDED ACTION

City Council discuss, approve, and pass to second reading an ordinance entitled "SANTA CLARITA MUNICIPAL CODE 6.02 - MANUFACTURED HOME RENT ADJUSTMENT PROCEDURES."

BACKGROUND

Santa Clarita Municipal Code (SCMC) 6.02 - Manufactured Home Park Rent Adjustment Procedures (Ordinance) was initially adopted by the City Council in 1991. The Ordinance was developed by a committee of manufactured home park owners and residents, and was designed to balance the needs of the park owners and park residents. Section 6.02.010 - *Purpose*, subsection (B), states:

*"The Council finds and declares it necessary to protect the owners and residents of manufactured homes from unreasonable rent adjustments while at the same time recognizing the need of park owners to receive a fair return on their property and rental income sufficient to cover reasonable adjustments in the cost of repairs, maintenance, insurance, employee services, and additional amenities, and other costs of operation."*

During the Ordinance update process, staff worked diligently to ensure that the changes proposed still balanced the needs of the park owners and park residents, as originally intended.

The development of the Ordinance was a voluntary effort on the part of the City; there are no

federal, state, or local requirements for the City to have an ordinance of this type. The Ordinance provides controls on the manner and timing of space rent adjustments, but does not set an absolute limit on the amount of a space rent adjustment. It was not designed to provide affordable housing or rent control based on the income of the resident, nor does the City have a rent adjustment ordinance or rent control related to apartments or single family homes.

The key provisions of the Ordinance are:

- Requirement for park owners to register manufactured home spaces periodically;
- Controls on the amount, timing, and noticing requirements for manufactured home park space rent adjustments;
- A resident appeal petition process for proposed annual space rent adjustments; and
- Creation of an elected Manufactured Home Rental Adjustment Panel (Panel) to hear appeals of proposed space rent adjustments.

There are 16 manufactured home parks, with a total of approximately 2,000 spaces, which are governed all or in part by the Ordinance. In at least two of the parks, some residents have long-term space lease agreements which take precedence over some of the space rent adjustment limitations in the Ordinance. Within one park, there are 30 spaces rented for the first time after 1991 which are exempt from the Ordinance entirely. Three of the parks, with 437 spaces, are senior-only and require at least one of the registered owner/residents to be at least 55 years of age.

Registration fees are currently \$4 per occupied space, and park owners are permitted to recover 50% of that cost (\$2 per year) from the resident. Registration fees generate an average of \$6,857 annually to off-set the costs of administering the Ordinance.

#### REASONS FOR THE UPDATE PROCESS

Over the last eight years, there have been 10 space rent appeals. During this time, City staff and the City Attorney have become aware of conflicts and inconsistencies within the Ordinance overall. The Ordinance has been difficult for park owners and park residents to understand, resulting in disputes over a number of issues related to the appeal process, including the proper contents of rent adjustment notices, what issues are subject to review by the Panel, and what costs may be included in a space rent adjustment. During space rent appeals, the Panel has expressed concerns about the difficulty of applying the Ordinance to items before them. In addition, in the last few years a number of manufactured home park residents have contacted City staff, the City Manager's Office, and the City Council requesting that the Ordinance be re-evaluated in light of the recent economic downturn.

The difficulty with interpreting and applying the Ordinance has also resulted in significant staff and City Attorney costs, both during the appeal process and throughout the year. In the last three years, over 260 Public Records Requests, other requests, or questions related to the interpretation or application of the Ordinance have been received through the eService system. The difficulty in administering the current Ordinance is most apparent during the appeal process. Over the past three years, four appeals have been heard by the Panel. The average cost for staff and City Attorney time, per appeal, was approximately \$41,500.

The total overall cost of administering the Ordinance is much greater than the registration fees collected. The chart below shows the direct costs for staff time and City Attorney time to administer the Ordinance over the last three years. Costs in excess of the registration fees are paid for by the City General Fund.

	Total Administrative Costs	Registration Fees Collected	Balance of Administrative Costs Paid from General Funds
2012	\$58,929	\$6,790	\$52,139
2013	\$99,281	\$6,879	\$92,402
2014	\$101,750	\$7,410	\$94,340
<b>Totals</b>	<b>\$259,960</b>	<b>\$21,079</b>	<b>\$238,881</b>

The manufactured home registration fee is set by the City Council and is intended to off-set the cost of administering the Ordinance. Based on the costs over the last three years, the per-space registration fee would have to be increased from \$4 per space to \$43 per space to accomplish that objective. An increase of this amount would result in each resident paying an additional \$19.50 per year (50% of the additional \$39.00).

LIMITATIONS OF THE CURRENT ORDINANCE

The City’s purview within manufactured home parks is limited to those items or areas outlined in the Ordinance and in SCMC 6.04 - Manufactured Home Park - Change in Use (which is not addressed in this update process). Specifically, the Ordinance does not provide the City with authority in manufactured home parks regarding building and safety permits, park maintenance, guest parking, and space leases.

CURRENT ORDINANCE - ALLOWABLE SPACE RENT ADJUSTMENTS

While there are a number of areas where changes to the Ordinance are proposed, the area that is of most concern to the park residents and park owners is the amount by which space rents may be adjusted. The current ordinance allows for an annual space rent adjustment using one of two methods:

- *Adjustment Deemed Reasonable (commonly referred to as CPI):* The space rent may be adjusted by-right in the amount of the Consumer Price Index - All Urban Consumers (CPI-U), with a minimum allowed of 3% (although park owners may take a lower amount if they choose) and a maximum of 6%. This method also allows increases in government-required services and utilities to be apportioned to each space.
- *Rent Adjustments Which Exceed Increases Deemed Reasonable:* The park owner may propose a larger than CPI adjustment based on a wide variety of criteria. Adjustments using this method may be based on information that is very specific (a detailed calculation of decrease in net operating income for the park) or on assertions by the park owner that are very broad, such as a fair return on the property or adjustments based on space rents in comparable parks. The current Ordinance does not specify what costs may or may not be included in this type of adjustment.



One proposed administrative change to the Ordinance involves a renaming of the two types of adjustments above in order to improve clarity and ease of use. The proposed change in language is shown below in italics:

- Adjustments Deemed Reasonable - *Standard Adjustment*
- Rent Adjustments Which Exceed Increases Deemed Reasonable - *Non-Standard Adjustment*

### THE UPDATE PROCESS OVERVIEW

Beginning in September 2013, staff conducted an extensive outreach effort to encourage the participation of all park residents, park owners and managers, and Panel members (stakeholders) in the update process. The update process consisted of three distinct stages:

- Initial comments (suggestions for changes to the current Ordinance)
- Comments on the proposed draft update
- Comments on the proposed amended draft update

During the initial comment portion of the process, stakeholders received individually mailed letters inviting them to attend meetings where they could let staff know what changes they would like to see. Later in the process, stakeholders were notified of additional opportunities to comment by signing up for the eNotify system, through postings on the City's website, or by contacting City staff by phone, email, or U.S. Mail.

Public meetings were held during each of the three separate stages in the update process. Over the course of the entire update process, stakeholders had 14 opportunities to provide comments: nine public meetings, three Panel meetings, and two City Council Development Subcommittee meetings. A history showing the date, time, and location of these meetings is attached. Staff also received comments from park residents and park owners in person, by email, and through U.S. Mail.

### DEVELOPMENT OF THE DRAFT AND AMENDED DRAFT

After the five initial comment meetings were held, staff and the Assistant City Attorney spent several months crafting a draft update of the Ordinance. The draft was based on initial comments from stakeholders, historical experience with administration of the Ordinance, and the desire to honor the original intent of the Ordinance, which was to balance the needs of the park residents and the park owners.

The draft update was released to the public in May 2014. It was presented to the stakeholders at three public meetings: a public comment meeting, a Panel meeting, and a City Council Development Subcommittee meeting. Based on the comments received, staff conducted three additional public comment meetings in September 2014 to provide stakeholders with further opportunities to make comments on the draft Ordinance. Proposed amendments were presented to the City Council Development Subcommittee in November 2014.

An amended draft Ordinance was released in November 2014. The amended draft was presented to the stakeholders at a Panel meeting and a public comment meeting. The current Ordinance, with the proposed draft changes and amendments in red-line, is attached. Also attached is a

clean copy of the proposed amended draft Ordinance, with all changes accepted.

#### COMMENTS RECEIVED - PARK RESIDENTS

Throughout the update process, the most common verbal and written comments from park residents was concerning the amount of the space rent allowed as part of a Standard Adjustment. Many residents requested the minimum adjustment allowed in a Standard Adjustment be reduced from 3% to as low as 0%. Some residents also suggested adjustments for seniors should be less than adjustments for other residents, that the adjustment be tied to increases in Social Security payments, or that long-term resident's rents should be capped. A few residents expressed the view that park owners should not be allowed to adjust space rents in any way and that park owners should not be allowed to make a profit on the parks.

Two photocopied resident petitions, one with 11 names listed and one with 14 names listed, were received regarding the Panel-Approved Summary (Summary). The Summary is a document used to inform residents of their rights under the Ordinance, which was most recently updated and approved by the Panel in 2014. These two petitions requested that the currently approved Summary be set aside, and an earlier version of from 2007 be used instead. A petition signed by 16 residents expressed the opinion that the Ordinance should not be changed in any way.

Residents also voiced concerns about a number of items which were outside the direct purview of the Ordinance, including park maintenance, building and safety permits, guest parking, and tenant-landlord disputes. When those comments were received, staff directed the residents to the most appropriate agency for that complaint, which included the State of California Department of Housing and Community Development and the Department of Consumer Affairs.

#### COMMENTS RECEIVED - PARK OWNERS

The most frequent comments by park owners also addressed the minimum adjustment allowed in a Standard Adjustment. The amended draft retains the 3% minimum for Standard Adjustments, but significantly reduces an owner's options for Non-Standard Adjustments. When presented with the amended draft, most park owners stated that they would be amenable to the new limitations in the Non-Standard Adjustments, but only if the minimum 3% in the Standard Adjustment was retained.

Owners argued that the minimum 3% should be retained because it is needed in order to maintain and improve their parks. Park owners also expressed the belief that the CPI-U calculation does not accurately represent their annual adjustment in costs of operating a manufactured home park because it is based on a sampling of costs of consumer goods and services, not on business investments. Several of the owners of larger parks pointed out that they had never imposed a Non-Standard Adjustment because they were able to address maintenance and improvement costs using only the Standard Adjustment, even when it was the minimum 3% allowed. They further stated that reducing the 3% minimum in a Standard Adjustment would force them to begin imposing Non-Standard Adjustments, potentially resulting in larger adjustments for the residents.

Historically, Non-Standard Adjustments approved during an appeal process are larger than Standard Adjustments. The chart below illustrates this by showing actual adjustments approved in the most recent Non-Standard adjustment appeals, compared to what the adjustments would have been if a 3% Standard Adjustment had been imposed instead.

	Non-Standard Adjustment Approved on Appeal	Range of Potential Adjustments under 3% Standard Adjustment
2010 (Polynesian)	\$68.78 per month	\$11 - \$20 per month
2013 (Sand Canyon)	\$57.37 per month	\$15 - \$18 per month

Park owners also made the argument that they cannot legally be made responsible for providing affordable housing for lower-income residents or be required to limit rent adjustments based on a resident's ability to pay.

#### PROPOSED UPDATES TO THE ORDINANCE

The amended draft retains the balance between the needs of the park residents and the park owners. The 3% minimum for a Standard Adjustment is retained, but the amended draft significantly limits the types of costs allowed in a Non-Standard Adjustment. The amended draft also proposes to allow a market-rate adjustment of vacant spaces.

Attached is a summary of the proposed changes to the Ordinance. The key changes are outlined below:

- Space Rent Adjustments
  - o Significant reduction in the allowable justifications for a Non-Standard Adjustment
  - o Removal of option for adjustment based on a decrease in the owners net operating income
  - o Clarification and expansion of requirements for noticing residents
  - o Requirement for park owners to provide supporting documentation to residents for a Non-Standard Adjustment
  - o Expansion of the amortization schedule to items allowable by the IRS
  - o Change in allowance of adjustments from once every 365 days to once each calendar year
- Manufactured Home Rental Adjustment Panel
  - o Process for seating alternates
  - o Majority vote process for fifth Panel member
  - o Increased options for formation of a quorum
- Appeal Hearings
  - o Clarification of what issues may be appealed
  - o Increased options for Panel to request supporting documentation
  - o Creation of appeal petition form for residents
  - o Removal of reduction in services section - default to State regulations

### ALTERNATIVE ACTION

City Council discuss alternative economic structure for the ordinance to include variations to the standard and non-standard rate increases.

City Council not approve the update.

Other action as determined by City Council.

### FISCAL IMPACT

This item has no fiscal impact.

### ATTACHMENTS

History of Public Comment Opportunities  
SCMC 6.02 Proposed Changes in Red-Line  
SCMC 6.02 - Changes Accepted  
Summary of Proposed Changes to SCMC 6.02

## SANTA CLARITA MUNICIPAL CODE 6.02 UPDATE PROCESS

### *History of Public Comment Opportunities*

<u>Date</u>	<u>Type of Meeting</u>	<u>Attendees or Speakers</u>
September 9, 2013	Initial Public Comment	35
September 16, 2013	Initial Public Comment	9
September 19, 2013	Initial Public Comment	20
October 10, 2013	Initial Public Comment	9
November 4, 2013	Initial Panel* Comment	2

#### ***Draft Update Released – May 2014***

May 29, 2014	Public Comment on Draft	26
June 2, 2014	Panel Comment on Draft	4
June 9, 2014	City Council Subcommittee	7
September 2, 2014	Public Comment on Draft	35
September 3, 2014	Public Comment on Draft	8
September 4, 2014	Public Comment on Draft	56
November 17, 2014	City Council Subcommittee	12

#### ***Amended Draft Update Released – November 2014***

December 3, 2014	Panel Comment on Amended Draft	12
December 10, 2014	Public Comment on Amended Draft	2

\* *Manufactured Home Rental Adjustment Panel*

## Chapter 6.02

## MANUFACTURED HOME PARK RENT ADJUSTMENT PROCEDURES

## Sections:

- 6.02.010 Purpose.
- 6.02.020 Definitions.
- 6.02.030 Applicability.
- 6.02.040 Manufactured Home Rental Adjustment Panel.
- 6.02.050 Registration.
- 6.02.060 Registration Fee.
- 6.02.080 ~~070~~ Space Rent Limit.
- 6.02.080 Annual Space Rent Adjustment Notice
- 6.02.090 Allowable Methods for Annual Space Rent Adjustments.
- ~~6.02.091 Rent Adjustment Hearing.~~
- 6.02.110 ~~Decision of the Panel.~~
- ~~6.02.120 Standards of Reasonableness to Be Applied to Rent Adjustments.~~
- ~~6.02.130 Reduction in Services.~~
- ~~6.02.140 Amortization Schedule.~~
- 6.02.120 Annual Space Rent Adjustment Appeal Petitions
- 6.02.130 Change in Ownership Space Rent Adjustment Procedures
- 6.02.150 ~~Net Operating Income.~~ Vacant Spaces
- ~~6.02.155 Hearings.~~
- 6.02.160 Appeal Hearings
- 6.02.170 Decision of the Panel
- 6.02.180 Miscellaneous Provisions.

## 6.02.010 Purpose.

~~A. There is presently within the City of Santa Clarita a shortage of space for the location of manufactured homes. Because of this shortage, there is a low vacancy rate and rents are presently rising rapidly and causing concern among a substantial number of manufactured home park residents in the City. Because of the high cost of moving manufactured homes, the potential for damage resulting therefrom, the requirements relating to the installation of manufactured homes, including permits, landscaping, and site preparation, the lack of alternative home sites for manufactured home residents, and the substantial investment of manufactured home owners in such homes, a virtual monopoly exists in the rental of manufactured home park spaces, creating a situation where park owners have potentially unbridled discretion and ability to exploit manufactured home park residents.~~

B.A. A manufactured home park resident's tenancy in a manufactured home park is substantively different than traditional apartment tenancy in that the park resident owns their manufactured home, while still being subject to space rents. Manufactured homes are costly and difficult to move and there may not be available spaces in other nearby manufactured home parks to relocate to, resulting in the park resident having fewer options to move out of the park to find lower rents.

B. Park owners, having made a business investment in the manufactured home park, have the right to receive a fair return on their property. Nonetheless, as a result of the unique tenancy circumstance that park residents are in, park owners should be subject to reasonable procedures in the imposition of space rents.

C. For these reasons, among others, the Council finds and declares it necessary to ~~protect the owners and residents of~~ provide a process whereby manufactured ~~homes from unreasonable~~ home residents are not subject to excessive rent increases, while at the same time recognizing the ~~need~~ rights of park owners to receive a fair return on their property and rental income sufficient to cover reasonable increases in the cost of repairs, maintenance, insurance, employee services, ~~and~~ additional amenities, and other costs of operation. (Ord. 90-38, 11/27/90; Ord. 06-1 § 1, 2/28/06)

#### 6.02.020 Definitions.

~~“Allowable legal expenses” means attorney’s fees and costs incurred in connection with successful good faith attempts to recover rents owing, and successful good faith unlawful detainer actions not in derogation of applicable law, to the extent such costs are not recovered from tenants. Attorney’s fees and costs in proceedings before the panel or the Council, or in connection with civil actions against the City, the Council, or the panel, are not allowable as operating expenses.~~

“Capital improvements” means those new improvements which directly and primarily benefit and serve the existing residents by materially adding to the value of the park, appreciably prolonging its useful life, subject to the following limitations:

1. The capital improvement must have a life expectancy of three (3) years or more and must be treated as a capital improvementsimprovement for federal and State income tax purposes, and may not be deducted for such tax purposes as expenses.
2. Normal routine maintenance and repair is not capital improvement.
3. Insured repairs and replacement are not capital improvements.
4. The improvements must be permanently fixed in place or relatively immobile.

“Capital replacement” means the substitution, replacement, or reconstruction of a piece of existing equipment, machinery, streets, sidewalks, utility lines, landscaping, structures, or recreational amenities, which materially benefits and adds value to the park.

1. The capital replacement must have a life expectancy of three (3) years or more and must be treated as capital replacement for federal and State income tax purposes, and may not be deducted for such tax purposes as expenses.

2. Normal routine maintenance and repair is not capital replacement.

3. Insured repairs are not capital replacement.

“Chapter” means all sections of Chapter 6.02 of the City of Santa Clarita Municipal Code.

“CPI” means the Consumer Price Index (all items) prepared by the Bureau of Labor Statistics for the Los Angeles-~~Long Beach-Anaheim~~Riverside-Orange County area relating to all urban consumers. If the method of calculating the CPI is substantially revised after the adoption of the ordinance codified in this chapter, the method in effect upon adoption of such ordinance shall continue to be used, or the revised CPI shall be adjusted by the Finance Director of the City to correspond to such method.

“Government required services” means services required by governmental agencies which are new or which are in addition to those services legally required to be provided by the park owner or the resident or the park on August 1, 1990. Such services include fees, bonds, assessments, and charges legally levied by an agency of the federal, State or local government upon the park owner. Such services do not include predictable expenses for operation of the park, such as common area utilities, expenses, or expenses which maintain the safe and healthful use of the park facilities.

~~“Gross income” shall be as defined in Section 6.02.150 of this chapter.~~

“Lease” shall mean an agreement between the park owner and the resident establishing terms and conditions of a tenancy which includes a predetermined fixed space rent increase applied for a predetermined length of time longer than one month.

“Manufactured home” shall be synonymous with the term “mobilehome.” and shall mean a structure designated or designed for human habitation, transported over the highways to a permanent occupancy site, and installed on the site either with or without a permanent foundation. The term “manufactured home” does not include either a recreational vehicle or a commercial coach, as such terms are defined in the Health and Safety Code.

“Manufactured home park” and “park” shall be synonymous with the term “mobilehome park” and means an area of land where two (2) or more ~~mobilehome~~manufactured home spaces are rented or leased out for ~~mobilehomes~~owner-occupied manufactured homes used as residences. The term “manufactured home park” does not include developments which sell lots for ~~mobilehomes~~manufactured homes or which provide condominium ownership of such lots, even if one or more homes in the development are rented or leased out.



“Manufactured home park owner” or “park owner” means the owner, lessor, operator, manager, or designated agent thereof, of a manufactured home park in the City of Santa Clarita.

“Manufactured home resident” or “resident” means any person entitled to occupy a manufactured home as the owner thereof or pursuant to a rental or lease agreement with the owner of a manufactured home.

~~“Mobilehome” means a structure designated or designed for human habitation, transported over the highways to a permanent occupancy site, and installed on the site either with or without a permanent foundation. The term “mobilehome” includes a manufactured home as defined in the Health and Safety Code, but does not include either a recreational vehicle or a commercial coach, as such terms are defined in the Health and Safety Code.~~

~~“Net operating income” shall be as defined in Section 6.02.150 of this chapter.~~

~~“Operating expenses” shall be as defined in Section 6.02.150 of this chapter.~~

“Panel” shall mean the manufactured home ~~rent~~rental adjustment panel, as established by this chapter.

“Panel-Approved Summary” shall mean a document approved by the panel, providing manufactured home park owners and residents with a summary of requirements related to the contents of a rent adjustment notice and the right of the resident to request a hearing before the panel, pursuant to section 6.02.120.

“Rental agreement” means an agreement between the manufactured home park owner and a resident establishing the terms and conditions of a month-to-month tenancy.

“Space rent” means the consideration, including any bonus, benefits, or gratuities, demanded or received for or in connection with the use or occupancy of a manufactured home within a manufactured home park. The use and occupancy of a rental unit shall include the exercise of all rights and privileges and use of all facilities, services, and amenities accruing to the residents thereof for which a separate fee authorized by the Mobilehome Residency Law (California Civil Code Section 798, et seq.) is not charged. Nothing herein shall be construed to prevent a park owner from establishing such fees as may be authorized by the Mobilehome Residency Law. Space rent shall not include utility charges for utility services, including gas, electricity, and/or sewer service provided to an individual manufactured home residence (as opposed to the park in general) where such charges are billed to such a resident separately from the space rent and such charges are limited to the actual value of the utility service provided in the individual residence. (Ord. 90-38, 11/27/90; Ord. 06-1 § 1, 2/28/06)

### **6.02.030 Applicability.**

A. General. The provisions of this chapter shall apply to all manufactured home park sites.

B. Leases. The provisions of this chapter shall not apply to tenancies covered by a lease agreement in existence at the time this chapter becomes effective. This exemption shall apply only for the duration of the lease. Upon the expiration or termination of such lease, this chapter shall automatically become applicable to

the tenancy. Spaces not covered by such a lease and not exempt from this chapter by State law (inclusive of Civil Code Section 798.17) shall be deemed to be spaces regulated by this chapter. ~~(Ord. 90-38, 11/27/90; Ord. 91-24, 6/11/91; Ord. 96-8, 1/23/96; Ord. 06-1 § 1, 2/28/06)~~

#### 6.02.040 Manufactured Home Rental Adjustment Panel.

A. ~~A.~~—Establishment. The manufactured home rental adjustment panel of the City of Santa Clarita is hereby established.

B. B.—Membership. The panel shall consist of a total of five (5) members. The membership of the panel shall consist of two members elected from and by the park owners ~~and~~, two members elected from and by the residents, and one member chosen from a list of ~~five~~ at least two potential members drawn up by the City Manager, ~~consisting~~. The fifth member shall not be a resident of persons recommended a manufactured home park, have an ownership interest in a manufactured home park, or receive financial benefit from investment in a manufactured home park. Such member shall not have a personal or professional involvement in matters relating to manufactured home parks. The fifth member shall be chosen by majority vote of the four elected members. In the case of a tie, the City Manager from Voluntary Mediation Services, Dispute Resolution Services, or such other conciliation service as determined by the City Manager. The shall cast the deciding vote.

B.C. In no case shall both resident-representatives ~~of the park owners and the~~ or both owner-representatives of be from the residents will select the fifth member by utilizing same manufactured home park. If a panel election process results in the highest two vote-getters for the alternate strike method resident-representative position, or the highest two vote-getters for the owner-representative position being from the same park, the individual with the representatives striking first determined by a coin toss. The election of representatives of the park owners and the residents higher number of votes from that park will be seated. The second seat will be awarded to the panel shall be conducted by the Community Development Department according to rules and regulations promulgated by the City Manager. next highest vote-getter from another park. Any dispute or contest regarding an election, the election rules ~~and~~, regulations, procedures, or election results, shall be determined by the City Manager and the City Manager's decision shall be final.

~~C.~~—Term. Each member of the panel shall serve for a term of three (3) years. Each member shall hold office until a new member has been duly appointed.

D. D.—Term of Elected Representatives. Each member of the panel shall serve for a term of three (3) years. Each member shall hold office until a new member has been duly sworn-in. In the case of a resignation from the Panel during the 3-year term, the next highest vote-getter from the most recent election

will be asked to fill the vacant seat as long it does not result in both resident-representatives or both owner-representatives being from the same park. If the appointment of the next highest vote-getter will result in both resident-representatives or both owner-representatives being from the same park, the next highest vote-getter from another Park will be appointed. In the case of a panel member resignation or inability to serve on the Panel during the three-year term, and when there are no resident-representatives or owner-representatives willing or available to fill the seat, an election will be held to fill the seat according to procedures and a schedule set by the City Manager.

E. Term of the Appointed Member. The appointed member shall serve for a three-year term. . In the case of a resignation or inability to serve on the Panel during the three-year term, the City Manager shall provide the four elected members of the Panel with a list of at least two (2) potential candidates and the Panel shall conduct a majority voting process as outlined in this section..

~~C.F.~~ Absences. Any member who is absent, without sufficient cause, from three (3) consecutive meetings of the panel shall be deemed to have vacated ~~his~~the office.

~~D.G. E. Meetings. Except as expressly provided herein, the panel shall establish the time and place of its meetings.~~ Meetings. All meetings of the panel shall be conducted in accordance with the provisions of the Ralph M. Brown Act.

~~E.H. F. Guidelines, Rules, and Regulations.~~ The City Council may from time to time adopt by resolution such guidelines as it deems necessary to assist and direct the panel in the accomplishment of its duties. The panel may make and adopt its own rules and regulations for conducting its business consistent with the laws of the State, this chapter, and any guidelines adopted by the City Council. Any such rules and regulations shall be ~~reduced to~~put in writing and be on file with the secretary of the panel at all times. The panel may appoint such officers as it may deem necessary to carry out its duties ~~hereunder~~.

~~F.I. G. Staff.~~ The City Manager shall provide all administrative staff necessary to serve the panel. Staff from the Department of Community Development shall serve as the secretary of the panel and shall be responsible for the maintenance of all records of the panel. The secretary of the panel shall keep a record of its proceedings, which shall be open for inspection by any member of the public. The City Attorney or the designee of the City Attorney shall act as legal counsel to the panel.

J. H. Quorum. A quorum shall be constituted in only one of two ways:

1. Three (3) members shall constitute a quorum, so long as such quorum consists of with at least the one (1) member elected by the residents, at least one (1) member elected by the park owners, and the fifth member selected~~chosen~~ by the alternate strike method-four elected members.

2. Four (4) members with at least two (2) members elected by the residents, and at least two (2) members elected by the park owners.

~~G.K.~~ Adoption of Findings. A majority vote of all members, i.e., three (3) votes, is required for the adoption of any findings and/or order pertaining to an application filed hereunder and for the adoption, amendment, or repeal of any rules and regulations of the panel, or to take action on any other matter.

~~H.L. I.~~ Duties. The panel shall undertake and have the following duties, responsibilities, and functions, together with all powers reasonably incidental thereto:

1. To meet from time to time as may be specified by the rules and regulations of the panel in order to carry out its duties.

2. To ~~require such registration of manufactured home parks as the panel may deem necessary to enable it to carry out its duties~~ hear appeals brought before them and

~~3. To make~~ determinations on space rent adjustments ~~in space rent ceilings~~ as provided for in this chapter.

~~43.~~ To make such studies, surveys, and investigations, conduct such hearings, and obtain such information as is necessary to carry ~~out~~ its powers and duties.

~~54.~~ To adopt, ~~promulgate,~~ amend, and rescind such administrative rules as may be necessary to ~~effectuate~~ carry-out the purposes and policies of this chapter and to enable the panel to carry ~~out~~ its powers and duties hereunder.

~~65.~~ To undertake such other related duties as may be assigned by the City Council. (~~Ord. 90-38, 11/27/90; Ord. 06-1 § 1, 2/28/06~~)

#### 6.02.050 Registration.

~~A. Within sixty (60) calendar days after the effective date of the ordinance codified in this chapter,~~ Registration. Park owners ~~shall~~ must register all manufactured home parks and manufactured home rental spaces within such parks with the ~~Department of Community Development~~ Department. The ~~initial~~ registration shall include: all of the following:

1. All information requested on forms sent by the City to the ~~name(s), business address(es), business telephone~~ Park owner for the purpose of registration.

2. A rent roll for the month immediately preceding the registration, reflecting the space number(s) of each person or legal entity possessing an ownership interest in the park and nature of such interest; the number of manufactured home rental spaces within the park; the name and address of each resident; a rent schedule reflecting name, space rents within the park on the effective date of the ordinance codified in this chapter; and a listing of all other charges; paid by the park resident including:

a. Utilities not included in space rent; paid by residents within the park, and the approximate amount of each such charge; and the name and address to which all

b. Any amortized capital improvement or replacement charges.

c. Any other monthly fees as may be required ~~notices and correspondence may be sent of the resident.~~

B. Re-registration. The ~~Department of~~ Community Development Department is hereby empowered to require such re-registration as it deems necessary. ~~No park owner shall be eligible to receive any rent ceiling adjustment as provided for under the provisions of this chapter unless such current registration as may then be required for the manufactured home park is on file with the Department of Community Development at the time the petition for the rent ceiling adjustment is filed.~~

A.C. Applicability. The registration requirements provided for in this section or which may be established by the ~~Department of~~ Community Development Department shall apply to all manufactured home parks, including those exempt from the space rent ceiling ~~limitation~~ limitations and procedures in the chapter by reason of the existence of a valid space rent agreement. ~~(Ord. 90-38, 11/27/90; Ord. 06-1 § 1, 2/28/06)~~

#### 6.02.060 Registration Fee.

A. Establishment of Fee. ~~At the time of initial registration or any subsequent registration,~~ Park owners shall pay to the City of Santa Clarita ~~such a~~ registration fee for each manufactured home rental space regulated by this chapter within the park as may be established by resolution of the City Council. Half of the fee paid for each space may be ~~apportioned equally among the spaces in the park and~~ charged ~~by the park owner~~ to the ~~residents according to said apportionment~~ park resident occupying that space by a ~~single annual~~ separately specified one-time charge on a space rent bill ~~which shall be sent to each resident~~ within ~~thirty (30)~~ sixty (60) calendar days after the fees have been paid to the City. ~~Such fees shall not be included in the rent. Such~~ The registration fee shall not apply to parks and spaces exempt from ~~this chapter~~ the payment of fees by State law (inclusive of Civil Code Section 798.17).

B. Penalty. If a park owner does not pay the fee provided for in subsection A of this section within the time period established therein, a late charge shall be assessed in an amount as established by resolution of the City Council.

C. Unpaid Fees. ~~No panel appeal hearing or other proceeding shall be scheduled or take place, and no space rent adjustment will be granted or will take effect for any manufactured home regarding a park for which there is an unpaid registration bill. No exemption from the provisions of this chapter which are effective by reason of the existence of a valid space rent agreement shall be effective for any manufactured home park for which there is~~ If an unpaid registration bill is paid, including any penalties accrued, a hearing

may then be scheduled. Failure to pay a City registration fee is not grounds for a space rent adjustment appeal.

D. Purpose of Fee. The registration fee provided for by this section is intended to defray any reasonable and necessary costs associated with the administration of the regulations contained in this chapter.

E. Accounting of Funds. ~~The City Manager~~ The Director of Community Development is directed to maintain an accurate accounting of all direct and indirect costs of administering the regulations contained in this chapter. The ~~City Manager shall submit a report to the Department~~ Director of Community Development ~~and shall submit to the City Council~~ Manager a report of such costs ~~and any recommendations for a change in the registration fee~~ at least annually ~~from and after the effective date of the ordinance codified in this chapter. (Ord. 90-38, 11/27/90; Ord. 96-8, 1/23/96; Ord. 06-1 § 1, 2/28/06).~~

#### **6.02.080-070 Space Rent Limit.**

A. ~~Beginning the first month which commences following the one hundred twentieth day after the effective date of the ordinance codified in this chapter,~~ Effective Date. No manufactured home park owner shall charge space rent for any manufactured home space in an amount greater than the space rent in effect on August 1, 1990, except as permitted pursuant to the provision of this chapter.

B. Exemption. If a park space is exempt from the application of the space rent limitation or registration fee portion of this chapter by reason of the existence of a space rent agreement and this agreement expires, the space rent limit for that park space shall be the space rent in effect on the date immediately preceding the date on which the agreement expires. ~~(Ord. 90-38, 11/27/90; Ord. 06-1 § 1, 2/28/06)~~

#### **6.02.090—080 Annual Space Rent Adjustments.**

~~A. Prohibition of Adjustments. No increase in space rent shall be permitted except for an annual rent adjustment as provided for herein.~~

#### **~~B.~~ Adjustment Notice.**

~~A. Notice. Prior to the annual space rent adjustment, which adjustment shall occur no more than once every three hundred sixty five (365) days,~~ the park owner shall provide the resident with a notice of proposed rent adjustment at least ninety calendar (90) days prior to the effective date of ~~such~~ the adjustment and issue ~~such~~ the notice no later than October ~~1st~~ 1, to be effective either on January ~~1st~~ 1 of the following year or on the resident's anniversary date following January ~~1st~~. ~~The park owner shall post a summary of this chapter approved by the panel on the park bulletin board by the date on which the first notice of rent adjustment is sent. The Department of Community Development shall subsequently set the date of the~~

~~hearing for all appeals received. A notice of rent adjustment shall set forth~~ 1. All space rent adjustment notices shall contain all of the following information:

1. A listing of all affected spaces by space number only. ~~The name of the resident and amount of the space rent increase both shall not be included in dollars and as the listing.~~ Affected spaces include all those spaces being notified of a percentage of existing proposed space rent adjustment; and either:

a. A copy of the current Panel-Approved Summary of this chapter. The Summary will be provided annually to the park owner by the City for inclusion in the annual space rent adjustment notice; and

B. Standard Space Rent Adjustments. For a space rent adjustment which is based on 6.02.090(C) – Standard Space Rent Adjustments:

1. A statement that the park owner considers that portion of the space rent increase adjustment to be consistent with the limitation limitations set forth in section 6.02.120(A) ~~090(C)~~ of this chapter; ~~or~~

~~b. Documentation supporting the level of increase desired including, but not limited to: a summary of the unavoidable increases in maintenance and operating expenses; a statement of the cost, nature, amortization, and allocation among manufactured home spaces of any substantial rehabilitation or capital improvement; the summary of the increased cost of the park owner's debt service and the date and nature of the sale or refinancing transaction; a summary of the park owner's net operating income for the preceding twelve (12) months compared to that for the most recent twelve (12) month period; or other relevant information that supports the level of rent increase desired and as may be required by the Council or the panel.~~

2. ~~The identity amount of all affected residents and the spaces which they~~ that resident's space rent:

~~3. The right of the resident to request adjustment both in dollars and as a hearing before the panel, pursuant to subsection D of this section and the fact that a summary of this chapter approved by the panel advising residents of the appeal procedure and of the availability of the panel to deliberate appeals is posted on the park bulletin board.~~ percentage of existing rent; and

3. The amount of the resident's space rent adjustment attributable to an increase in government required services in dollars; and

4. The amount of the resident's space rent adjustment attributable to an increase in utility costs in dollars.

C. 4. — Non-Standard Space Rent Adjustments. For a space rent adjustment which is based on 6.02.090(D) – Non-Standard Space Rent Adjustment:

1. A statement that the park owner considers that portion of the space rent adjustment to be consistent with the limitations set forth in Section 6.02.090(D),

2. The amount of that resident's space rent adjustment both in dollars and as a percentage of existing rent; and  
3. Information supporting the level of non-standard space rent adjustment proposed.  
Such information must include all of the following:

a. Specific reference to which allowable costs are being included in the proposed non-standard rent adjustment by citation from section 6.02.090(D); and

b. The mathematical calculations or analysis relied upon by the park owner to determine the amount of the proposed non-standard space rent adjustment, including the amortization time period assigned to each capital improvement or capital replacement as provided for in section 6.02.110 (A); and

c. A statement informing the resident that the supporting documentation for the non-standard space rent adjustment will be available to park residents at the park management office during all normally observed office hours beginning the same day the notice is provided.

D. Supporting Documentation. All non-standard space rent adjustments shall be supported by source documentation related to the amount of the space rent adjustment and the mathematical calculations or analysis contained in the notice. The source documentation for a non-standard space rent adjustment shall be kept in the park management office for at least forty-five (45) days, beginning on the date of the notice, and will be available for review by affected park residents during all normally observed office hours. In cases where a space rent appeal petition has been submitted which meets the criteria set forth at section 6.02.120, the supporting documentation shall remain available until a final determination is made on the appeal.

During the periods described above, copies of all supporting documents will be provided to affected residents upon request. A resident may request the documentation in one or both of the following formats:

a. Physical copies shall be provided at a fee set by the park owner, not to exceed \$.25 per page.

b. Electronic copies shall be provided free of charge, in a PDF or similar format, as an email attachment sent to the requesting resident's email address.

E. The park owner and resident shall execute a single document related to the annual rent adjustment, stating that the information, documents or notices required by this section have been received by the tenant. The original of the document acknowledging receipt of information, documents, or notices required by this section shall be retained by the owner and a copy thereof provided to the resident. In the event a resident fails or refuses to execute the document required herein within ten (10) days after the park owner's request that the tenant do so, the park owner shall prepare a declaration under penalty of perjury stating that the information, documents, or notices required by this section have been delivered to the resident, the date the



park owner requested the resident to sign the joint document acknowledging receipt, and the date the declaration was executed.

**6.02.090 Allowable Methods for Annual Space Rent Adjustments.**

A. Frequency. The annual space rent adjustment may occur only once every calendar year.

B. Annual Space Rent Adjustment Methods. Any annual space rent adjustment shall follow only one of the two methods outlined below: either an annual space rent adjustment based on section 6.02.090 (C) – Standard Space Rent Adjustments, or an annual space rent adjustment based on section 6.02.090 (D) – Non-Standard Space Rent Adjustments.

C. Standard Space Rent Adjustments. The following adjustments in rent shall be permitted by right and may not be appealed except in the situations specified in section 6.02.120(A). This adjustment shall be calculated using the Consumer Price Index (CPI) reported each August for the previous twelve (12) month period of August 1<sup>st</sup> through July 31<sup>st</sup> reported by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County area.

1. An adjustment of space rent less than or equal to a minimum of 3% and a maximum of the lesser of either 6%, or the annual adjustment in the CPI reported each August for the previous twelve (12) month period of August 1<sup>st</sup> through July 31<sup>st</sup> reported by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County areas. In such cases where the CPI is at or below 0%, a reduction in space rent is not required; and

2. An adjustment based on the actual increase in the cost of government-required services; and

3. An adjustment based on the actual increase in utility costs where such utilities are included in the space rent.

The Director of Community Development or designee, annually, will receive the CPI updated result and cause notice of such to be mailed to each park owner and park resident in the City. Such standard space rent adjustments will be calculated on the space rent only and will not be calculated on monthly costs related to amortized capital improvements or replacements, utilities, or other costs not part of the space rent.

D. Non-Standard Space Rent Adjustments. An adjustment to pay for the actual costs of capital improvement or capital replacement as defined in the definitions section of this chapter, which were incurred within the 24 months prior to the rent adjustment notice, and are not otherwise disallowed by State law. Costs must be amortized as permitted in section 6.02.110.

E. Appeal Considerations – Standard Space Rent Adjustments. In the case of a Standard space rent adjustment, an appeal may only be brought before the Panel in the situations outlined in section

6.02.120(A). In making their determination, the Panel may consider all relevant information and may request any such information or documentation as they deem necessary, including but not limited to:

1. Verbal testimony
2. Copies of bills, invoices, or statements
3. Copies of receipts or checks
4. Other documents supporting the level of adjustment proposed

F. Appeal Considerations – Non-Standard Space Rent Adjustments. In making their determination on the appeal of a Non-Standard Space Rent Adjustment the Panel may consider all relevant information and may request any such information or documentation as they deem necessary, including but not limited to:

1. Verbal testimony
2. Copies of documents made available to the residents as part of the noticing requirement, outlined in section 6.02.080(D)
3. Other documents supporting the level of increase proposed

c

#### **6.02.110 Amortization Schedule.**

A. For the purpose of determining any rent adjustment permitted under the provisions of this chapter, the cost of capital improvements or capital replacements shall be amortized according to the following schedule, for those items listed. For items meeting the definition of capital improvement or capital replacement herein, but not listed on the amortization schedule, the amortization period shall be consistent with that prescribed by federal law for depreciation.

<u>Type of Improvement or Replacement</u>	<u>Amortization period</u>
<u>Backflow device</u>	<u>10 years</u>
<u>Carpeting</u>	<u>5 years</u>
<u>Copier</u>	<u>6 years</u>
<u>Copper pipes</u>	<u>10 years</u>
<u>Drapes</u>	<u>5 years</u>
<u>Gas barbecue</u>	<u>3 years</u>
<u>Gas line</u>	<u>15 years</u>
<u>Gas valve and fire hydrant</u>	<u>10 years</u>
<u>Heater motor</u>	<u>5 years</u>

<u>Houses</u>	<u>30 years</u>
<u>Light fixtures</u>	<u>5 years</u>
<u>Linoleum floor</u>	<u>5 years</u>
<u>Oven</u>	<u>6 years</u>
<u>Patio furniture</u>	<u>5 years</u>
<u>Pool heater</u>	<u>5 years</u>
<u>Pump</u>	<u>5 years</u>
<u>Refrigerator</u>	<u>6 years</u>
<u>Roofing</u>	<u>18 years</u>
<u>Security fence</u>	<u>5 years</u>
<u>Sewer line construction</u>	<u>15 years</u>
<u>Solar system</u>	<u>10 years</u>
<u>Telephone system</u>	<u>6 years</u>
<u>Water heater</u>	<u>10 years</u>
<u>Water softener</u>	<u>5 years</u>

~~C. Failure to Provide Notice. A park owner failing to provide a resident the information, documents, or notices required by this section shall not be entitled to collect any rent increase otherwise authorized by this chapter from that resident nor to any rent increase that might otherwise be awarded by the panel and such failure by the park owner shall be a defense in any action brought by the park owner to recover possession of a manufactured park space or to collect any rent increase from the resident. A park owner may cure the failure to serve any notice or the obligation to provide information to a resident which is required under this chapter by giving such notice or information before initiating an action for possession of the space or collecting any rent increase otherwise authorized hereunder.~~

~~B. D. Effective Date of Adjustment. The rent increase specified in the notice of rent adjustment shall become effective on the date specified in said notice or on the ninety first day after the notice was served on the resident, whichever is later, unless an appeal petition signed by~~ Space Rent Invoice Documentation. Any amortized capital improvement or capital replacement cost imposed as part of a non-standard space rent adjustment must be clearly marked on the space rent invoice, or on another document included with the space rent invoice, with name of the capital improvement or capital replacement, the monthly amount, and the date the cost will expire. If a cost is not removed from the space rent invoice in a timely manner, residents may request an appeal before the Panel.

C. Amortized Costs not Removed. A request for a hearing based on an amortized cost not removed in a timely manner may be part of the appeal petition of an annual space rent adjustment, or as a separate item. If an appeal petition based on an amortized cost not removed in a timely manner is submitted outside the annual space rent adjustment appeal process, it must meet the requirements of section 6.02.120 (B) through (F). If the Panel determines that an amortized cost was not removed in a timely manner, resulting in overpayment by the park residents, the Panel may require the amortized cost to be removed and may require the park owner to reimburse affected residents the amount of overpayment, subject to any limitations imposed by law at the time of the Panel's decision.

### 6.02.120 Annual Space Rent Adjustment Appeal Petitions.

A. Time Limits. A petition requesting an appeal hearing for an annual space rent adjustment as allowed for in this chapter must be filed with the Community Development Department within forty-five (45) calendar days of service of the notice of proposed space rent adjustment or forty-five (45) calendar days from the date of the space rent increase if no notice is received, whichever applies. Appeals may not be heard for a Standard space rent adjustment based on section 6.02.090(C), except for one or more of the following reasons:

1. The CPI percentage adjustment proposed in the notice is above the actual CPI percentage provided in the City's most recent notice to the park residents and park owners.
2. The increased costs of government required services or utility costs in the proposed space rent adjustment are greater than the actual costs incurred by the park owner.
3. A notice that is not substantially in conformance with the requirements at section 602.080.

B. Appeal Request Form. Appeal petitions must be submitted on an Appeal Request Form approved by the Director of Community Development and obtained from Community Development Department staff. All pages of the form must be complete and the petition signature page must contain signatures from residents of at least fifty percent (50%) of the spaces regulated by this chapter and affected by the proposed space rent ~~increase~~ adjustment, plus one additional regulated and affected space, ~~requests a hearing on~~.

C. Park Owner Notification. The residents submitting the ~~proposed rent increase before appeal must provide a full copy of the panel. A request for a hearing must be filed with~~ appeal petition to the ~~Department of~~ park owners within ten (10) calendar days of submission to the ~~Community Development within forty-five (45) days of service of the notice~~ Department.

D. Determination by Director of Community Development. It shall be the sole discretion of ~~rent adjustment. The Department~~ the Director of Community Development ~~shall notify~~ (Director) to determine if the basis upon which the petition for appeal is filed meets the criteria set forth in this chapter. No hearing

will be scheduled unless such a determination is made. Only if the Director determines that the appeal meets the criteria of this chapter will a hearing be scheduled.

1. If the Director determines that an appeal petition does not meet the criteria set forth in this chapter, the Director shall cause the park owner or other person designated on the park's registration and the affected residents to be notified. Such notice shall be mailed, first-class postage prepaid within fifteen (15) calendar days of the submission of the appeal petition.

1.2. If the Director determines that an appeal petition meets the criteria set forth in this chapter, he shall cause the park owner or other person designated on the park's registration and the affected residents to be notified of the time, date, and place of the hearing. Such notice shall be mailed, first-class postage prepaid, at least fifteen (15) calendar days prior to the scheduled hearing date.

#### **6.02.130 E. — Change in Ownership Space Rent Adjustment Procedures.**

A. Manufactured Home Sale. Notwithstanding ~~the above, if a mobilehome~~ any other provision of this chapter, if a manufactured home is voluntarily vacated by all tenants as a result of a sale of the ~~mobilehome~~ manufactured home to a new owner, and the ~~mobilehome~~ manufactured home is not removed from the site, then the ~~maximum rent or maximum adjusted~~ rent may be increased by an amount not to exceed ten (10) percent. ~~As long as the mobilehome continues to be owned by one or more of the same persons, no other rent increase shall be imposed.~~ The rent may only be increased pursuant to this section. ~~The rent may only be increased pursuant to this subsection~~ once in any twelve (12) consecutive-month period, regardless of additional changes in ownership. A change in ownership increase does not preclude an annual space rent adjustment in the same calendar year so long as all noticing requirements as set forth in section 6.02.080(C) are observed.

~~A. F. — A manufactured home owner may provide notice to a park owner of the home owner's intent to sell the manufactured home. If such notice is provided, the park owner may file an appeal of the ten percent (10%) rent increase limitation set forth in subsection E of this section. If such a notice is provided by the manufactured home owner, then the park owner may file a rent increase adjustment request for hearing with the Department of Community Development and serve a copy of such notice upon the manufactured home owner within thirty (30) days of such notice. If no such notice is provided by the manufactured home owner, then the park owner shall be entitled to file a rent increase adjustment request for hearing with the Department of Community Development within thirty (30) days of the sale of a manufactured home. Such requests shall be made on the basis that the increase is necessary to achieve a fair and reasonable return. The standards of reasonableness shall be those set forth in Section 6.02.120(B) and the request shall be processed and decided by the panel in the same manner as prescribed in this chapter for annual rent adjustments. (Ord. 90-38, 11/27/90; Ord. 91-24, 6/11/91; Ord. 96-8 1/23/96; Ord. 97-8, 5/13/97; Ord. 06-1 § 1, 2/28/06)~~

B. Notice to Prospective Manufactured Home Buyer. As required in California Civil Code section 798.74.5, within two (2) business days of receiving a request from a prospective homeowner for an

application for residency for a specific space within a manufactured home park, if the management has been advised that the manufactured home occupying that space is for sale, the management shall give the prospective homeowner a separate document entitled “INFORMATION FOR PROSPECTIVE HOMEOWNERS,” which will include the space rent for the prospective manufactured home buyer.

C. Notice to Manufactured Home Seller. The park owner will also provide a copy of “INFORMATION FOR PROSPECTIVE HOMEOWNERS,” to the resident selling their manufactured home. It shall be the responsibility of the current manufactured home owner selling the manufactured home to verify that the proposed space rent for the prospective buyer of their manufactured home does not exceed the increase allowed in this section.

D. Remedy. If a manufactured home park resident seller or prospective manufactured home park buyer believes that the park owner is exceeding the permitted 10% increase on space rent for a change in ownership, the party may seek any judicial remedy provided by law to enforce this section.

#### 6.02.150 Vacant Spaces.

If a space becomes vacant by virtue of there being no manufactured home situated on the space or the manufactured home on the space is owned by the park owner, and the space has not been rented to a resident for at least thirty (30) calendar days, the space rent may be increased to a rate as determined by the park owner at the time the space is initially rented to a new manufactured home owner. Once the space is rented to a new manufactured home owner, all other controls in this chapter shall become effective.

#### ~~6.02.091 — Rent Adjustment Hearing~~ 160 Appeal Hearings.

A. Conduct of Hearing. The park owner and resident may appear at the rent adjustment hearing and offer oral and documentary evidence. All parties to a rent adjustment hearing may have assistance in presenting evidence and testimony and developing their position from attorneys, experts, or such other persons as may be designated by said parties. The hearing may be continued for a reasonable period of time as determined by the panel upon the consent of the parties or upon a finding of good cause for such continuance made by the panel. All hearings and deliberations of the panel shall be open to the public.

~~B. Rules of Evidence.~~ B. Appeal Justifications. Rent Adjustment hearings may only be held for the causes specified in 6.02.080 – Annual Space Rent Adjustment Procedures, and 6.02.110 – Amortization Schedule.

C. Rules of Evidence. The hearing need not be conducted according to the technical rules relating to evidence and witnesses, as applicable in courts of law. To be admissible, evidence shall be of the type on

which responsible persons are accustomed to rely in the conduct of serious affairs. A full and fair hearing shall be accorded to the parties to the hearing.

~~ED.~~ Preserving the Record. The proceedings shall be ~~tape~~-recorded electronically. Any party who desires that the proceedings be recorded stenographically shall make arrangements with the ~~Department of~~ Community Development Department at least five (5) calendar days before the hearing. Any transcripts prepared by a reporter at the party's request shall be at his or her expense, and the original shall be filed with the ~~Department of~~ Community Development Department. If the party makes a request for a transcript of the ~~taped~~electronic recording at the time of or after the hearing, he or she shall make arrangements to copy the official ~~tape~~-recording with the ~~Department of~~ Community Development Department. All expenses incurred for the transcript will be borne by the requesting party.

~~DE.~~ Subpoenas. The panel may issue subpoenas requiring the attendance of witnesses and/or the production of books or other documents necessary for evidence of testimony in any action or proceedings before the panel upon request by the panel. Said subpoenas shall be signed by the chairperson or his or her designated substitute and attested by the secretary. Failure to comply with such subpoena shall result in contempt proceedings under Government Code Sections 37106 through 37109. (~~Ord. 90-38, 11/27/90; Ord. 06-1 § 1, 2/28/06~~)

#### 6.02.110170 Decision of the Panel.

A. Timing. After reviewing the record and any additional evidence requested of the parties which has been provided, the panel shall make its determination in accordance with the standards specified in this chapter. The panel shall render its findings and decisions ~~on the proposed rent adjustment~~ no later than the end of the next panel meeting following the close of the panel's discussion on the matter: before them.

~~A.B. Notification of Determination. The secretary shall, within ten (10) days after such decision is rendered, send a copy of the panel's findings and decision to the park owner or other person designated on the park's registration and, by first class postage prepaid, to the resident or residents requesting the hearing, and to such other residents as may request a copy of the findings and decision. Any decision of the panel must be supported by a preponderance of the evidence. The decision of the panel shall be final and binding on all parties. The panel's allowance or disallowance of any rent increase or portion thereof may be reasonably conditioned in any manner necessary to effectuate the purpose of this chapter. After reviewing the record and any additional evidence requested of the parties which has been provided, the panel shall determine the amount of the rent adjustment, if any, in accordance with the standards specified in this chapter. (Ord. 90-38, 11/27/90; Ord. 92-11,~~

~~9/8/92; Ord. 06-1 § 1, 2/28/06) affected residents residing in the park for which the space rent adjustment appeal was brought.~~

**~~6.02.120—Standards~~Final Decision. Any decision of Reasonableness to Be Applied to Rent Adjustments.**

~~The panel shall determine whether rent adjustments are reasonable under the circumstances, taking into consideration that the purpose of this chapter is to permit park owners a fair and reasonable return on their investment, while protecting residents from arbitrary, capricious, or unreasonable rent increases. the panel must be supported by a preponderance of the evidence. The panel's determination shall be made with reference to the following standards:~~

~~A.—Adjustments Deemed Reasonable. The following adjustments in rent shall be deemed reasonable: allowance or disallowance1. — An adjustment of gross space rental income equal to a minimum of three percent (3%) and a maximum equal to the lesser of either six percent (6%) or the annual adjustment in the CPI-U reported each August for the previous twelve (12) month period of August through July 31st reported by the Bureau of Labor Statistics for the Los Angeles-Anaheim-Riverside areas. Such adjustment shall apply to all rental increases effective during the following calendar year. The Director of Community Development or designee, annually, will receive the CPI-U updated result and cause notice of such to be mailed to each park in the City.~~

~~2.—A pass through adjustment of the increases in the cost of government required services.~~

~~3.—A pass through adjustment of any increases in utility costs where such utilities are included in the space rent.~~

~~B.—Standards Applicable to Rent Adjustments Which Exceed Increases Deemed Reasonable. In order to assure to park owners a fair and reasonable return, the panel shall, when the amount of any rent adjustment or portion thereof exceeds any of the standards identified in subsection A of this section, determine what is reasonable under the circumstances, taking into account all relevant factors, including the following:~~

~~1.—Debt Service Costs. Where such costs are limited to increases in interest payments from those interest payments made during the base year which result from one of the following situations, or the equivalent thereof:~~

~~a.—Refinancing of the outstanding principal owed for the acquisition of a park where such refinancing is mandated by the terms of a financing transaction made on commercially available terms, e.g., termination of a loan with a balloon payment; or~~

~~b.—Increased interest costs incurred as a result of a variable interest rate loan used to finance the acquisition of the park on commercially available terms; or~~

~~c.—Increases in rental payments made on leases of land and under such circumstances the park owner may include as expenses an amount not to exceed the increase in such land lease rental payments occurring since the previous rental adjustment for the park where such increase in land lease rental payments is the result of inflation or the decrease in space rental income or based on other terms documented in writing. Such increased land lease rental obligations shall be permitted only where the park owner can show that the terms of the lease are reasonable and consistent with prudent business practices under the circumstances. In refinancing, increased interest shall be permitted to be considered as an operating expense only where the park owner can show that the terms of the refinancing were reasonable and consistent with prudent business practices under the circumstances.~~

~~2.—The rental history of the manufactured home park, including:~~

~~a.—The presence or absence of past increases;~~

~~b.—The frequency of past rent increases and the amounts;~~



- e. ~~The park owner's response to any cost reduction measure;~~  
d. ~~The occupancy rate of the mobilehome park in comparison to comparable units in the same general area.~~  
3. ~~The physical condition of the mobilehome space or the park of which it is a part, including the quantity and quality of maintenance and repairs performed during the last twelve (12) months.~~  
4. ~~Any increases or reduction in services during the twelve (12) months prior to the effective date of the proposed rent increase.~~  
5. ~~Existing space rents for comparable spaces in comparable parks.~~  
6. ~~A decrease in net operating income as provided in Section 6.02.150 of this chapter.~~  
7. ~~A fair return on the property prorated among the spaces of the park.~~  
8. ~~Other financial information which the owner is willing to provide.~~  
9. ~~The cost of capital replacement or capital improvement. The panel may take into account the life expectancy of the capital replacement or improvement as set forth in Section 6.02.140. (Ord. 90-38, 11/27/90; Ord. 91-24, 6/11/91; Ord. 92-11, 9/8/92; Ord. 96-8, 1/23/96; Ord. 06-1 § 1, 2/28/06)~~

#### **6.02.130 — Reduction in Services.**

~~No park owner shall reduce or eliminate any service to any rental space unless a proportionate share of the cost savings, due to such reduction or elimination, is simultaneously passed on to the resident in the form of a decrease in existing rent or a decrease in the amount of a rent increase otherwise proposed and permitted by this chapter. In any case where the panel determines that a reduction in services has effectively resulted in an increase of rent without notice thereof, the panel may either order the owner to fix, repair, or otherwise cure the reduction in services, or reduce the rent owed to the park owner in an amount that will compensate the resident for such reduction in services. (Ord. 90-38, 11/27/90; Ord. 06-1 § 1, 2/28/06)~~

#### **6.02.140 — Amortization Schedule.**

~~For the purpose of determining any rent adjustment permitted under the provisions of this chapter, the cost of capital improvements shall be amortized according to the following schedule:~~

<b>Type of Improvement</b>	<b>Amortization period</b>
<del>Backflow device</del>	<del>10 years</del>
<del>Carpeting</del>	<del>5 years</del>
<del>Copier</del>	<del>6 years</del>
<del>Copper pipes</del>	<del>10 years</del>
<del>Court cover</del>	<del>5 years</del>
<del>Drapes</del>	<del>5 years</del>
<del>Garden vacuum</del>	<del>5 years</del>
<del>Gas barbecue</del>	<del>3 years</del>
<del>Gas line</del>	<del>15 years</del>
<del>Gas saw</del>	<del>4 years</del>

Gas valve and fire hydrant	10 years
Golf net	3 years
Heater motor	5 years
Houses	30 years
Light fixtures	5 years
Linoleum floor	5 years
Oven	6 years
Patio furniture	5 years
Pool heater	5 years
Pump	5 years
Refrigerator	6 years
Repaint clubhouse	5 years
Replaster pool	5 years
Reroofing	18 years
Security fence	5 years
Sewer line construction	15 years
Slurry seal	3 years
Solar system	10 years
Street repair	10 years
Street seal	3 years
Street seal, drainage area	3 years
Telephone system	6 years
Tree trimming	5 years
Truck	5 years
Wall, paving	10 years
Wallpapering	5 years
Water heater	10 years
Water softener	5 years

Attachment: SCMC 6.02 Proposed Changes in Red-Line (1108 : SCMC 6.02 Update - First Reading)

(Ord. 90-38, 11/27/90; Ord. 92-11, 9/8/92; Ord. 06-1 § 1, 2/28/06)

#### **6.02.150 — Net Operating Income.**

In evaluating a space rent increase imposed by a park owner to maintain the park owner's net operating income from the park, the definitions and provisions described in this section shall apply.

~~A. Net Operating Income (NOI). For purposes of this chapter, the net operating income (NOI) of a manufactured home park shall equal gross income (GI) less operating expenses (OE).~~

~~B. Gross Income (GI). For purposes of this chapter, the gross income (GI) of a manufactured home park shall equal the sum of the items in subsections (B)(1), (2), and (3) of this section, less the item in subsection (B)(4) of this section.~~

~~1. Gross space rents, computed as gross space income occupancy.~~

~~2. Other income generated as a result of the operation of the park including, but not limited to, laundry and recreational vehicle storage.~~

~~3. Revenue received by the park owner from the sale of gas and electricity to park residents where such utilities are billed individually to the park residents by the park owner. This revenue shall equal the total cost of the utilities to the residents minus the amount paid by the park owner for such utilities to the utility provided, and minus the State provided allowance for system maintenance and repair.~~

~~4. Uncollected space rents due to vacancy and bad debts to the extent that the same are beyond the park owner's control. Uncollected space rents in excess of three percent (3%) of gross space rents shall be presumed to be unreasonable unless established otherwise and shall not be included in computing gross income. Where uncollected space rents must be estimated, the average of the preceding three (3) years' experience shall be used, or some other comparable method~~ be reasonably conditioned in any manner.

~~C. Operating Expenses (OE). For purposes of this chapter, operating expenses (OE) of a manufactured home park shall include the following:~~

~~1. Real property taxes and assessments.~~

~~2. Utility costs to the extent that they are included in space rent.~~

~~3. Management expenses, including the compensation of administrative personnel (may include the value of any manufactured home space offered as part of compensation for such services), reasonable and necessary advertising to ensure occupancy only, legal and accounting services as permitted herein, and other managerial expenses. Management expenses are presumed to be not more than five percent (5%) of gross income, unless established otherwise.~~

~~4. Normal repair and maintenance expenses for the grounds and common facilities including, but not limited to, landscaping, cleaning, repair of equipment and facilities.~~

~~5. Owner performed labor in operating and/or maintaining the park. In addition to the management expenses listed above, where the owner performs managerial or maintenance services which are uncompensated, the owner may include the reasonable value of such services. There shall be a maximum allowance of five percent (5%) of gross income unless such a limitation would be substantially unfair in a given case. It shall be presumed that a park owner must devote substantially all of his or her time (i.e., at least forty (40) hours per week) to performing such managerial or maintenance service in order to warrant the maximum five percent (5%) allowance. No allowance for such services shall be authorized unless the park owner documents the hours utilized in performing such services and the nature of the services provided.~~

~~6. Operating supplies and equipment such as janitorial supplies, common areas and landscaping supplies and materials, and appliances and equipment if solely devoted to park operation.~~

~~7. Insurance premiums actually paid.~~

~~8. Reserve for replacement of necessary capital improvements. This amount shall not exceed five percent (5%) of gross income. The reserve shall be documented. The reserve may be included as an operating expense in a particular annual adjustment only to the extent that to carry out the purpose of this chapter. The decision of the panel shall be final and binding on all parties and shall not be subject to appeal or any additional money is added to any previously approved reserve, up to a maximum of five percent (5%) of current gross income.~~

~~9. Necessary capital improvement costs exceeding reserves for replacement. A park owner may include the costs of necessary capital improvement expenditures which exceeded reserves for replacement, if any existed, though not required to be maintained, for which the park owner has been given prior credit. A necessary capital improvement shall be an improvement required to maintain the common facilities and areas of the park in a decent, safe and sanitary condition or to maintain the existing level of park amenities and services, and which is dedicated solely to park use. Capital improvement includes all loan costs, origination fees and all interest costs at commercially available rates, and once fully reimbursed, shall be ordered deleted from the then payable space rent paid by the tenant. Expenditures for capital improvements to upgrade existing facilities or increase amenities or services shall be allowable operating expenses only if documented and only if the park owner has:~~

~~a. Consulted with the park residents prior to initiating construction of the improvements regarding the nature and purpose of the improvements and the estimated cost of the improvements.~~

~~b. Obtained prior written consent of at least one adult resident from a majority of the manufactured home rental spaces to include the cost of the improvement as an operating expense. Evidence of such consent must be presented at the time of filing the application seeking to include such a capital improvement expenditure as an operating expense. Any capital improvement expense shall be amortized over the life of the improvement as provided in the amortization schedule described in Section 6.02.140.~~

~~c. In the event that the capital improvement expenditure is necessitated as a result of an accident, disaster, or other event for which the park owner receives insurance benefits, only those capital improvement costs otherwise allowable exceeding the insurance benefits may be calculated as operating expenses.~~

~~10. Involuntary Refinancing of Mortgage or Debt Principal. A park owner may, under the provisions of this subsection, be able to include certain debt service costs as an operating expense in a NOI adjustment application. Such costs are limited to increases in interest payments from those interest payments made during the base year which result from one of the following situations or the equivalent thereof:~~

~~a. Refinancing of the outstanding principal owed for the acquisition of a park where such refinancing is mandated by the terms of a financing transaction entered into prior to January 1, 1987, made on commercially available terms, e.g., termination of a loan with a balloon payment; or~~

~~b. Increased interest costs incurred as a result of a variable interest rate loan used to finance the acquisition of the park and entered into prior to January 1, 1987, of the park on commercially available terms.~~

~~11. Increases in rental payments made on leases of land entered into prior to January 1, 1990, as follows: The park owner may include as expenses an amount not to exceed the increase in such land lease rental payments occurring since the previous panel approved rental adjustment for the park where said increase in land lease rental payments is the result of inflation or the increase in space rental income or based on other terms documented in writing. Such increased land lease rental obligations shall be permitted to be considered as an operating expense only where the park owner can show that the terms of the lease are reasonable and consistent with prudent business practices under the circumstances. In refinancing, increased interest shall be permitted to be considered as an operating expense only where the park owner can show~~

~~that the terms of the refinancing were reasonable and consistent with prudent business practices under the circumstances and the terms of commercially available financing.~~

~~12. All interest expenses reported as a deduction to federal and state taxing authority.~~

~~13. Operating expenses shall not include the following:~~

~~a. Avoidable and unnecessary expenses;~~

~~b. Mortgage principal and interest payments;~~

~~c. Rental payments made on leases of land, except as provided above;~~

~~B.C. d. Any penalty, fees, or interest assessed or awarded for violation of this or any~~

other Panel reconsideration. A party not satisfied with a decision of the Panel may seek any judicial remedy provided by law;

~~e. Registration fees required under this agreement;~~

~~f. Legal fees, except allowable legal expenses;~~

~~g. Depreciation of the property;~~

~~h. Any expense for which the park owner has been reimbursed;~~

~~i. Attorney's fees and costs incurred in legal proceedings which relate to challenging the facial validity of this chapter;~~

~~j. Any late charges incurred by the park owner for failure to pay registration fees to the city authorized by this chapter;~~

~~k. Attorney's fees and/or costs incurred in judgments brought against a park owner, arising from a cross-complaint or cross-complaint in intervention.~~

~~D. Burden on Park Owner. All operating expenses must be reasonable. Whenever a particular expense exceeds the normal industry or other comparable standard, the park owner shall bear the burden of proving the reasonableness of the expense. To the extent the panel finds any such expense panel to be unreasonable, the panel shall adjust the expense to reflect the normal industry or other comparable standard. (Ord. 90-38, 11/27/90; Ord. 06-1 § 1, 2/28/06)~~

#### **6.02.155 — Hearings.**

~~A. Except as otherwise provided in Section 6.02.090(D), all requests for hearings in front of the panel must be made by a signed petition stating clearly the reasons for the requested hearing and that such matter is within the subject matter jurisdiction of this chapter and within the panel's authority to review. The petition must be signed by residents of at least fifty percent (50%) of the spaces which are subject to regulation by this chapter and affected by the matter which is the subject of the requested hearing, plus one additional regulated and affected space.~~

~~B. The request for hearing must be filed with the Director of Community Development. The Director shall notify the park owner or other person designated on the park's registration and the affected residents whether the petition satisfies the requirements of the chapter providing for admissible hearings. It shall be in the Director's sole discretion to determine if the requested hearing is within the subject matter jurisdiction of the panel. If the requested hearing is eligible, the Director shall notify the park owner or other person designated on the park's registration and the affected residents of the time, date, and place of the hearing. Such notice shall be mailed, first class postage prepaid, at least fifteen (15) days prior to the scheduled hearing date. (Ord. 06-1 § 1, 2/28/06)~~

**6.02.160~~160~~180** Miscellaneous Provisions.

A. Waiver Ability. Rental agreements between a park owner and resident which are exempted from local regulation by California Civil Code Section 798.17 or other State statutes are permitted. The rental rates and other terms of such agreements shall prevail over regulations and decisions made pursuant to this chapter. For all such rental agreements which expire, the last monthly rental rate charged under the rental agreement shall be the space rent ceiling used to calculate the annual adjustment for the space. Any other provisions or agreement, whether oral or written, in or pertaining to a rental agreement whereby any provision of the ordinance or decision or regulation of the panel for the benefit of a resident is waived, shall be deemed to be against public policy and shall be void.

B. Severability. If any provision or clause of this chapter or the application thereof to any person or circumstance is held to be unconstitutional or to be otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other chapter provisions or clauses or applications thereof which can be implemented without the invalid provision or clause or application, and to this end, the provision and clauses of this chapter are declared to be severable.

C. Subpoenas. The panel may issue subpoenas requiring the attendance of witnesses and/or the production of books or other documents necessary for evidence of testimony in any action or proceedings before the panel upon request by the panel. ~~Said subpoenas shall be signed by the Mayor or his or her designated substitute and attested by the City Clerk.~~ Failure to comply with such subpoena shall result in contempt proceedings under Government Code Sections 37106 through 37109. ~~(Ord. 90-38, 11/27/90; Ord. 94-9, 6/28/94; Ord. 96-8 1/23/96; Ord. 06-1 § 1, 2/28/06)~~  
~~(Ord. 97-6, 4/22/97; Ord. 06-1 § 1, 2/28/06)~~

## Chapter 6.02

### MANUFACTURED HOME PARK RENT ADJUSTMENT PROCEDURES

#### Sections:

<b>6.02.010</b>	<b>Purpose</b>
<b>6.02.020</b>	<b>Definitions</b>
<b>6.02.030</b>	<b>Applicability</b>
<b>6.02.040</b>	<b>Manufactured Home Rental Adjustment Panel</b>
<b>6.02.050</b>	<b>Registration</b>
<b>6.02.060</b>	<b>Registration Fee</b>
<b>6.02.070</b>	<b>Space Rent Limit</b>
<b>6.02.080</b>	<b>Annual Space Rent Adjustment Notice</b>
<b>6.02.090</b>	<b>Allowable Methods for Annual Space Rent Adjustments</b>
<b>6.02.110</b>	<b>Amortization Schedule</b>
<b>6.02.120</b>	<b>Annual Space Rent Adjustment Appeal Petitions</b>
<b>6.02.130</b>	<b>Change in Ownership Space Rent Adjustment Procedures</b>
<b>6.02.150</b>	<b>Vacant Spaces</b>
<b>6.02.160</b>	<b>Appeal Hearings</b>
<b>6.02.170</b>	<b>Decision of the Panel</b>
<b>6.02.180</b>	<b>Miscellaneous Provisions</b>

#### **6.02.010 Purpose.**

A. A manufactured home park resident's tenancy in a manufactured home park is substantively different than traditional apartment tenancy in that the park resident owns their manufactured home, while still being subject to space rents. Manufactured homes are costly and difficult to move, and there may not be available spaces in other nearby manufactured home parks to relocate to, resulting in the park resident having fewer options to move out of the park to find lower rents.

B. Park owners, having made a business investment in the manufactured home park, have the right to receive a fair return on their property. Nonetheless, as a result of the unique tenancy circumstance that park residents are in, park owners should be subject to reasonable procedures in the imposition of space rents.

C. For these reasons, among others, the Council finds and declares it necessary to provide a process whereby manufactured home residents are not subject to excessive rent increases, while at the same time recognizing the rights of park owners to receive a fair return on their property and rental income sufficient to

cover reasonable increases in the cost of repairs, maintenance, insurance, employee services, additional amenities, and other costs of operation.

#### **6.02.020 Definitions.**

“Capital improvements” means those new improvements which directly and primarily benefit and serve the existing residents by materially adding to the value of the park, appreciably prolonging its useful life, subject to the following limitations:

1. The capital improvement must have a life expectancy of three (3) years or more and must be treated as a capital improvement for federal and state income tax purposes, and may not be deducted for such tax purposes as expenses.
2. Normal routine maintenance and repair is not capital improvement.
3. Insured repairs and replacement are not capital improvements.
4. The improvements must be permanently fixed in place or relatively immobile.

“Capital replacement” means the substitution, replacement, or reconstruction of a piece of existing equipment, machinery, streets, sidewalks, utility lines, landscaping, structures, or recreational amenities, which materially benefits and adds value to the park.

1. The capital replacement must have a life expectancy of three (3) years or more, and must be treated as capital replacement for federal and state income tax purposes, and may not be deducted for such tax purposes as expenses.
2. Normal routine maintenance and repair is not capital replacement.
3. Insured repairs are not capital replacement.

“Chapter” means all sections of Chapter 6.02 of the City of Santa Clarita Municipal Code.

“CPI” means the Consumer Price Index (all items) prepared by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County area relating to all urban consumers. If the method of calculating the CPI is substantially revised after the adoption of the ordinance codified in this chapter, the method in effect upon adoption of such ordinance shall continue to be used, or the revised CPI shall be adjusted by the Finance Director of the City to correspond to such method.

“Government required services” means services required by governmental agencies which are new or which are in addition to those services legally required to be provided by the park owner or the resident or the park on August 1, 1990. Such services include fees, bonds, assessments, and charges legally levied by an agency of the federal, state, or local government upon the park owner. Such services do not include predictable expenses for operation of the park, such as common area utilities, expenses, or expenses which maintain the safe and healthful use of the park facilities.



“Lease” shall mean an agreement between the park owner and the resident establishing terms and conditions of a tenancy which includes a predetermined fixed space rent increase applied for a predetermined length of time longer than one month.

“Manufactured home” shall be synonymous with the term “mobilehome” and shall mean a structure designated or designed for human habitation, transported over the highways to a permanent occupancy site, and installed on the site either with or without a permanent foundation. The term “manufactured home” does not include either a recreational vehicle or a commercial coach, as such terms are defined in the Health and Safety Code.

“Manufactured home park” and “park” shall be synonymous with the term “mobilehome park” and means an area of land where two (2) or more manufactured home spaces are rented or leased out for owner-occupied manufactured homes used as residences. The term “manufactured home park” does not include developments which sell lots for manufactured homes or which provide condominium ownership of such lots, even if one or more homes in the development are rented or leased out.

“Manufactured home park owner” or “park owner” means the owner, lessor, operator, manager, or designated agent thereof of a manufactured home park in the City of Santa Clarita.

“Manufactured home resident” or “resident” means any person entitled to occupy a manufactured home as the owner thereof or pursuant to a rental or lease agreement with the owner of a manufactured home.

“Panel” shall mean the manufactured home rental adjustment panel, as established by this chapter.

“Panel-Approved Summary” shall mean a document approved by the panel, providing manufactured home park owners and residents with a summary of requirements related to the contents of a rent adjustment notice and the right of the resident to request a hearing before the panel, pursuant to section 6.02.120.

“Rental agreement” means an agreement between the manufactured home park owner and a resident establishing the terms and conditions of a month-to-month tenancy.

“Space rent” means the consideration, including any bonus, benefits, or gratuities, demanded or received for or in connection with the use or occupancy of a manufactured home within a manufactured home park. The use and occupancy of a rental unit shall include the exercise of all rights and privileges and use of all facilities, services, and amenities accruing to the residents thereof for which a separate fee authorized by the Mobilehome Residency Law (California Civil Code Section 798, et seq.) is not charged. Nothing herein shall be construed to prevent a park owner from establishing such fees as may be authorized by the Mobilehome Residency Law. Space rent shall not include utility charges for utility services, including gas, electricity, and/or sewer service provided to an individual manufactured home residence (as opposed to

the park in general) where such charges are billed to such a resident separately from the space rent, and such charges are limited to the actual value of the utility service provided in the individual residence.

**6.02.030 Applicability.**

A. General. The provisions of this chapter shall apply to all manufactured home park sites.

B. Leases. The provisions of this chapter shall not apply to tenancies covered by a lease agreement in existence at the time this chapter becomes effective. This exemption shall apply only for the duration of the lease. Upon the expiration or termination of such lease, this chapter shall automatically become applicable to the tenancy. Spaces not covered by such a lease and not exempt from this chapter by state law (inclusive of Civil Code Section 798.17) shall be deemed to be spaces regulated by this chapter.

**6.02.040 Manufactured Home Rental Adjustment Panel.**

A. Establishment. The manufactured home rental adjustment panel of the City of Santa Clarita is hereby established.

B. Membership. The panel shall consist of a total of five (5) members. The membership of the panel shall consist of two members elected from and by the park owners, two members elected from and by the residents, and one member chosen from a list of at least two potential members drawn up by the City Manager. The fifth member shall not be a resident of a manufactured home park, have an ownership interest in a manufactured home park, or receive financial benefit from investment in a manufactured home park. Such member shall not have a personal or professional involvement in matters relating to manufactured home parks. The fifth member shall be chosen by majority vote of the four elected members. In the case of a tie, the City Manager shall cast the deciding vote.

C. In no case shall both resident-representatives or both owner-representatives be from the same manufactured home park. If a panel election process results in the highest two vote-getters for the resident-representative position, or the highest two vote-getters for the owner-representative position being from the same park, the individual with the higher number of votes from that park will be seated. The second seat will be awarded to the next highest vote-getter from another park. Any dispute or contest regarding an election, the election rules, regulations, procedures, or election results shall be determined by the City Manager, and the City Manager's decision shall be final.

D. Term of Elected Representatives. Each member of the panel shall serve for a term of three (3) years. Each member shall hold office until a new member has been duly sworn-in.

In the case of a resignation from the panel during the 3-year term, the next highest vote-getter from the most recent election will be asked to fill the vacant seat, as long it does not result in both resident-representatives or both owner-representatives being from the same park. If the appointment of the next highest vote-getter will result in both resident-representatives or both owner-representatives being from the same park, the next highest vote-getter from another park will be appointed. In the case of a panel member resignation or inability to serve on the panel during the three-year term, and when there are no resident-representatives or owner-representatives willing or available to fill the seat, an election will be held to fill the seat according to procedures and a schedule set by the City Manager.

E. Term of the Appointed Member. The appointed member shall serve for a three-year term. In the case of a resignation or inability to serve on the panel during the three-year term, the City Manager shall provide the four elected members of the panel with a list of at least two (2) potential candidates, and the panel shall conduct a majority voting process as outlined in this section..

F. Absences. Any member who is absent, without sufficient cause, from three (3) consecutive meetings of the panel shall be deemed to have vacated the office.

G. Meetings. All meetings of the panel shall be conducted in accordance with the provisions of the Ralph M. Brown Act.

H. Guidelines, Rules, and Regulations. The City Council may from time to time adopt by resolution such guidelines as it deems necessary to assist and direct the panel in the accomplishment of its duties. The panel may make and adopt its own rules and regulations for conducting its business consistent with the laws of the state, this chapter, and any guidelines adopted by the City Council. Any such rules and regulations shall be put in writing and be on file with the secretary of the panel at all times. The panel may appoint such officers as it may deem necessary to carry out its duties.

I. Staff. The City Manager shall provide all administrative staff necessary to serve the panel. Staff from the Department of Community Development shall serve as the secretary of the panel and shall be responsible for the maintenance of all records of the panel. The secretary of the panel shall keep a record of its proceedings, which shall be open for inspection by any member of the public. The City Attorney or the designee of the City Attorney shall act as legal counsel to the panel.

J. Quorum. A quorum shall be constituted in only one of two ways:

1. Three (3) members, with at least one (1) member elected by the residents, at least one (1) member elected by the park owners, and the fifth member chosen by the four elected members.
2. Four (4) members, with at least two (2) members elected by the residents, and at least two (2) members elected by the park owners.

K. Adoption of Findings. A majority vote of all members, i.e., three (3) votes, is required for the adoption of any findings and/or order pertaining to an application filed hereunder and for the adoption, amendment, or repeal of any rules and regulations of the panel, or to take action on any other matter.

L. Duties. The panel shall undertake and have the following duties, responsibilities, and functions, together with all powers reasonably incidental thereto:

1. To meet from time to time as may be specified by the rules and regulations of the panel in order to carry out its duties.
2. To hear appeals brought before them and make determinations on space rent adjustments as provided for in this chapter.
3. To make such studies, surveys, and investigations, conduct such hearings, and obtain such information as is necessary to carry-out its powers and duties.
4. To adopt, amend, and rescind such administrative rules as may be necessary to carry-out the purposes and policies of this chapter and to enable the panel to carry-out its powers and duties hereunder.
5. To undertake such other related duties as may be assigned by the City Council.

#### **6.02.050 Registration.**

A. Registration. Park owners must register all manufactured home parks and manufactured home rental spaces within such parks with the Department of Community Development. The registration shall include all of the following:

1. All information requested on forms sent by the City to the park owner for the purpose of registration.
2. A rent roll for the month immediately preceding the registration, reflecting the space number, resident name, space rents and a listing of all other charges paid by the park resident including:
  - a. Utilities not included in space rent.
  - b. Any amortized capital improvement or replacement charges.
  - c. Any other monthly fees as may be required of the resident.

B. Re-registration. The Department of Community Development is hereby empowered to require such re-registration as it deems necessary.

C. Applicability. The registration requirements provided for in this section or which may be established by the Department of Community Development shall apply to all manufactured home parks, including those exempt from the space rent ceiling limitations and procedures in the chapter by reason of the existence of a valid space rent agreement.

#### **6.02.060 Registration Fee.**

A. Establishment of Fee. Park owners shall pay to the City of Santa Clarita a registration fee for each manufactured home rental space regulated by this chapter within the park as may be established by resolution of the City Council. Half of the fee paid for each space may be charged to the park resident occupying that space by a separately specified one-time charge on a space rent bill within sixty (60) calendar days after the fees have been paid to the City. The registration fee shall not apply to parks and spaces exempt from the payment of fees by state law (inclusive of Civil Code Section 798.17).

B. Penalty. If a park owner does not pay the fee provided for in subsection A of this section within the time period established therein, a late charge shall be assessed in an amount as established by resolution of the City Council.

C. Unpaid Fees. No panel appeal hearing shall be scheduled or take place regarding a park for which there is an unpaid registration bill. If an unpaid registration bill is paid, including any penalties accrued, a hearing may then be scheduled. Failure to pay a City registration fee is not grounds for a space rent adjustment appeal.

D. Purpose of Fee. The registration fee provided for by this section is intended to defray any reasonable and necessary costs associated with the administration of the regulations contained in this chapter.

E. Accounting of Funds. The Director of Community Development is directed to maintain an accurate accounting of all direct and indirect costs of administering the regulations contained in this chapter. The Director of Community Development shall submit to the City Manager a report of such costs at least annually.

#### **6.02.070 Space Rent Limit.**

A. Effective Date. No manufactured home park owner shall charge space rent for any manufactured home space in an amount greater than the space rent in effect on August 1, 1990, except as permitted pursuant to the provision of this chapter.

B. Exemption. If a park space is exempt from the application of the space rent limitation or registration fee portion of this chapter by reason of the existence of a space rent agreement and this agreement expires, the space rent limit for that space shall be the space rent in effect on the date immediately preceding the date on which the agreement expires.

**6.02.080 Annual Space Rent Adjustment Notice.**

A. Notice. Prior to the annual space rent adjustment, the park owner shall provide the resident with a notice of proposed rent adjustment at least ninety (90) calendar days prior to the effective date of the adjustment, and issue the notice no later than October 1, to be effective either on January 1 of the following year or on the resident's anniversary date following January 1. All space rent adjustment notices shall contain all of the following information:

1. A listing of all affected spaces by space number only. The name of the resident and amount of space rent shall not be included in the listing. Affected spaces include all those spaces being notified of a proposed space rent adjustment; and

2. A copy of the current Panel-Approved Summary of this chapter. The Summary will be provided annually to the park owner by the City for inclusion in the annual space rent adjustment notice; and

B. Standard Space Rent Adjustments. For a space rent adjustment which is based on 6.02.090(C) – Standard Space Rent Adjustments:

1. A statement that the park owner considers that portion of the space rent adjustment to be consistent with the limitations set forth in section 6.02.090(C) of this chapter; and

2. The amount of that resident's space rent adjustment both in dollars and as a percentage of existing rent; and

3. The amount of the resident's space rent adjustment attributable to an increase in government required services in dollars; and

4. The amount of the resident's space rent adjustment attributable to an increase in utility costs in dollars.

C. Non-Standard Space Rent Adjustments. For a space rent adjustment which is based on 6.02.090(D) – Non-Standard Space Rent Adjustment:

1. A statement that the park owner considers that portion of the space rent adjustment to be consistent with the limitations set forth in Section 6.02.090(D),

2. The amount of that resident's space rent adjustment both in dollars and as a percentage of existing rent; and

3. Information supporting the level of non-standard space rent adjustment proposed. Such information must include all of the following:

a. Specific reference to which allowable costs are being included in the proposed non-standard rent adjustment by citation from section 6.02.090(D); and

b. The mathematical calculations or analysis relied upon by the park owner to determine the amount of the proposed non-standard space rent adjustment, including the amortization time period assigned to each capital improvement or capital replacement as provided for in section 6.02.110 (A); and

c. A statement informing the resident that the supporting documentation for the non-standard space rent adjustment will be available to park residents at the park management office during all normally observed office hours beginning the same day the notice is provided.

D. Supporting Documentation. All non-standard space rent adjustments shall be supported by source documentation related to the amount of the space rent adjustment and the mathematical calculations or analysis contained in the notice. The source documentation for a non-standard space rent adjustment shall be kept in the park management office for at least forty-five (45) days, beginning on the date of the notice, and will be available for review by affected park residents during all normally observed office hours. In cases where a space rent appeal petition has been submitted which meets the criteria set forth at section 6.02.120, the supporting documentation shall remain available until a final determination is made on the appeal.

During the periods described above, copies of all supporting documents will be provided to affected residents upon request. A resident may request the documentation in one or both of the following formats:

- a. Physical copies shall be provided at a fee set by the park owner, not to exceed \$.25 per page.
- b. Electronic copies shall be provided free of charge, in a PDF or similar format, as an email attachment sent to the requesting resident's email address.

E. The park owner and resident shall execute a single document related to the annual rent adjustment, stating that the information, documents or notices required by this section have been received by the tenant. The original of the document acknowledging receipt of information, documents, or notices required by this section shall be retained by the owner and a copy thereof provided to the resident. In the event a resident fails or refuses to execute the document required herein within ten (10) days after the park owner's request that the tenant do so, the park owner shall prepare a declaration under penalty of perjury stating that the information, documents, or notices required by this section have been delivered to the resident, the date the park owner requested the

resident to sign the joint document acknowledging receipt, and the date the declaration was executed.

**6.02.090 Allowable Methods for Annual Space Rent Adjustments.**

A. Frequency. The annual space rent adjustment may occur only once every calendar year.

B. Annual Space Rent Adjustment Methods. Any annual space rent adjustment shall follow only one of the two methods outlined below: either an annual space rent adjustment based on section 6.02.090 (C) – Standard Space Rent Adjustments, or an annual space rent adjustment based on section 6.02.090 (D) – Non-Standard Space Rent Adjustments.

C. Standard Space Rent Adjustments. The following adjustments in rent shall be permitted by right and may not be appealed except in the situations specified in section 6.02.120(A). This adjustment shall be calculated using the Consumer Price Index (CPI) reported each August for the previous twelve (12) month period of August 1 through July 31 reported by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County area.

1. An adjustment of space rent less than or equal to a minimum of 3% and a maximum of the lesser of either 6%, or the annual adjustment in the CPI reported each August for the previous twelve (12) month period of August 1 through July 31 reported by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County areas. In such cases where the CPI is at or below 0%, a reduction in space rent is not required; and

2. An adjustment based on the actual increase in the cost of government-required services; and

3. An adjustment based on the actual increase in utility costs where such utilities are included in the space rent.

The Director of Community Development or designee, annually, will receive the CPI updated result and cause notice of such to be mailed to each park owner and park resident in the City. Such standard space rent adjustments will be calculated on the space rent only, and will not be calculated on monthly costs related to amortized capital improvements or replacements, utilities, or other costs not part of the space rent.

D. Non-Standard Space Rent Adjustments. An adjustment to pay for the actual costs of capital improvement or capital replacement as defined in the definitions section of this chapter, which were incurred within the 24 months prior to the rent adjustment notice, and are not otherwise disallowed by State law. Costs must be amortized as permitted in section 6.02.110.

E. Appeal Considerations – Standard Space Rent Adjustments. In the case of a standard space rent adjustment, an appeal may only be brought before the panel in the



situations outlined in section 6.02.120(A). In making their determination, the panel may consider all relevant information and may request any such information or documentation as they deem necessary, including but not limited to:

1. Verbal testimony
2. Copies of bills, invoices, or statements
3. Copies of receipts or checks
4. Other documents supporting the level of adjustment proposed

F. Appeal Considerations – Non-Standard Space Rent Adjustments. In making their determination on the appeal of a non-standard space rent adjustment, the panel may consider all relevant information and may request any such information or documentation as they deem necessary, including but not limited to:

1. Verbal testimony
2. Copies of documents made available to the residents as part of the noticing requirement, outlined in section 6.02.080(D)
3. Other documents supporting the level of increase proposed

#### **6.02.110 Amortization Schedule.**

A. For the purpose of determining any rent adjustment permitted under the provisions of this chapter, the cost of capital improvements or capital replacements shall be amortized according to the following schedule, for those items listed. For items meeting the definition of capital improvement or capital replacement herein, but not listed on the amortization schedule, the amortization period shall be consistent with that prescribed by federal law for depreciation.

<b>Type of Improvement or Replacement</b>	<b>Amortization period</b>
Backflow device	10 years
Carpeting	5 years
Copier	6 years
Copper pipes	10 years
Drapes	5 years
Gas barbecue	3 years
Gas line	15 years
Gas valve and fire hydrant	10 years

Heater motor	5 years
Houses	30 years
Light fixtures	5 years
Linoleum floor	5 years
Oven	6 years
Patio furniture	5 years
Pool heater	5 years
Pump	5 years
Refrigerator	6 years
Roofing	18 years
Security fence	5 years
Sewer line construction	15 years
Solar system	10 years
Telephone system	6 years
Water heater	10 years
Water softener	5 years

B. Space Rent Invoice Documentation. Any amortized capital improvement or capital replacement cost imposed as part of a non-standard space rent adjustment must be clearly marked on the space rent invoice, or on another document included with the space rent invoice, with name of the capital improvement or capital replacement, the monthly amount, and the date the cost will expire. If a cost is not removed from the space rent invoice in a timely manner, residents may request an appeal before the Panel.

C. Amortized Costs Not Removed. A request for a hearing based on an amortized cost not removed in a timely manner may be part of the appeal petition of an annual space rent adjustment, or as a separate item. If an appeal petition based on an amortized cost not removed in a timely manner is submitted outside the annual space rent adjustment appeal process, it must meet the requirements of section 6.02.120 (B) through (F). If the panel determines that an amortized cost was not removed in a timely manner, resulting in overpayment by the park residents, the panel may require the amortized cost to be removed

and may require the park owner to reimburse affected residents the amount of overpayment, subject to any limitations imposed by law at the time of the panel's decision.

**6.02.120 Annual Space Rent Adjustment Appeal Petitions.**

A. Time Limits. A petition requesting an appeal hearing for an annual space rent adjustment as allowed for in this chapter must be filed with the Department of Community Development within forty-five (45) calendar days of service of the notice of proposed space rent adjustment, or forty-five (45) calendar days from the date of the space rent increase if no notice is received, whichever applies. Appeals may not be heard for a standard space rent adjustment based on section 6.02.090(C), except for one or more of the following reasons:

1. The CPI percentage adjustment proposed in the notice is above the actual CPI percentage provided in the City's most recent notice to the park residents and park owners.
2. The increased costs of government required services or utility costs in the proposed space rent adjustment are greater than the actual costs incurred by the park owner.
3. A notice that is not substantially in conformance with the requirements at section 602.080.

B. Appeal Request Form. Appeal petitions must be submitted on an Appeal Request Form approved by the Director of Community Development and obtained from Department of Community Development staff. All pages of the form must be complete and the petition signature page must contain signatures from residents of at least fifty percent (50%) of the spaces regulated by this chapter and affected by the proposed space rent adjustment, plus one additional regulated and affected space.

C. Park Owner Notification. The residents submitting the appeal must provide a full copy of the appeal petition to the park owners within ten (10) calendar days of submission to the Department of Community Development.

D. Determination by Director of Community Development. It shall be the sole discretion of the Director of Community Development (Director) to determine if the basis upon which the petition for appeal is filed meets the criteria set forth in this chapter. No hearing will be scheduled unless such a determination is made. Only if the Director determines that the appeal meets the criteria of this chapter will a hearing be scheduled.

1. If the Director determines that an appeal petition does not meet the criteria set forth in this chapter, the Director shall cause the park owner or other person designated on the park's registration and the affected residents to be notified. Such notice shall be mailed, first-class postage prepaid, within fifteen (15) calendar days of the submission of the appeal petition.

2. If the Director determines that an appeal petition meets the criteria set forth in this chapter, he shall cause the park owner or other person designated on the park's registration and the affected residents to be notified of the time, date, and place of the hearing. Such notice shall be mailed, first-class postage prepaid, at least fifteen (15) calendar days prior to the scheduled hearing date.

**6.02.130 Change in Ownership Space Rent Adjustment Procedures.**

A. **Manufactured Home Sale.** Notwithstanding any other provision of this chapter, if a manufactured home is voluntarily vacated by all tenants as a result of a sale of the manufactured home to a new owner, and the manufactured home is not removed from the site, then the rent may be increased by an amount not to exceed ten percent (10%). The rent may only be increased pursuant to this section once in any twelve (12) consecutive-month period, regardless of additional changes in ownership. A change in ownership increase does not preclude an annual space rent adjustment in the same calendar year, so long as all noticing requirements as set forth in section 6.02.080(C) are observed.

B. **Notice to Prospective Manufactured Home Buyer.** As required in California Civil Code section 798.74.5, within two (2) business days of receiving a request from a prospective homeowner for an application for residency for a specific space within a manufactured home park, if the management has been advised that the manufactured home occupying that space is for sale, the management shall give the prospective homeowner a separate document entitled "INFORMATION FOR PROSPECTIVE HOMEOWNERS," which will include the space rent for the prospective manufactured home buyer.

C. **Notice to Manufactured Home Seller.** The park owner will also provide a copy of "INFORMATION FOR PROSPECTIVE HOMEOWNERS," to the resident selling their manufactured home. It shall be the responsibility of the current manufactured home owner selling the manufactured home to verify that the proposed space rent for the prospective buyer of their manufactured home does not exceed the increase allowed in this section.

D. **Remedy.** If a manufactured home park resident seller or prospective manufactured home park buyer believes that the park owner is exceeding the permitted ten percent (10%) increase on space rent for a change in ownership, the party may seek any judicial remedy provided by law to enforce this section.

**6.02.150 Vacant Spaces.**

If a space becomes vacant by virtue of there being no manufactured home situated on the space or the manufactured home on the space is owned by the park owner, and the space has not been rented to a resident for at least thirty (30) calendar days, the space rent may be increased to a rate as determined by the park

owner at the time the space is initially rented to a new manufactured home owner. Once the space is rented to a new manufactured home owner, all other controls in this chapter shall become effective.

#### **6.02.160 Appeal Hearings.**

A. Conduct of Hearing. The park owner and resident may appear at the rent adjustment hearing and offer oral and documentary evidence. All parties to a rent adjustment hearing may have assistance in presenting evidence and testimony and developing their position from attorneys, experts, or such other persons as may be designated by said parties. The hearing may be continued for a reasonable period of time as determined by the panel upon the consent of the parties or upon a finding of good cause for such continuance made by the panel. All hearings and deliberations of the panel shall be open to the public.

B. Appeal Justifications. Rent adjustment hearings may only be held for the causes specified in 6.02.080 – Annual Space Rent Adjustment Procedures, and 6.02.110 – Amortization Schedule.

C. Rules of Evidence. The hearing need not be conducted according to the technical rules relating to evidence and witnesses, as applicable in courts of law. To be admissible, evidence shall be of the type on which responsible persons are accustomed to rely in the conduct of serious affairs. A full and fair hearing shall be accorded to the parties to the hearing.

D. Preserving the Record. The proceedings shall be recorded electronically. Any party who desires that the proceedings be recorded stenographically shall make arrangements with the Department of Community Development at least five (5) calendar days before the hearing. Any transcripts prepared by a reporter at the party's request shall be at his or her expense, and the original shall be filed with the Department of Community Development. If the party makes a request for a transcript of the electronic recording at the time of or after the hearing, he or she shall make arrangements to copy the official recording with the Department of Community Development. All expenses incurred for the transcript will be borne by the requesting party.

E. Subpoenas. The panel may issue subpoenas requiring the attendance of witnesses and/or the production of books or other documents necessary for evidence of testimony in any action or proceedings before the panel upon request by the panel. Said subpoenas shall be signed by the chairperson or his or her designated substitute and attested by the secretary. Failure to comply with such subpoena shall result in contempt proceedings under Government Code Sections 37106 through 37109.

#### **6.02.170 Decision of the Panel.**

A. Timing. After reviewing the record and any additional evidence requested of the parties which has been provided, the panel shall make its determination in accordance with the

standards specified in this chapter. The panel shall render its findings and decisions no later than the end of the next panel meeting following the close of the panel's discussion on the matter before them.

B. Notification of Determination. The secretary shall, within ten (10) days after such decision is rendered, send a copy of the panel's findings and decision to the park owner or other person designated on the park's registration, first class postage prepaid, to the affected residents residing in the park for which the space rent adjustment appeal was brought.

C. Final Decision. Any decision of the panel must be supported by a preponderance of the evidence. The panel's allowance or disallowance of any rent adjustment or portion thereof may be reasonably conditioned in any manner necessary to carry out the purpose of this chapter. The decision of the panel shall be final and binding on all parties and shall not be subject to appeal or any additional panel reconsideration. A party not satisfied with a decision of the panel may seek any judicial remedy provided by law.

**6.02.180 Miscellaneous Provisions.**

A. Waiver Ability. Rental agreements between a park owner and resident which are exempted from local regulation by California Civil Code Section 798.17 or other state statutes are permitted. The rental rates and other terms of such agreements shall prevail over regulations and decisions made pursuant to this chapter. For all such rental agreements which expire, the last monthly rental rate charged under the rental agreement shall be the space rent ceiling used to calculate the annual adjustment for the space. Any other provisions or agreement, whether oral or written, in or pertaining to a rental agreement whereby any provision of the ordinance or decision or regulation of the panel for the benefit of a resident is waived, shall be deemed to be against public policy and shall be void.

B. Severability. If any provision or clause of this chapter or the application thereof to any person or circumstance is held to be unconstitutional or to be otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other chapter provisions or clauses or applications thereof which can be implemented without the invalid provision or clause or application, and to this end, the provision and clauses of this chapter are declared to be severable.

C. Subpoenas. The panel may issue subpoenas requiring the attendance of witnesses and/or the production of books or other documents necessary for evidence of testimony in any action or proceedings before the panel upon request by the panel. Failure to comply with such subpoena shall result in contempt proceedings under Government Code Sections 37106 through 37109.

## Summary of Proposed Changes

### SANTA CLARITA MUNICIPAL CODE 6.02 – MANUFACTURED HOME PARK RENT ADJUSTMENT PROCEDURES

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#### **Annual Space Rent Adjustment**

- Retains the 3% minimum for Standard Adjustments
- Reduces Non-Standard Adjustments to only amortized capital improvements/capital replacement costs, and removes (among others):
  - Comparable park space rent
  - Fair return on investment
  - Decrease in net operating income
  - Debt service costs
  - Rental history of the park
- Limits Non-Standard Adjustments to items completed within the past 24 months
- Allows only a Standard OR Non-Standard Adjustment each year
- Defines capital replacement per IRS regulations
- Allows amortization of capital improvements or capital replacements which are not on the ordinance schedule, as long as they meet IRS regulation
- Requires amortized items to be listed with space rent invoice
- Changes allowable annual space rent adjustment from once every 365 days to once per calendar year

#### **Space Rent Adjustment Notices**

- Requires City to send a notice of the CPI-U to each park resident individually
- Requires the park owner to send Panel-Approved Summary to each resident with the space rent adjustment notice
- Requires the park owner to provide analysis and calculations for a Non-Standard Adjustment of space rent as part of the notice
- Requires park owner to keep supporting documentation for Non-Standard Adjustment of space rent in the park office
- Clarifies what must be in the space rent adjustment notice
- Specifies that failure to provide notice is grounds for an appeal

#### **Manufactured Home Park Rental Adjustment Panel**

- Allows a process for alternates to be seated in case of a Panel member resignation
- Redefines the qualifications for the fifth Panel member, and creates a majority vote process to appoint
- Allows quorum to be constituted in two ways

- Requires the two resident representatives or two owner representatives to be from the different parks to prevent Panel deadlock due to recusal
- Broadens the Panel's discretion in requesting supporting documentation during a space rent appeal hearing

### **Appeal Hearings**

- Requires park owner to make supporting documentation for Non-Standard Adjustments available to residents throughout the appeal process, and provide them to residents upon request:
  - No charge for emailed documents
  - Minimal fee for hard copies
- Specifies what can be appealed:
  - Non-Standard Adjustment space rent increases
  - Previously amortized items not removed in a timely manner
  - Standard Adjustments with inaccurate information
  - Adjustment without a notice substantially in compliance with the ordinance
- Creates appeal forms for use by park residents

### **Other Space Rent Increases**

- Maintains the change-in-ownership increase at 10% but removes the option for appeal by the park owner for a higher adjustment
- Requires the park owner to notify a potential buyer of the amount of the new space rent prior to purchase
- Allows a one-time market-rate adjustment of space rent when a unit is owned by the park or a space is vacant for at least 30 days

### **Sections Removed**

- Net Operating Income (NOI) – Allows space rent adjustment based on park owners decrease in net operating income
  - Requires complex fiscal analysis to verify the decrease in NOI which is paid for by the City. Most recent analysis of this type required \$10,000 consultant subcontract
  - Used successfully only once
- Reduction in Services – Allows a reduction in a proposed space rent adjustment, or decrease in existing space rent if park residents can show there has been a reduction in services resulting in a cost savings to the park owner
  - State manufactured home law provides protections in this area
  - Residents do not have access to park financial information to support a claim of cost savings to the park owner
  - Requires complex fiscal analysis to verify a cost saving to the owner, which is paid for by the City
  - Never used successfully