

ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING  
VARIOUS SECTIONS OF CHAPTER 17.22 OF TITLE 17 OF  
THE SAN JOSE MUNICIPAL CODE RELATED TO THE  
MOBILEHOME RENT ORDINANCE**

**WHEREAS**, pursuant to the provisions and requirements of the California Environmental Quality Act of 1970, together with related State CEQA Guidelines and Title 21 of the San José Municipal Code (collectively, "CEQA"), the Director of Planning, Building and Code Enforcement has determined that the provisions of this Ordinance do not constitute a project, under File No. PP17-008 (General Procedure and Policy Making resulting in no changes to the physical environment); and

**WHEREAS**, the City Council of the City of San José is the decision-making body for this Ordinance; and

**WHEREAS**, this Council has reviewed and considered the "not a project" determination under CEQA prior to taking any approval actions on this Ordinance;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:**

**SECTION 1.** Section 17.22.090 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

**17.22.090 Capital Improvements**

"Capital iImprovements" means the addition or replacement of any improvement to a unit or property within the geographic boundaries of a mMobilehome pPark which meets the following conditions:

- A. The addition or replacement has a useful life of at least five (5) years: and
- B. Either:
  - 1. The addition or replacement is necessary in order to maintain compliance with applicable local code requirements affecting health and safety; or
  - 2. The addition or replacement is provided by the ~~m~~Mobile ~~p~~Park owner primarily to benefit the residents of the ~~a~~Affected ~~r~~Rental ~~u~~Units.
- C. Capital ~~i~~l improvements do not include additions or replacements made to bring the ~~r~~Rental ~~u~~Unit into compliance with a provision of the San José Municipal Code or state law where the ~~r~~Rental ~~u~~Unit has not been in compliance from the time of its original construction or installation and such provision was in effect at the time of such construction or installation.

SECTION 2. Section 17.22.100 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

#### **17.22.100 City ~~Rent Stabilization~~ ~~Rental Rights and Referrals~~ Program**

"City ~~Rent Stabilization~~ ~~Rental Rights and Referrals~~ Program" or "Program" means the section of the Department ~~of Housing~~ that provides staff services and administration of this Chapter to the Commission. References in any previous ordinance to the "Rental Dispute Program" shall be deemed as references to the City ~~Rental Rights and Referrals~~ Rent Stabilization Program.

**SECTION 3.** Section 17.22.110 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

**17.22.110 Commission**

“Commission” means the ~~Mobilehome Advisory Commission~~Housing and Community Development Commission as established in Part ~~26-28~~ of Chapter 2.08 of Title 2 of this Code.

**SECTION 4.** Section 17.22.115 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

**17.22.115 Consumer Price Index**

For the purposes of this Chapter, Consumer Price Index means the ~~Consumer Price Index for All Urban Consumers: All Items Less Shelter in San Francisco-Oakland-Hayward, CA (CBSA)~~Consumer Price Index for all urban consumers in the San Francisco-Oakland all items index (1982-84 equals 100), as reported by the Bureau of Labor Statistics of the United States Department of Labor.

**SECTION 5.** Section 17.22.135 of Chapter 17.22 of Title 17 of the San José Municipal Code is hereby repealed.

**17.22.135 Dealer Pull-Out**

~~“Dealer pull-out” means a transaction in which: a mobilehome dealer, as such term is defined in Section 18002.6 of the Health and Safety Code, purchases a mobilehome from a mobilehome owner; the mobilehome owner terminates the tenancy and ceases to be a tenant of the mobilehome park; the dealer replaces the old mobilehome on the~~

~~let with a new one and pays a storage fee to the park owner; and the dealer transfers the new mobilehome to a new mobilehome owner.~~

**SECTION 6.** Section 17.22.136 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

**17.22.136 Department**

"Department" means the Housing Department of Housing.

**SECTION 7.** Section 17.22.145 of Chapter 17.22 of Title 17 of the San José Municipal Code is hereby repealed.

**17.22.145 In-place Transfer**

~~"In-place transfer of a mobilehome" means the transfer of the ownership of a mobilehome with the mobilehome remaining on the mobilehome lot following the transfer.~~

**SECTION 8.** Section 17.22.155 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

**17.22.155 Maximum Standard Annual Percentage Increase**

"Maximum Standard Annual Percentage Increase" means:

- A. For increases effective prior to October 1, 1993, five percent (5%).

- B. For increases effective between October 1, 1993, and September 30, 1994, three percent (3%).
- C. 1. For increases effective on or after October 1, 1994, a percentage equal to seventy-five percent (75%) of the increase in the Consumer Price Index measured from the April of the calendar year preceding the year in which the increase is effective to the April of the calendar year in which the increase is effective, but in no event greater than seven percent (7%) nor less than three percent (3%).  
2. For increases effective on or after October 1, 1995, if the necessary information is not available to the City Rent Stabilization Program Rental Rights and Referrals Program by May 15 of the calendar year for which the increase is determined, the measurement may be calculated based on the latest available information.
- D. Maximum Standard Annual Percentage Increases calculated pursuant to subsection C. shall apply to ~~r~~Rent ~~i~~Increases effective between October 1 of the calendar year in which the ~~m~~Maximum ~~s~~Standard ~~a~~Annual ~~p~~Percentage ~~i~~Increase is determined by the City Rent Stabilization Program Rental Rights and Referrals Program and September 30 of the next calendar year.

SECTION 9. Section 17.22.220 of Chapter 17.22 of Title 17 of the San José Municipal Code is hereby repealed.

**17.22.220 Owner**

~~"Owner" means a mobilehome owner.~~

**SECTION 10.** A new section is added to Chapter 17.22 of Title 17 of the San José Municipal Code, to be numbered, entitled and to read as follows:

### **17.22.238 Regulations**

**“Regulations” mean the regulations described in Section 17.22.1100.**

**SECTION 11.** Section 17.22.240 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

### **17.22.240 Rent**

A. “Rent” means the consideration, including any payment bonus, benefit or gratuity, demanded or received by a Landlord for or in connection with the use or occupancy, including hHousing sServices, of a rRental uUnit or in connection with the assignment of a lease or in connection with subleasing of the rRental uUnit including utility fees and charges if the mobilehome unit is rented.

B. Rent excludes the following as articulated by State law:

1. Any incidental reasonable charges for services actually rendered in accordance with California Civil Code Sections 798.31 and 798.32 as they may be amended from time to time, or successor code sections;
2. Any separately billed utility fees and charges, which shall not be deemed to be Rent charged for a Mobilehome Lot in accordance with California Civil Code Section 798.41 as it may be amended from time to time, or successor code sections. However, utility fees and charges shall be considered Rent when the Mobilehome itself is rented; and

3. Any fee, assessment, or charge paid pursuant to California Civil Code Section 798.9(a), including any actual fee or cost imposed by a local government pursuant to California Civil Code Section 798.37 as it may be amended from time to time, or successor code sections.

B. ~~"Rent" shall not include utility charges for utility services (including gas, electricity, water, refuse disposal, and/or sewer service), provided to an individual mobilehome resident, as opposed to utility services provided to the mobilehome park in general, where such charges are billed to the mobilehome resident separately from the rent for the mobilehome or mobilehome lot.~~

SECTION 12. A new section is added to Chapter 17.22 of Title 17 of the San José Municipal Code, to be numbered, entitled and to read as follows:

#### **17.22.285 Added Benefit Capital Improvement**

"Added Benefit Capital Improvement" shall have the meaning provided in Section 17.22.465.

SECTION 13. Section 17.22.290 of Chapter 17.22 of Title 17 of the San José Municipal Code is hereby repealed.

#### **17.22.290 Tenant**

"Tenant" means a mobilehome tenant.

SECTION 14. Section 17.22.360 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

### **17.22.360 Governmental Agencies**

- A. The provisions of this Chapter shall not apply to ~~mMobilehomes or mMobilehome parks owned or operated or subsidized~~ by any governmental agency.
- B. The provisions of this Chapter shall not apply to any ~~Rental Unit for which the Rent is subsidized pursuant to the Section 8 program (42 U.S.C. Section 1437f) or the Continuum of Care (CoC) Rental Assistance program (42 U.S.C. 11381 et. seq.) or similar Rent subsidy program where the Mobilehome Resident's portion of the Rent is determined based on their household income and a specific formula~~  
~~rental unit whose rent is subsidized pursuant to the Housing Assistance Payments Program (Pub. L. 93-383, Section 8, as amended)~~.

**SECTION 15.** A new section is added to Chapter 17.22 of Title 17 of the San José Municipal Code, to be numbered, entitled and to read as follows:

### **17.22.365 Owner Occupied**

~~The provisions of this Chapter shall not apply to any Rental Unit occupied by a Mobilehome Park owner as their primary personal residence or occupied by a designated park manager or employee where Rent is part of compensation for services rendered.~~

**SECTION 16.** Section 17.22.370 of Chapter 17.22 of Title 17 of the San José Municipal Code is hereby repealed.

### **17.22.370 Rental Agreements**

A. ~~The provisions of this Chapter shall not apply to any mobilehome lot which is the subject of a rental agreement voluntarily entered into between a landlord and a mobilehome owner where the rental agreement meets all of the following criteria:~~

- ~~1. The rental agreement was entered into on or after January 1, 1986.~~
- ~~2. The term of the rental agreement is in excess of twelve (12) months' duration.~~
- ~~3. The mobilehome lot which is the subject of the rental agreement is used for the personal and actual residence of the mobilehome owner.~~
- ~~4. The first paragraph of the rental agreement contains a provision notifying the mobilehome owner that the mobilehome lot will be exempt from the provisions of this Chapter.~~

B. ~~This exclusion shall apply only for the duration of the term of the rental agreement and any uninterrupted, continuous extensions thereof. If the term of the rental agreement is not extended and no new rental agreement meeting the above-stated criteria is entered into, this Chapter shall immediately become applicable to the mobilehome lot and the last rental rate charged for the lot under the immediately preceding rental agreement shall be the rent for purposes of determining the base rent under this Chapter.~~

**SECTION 17.** Section 17.22.400 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

### **17.22.400 Firm Offer Base Rent For Transfer of Mobilehome**

- A. Any ~~m~~Mobilehome ~~e~~Owner may request the ~~l~~Landlord quote the ~~b~~Base ~~r~~Rent that would be charged for the rent or lease of the ~~m~~Mobilehome ~~l~~Lot immediately following the transfer of the ~~m~~Mobilehome by the ~~m~~Mobilehome ~~e~~Owner where the ~~m~~Mobilehome will remain on the ~~m~~Mobilehome ~~l~~Lot. The request shall be in writing.
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- B. The Base Rent may include a one-time additional ten percent (10%) Rent Increase. This increase shall be known as the “Firm Offer Base Rent.”
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- C. Within five (5) working days from the receipt of the request for a Base Rent quote, the ~~l~~Landlord shall provide a written Firm Offer ~~b~~Base ~~r~~Rent quote to the ~~m~~Mobilehome ~~e~~Owner.
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- D. The Firm Offer ~~b~~Base ~~r~~Rent quote provided by the ~~l~~Landlord shall be a firm offer of ~~b~~Base ~~r~~Rent that would be charged by the ~~l~~Landlord for the rent or lease of the ~~m~~Mobilehome ~~l~~Lot upon the transfer of the ~~m~~Mobilehome by the ~~m~~Mobilehome ~~e~~Owner in the case of any transfer where the ~~m~~Mobilehome will remain on the ~~m~~Mobilehome ~~l~~Lot. Subject to subsection D. below, said firm offer shall remain in effect for not less than one hundred fifty (150) days from the date the landlord gives such written notice to the mobilehome owner.
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- D. In the event the rent increase anniversary date for the mobilehome park falls ~~within~~ ~~beyond the~~ one-hundred-fifty (150) days ~~period~~ of the firm offer, the firm offer base rent shall be adjusted- by the rent increase permitted on the anniversary Anniversary date under the provisions of this Chapter in a form of disclosure as provided by the Regulations. This adjusted amount shall be the “adjusted firm offer base rent”.

E. Upon the transfer of the ~~m~~Mobilehome, the transferee shall pay the ~~f~~firm ~~e~~Offer ~~b~~Base ~~r~~Rent, ~~or the adjusted firm offer base rent if applicable~~, as the ~~r~~Rent for the ~~m~~Mobilehome ~~l~~Lot. The ~~l~~Landlord shall not charge, demand or receive any ~~r~~Rent in excess of the ~~f~~firm ~~e~~Offer ~~b~~Base ~~r~~Rent, or the adjusted ~~f~~firm ~~e~~Offer ~~b~~Base ~~r~~Rent if applicable, until the next ~~a~~Anniversary ~~d~~Date ~~r~~Rent ~~i~~increase applicable to the park. Any increase of said ~~b~~Base ~~r~~Rent shall be in accordance with the provisions of this Chapter.

F. If the one hundred fifty (150) day firm offer period expires before the transfer of the ~~m~~Mobilehome, the ~~m~~Mobilehome ~~e~~Owner may request a new firm offer quote from the ~~l~~Landlord in accordance with this Section.

SECTION 18. A new section is added to Part 4 of Chapter 17.22 of Title 17 of the San José Municipal Code, to be numbered, entitled and to read as follows:

#### **17.22.440 Frequency of Rent Increases**

Except as otherwise provided in this Chapter, the Rent of any Rental Unit may not be increased more than once in any twelve (12)-month period.

SECTION 19. Section 17.22.450 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

#### **17.22.450 Rent Increases Allowable Without Review**

The following ~~r~~Rent ~~i~~increases shall not be subject to review under the administrative hearing process set forth in Part 7 of this Chapter:

- A. Any ~~r~~Rent ~~i~~lcrease which does not exceed the Maximum Standard Annual Percentage Increase as applied to the then current ~~b~~Base ~~r~~Rent.
- B. If the effective date of the last ~~r~~Rent ~~i~~lcrease for the ~~r~~Rental ~~u~~Unit was more than twenty-four (24) months prior to the effective date of the current ~~r~~Rent ~~i~~lcrease, then a ~~r~~Rent ~~i~~lcrease equal to the cumulative total of the ~~m~~Maximum Standard aAnnual percentage ~~i~~lcrease for the current year and the previous year, as applied to the then current ~~b~~Base ~~r~~Rent.
- C. Upon commencement of a new Mobilehome Lot tenancy following the sale of a Mobilehome, a one-time ten percent (10%) Rent Increase and the Maximum Annual Percentage Increase on the Anniversary Date if such date is more than one hundred fifty (150) days from the close of escrow.
- D. Any Rent Increase permitted by the Regulations following a sale where the purpose is to resell the Mobilehome within a short period of time as defined by the Regulations.
- E. Any ~~r~~Rent ~~i~~lcrease immediately following the termination of the tenancy of the ~~m~~Mobilehome ~~e~~Owner by the ~~l~~Landlord in accordance with the Mobilehome Residency Law, California Civil Code Sections 798.55 through 798.58 and Section 798.60, as amended.
- F. Any ~~r~~Rent ~~i~~lcrease immediately following a voluntary vacancy by the ~~m~~Mobilehome ~~e~~Owner.

1. A voluntary vacancy includes the following situations:

- a. A vacancy occurring pursuant to a post-judgment settlement following the termination of the tenancy of the ~~m~~Mobilehome ~~e~~Owner by the owner of the Mobilehome Park landlord in accordance with the Mobilehome Residency Law, California Civil Code Sections 798.55 through 798.58 and Section 798.60, as amended.
- b. An abandonment of the ~~m~~Mobilehome as such term is defined in the Mobilehome Residency Law.
- ~~e. A dealer pullout as defined in Section 17.22.135.~~

2. The following situations shall not constitute a voluntary vacancy under this subsection ~~FD~~, and no ~~r~~Rent ~~i~~ncrease shall be allowed:

- a. A removal of the ~~m~~Mobilehome from the lot for the purpose of performing rehabilitation or ~~e~~Capital ~~i~~mprovements to the lot or for the purpose of upgrading the ~~m~~Mobilehome.
- ~~b. An in-place transfer of a mobilehome.~~
- ~~be. A repossession of a ~~m~~Mobilehome as that term is defined in the Mobilehome Residency Law, Section 789.79 Chapter 2.5 of Part 2 of Division 2 of the California Civil Code, as amended.~~
- ~~cd. A transfer following the death of the ~~m~~Mobilehome ~~e~~Owner to an heir, joint tenant or personal representative of the decedent in accordance with the provisions of the Mobilehome Residency Law, Chapter 2.5 of Part 2 of Division 2 of the California Civil Code.~~

GE. Any ~~r~~Rent ~~i~~lcrease immediately following a vacancy by a ~~m~~Mobilehome ~~t~~Tenant under the following circumstances:

1. A vacancy occurring because the prior ~~m~~Mobilehome ~~t~~Tenant was evicted for nonpayment of ~~r~~Rent; issuance by the tenant of checks drawn against insufficient funds or closed accounts; chronically late payment of ~~r~~Rent; the tenant's commission of waste upon the ~~m~~Mobilehome; the tenant's maintenance, commission or permitting of a nuisance on the premises; the tenant's use of the premises for an unlawful purpose; or other material violation of a reasonable provision of a written ~~r~~Rental ~~a~~Agreement; or
2. A voluntary vacation of the ~~m~~Mobilehome by the prior tenant. A vacancy arising from the issuance of a termination notice pursuant to the California Civil Code, which notice does not state a reason that would legally entitle a ~~l~~Landlord to evict a tenant on three days' notice under Section 1161(2) through 1161(4) of the California Code of Civil Procedure shall not be deemed a voluntary vacancy for the purposes of this subsection GE.

SECTION 20. A new section is added to Chapter 17.22 of Title 17 of the San José Municipal Code, to be numbered, entitled and to read as follows:

#### **17.22.457 Notice of Rent Increase**

The required contents of the notice of Rent Increase that exceeds the amounts specified in Section 17.22.450 are prescribed by the Regulations.

SECTION 21. A new section is added to Chapter 17.22 of Title 17 of the San José Municipal Code, to be numbered, entitled and to read as follows:

### **17.22.465 Added Benefit Capital Improvement Pass Throughs**

An owner of a Mobilehome Park may file a petition with the City Rent Stabilization Program seeking a pass-through charge of Added Benefit Capital Improvements prescribed by the Regulations and subject to its provisions. The Added Benefit Capital Improvement must materially provide new Housing Services or enhanced Housing Service functionality for the direct benefit of the tenants, increase the safety (including ADA accessibility), or improve environmental sustainability (water or energy conservation), as further defined in the Regulations. The Added Benefit Capital Improvement must have been preapproved by the City Rent Stabilization Program and completed within twelve (12) months prior to the filing of the petition and followed the process set forth in the Regulations. The Added Benefit Capital Improvements petition shall be filed in accordance with the Regulations on a form approved by the Director. Provided however, in no event may the total monthly amount imposed for Added Benefit Capital Improvements exceed two percent (2%) of the monthly Rent validly charged to the Mobilehome Resident on the date of the filing of the petition. Charges for Added Benefit Capital Improvements shall not be considered Rent for purposes of this Chapter and shall not increase when Rent increases, nor shall they be considered part of Rent for the purpose of applying the Maximum Standard Annual Percentage Increase. Following a valid rent increase for a Mobilehome Lot in accordance with Section 17.22.450, any awarded charges for Added Benefit Capital Improvements for that unit shall expire. Any pass-through approved under this Section shall be excluded from any and all inclusions in any subsequent fair return consideration.

SECTION 22. Section 17.22.490 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

### **17.22.490 Base Year**

- A. Except as provided in subsection B. of this Section, base year means the 1985 calendar year.
- B. For Rental Units that were subject to a previous fair return Rent Increase, the base year means the current year used in the last-filed fair return petition. For rental units which were exempt from the provisions of this Chapter pursuant to a rental agreement as described in Section 17.22.370 and which are subject to the provisions of this chapter because of the expiration or other termination of such rental agreement, base year means the last twelve (12) months of the term of the rental agreement.

**SECTION 23.** Section 17.22.495 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

### **17.22.495 Lost or Missing Base Year Records**

Notwithstanding any provision of Chapter 17.22 of Title 17 of this Code, in instances in which the exact information regarding base year income and expenses is not available for the ~~m~~Mobilehome ~~p~~Park which is the subject of the hearing, the Hearing Officer shall have the discretion to consider all other information available to estimate the 1985 Net Operating Income for the ~~m~~Mobilehome ~~p~~Park.

- A. Such information may include, but shall not be limited to the following:

1. Information from tax returns, bank statements, annual reports or other financial data.

2. Information from the files of the City Rent Stabilization Program Rental Rights and Referrals Program regarding the ~~m~~Mobilehome ~~p~~Park which is the subject of the hearing, including but not limited to previously issued rental mediation and arbitration decisions.
3. Such other information which may be available.

B. In making an estimation under this Section, the Hearing Officer may make reasonable inference and assumptions about the existing data as are necessary to project what the actual amount was.

C. The Hearing Officer shall consider the comments from all parties to the hearing regarding the accuracy of the data used and the methodology in arriving at the estimated data.

D. In determining the burden of proving the reasonableness of the ~~r~~Rent ~~i~~Increase under Section 17.22.820Part 7, the Hearing Officer may consider the circumstances under which missing data became unavailable as well as the credibility of testimony from all parties.

SECTION 24. Section 17.22.540 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

#### **17.22.540 Calculation of ~~e~~Operating ~~e~~Expenses**

A. For the purposes of determining net operating income, operating expenses shall include the following:

1. Costs of ~~e~~Operation and ~~m~~Maintenance.

2. Utility costs to the extent they are not included in costs of operating and maintenance.
3. Landlord-performed labor compensated at reasonable hourly rates.
  - a. No ~~L~~andlord-performed labor shall be included as an operating expense unless the ~~L~~andlord submits documentation showing the date, time, and nature of the work performed.
  - b. There shall be a maximum allowed under this provision of five percent (5%) of gross income unless the ~~L~~andlord shows greater services were performed for the benefit of the residents.
4. License and registration fees required by law to the extent such are not otherwise paid by the residents.
5. Costs of ~~e~~Capital ~~i~~leadments where all of the following conditions are met:
  - a. ~~The capital improvement is made at a direct cost of not less than one hundred dollars per affected rental unit or at a total direct cost of not less than five thousand dollars, whichever is lower.~~
  - ba. The costs, less any insurance proceeds or other applicable recovery, are averaged on a per unit basis for each ~~R~~ental ~~U~~nit actually benefitted by the improvement.

- eb. The costs are amortized over a period of not less than sixty (60) months.
- dc. The costs do not include any additional costs incurred for property damage or deterioration resulting from any unreasonable delay in the undertaking or completion of any repair or improvement.
- ed. The costs do not include costs incurred to bring the ~~r~~Rental ~~u~~Unit into compliance with a provision of the San José Municipal Code or state law where the ~~r~~Rental ~~u~~Unit has not been in compliance from the time of its original construction or installation and such provision was in effect at the time of such construction or installation.
- fe. At the end of the amortization period, the allowable monthly ~~r~~Rent is decreased by any amount it was increased because of the application of this provision.

6. Costs of ~~r~~Rehabilitation, where all of the following conditions are met:

- a. The costs, less any insurance proceeds or other applicable recovery, are averaged on a per unit basis for each ~~r~~Rental ~~u~~Unit actually benefitted by the rehabilitation.
- b. The costs are amortized over a period of not less than thirty-six (36) months.
- c. The costs do not include any additional costs incurred for property damage or deterioration resulting from any unreasonable delay in the undertaking or completion of any repair or improvement.

- d. The costs do not include costs incurred to bring the ~~r~~Rental ~~u~~Unit into compliance with a provision of the San José Municipal Code or state law where the ~~r~~Rental ~~u~~Unit has not been in compliance from the time of its original construction or installation and such provision was in effect at the time of such construction or installation. The costs may include costs incurred to maintain code compliance.
- e. At the end of the amortization period, the allowable monthly ~~r~~Rent is decreased by any amount it was increased because of the application of this provision.

7. Legal expenses limited to attorneys' fees and costs incurred in connection with successful good faith attempts to recover ~~r~~Rents owing, successful good faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the park to the extent such expenses are not recovered from adverse or other parties, subject to the following requirements:

- a. Allowable legal expenses which are of a nature that recurs annually shall be considered as elements of operating expenses.
- b. Allowable legal expenses which are not of a nature that recurs annually shall be amortized over a reasonable period of time and at the end of the amortization period, the allowable monthly ~~r~~Rent shall be decreased by any amount it was increased because of the application of this provision. Five (5) years is presumed to be a

reasonable period of time, unless the Hearing Officer concludes that a different period is more reasonable.

B. Operating expenses shall not include the following:

1. Mortgage principal or interest payments or other debt service costs.
2. Any penalties, fees or interest assessed or awarded for violation of any provision of this ~~e~~Chapter or of any other provision of law.
3. Legal expenses, including attorneys' fees and costs, incurred in relation to administrative or judicial proceedings in connection with this ~~e~~Chapter and legal expenses, where the pass-through of the expenses would constitute a violation of public policy.
4. Political contributions.
5. Depreciation of the ~~f~~Rental ~~u~~Unit or ~~f~~Rental ~~u~~Units.
6. Any expenses for which the ~~l~~Landlord has been reimbursed by any utility rebate or discount, security deposit, insurance settlement, judgment for damages, settlement or any other method or device.

SECTION 25. Section 17.22.570 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

### **17.22.570 Applicable Percentage of Consumer Price Index**

- A. The City Rent Stabilization Program Rental Rights and Referrals Program shall set the percentage of the Consumer Price Index to be used in the adjustment for inflation described in Section 17.22.550. Said percentage shall be set annually before November 1 of each year.
- B. The inflation adjustment percentage of the Consumer Price Index shall be eighty-five percent (85%).
- C. The inflation adjustment percentage shall apply to all Rent Increases which become effective on or after the first day of January immediately following the determination.

SECTION 26. Part 4.5 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

#### **Part 4.5**

#### **Annual Registration of Rental Units and Fees~~Interim Regulation of Rent Increases~~ ~~Upon In-Place Transfers of Mobilehomes~~**

### **17.22.600 Annual Registration and Fee**

- A. Annual Registration Required. A Landlord must register every Rental Unit and associated rental rate annually as prescribed by the Regulations. The Director, or their designee, shall provide at least ninety (90) days' notice to Landlords of the deadline to register. Registration is complete only when all information required in the online registration database or pursuant to the registration forms has been provided to the City Rent Stabilization Program.

B. Exempt Rental Units. A Landlord shall provide information and documentation with the registration on the basis for any Rental Unit being exempt from the Mobilehome Rent Ordinance. In the event that a Rental Unit that was exempt from the Mobilehome Rent Ordinance becomes governed by the Mobilehome Rent Ordinance, the Landlord must update the registration for the Rental Unit within thirty (30) days after the exemption ends.

C. Change in Tenancy. A Landlord shall update the registration for any Rental Unit subject to this Chapter within thirty (30) days of the termination of any tenancy or the commencement or a new tenancy, including providing the new rental rate when a tenancy commences as prescribed by the Regulations.

D. Change in Ownership. Prior to a change in ownership or sale of a Mobilehome Park, the Landlord must provide notice to the City Rent Stabilization Program with the intended date of sale or transfer. Upon the sale or transfer of a Mobilehome Park, the seller or transferor must notify the City Rent Stabilization Program of the date of the sale or transfer and of the name and address of the buyer or transferee as prescribed by the Regulations. Within ten (10) days of the sale or transfer of the Mobilehome Park, the new Landlord shall update the registration for the Mobilehome Park by providing the information required by the Regulations.

E. Change in Management. A Landlord must file a registration amendment within thirty (30) days of a change in a Mobilehome or Mobilehome Park management or a change in the owner's or manager's contact information.

F. Annual Fee. Landlords must pay an Annual Rent Program Fee as authorized by San José Municipal Code Section 17.22.900, for each Rental Unit subject to the

Mobilehome Rent Ordinance, that shall be paid on or prior to the payment deadline identified in the fee statement and as prescribed by the Regulations.

G. Failure to Register. Failure to complete the annual registration process for all Rental Units shall be deemed to be in substantial noncompliance with the requirements of this Chapter. If the Landlord is not in substantial compliance with the Program's annual registration process including payment of the annual fee, the Landlord shall not be entitled to raise the Rent for the Rental Unit(s).

#### **17.22.600 Reasonable Interim Rent Increases**

~~Upon an in place transfer of a mobilehome, the landlord may increase the rent by an amount which does not exceed eight percent (8%) of the then current base rent without being subject to further provisions of this Part.~~

#### **17.22.610 Excessive Interim Rent Increases**

~~If a landlord increases the rent upon an in place transfer of a mobilehome by an amount in excess of eight percent (8%) of the then current base rent, then the entirety of such increase shall be deemed to be an "excessive interim rent increase" and shall be subject to the following provisions of this Part.~~

#### **17.22.611 Notice of Transfer**

A. No later than thirty (30) days after the landlord enters into a rental agreement which includes a rent increase subject to Section 17.22.610, the landlord shall file a notice of transfer with the Rental Rights and Referrals Program and shall mail a copy to the new owner. In addition, the landlord shall include a blank notice of correction form with the copy of the notice of transfer. The notice of transfer shall

~~be in the format available from the Rental Rights and Referrals Program and shall be signed under penalty of perjury by the person filing the notice of transfer. The notice shall contain the following information:~~

- ~~1. The name and address of the mobilehome park owner;~~
- ~~2. The name of the mobilehome park;~~
- ~~3. The number of the lot or space on which the mobilehome is located;~~
- ~~4. The name and address of the transferor of the mobilehome;~~
- ~~5. The name and address of the transferee of the mobilehome;~~
- ~~6. The date of transfer;~~
- ~~7. The rent charged prior to transfer;~~
- ~~8. The rent charged following the transfer;~~
- ~~9. The name and address of the person who signed the notice;~~
- ~~10. The anniversary date for rent increases; and~~
- ~~11. A statement that, if the mobilehome owner disagrees with any of the information contained in the notice, the mobilehome owner has thirty days within which to fill out a notice of correction and file it with the rental rights and referrals program.~~

B. ~~No later than thirty days after the landlord mails a copy of the notice of transfer to the mobilehome owner, the mobilehome owner may file a notice of correction with the rental rights and referrals program and shall mail a copy to the landlord. The notice of correction shall be in the format available from the rental rights and referrals program and shall be signed under penalty of perjury by the person filing the notice of correction. The notice shall contain the following information:~~

- ~~1. The name and address of the mobilehome park owner;~~
- ~~2. The name of the mobilehome park;~~
- ~~3. The number of the lot or space on which the mobilehome is located;~~
- ~~4. The name and address of the transferor of the mobilehome;~~
- ~~5. The name and address of the transferee of the mobilehome;~~
- ~~6. The date of transfer;~~
- ~~7. The rent charged prior to transfer;~~
- ~~8. The rent charged following the transfer;~~
- ~~9. The name and address of the person who signed the notice; and~~
- ~~10. A copy of the notice of transfer to which the notice of correction refers.~~

#### **17.22.612 Adjusted Base Rent**

- A. ~~Following the adoption of a resolution by the City Council terminating the suspension of Section 17.22.381, the rent charged for each mobilehome lot which has been subject to an excessive interim rent increase shall be adjusted in accordance with the provisions of subsection B. The adjusted amount shall be referred to as the "adjusted base rent."~~
- B. ~~The adjusted base rent shall be the amount equal to the sum of the following:~~
  - 1. ~~The pretransfer base rent, which shall be the base rent in effect on the date immediately prior to the date of first rent increase subject to the provisions of Section 17.22.610; plus~~
  - 2. ~~Any anniversary date increases actually imposed thereafter, calculated by applying any such percentage increase to the pretransfer base rent as if there had been no increases subject to Section 17.22.610.~~

#### **17.22.613 Rebate of Excessive Interim Rent Increases**

- A. ~~The excessive rent rebate shall be equal to the difference between the total amount of rent actually paid subsequent to the first in place transfer subject to Section 17.22.610, and the maximum amount of rent that would have been permitted under this Chapter had Section 17.22.381 been in effect at the time of the in place transfer.~~
- B. ~~The monthly installments shall be determined by dividing such excessive rent rebate by the number of months that an excessive interim rent was in effect.~~

#### **17.22.614 Adjusted Monthly Rent**

~~The adjusted base rent shall be reduced by a credit in the amount of the monthly installment of the excessive rent rebate. This amount shall be known as the "adjusted monthly rent."~~

#### **17.22.615 Notification of Adjusted Rent**

- A. ~~Unless the landlord has filed a petition for fair return hearing in accordance with the provisions of Section 17.22.617, the landlord shall provide written notice of rent adjustment to the mobilehome owner and file a copy of the notice with the Rental Rights and Referrals Program within thirty (30) days of the adoption of a resolution by the City Council terminating the suspension of Section 17.22.381.~~
- B. ~~The notice shall be in the format available from the Rental Rights and Referrals Program and shall contain the following:~~
  1. ~~The dollar amount of the adjusted base rent;~~
  2. ~~The dollar amount of the monthly rebate of excessive rent increase;~~
  3. ~~The dollar amount of the adjusted monthly rent;~~
  4. ~~The number of months the rebate will be in effect;~~
  5. ~~The effective date of all anniversary date increases imposed since the transfer and the percentage increase and amount of each such increase;~~

6. A demonstration of the calculation of each of the amounts specified in the notice;
7. A statement of the date on which the adjusted base rent and rebate will be effective as that date is set forth on the resolution terminating the suspension of Section 17.22.381, unless a request for administrative calculation is made;
8. The address and telephone number of the Rental Rights and Referrals Program and a statement that information concerning the law regarding rent increases is available from the Rental Rights and Referrals Program; and
9. A statement that the mobilehome owner has ten (10) days from the receipt of the notice within which to contest the amount of the adjusted base rent, excessive rent rebate, rebate period, or adjusted monthly rent by filing a request for an administrative calculation with the Rental Rights and Referrals Program.

#### **17.22.616 Administrative Calculation of Rent**

- A. Within ten (10) days following the receipt of the notice of rent adjustment, the mobilehome owner may file a written request for an administrative calculation with the Rental Rights and Referrals Program.
- B. In the event the mobilehome owner does not receive a timely notice of rent adjustment, the mobilehome owner may file a written request for an administrative calculation with the Rental Rights and Referrals Program within

~~one year of the date of adoption of the resolution by the City Council pursuant to Section 17.22.630.~~

C. ~~Following receipt of a request for an administrative calculation, an administrative hearing officer shall make a determination in accordance with the following provisions:~~

1. ~~In the event the landlord has filed a notice of transfer with the Rental Rights and Referrals Program and the mobilehome owner did not file a notice of correction within the time provided for in Section 17.22.611, the administrative hearing officer shall, without a hearing, make an order of administrative calculation of rent based upon the information contained in the notice of transfer on file with the Rental Rights and Referrals Program.~~
2. ~~In the event the mobilehome owner filed a notice of correction in accordance with the provisions of Section 17.22.611, the landlord shall file copies of records demonstrating the amount of rent immediately prior to and following the in-place transfer and the mobilehome owner may present evidence of the amount of the pretransfer rent. The administrative hearing officer, following a hearing on such evidence, shall make an order of administrative calculation of rent based upon the evidence presented.~~
3. ~~In the event no notice of transfer was filed, the administrative hearing officer shall conduct an evidentiary hearing to determine the adjusted base rent.~~

D. ~~The administrative hearing officer shall issue a written order of administrative calculation of rent setting forth the following determinations:~~

1. ~~The dollar amount of the adjusted base rent;~~
2. ~~The dollar amount of the monthly rebate of excessive rent increase;~~
3. ~~The number of months that the rebate is to be in effect;~~
4. ~~The date of the order;~~
5. ~~A statement that the adjusted base rent and the rebate will be effective on the thirty fifth (35th) day following the date of the order; and~~
6. ~~Where applicable pursuant to the provisions of Section 17.22.618, the cost of the hearing.~~

E. ~~The administrative hearing officer shall mail each party a copy of the order in the manner set forth in Section 17.22.618.~~

#### **17.22.617 Fair Return Hearing**

- A. ~~If the landlord contends that the implementation of the adjusted base rent or the rebate, or both, results in the landlord's receiving less than a fair and reasonable return, the landlord may file a petition with the Rental Rights and Referrals Program for a hearing to determine a fair and reasonable return.~~
- B. ~~A petition for a determination of a fair and reasonable return shall be filed in writing in the format available at the Rental Rights and Referrals Program not less than thirty days after the adoption of a resolution by the City Council pursuant to Section 17.22.620.A. The petition shall contain the facts upon which~~

~~the landlord relies to claim that a fair and reasonable return will not be received and shall contain the following additional information:~~

1. ~~The name and address of the mobilehome park owner;~~
2. ~~The name of the mobilehome park;~~
3. ~~For each mobilehome with an increase subject to the provisions of Section 17.22.610:~~
  - a. ~~The number of the lot or space on which the mobilehome is located;~~
  - b. ~~The name and address of the transferor of the mobilehome;~~
  - c. ~~The name and address of the transferee of the mobilehome;~~
  - d. ~~The date of transfer;~~
  - e. ~~The rent charged prior to transfer; and~~
  - f. ~~The rent charged following the transfer;~~
  - g. ~~The dollar amount of the adjusted base rent;~~
  - h. ~~The dollar amount of the monthly rebate of excessive rent increase;~~
  - i. ~~The number of months that the rebate is to be in effect; and~~

4. ~~The name and address of the person who signed the notice.~~

C. ~~The landlord shall mail a copy of the petition to all mobilehome owners whose rents are the subject of the petition. The petition shall contain a proof of service that a copy of the petition was mailed to all such mobilehome owners.~~

D. ~~The landlord shall bear the burden of proving by a preponderance of the evidence at the hearing that because of the rent adjustment or the rebate, or both, the landlord is unable to obtain a fair and reasonable return.~~

E. ~~If the administrative hearing officer finds that the rent adjustment or the rebate, or both, would deprive the landlord of a fair and reasonable return, the administrative hearing officer shall make one or both of the following orders:~~

1. ~~That the effective date of rent adjustment be deferred until the next anniversary date;~~
2. ~~That the excessive rent increase be rebated in lower monthly installments and over a longer period of time than that provided for in Section 17.22.613.~~

#### **17.22.618 Fees**

~~In addition to the Administrative fees imposed pursuant to Section 17.22.900:~~

A. ~~If the Administrative Hearing Officer determines that the information on the Notice of Transfer filed by the landlord is inaccurate or that the landlord failed to file a Notice of Transfer, the Administrative Hearing Officer shall further order that the landlord pay to the City the amount necessary to reimburse the City for the~~

~~full cost of the administrative hearing, including all charges of the Administrative Hearing Officer.~~

B. ~~If the landlord requests a hearing pursuant to Section 17.22.617, the Administrative Hearing Officer shall further order that the landlord pay to the City the amount necessary to reimburse the City for the full cost of the administrative hearing, including all charges of the Administrative Hearing Officer. The landlord shall accompany any Petition for a Fair Return hearing pursuant to section 17.22.617 with a deposit as set forth in the Schedule of Fees adopted by resolution of the City Council.~~

#### **17.22.620 Effective Date of Adjusted Monthly Rent**

A. ~~If no Request for Administrative Calculation or Petition for a Fair Return Hearing has been filed in accordance with the provisions of this Part, the adjusted monthly rent shall be effective on the sixtieth (60th) day following the adoption of a Resolution terminating the suspension of Section 17.22.381.~~

B. ~~In the event a Request for an Administrative Calculation or a Petition for a Fair Return Hearing has been filed in accordance with the provisions of this Part, the adjusted monthly base rent shall become effective on the thirty fifth (35th) day following the mailing by first class mail, postage prepaid, of the Order of the Administrative Hearing Officer unless the Administrative Hearing Officer determines in the order that another date shall be the effective date.~~

C. ~~After the adjusted monthly rent becomes effective pursuant to this Section, unless the effectiveness of any adjustment in rent is stayed by a Court of competent jurisdiction, no mobilehome owner shall be required to pay any rent greater than the adjusted base rent as reduced by the credit of any applicable~~

~~monthly installment of excessive rent rebate and as further adjusted by any anniversary date increases.~~

### **17.22.625 General Interim Provisions**

- ~~A. Increases which are imposed upon transfer of a mobilehome by the mobilehome owner where the mobilehome remains on the mobilehome lot shall be subject to review exclusively under this Part and shall not be subject to review under the administrative hearing process set forth in Part 7 of this Chapter.~~
- ~~B. Except as provided in subsection C. below, anniversary date rent increases which occur during the effectiveness of this part are not subject to the limitations in this Part but remain subject to the other provisions of this Chapter.~~
- ~~C. In hearings to determine an allowable rent increase pursuant to Part 4 of this Chapter, the Administrative Hearing Officer shall:~~
  - ~~1. During any period in which an excessive interim rent increase is charged: include the excessive interim rent in the calculation of the landlord's gross income and apply the same dollar amount rent increase to all affected mobilehome spaces.~~
  - ~~2. During the rebate period: deduct the amount of the rebate from the calculation of the landlord's gross income and apply the same dollar amount of increase to all affected spaces without reference to the amount of any rebate.~~
- ~~D. In the event a landlord files a petition pursuant to Part 6 of this Chapter, all hearings pursuant to this Part shall be consolidated with any Part 6 hearing regarding the same mobilehome park.~~

### **17.22.630 Application of Interim Regulation**

~~The provisions of this Part shall apply only to in-place transfers of mobilehomes which were completed between October 25, 1991, and April 7, 1992.~~

**SECTION 27.** Part 5 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

#### **Part 5**

##### **Notice of Rent Increase Limitations**

### **17.22.650 Frequency of Rent Increases**

~~Except as otherwise provided in this Chapter, the rent of any rental unit may not be increased more than once in any twelve-month period.~~

### **17.22.660 Notice of Rent Increase**

The required contents of the notice of Rent Increase that exceeds the amounts specified in Section 17.22.450 are prescribed by the Regulations.

A. Whenever a landlord serves notice to a mobilehome owner or mobilehome tenant of a proposed rent increase which exceeds the amounts specified in Section 17.22.450, said notice shall include all of the following information:

1. ~~The name of the mobilehome owner or mobilehome tenant occupying the rental unit which is the subject of the rent increase;~~
2. ~~The mobilehome lot number or the mobilehome space number where the rental unit is located;~~

3. Notice that under the provisions of this Chapter, the landlord is required to file a petition requesting a rent increase in excess of the amounts specified in Section 17.22.450;
4. Notice of the date the petition requesting a rent increase in excess of the amounts specified in Section 17.22.450 was filed with the City Rental Rights and Referrals Program;
5. Notice that the portion of the rent increase in excess of the amounts specified in Section 17.22.450 will not take effect until approved by an administrative hearing officer and a statement of the rent that will be in effect until such approval;
6. The current address and telephone number of the City Rental Rights and Referrals Program offices;
7. Notice that documentation supporting the proposed rent increase is on file with the City Rental Rights and Referrals Program and in the mobilehome park office;
8. The name and current address of the landlord to whom notices are to be sent; and
9. A statement of the proposed rent increase expressed both as an actual dollar amount and as a percentage of the then current base rent.

B. The notice shall be given to the mobilehome owners and mobilehome tenants within five working days from the date the landlord's petition requesting the increase is filed with the City Rental Rights and Referrals Program.

C. A copy of the notice shall be filed with the City Rental Rights and Referrals Program within five working days of service of the notice on the mobilehome owners or mobilehome tenants together with an affidavit of proof of service on such owners or tenants.

D. No rent increase in excess of the amounts specified in Section 17.22.450 shall be effective unless notice is given in accordance with the provisions of this section and such excess is approved by an administrative hearing officer.

#### **17.22.670 Consolidation of Anniversary Dates**

A. In order to facilitate the efficient operation of the administrative hearing process, anniversary dates for rent increases within a mobilehome park shall be consolidated as follows:

1. For the calendar years 1987 and 1988, there shall be no more than two anniversary dates for rent increases within a single mobilehome park.
2. For the calendar year beginning 1989, there shall be no more than one anniversary date for rent increases within a single mobilehome park.
3. Whenever a rent increase is proposed for a rental unit which was subject to a new rent pursuant to Section 17.22.380 less than twelve (12) months prior to the consolidated anniversary date, such rent increase shall be subject to the provisions of Section 17.22.470.

~~B. This section shall not apply to anniversary dates of rent increases in connection with the rent or lease of a mobilehome owned by a person who is not the resident of the mobilehome. However, nothing herein shall preclude consolidation of anniversary dates for rent increases for the rent or lease of such mobilehome.~~

**SECTION 28.** Part 6 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

## **Part 6**

### **Landlord Rent Mobilehome Park Owner and Mobilehome Resident Petitions**

#### **17.22.690 Petition Rights by Mobilehome Resident**

A Mobilehome Resident may file a petition with the City Rent Stabilization Program on a form prescribed by the Director for downward adjustment of Rent alleging an improper Rent Increase or improper pass-through of a charge in violation of this Chapter.

#### **17.22.700 Petition by Mobilehome Park OwnerLandlord**

~~A. Any owner of a Mobilehome Park landlord whose rRental uUnit is subject to this Chapter and who seeks to increase the rRent of such rRental uUnit by an amount in excess of the amounts specified in Section 17.22.450 shall file a petition requesting such rRent iIncrease with the City Rent Stabilization ProgramCity Rental Rights and Referrals Program.~~

### **17.22.705 Petition Requirements**

AB. Such petition Petitions filed by owners of a Mobilehome Park or a Mobilehome Resident shall be on a form prescribed by the commission Director containing pertinent information with supporting documentation, and shall include as further defined in the Regulations.

1. A list of the names and addresses of all mobilehome owners and mobilehome tenants subject to the rent increase; and

2. A statement of the date the rent increase is proposed to be effective.

C. The petition shall be accompanied by a copy of any and all documentation upon which the landlord relied in determining the proposed rent increase. Such documentation shall, at a minimum, include but shall not be limited to:

1. A statement of the gross income described in Section 17.22.530, and documentation supporting such statement;

2. A statement of the operating expenses described in Section 17.22.540 incurred during the calendar or fiscal year immediately preceding the filing of the petition, and documentation supporting such statement;

3. A statement of the base year net operating income and the current net operating income calculated in accordance with Part 4 of this Chapter; and

4. A statement of the fair and reasonable return calculated in accordance with Section 17.22.550.

D. In the case of a petition seeking a rent increase in conjunction with the consolidation of anniversary dates as provided in section 17.22.680, instead of the documentation required by subsection C. above, the petition shall be accompanied by a statement listing the date of the last rent increase for each mobilehome owner and each mobilehome tenant subject to the proposed rent increase and a statement setting forth the proposed rent increase for each such mobilehome owner and mobilehome tenant.

BE. The documentation required by this section the Regulations shall be available for inspection and copying by any mMobilehome pPark owner or Mobilehome Resident whose Rent increase is the subject of a timely filed petition, or by such owner's or tenant's Mobilehome Resident's representative, at the City Rent Stabilization Program Rental Rights and Referrals Program during the normal business hours of the City Rent Stabilization Program Rental Rights and Referrals Program. A copy of such documentation shall be maintained at the mMobilehome pPark office and shall be available for inspection during the normal business hours of such office.

CF. If the ILandlord or Mobilehome Resident fails to submit any of the documentation required by this sSection or by the Regulations, the aAdministrative hHearing eOfficer may order production of such documentation. Failure by the ILandlord to submit the documentation ordered by the aAdministrative hHearing eOfficer shall be grounds for the aAdministrative hHearing eOfficer to find that a rRent increase in the amounts specified in Section 17.22.450 will provide the ILandlord with a fair and reasonable return or that the Mobilehome Resident's petition is dismissed without prejudice.

### **17.22.710 Time for Petition**

- A. A ILandlord's petition requesting a rRent increase in excess of the amounts specified in sSection 17.22.450 shall be filed at least ninety-five (9530) calendar days, but not more than one hundred twenty (120) calendar days, prior to the effective date of the proposed rRent increase.
- B. The notice of the proposed rRent increase and filing of petition shall be given by the ILandlord on a form prescribed by the Regulations under the deadlines set forth in the Regulations to the affected mMobilehome eOwners or mMobilehome tenantsResidents within five (5) working days of the date the petition is filed.

### **17.22.720 Effect of Failure to File Timely Petition**

If a ILandlord fails to file a petition requesting a rRent increase in excess of the amounts specified in Section 17.22.450 or if a ILandlord fails to file the petition within the time set forth in Section 17.22.710, that portion of the proposed increase which is in excess of the amounts specified in Section 17.22.450 of the then current bBase rRent shall not take effect or be collected by the ILandlord.

SECTION 29. Part 7 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

### **Part 7**

#### **Administrative Hearing**

### **17.22.750 Purpose of Administrative Hearing**

The purpose of the administrative hearing is to make a determination of the allowable rent increase pursuant to this Chapter. The Regulations shall specify the timing, notice, and other requirements regarding the hearing and submission of documentation.

### **17.22.760 Time of Hearing**

- A. The administrative hearing officer shall conduct an administrative hearing on the petition within sixty (60) calendar days of the date the landlord's petition is filed.
- B. The administrative hearing may be scheduled during the normal business hours of the City Rental Rights and Referrals Program unless a party requests that the hearing be scheduled during the evening.
- C. The administrative hearing may be held at the mobilehome park with the consent of the mobilehome park landlord, or at such other place as the City Rental Rights and Referrals Program may designate.

### **17.22.770 Notice of Hearing**

- A. Written notice of the time, date and place of the administrative hearing and of the name of the administrative hearing officer assigned to hear the petition shall be given by the City Rental Rights and Referrals Program to the landlord and to all affected mobilehome owners and mobilehome tenants within ten working days of receipt of the landlord's petition requesting a rent increase in excess of the amounts specified in Section 17.22.450.

B. ~~Such notice shall be personally served on the parties or shall be sent by first class mail, with a proof of service affidavit.~~

C. ~~The notice of hearing shall specify the date by which any documentation the mobilehome owners or mobilehome tenants wish to introduce at the administrative hearing must be filed with the City Rental Rights and Referrals Program. Said date shall not be more than thirty calendar days from the date such notice is personally served or mailed by the City Rental Rights and Referrals Program.~~

#### **17.22.780 Submission of Documents**

A. ~~The mobilehome owners or mobilehome tenants shall submit to the City Rental Rights and Referrals Program and to the landlord a copy of all written documentation, including any allegations of service reductions which the owners or tenants wish to present at the hearing within the time specified in the notice described in Section 17.22.770.~~

B. ~~Either party may request that additional specific supporting documentation be provided to substantiate the claims made by the other party. The request shall be presented in writing to the administrative hearing officer.~~

C. ~~The administrative hearing officer may order production of such requested documentation, except documentation required by Section 17.22.700, as the administrative hearing officer determines is relevant to the proceedings. The requested documentation shall be submitted to the City Rental Rights and Referrals Program and shall be available to the requesting party for inspection and copying during the normal business hours of the City Rental Rights and Referrals Program.~~

- ~~D. A copy of all documentation required by this section shall be maintained at the mobilehome park office and shall be available for inspection during the normal business hours of such office.~~
- ~~E. The failure of a party to produce documentation ordered by the administrative hearing officer shall be grounds for the administrative hearing officer to find that such party has not met its burden of proof with respect to the matters to which such documentation pertains.~~

#### **17.22.785 Prehearing Conferences**

- ~~A. At the request of the administrative hearing officer, the Rental Rights and Referrals Program may schedule a prehearing conference to be held prior to the commencement of a hearing where proposed rent increases are based on the net operating income standard set forth in Part 4 of this Chapter. Any such prehearing conference shall be held no earlier than ten calendar days after the date mobilehome owners and mobilehome tenants must file documentation to be introduced at the administrative hearing, as specified in the notice described in Section 17.22.770.~~
- ~~B. The purpose of the prehearing conference shall be for the parties and the administrative hearing officer to review the documentation to be presented at the administrative hearing, for the administrative hearing officer to determine an agenda for the administrative hearing, and for the parties to have an opportunity to stipulate to uncontested matters, if any.~~
- ~~C. In the event the administrative hearing officer desires that a prehearing conference be scheduled, the administrative hearing officer shall so notify the~~

~~Rental Rights and Referrals Program. If the Rental Rights and Referrals Program schedules a prehearing conference, the Rental Rights and Referrals Program shall give written notice to the landlord and all affected mobilehome owners and mobile home tenants of the time, date and place of the prehearing conference not less than five calendar days prior to the date of the prehearing conference.~~

~~D. Any procedural determinations made at the prehearing conference by the administrative hearing officer regarding the conduct of the administrative hearing shall be binding on all parties to the hearing.~~

#### **17.22.790 Conduct of Hearing**

~~A. The hearing shall be conducted by the administrative hearing officer in accordance with such rules and regulations as may be promulgated by the City Council.~~

~~B. The administrative hearing officer shall have the power and authority to require and administer oaths or affirmations where appropriate, and to take and hear evidence concerning any matter pending before the administrative hearing officer.~~

~~C. The rules of evidence generally applicable in the courts shall not be binding on the administrative hearing officer. Hearsay evidence and any and all other evidence which the administrative hearing officer deems relevant and proper may be admitted and considered.~~

~~D. Any party or such party's representative, designated in writing by the party, may appear at the hearing to offer such documents, oral testimony, written declaration or other evidence as may be relevant to the proceedings.~~

- E. The administrative hearing officer may grant or order not more than two continuances of the hearing for not more than ten working days each. Additional continuances may be granted only if all parties stipulate in writing. Such continuances may be granted or ordered at the administrative hearing without further written notice to the parties.
- F. A tape recording of the proceedings shall be made by the administrative hearing officer or the City Rental Rights and Referrals Program and shall be maintained by the City Rental Rights and Referrals Program.

#### **17.22.800 Representation of Parties**

- A. The parties in any administrative hearing are entitled and encouraged to be represented at the hearings by a person of the party's choosing. The authorized representative need not be an attorney.
- B. Written designation of authorized representatives shall be filed with the City Rental Rights and Referrals Program.
- C. The written designation of authorized representative shall include a statement that the representative is authorized to bind the party to any stipulation, decision or other action taken at the administrative hearing.

#### **17.22.810 Hearing - Findings and Determination**

- A. The administrative hearing officer shall, within fifteen (15) working days of the close of the hearing, submit to the City Rental Rights and Referrals Program a

~~written statement of decision, together with written findings of fact upon which such decision is based.~~

- ~~B. The administrative hearing officer's decision shall include a determination in accordance with the provisions of this Chapter of the amount of the rent increase, if any, which is required to provide the landlord with a fair and reasonable return.~~
- ~~C. The administrative hearing officer's allowance or disallowance of any proposed rent increase or portion thereof may be reasonably conditioned in any manner necessary to effectuate the purposes of this Chapter.~~
- ~~D. The City Rental Rights and Referrals Program shall forthwith mail copies of the decision to the landlord and all affected mobilehome owners and mobilehome tenants.~~

#### **17.22.815 Duty to Keep 1985 Records**

- A. All mobilehome park owners who own rental units which are subject to the provisions of Chapter 17.22 of this Code are hereby put on notice that they are required to keep all financial records for 1985 which may be necessary for making a Net Operating Income determination and that failure to do so may result in the loss of the ability to obtain a rent increase in excess of the annual rent increase authorized under Section 17.22.450.
- B. This Section is intended to be merely a restatement of previously existing obligations under Chapter 17.22.

#### **17.22.820 Burden of Proof**

- A. ~~The burden of proving the reasonableness of the rent increase shall be on the landlord.~~
- B. ~~The burden of proving service reductions shall be on the mobilehome owner or mobilehome tenant alleging that service reductions have occurred.~~

#### **17.22.830 Attendance of Mobilehome Owner or Tenant**

- A. ~~The Administrative Hearing Officer's decision shall apply to all mobilehome owners or mobilehome tenants subject to the proposed rent increase regardless of whether such owner or tenant was present or represented at the administrative hearing.~~
- B. ~~The Administrative Hearing Officer's decision regarding service reductions shall apply to all mobilehome owners and mobilehome tenants who are subject to the proposed rent increase and are affected by the service reduction.~~

#### **17.22.840 Decision Final**

Except as provided in Section 17.22.850 or as otherwise appealed as provided in 17.22.860, the decision of the Administrative Hearing Officer shall be final and binding on the ~~IL~~andlord and all ~~m~~Mobilehome ~~e~~Owners and ~~m~~Mobilehome ~~t~~Tenants who are parties to the hearing either personally or through their designated representatives.

## **17.22.850 Mathematic or Clerical Inaccuracies**

Any ~~p~~Party alleging that the ~~a~~Administrative ~~h~~Hearing ~~e~~Officer's statement of decision contains mathematic or clerical inaccuracies may so notify the City ~~Rental Rights and Referrals Program~~Rent Stabilization Program within fifteen (15) calendar days of the mailing of the decision by the City ~~Rent Stabilization Program~~Rental Rights and Referrals Program. The City ~~Rental Rights and Referrals Program~~Rent Stabilization Program shall forthwith refer such allegations to the ~~a~~Administrative ~~h~~Hearing ~~e~~Officer, who shall review the decision, make any corrections warranted, and refile the statement of decision within five (5) working days of referral by the City ~~Rental Rights and Referrals Program~~Rent Stabilization Program. Upon refiling of the statement, the decision shall be final and binding on the parties, the decision shall be final and binding, provided that an appeal pursuant to section 17.22.860 is not pending or the time to request an appeal has not run. An appeal of a final decision may be sought by any party through a Writ of Mandate filed with the Superior Court of California, County of Santa Clara.

## **17.22.860 Appeals to Director**

Any Party to a petition allowed under this Chapter may appeal the decision on the petition to the Director on a form approved by the Director within thirty (30) days of the Mailing date of the decision. The Director's authority to review the decision upon appeal is set forth in the Regulations. A reconsidered hearing decision shall be a final administrative decision, prior to any Court decision on appeal to the Superior Court of California, County of Santa Clara. An appeal of a final decision may be sought by any party through a Writ of Mandate filed with the Superior Court of California, County of Santa Clara.

**SECTION 30.** Part 8 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

**Part 8**

**Fees**

**17.22.900 Imposition of Fee**

An Annual rent dispute Rent Program ~~fFee~~ is hereby imposed upon each ~~rRental uUnit~~ which is subject to the provisions of this Chapter. Said fee is imposed for the purpose of reimbursement to the City's General Fund the costs of providing and administering the administrative hearing process established by this Chapter.

**17.22.910 Amount of Fee**

The City Manager and the Commission shall report to the City Council not less than once each fiscal year their recommendation regarding the amount of the fee necessary to recover the costs of administering this Chapter. The amount of the fee shall be set forth in the schedule of fees adopted by resolution of the City Council. The fee shall not exceed the amount found by the Council to be necessary to recover the costs of administering this Chapter, and the Council's finding in this regard shall be final.

**17.22.920 Payment of fFee**

- A. The ~~mMobilehome pPark~~ ~~ILandlord~~ shall pay the ~~Rental Dispute~~Annual Rent Program Fee for all ~~of the landlord's~~ ~~rRental uUnits~~ ~~which are~~ subject to this Chapter on or before the date specified by the City Rent Stabilization Program in the notice provided~~January 31~~ of each year.

B. All payments shall be made ~~to the City's Director of Finance~~ in the manner prescribed by the Regulations.

C. The ~~m~~Mobilehome ~~p~~Park ~~IL~~andlord may pass one-half (1/2) the amount of the ~~Rental Dispute~~Annual Rent Program Fee to the resident of each space which is subject to the fee, provided that the amount of the pass through is set forth as a line item which is separate from the Base Rent.

#### **17.22.930 Proration of Fee**

~~The first rent dispute fee to be paid shall be prorated by the director of finance to adjust future payments to a calendar year basis as follows:~~

A. ~~A fee paid at any time during the first quarterly period shall be paid at the rate of one hundred percent (100%) of the full annual fee.~~

B. ~~A fee paid at any time during the second quarterly period shall be paid at the rate of seventy-five percent (75%) of the full annual fee.~~

C. ~~A fee paid at any time during the third quarterly period shall be paid at the rate of fifty percent (50%) of the full annual fee.~~

D. ~~A fee paid at any time during the fourth quarterly period shall be paid at the rate of twenty-five percent (25%) of the full annual fee.~~

### **17.22.940 Penalty for Late Payment**

- A. The ~~rent dispute fee~~Annual Rent Program Fee is due and payable on the date ~~the mMobilehome pPark operating fee is due and payable:specified in the notice from the City.~~
- B. Any ~~mMobilehome pPark~~ Landlord who fails or refuses to pay any fee required under this Chapter for a period of thirty (30) days from and after the date such fee is due shall, in addition to the fee, pay a penalty ~~of ten percent (10%) of the amount of the unpaid fee as set forth in Section 1.17.130 of the San José Municipal Code and may not increase the rent on the Anniversary Date until such fee, including any late fees, are paid.~~

### **17.22.950 Transferability of Fee**

In the event the ~~mMobilehome pPark~~ operating permit is transferred to a successor Landlord of a park for which the ~~annual rent dispute fee~~Annual Rent Program Fee has been paid, the transferring Landlord or the successor Landlord shall provide notice of the transfer to the City ~~Rental Rights and Referrals Program~~Rent Stabilization Program and the successor Landlord shall register with the City ~~Rental Rights and Referrals Program~~Rent Stabilization Program as provided in Section 17.22.1050600. Upon registration by the successor Landlord in accordance with Section 17.22.1050600, the successor Landlord shall be deemed to have paid said ~~rental dispute fee~~Annual Rent Program Fee for the park.

**SECTION 31.** Part 9 of Chapter 17.22 of Title 17 of the San José Municipal Code is amended to read as follows:

## **Part 9**

### **General Provisions**

#### **17.22.1000 Notices**

- A. Any notice required to be given by any provision of this Chapter may be given by personal service, by registered or certified mail, return receipt requested, or by first class mail, postage prepaid, or by electronic means upon consent.
- B. If personally served, ~~or if~~ sent by registered or certified mail, or sent by electronic means, such notice shall be deemed given on the date actually received.
- C. If sent by first class mail, such notice shall be deemed given five (5) days after the deposit of the notice in the United States mail or, if said fifth day is a day on which there is no mail delivery service, on the first day following said fifth day on which there is mail delivery service.
- D. ~~If a party has filed a written designation of a representative pursuant to Section 17.22.800, a notice shall be deemed given to such party if it is given to such party's designated representative.~~

#### **17.22.1010 Role of Rental Rights and Referrals Program**

~~The City Rental Rights and Referrals Program shall provide staff services to the commission including, but not limited to, the following:~~

- A. ~~Maintain files pertaining to rent disputes for which petitions are filed pursuant to this Chapter.~~

- ~~B. Review petitions for timeliness and completeness.~~
- ~~C. Send notices to landlords, mobilehome owners and mobilehome tenants as required by this Chapter.~~
- ~~D. Screen applications from persons applying for positions as administrative hearing officers and make recommendations to the City Council or City Manager regarding employment of such persons.~~
- ~~E. Send notices of commission meetings to interested parties.~~
- ~~F. Prepare the agenda and the minutes of commission meetings and prepare packets of materials relating to matters before the commission.~~
- ~~G. Determine the maximum annual percentage increase in accordance with the provisions of Section 17.22.155.C.~~
- ~~H. Other duties as determined by the City Manager.~~

#### **17.22.1020 Appeal of Rent Stabilization Program Decision**

Any ~~L~~andlord, ~~M~~obilehome ~~O~~wner or ~~M~~obilehome ~~T~~Tenant aggrieved by an action or decision of the City ~~Rental Rights and Referrals Program Rent Stabilization Program~~ pursuant to this Chapter may appeal such decision to the ~~Director~~Director by filing a written statement with said ~~director~~Director within ten ~~(10)~~ working days of the action or decision of the ~~City Rental Rights and Referrals Program Program~~, with a copy to the ~~City Rental Rights and Referrals Program Program~~, setting forth the grounds upon which such person believes the action or decision of the ~~City Rental Rights and~~

~~Referrals Program~~ should be reversed. The ~~director~~ Director shall review the decision and make a final ruling.

#### **17.22.1030 Role of City Attorney**

- ~~A. The City Attorney shall provide legal services to the Commission.~~
- ~~B. The City Attorney shall prepare formal legal opinions in response to requests from the City Council, the Commission, City staff or any Administrative Hearing Officer. Legal questions raised by other persons shall be forwarded to the Commission which may, in its discretion, refer questions of general interest or applicability to the City Attorney.~~

#### **17.22.1040 Judicial Review**

Any ~~Landlord, Mobilehome Owner or Mobilehome Tenant~~ aggrieved by any decision of an Administrative Hearing Officer in a proceeding pursuant to this Chapter in which such ~~Landlord, Mobilehome Owner or Mobilehome Tenant~~ is a ~~Party~~ may seek judicial review in a court of competent jurisdiction.

#### **17.22.1050 Registration of Landlords**

- ~~A. Each mobilehome park landlord shall register with the City Rental Rights and Referrals Program on or before September 1, 1988. Such registration shall consist of filing with the City Rental Rights and Referrals Program the following information:~~

- ~~1. The name and address of the mobilehome park.~~

2. ~~The number of lots in the mobilehome park which are occupied or available for occupancy.~~
3. ~~The names and addresses of the owners of the mobilehome park.~~
4. ~~The name and address of the manager of the mobilehome park.~~
5. ~~The name and address of the person or persons designated for service of process on behalf of the mobilehome park landlord.~~

B. ~~Upon the sale or transfer of a mobilehome park, the seller or transferor shall notify the City Rental Rights and Referrals Program of the date of the sale or transfer and of the name and address of the buyer or transferee.~~

C. ~~Within ten (10) days of the sale or transfer of a mobilehome park, the buyer or transferee shall register with the City Rental Rights and Referrals Program by providing the information required by subsection A. above.~~

D. ~~No mobilehome park landlord shall demand, receive or collect any rent increase from any mobilehome owner or mobilehome tenant in excess of the amounts specified in Section 17.22.450 unless such landlord is registered with the City Rental Rights and Referrals Program as the landlord of the mobilehome park in which the rent increase is sought and has provided the information required by subsection A. above.~~

### **17.22.1055 Notice of Ordinance to Mobilehome Park Residents and Prospective Residents**

- A. The City ~~Rental Rights and Referrals Program~~ ~~Rent Stabilization Program~~ shall prepare a summary of the ~~m~~Mobilehome ~~R~~ent ~~e~~Ordinance set forth in this Chapter and, ~~upon approval of the summary by the mobilehome advisory commission~~, shall give a copy of the summary to the ~~l~~Landlord of each ~~m~~Mobilehome ~~p~~Park located in the City.
- B. The ~~m~~Mobilehome ~~p~~Park ~~l~~Landlord shall maintain the summary in the ~~m~~Mobilehome ~~p~~Park office and shall give a copy of the summary to each resident of the ~~m~~Mobilehome ~~p~~Park annually prior to February 1 of each year.
- C. At the time an offer is made to purchase or otherwise acquire any ~~m~~Mobilehome ~~through either purchase or lease agreement~~ that will remain in the park, the selling or transferring ~~m~~Mobilehome ~~e~~Owner shall give a copy of the summary to the potential buyer or transferee.

### **17.22.1070 Establishment of Maximum Standard Annual Percentage Increase**

- A. On or before July 1 of each year, the City ~~Rental Rights and Referrals Program~~ ~~Rent Stabilization Program~~ shall determine the ~~m~~Maximum ~~s~~Standard ~~a~~Annual ~~p~~Percentage ~~i~~Increase for the next year beginning October 1 in accordance with the provisions of Section 17.22.155C. and prepare a notice of the ~~m~~Maximum ~~s~~Standard ~~a~~Annual ~~p~~Percentage ~~i~~Increase, and shall give a copy of the notice to the ~~l~~Landlord of each ~~m~~Mobilehome ~~p~~Park located in the City.
- B. The ~~m~~Mobilehome ~~p~~Park ~~l~~Landlord shall post a copy of the notice in the ~~m~~Mobilehome ~~p~~Park office within twenty-four (24) hours of receipt.

PASSED FOR PUBLICATION of title this \_\_\_\_\_ day of \_\_\_\_\_, 2026, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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MATT MAHAN  
Mayor

ATTEST:

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TONI J. TABER, MMC  
City Clerk