

Thunderbird Oaks Mobile Home Park

Administrative Record

**Rent Adjustment Application
RA-2010-01**

Part D

**Thunderbird Oaks Mobile Home Park
Administrative Record
Rent Adjustment Application
RA-2011-01**

Table of Contents	Book	Tab
Certification of the Administrative Record	A	1
Rent Adjustment Application	A	2
Part A	A	2.1
Part B	B	2.2
Part C	C	2.3
Rent Adjustment Commission Meeting – January 10, 2011	D	3
Agenda	D	4
Case 7A – Staff Report	D	5
Attachment 1: Location Map	D	5.1
Attachment 2: City's Mobile Home Rent Stabilization Ordinance	D	5.2
Attachment 3: Rent Adjustment Application (See Book A, B, C)	D	5.3
Attachment 4: Public correspondence received	D	5.4
Attachment 5: Corres. Jackson/DeMarco/Tidus/Peckenpaugh	D	5.5
Attachment 6: Consultant Analysis dated January 3, 2011	D	5.6
Attachment 7: City Appraisal dated December 23, 2010	D	5.7
Attachment 8: Rent Data Provided by the tenants	D	5.8
Attachment 9: Merged RAC-2 and RAC-5 (not adopted)	D	5.9
PowerPoint	D	5.10
Supplemental Material	D	6
Applicant's PowerPoint presentation	D	6.1
Letter to Thunderbird Oaks tenant dated October 1, 2008	D	6.2
Declaration of Marilyn Aurant, tenant	D	6.3
Letter by Dan Goldstein	D	6.4
Public Speaker Cards and Written Statement Cards	D	6.5
Minutes	D	7

**Thunderbird Oaks Mobile Home Park
Administrative Record
Rent Adjustment Application
RA-2011-01**

Table of Contents

Book Tab

Notice of Continuance of Public Hearing to January 18, 2011	D	8
Rent Adjustment Commission Meeting – January 18, 2011	D	9
Agenda	D	10
Supplemental Material	D	11
Draft RAC Resolution	D	11.1
Alternative Rent Adjustment Calculation Charts	D	11.2
Minutes	D	12
Adopted RAC Resolution 08-2011	D	13
City Letter to tenants, dated January 19, 2011	E	14
Transcripts of meeting dated January 10, 2011	E	15
Transcripts of meeting dated January 18, 2011	E	16

Rent Adjustment Commission Meeting – January 10, 2011

Agenda

Meeting – January 10, 2011

AGENDA

RENT ADJUSTMENT COMMISSION CITY OF THOUSAND OAKS, CALIFORNIA

Council Chambers

2100 Thousand Oaks Boulevard, Thousand Oaks, California 91362
(805) 449-2323
<http://www.toaks.org>

SPECIAL MEETING

January 10, 2011

6:00 P.M.

COMMISSIONERS:

Lloyd Wertheimer, Chair
Maxwell Sheldon, Vice-Chair
Brenda Mohr Feldman
Beatrice Ferruzza
Mike Silacci

ALTERNATE COMMISSIONERS:

Alyce Klussman
Cathy Schutz

John C. Prescott, AICP, Community Development Director
Patrick Hehir, Assistant City Attorney
Russ Watson, Housing and Redevelopment Manager

RENT ADJUSTMENT COMMISSION MEETINGS ARE SCHEDULED AS NEEDED TO CONSIDER A SPECIFIC MATTER RELATED TO RENT ADJUSTMENT APPLICATION PURSUANT TO TOMC (TITLE 5, CHAPTER 25 MOBILE HOME RENT STABILIZATION)

Americans with Disabilities Act (ADA): In compliance with the ADA, if you need special assistance to participate in this meeting or other services in conjunction with this meeting, please contact the Building Division, (805) 449-2500. Assisted listening devices are available at this meeting. Ask the Recording Secretary if you desire to use this device. Upon request, the agenda and documents in this agenda packet can be made available in appropriate alternative formats to persons with a disability. Notification at least 48 hours prior to the meeting or time when services are needed will assist City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Agenda Availability: The Rent Adjustment Commission Agenda is posted at the entry to the Civic Arts Plaza/City Hall, 2100 E. Thousand Oaks Boulevard, Thousand Oaks [main posting location pursuant to the Brown Act, G.C. 54954.2(a)]. Rent Adjustment Commission Agenda Packets are available for review at the City Clerk Department (2nd level), and Community Development Department, public counter (1st level), 2100 E. Thousand Oaks Boulevard, Thousand Oaks and available on City Web Page.

CITY OF THOUSAND OAKS
RENT ADJUSTMENT COMMISSION AGENDA
JANUARY 10, 2011

Supplemental Information: Any agenda related information received and distributed to the Rent Adjustment Commission after the Agenda Packet is printed is included in Supplemental Packets. Supplemental Packets are produced as needed, and typically would be distributed on the Friday preceding the Rent Adjustment Commission meeting and/or on Monday at the meeting. The Friday Supplemental Packet is available for public review in the City Clerk Department, and Community Development Department, 2100 E. Thousand Oaks Boulevard, during normal business hours (main posting location pursuant to the Brown Act, G.C. 54957.5(2)). Both the Friday and Monday Supplemental Packets (if required) are available for public review at the City Rent Adjustment Commission Meeting and will be posted on the City Web Page.

Public Input: Any person who wishes to speak regarding an item on the regular agenda or on a subject within the Rent Adjustment Commission's jurisdiction during "Public Comments" is requested to file a "Public Speaker" card with RAC staff secretary before that portion of the Agenda is called. Any person who wishes to speak on a specific agenda item is requested to file a "Public Speaker" card before the specific item is called. Any person who wishes to speak on a Public Hearing is requested to file a "Public Speaker" card before the Hearing is called. Persons addressing the Rent Adjustment Commission are requested to state their name and city of residence for the record. Any supporting materials should be submitted to the Recording Secretary before addressing the Commission. The time each person will be allowed to speak on a public hearing item will depend on the number of speaker cards received. The time allotted to each person will be announced by the Chairperson before comments are received by the Commission.

Special Meeting Public Input: Only issues listed on a special meeting agenda may be addressed pursuant to the Brown Act.

Judicial Review: Any legal action by an applicant seeking to obtain a judicial review of the Rent Adjustment Commission decision on a Hearing or issue listed on this Agenda may be subject to the 90-day filing period, of and governed by, Code of Civil Procedure Section 1094.6. Also refer to TOMC Section 1-4.05.

CITY OF THOUSAND OAKS
RENT ADJUSTMENT COMMISSION AGENDA
JANUARY 10, 2011

1. **CALL TO ORDER:** 6:00 P.M.
2. **PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:** Commissioners **Feldman, Ferruzza, Silacci**, Vice-Chair **Sheldon**, and Chair **Wertheimer**
4. **WRITTEN COMMENTS / ANNOUNCEMENTS / CONTINUANCES:**
5. **APPROVAL OF MINUTES:** December 6, 2010 Special Meeting – Ranch Mobile Home Park Rent Adjustment Application Hearing.
6. **DEPARTMENT REPORTS:**
 - A. **Resolution Setting Policy For Questions During Public Hearings**
RECOMMENDATION: Adopt Resolution
7. **RENT ADJUSTMENT COMMISSION PUBLIC HEARING:**
(Public will be called to speak on this item during the Public Hearing)

- A. **CASE:** Thunderbird Oaks Mobile Home Park Rent Adjustment Application (RA-2010-01)
- LOCATION:** 200 S. Conejo School Road
- APPLICANT:** A.V.M.G.H., Limited
- REQUEST:** Rent Increase in amount of \$322.52 per month, per space, to achieve a Just and Reasonable Return.
- RECOMMENDATION:** That the Commission grant a “Just and Reasonable Return” rent increase for Thunderbird Oaks Mobile Home Park in an amount not to exceed \$65.00 per space per month, and that the increase be phased over a two-year period in an amount not to exceed \$32.50 per month, per space, each year, with the date of the initial increase to be 90 days from the date formal notice of such increase is provided to the tenants, and the date of each subsequent increase shall be not sooner than 365 days from the date of the prior increase. Total cumulative amount of the increase is \$125,580.

CITY OF THOUSAND OAKS
RENT ADJUSTMENT COMMISSION AGENDA
JANUARY 10, 2011

8. **PUBLIC COMMENTS:**

9. **COMMISSION COMMENTS:**

10. **ADJOURNMENT:**

CDD:430-45/rw/h:\common\housing & redevelopment\rent control\rac - rent adjustment commission\rac 2011 meetings\rac 01 10 11\racagendaro-mhp(1 10 11) v1.4.11.docx

Case 7A – Staff Report



M E M O R A N D U M

City of Thousand Oaks • Thousand Oaks, California

Community Development Department

TO: Rent Adjustment Commission

FROM: Community Development Department

DATE: January 10, 2011

SUBJECT: RAA - 2010-01 - Rent Adjustment Application for Thunderbird Oaks Mobile Home Park submitted by A.V.M.G.H. Limited

RECOMMENDATION:

That the Commission grant a "Just and Reasonable Return" rent increase for Thunderbird Oaks Mobile Home Park in an amount not to exceed \$65.00 per space per month, and that the increase be phased over a two-year period in an amount not to exceed \$32.50 per month, per space, each year, with the date of the initial increase to be 90 days from the date formal notice of such increase is provided to the tenants, and the date of the subsequent increase shall be not sooner than 365 days from the date of the initial increase. Total cumulative amount of the increase is \$125,580.

BACKGROUND:

Thunderbird Oaks Mobile Home Park

Thunderbird Oaks Mobile Home Park is a 161-unit senior park located at 200 S. Conejo School Road. Please refer to the location map, Attachment #1 to this report. The park is owned by A.V.M.G.H Limited. The permit for the park was approved in 1974, and it was initially occupied in 1976. The park contains 155 double-wide, and 6 single-wide units. The original approval included a condition that the 16 spaces be designed for single-wide units, as a means of providing an opportunity for low cost housing for seniors. Park amenities include a clubhouse and pool, and a vehicle storage area.

No previous "just and reasonable return" or "capital appreciation and rehabilitation"¹ rent adjustment applications have been submitted for the Thunderbird Oaks Mobile Home Park. The only rent increases that have occurred in the past have been the regular annual increases pursuant to the City's mobile home rent stabilization ordinance.

¹ These categories of rent adjustment requests are described in Ordinance 1254-NS, Attachment #2 to this report.

Mobile Home Parks in the City

There are nine mobile home parks in the City of Thousand Oaks, totaling 1,058 spaces. Five (5) mobile home parks are restricted to seniors; four operate as family parks. Eight of the nine mobile home parks are regulated by the Mobile Home Rent Stabilization Ordinance. One park, Ranch Mobile Home Park containing 74 spaces, has not been regulated under the Rent Stabilization Ordinance, although conditions of entitlement have limited rents and restricted occupancy to very low-income, senior residents. One of the nine parks, Conejo, is in the process of closing; and another, Vallecito, is being subdivided for individual ownership.

No.	Project Name	Family/Senior	No. of Spaces	Rent Control!
1.	Conejo	Family	49	Yes
2.	Crestview	Family	29	Yes
3.	Elms	Family	34	Yes
4.	Ranch	Senior	74	Yes*
5.	Thunderbird Oaks	Senior	161	Yes
6.	Twin Palms	Family	81	Yes
7.	Vallecito	Senior	303	Yes
8.	Ventu Park Villa	Senior	171	Yes
9.	Ventu Estates	Senior	156	Yes
Total			1,058	

*Prior to 2010 Ranch was not regulated by the Rent Stabilization Ordinance.

City of Thousand Oaks Rent Stabilization Program

A detailed chronology and copies of the Ordinance Amendments related to the Mobile Home Rent Stabilization Program has previously been provided to the Rent Adjustment Commission ("RAC"), and in a prior staff report related to the Ranch Mobile Home Park. A copy of the current Municipal Code provisions relating to this Program is also attached to this report (Attachment #2). The following are the most salient points related to the City's Rent Stabilization Program:

April 1980: The City of Thousand Oaks Rent Stabilization Program ("Program") was first enacted by Interim Ordinance 747-NS, which was adopted on April 22, 1980 and applied to both apartments and mobile home parks. The Program was enacted in response to rapidly increasing rents and extremely low vacancy rates that existed in the City of Thousand Oaks in the late 1970's. Rent increases were not allowed during the period of the initial Interim Ordinance, which expired on July 31, 1980.

Rent Adjustment Commission – RAA 2010-01 Thunderbird Oaks MHP

January 10, 2011

Page 3

August 1980 – January 1996: Ordinance was amended several times to either extend or amend the Program. Ordinance 755-NS extended rent control on an interim basis for a period of three (3) years.

May 1981: The RAC adopted Resolution No. RAC 2 (“RAC-2”), which established guidelines for the RAC to use to determine a “Just and Reasonable Return”.

March 1983 – October 1984: The RAC adopted Resolution No. RAC 5 (“RAC-5”), which amended RAC-2. The precise adoption date of the resolution is not known. Reference to RAC-2 shall be taken to mean RAC-2 & RAC-5 unless otherwise stated. Attachment #9 is a merged RAC-2 and RAC-5. This is not a formally adopted resolution, but is provided to help facilitate the RAC’s review of “Just and Reasonable Return” applications.

January 1996: Ordinance 1254-NS readopted and codified the Rent Stabilization Program as Chapter 25 (Mobile Home Rent Stabilization Ordinance) of Title 5 of the Thousand Oaks Municipal Code.

Previous “Just and Reasonable Return” Rent Adjustment Requests

There have only been a handful of “Just and Reasonable Return” applications in the history of the City’s rent stabilization program, and none in the past 20 years:

March 1982: The RAC approved a Rent Adjustment Application (RA-81-4) by Vallecito Mobile Estates Ltd. for a “Just and Reasonable Return” adjustment. The Rent Adjustment Commission approved a 5% rent increase.

December 1982: The RAC denied a Rent Adjustment Application (RA-82-2) submitted by Vallecito Mobile Estates Ltd. for a “Just and Reasonable Return” rent adjustment, because it found no justification based on the application submitted or rent levels at the park. The decision was subsequently appealed to the City Council, which denied the appeal and upheld the decision of the RAC.

February 1988: A City Administrative Hearing Officer approved a rent adjustment submitted by Conejo Mobile Home Park for a “Just and Reasonable Return” Rent Adjustment Application in the amount of \$10.00 per space, per month.

December 2010: The RAC heard a “Just and Reasonable” Rent Adjustment request for Ranch Mobile Home Park. That item was continued to January 24, 2011. A final decision has not been reached as of the date of this report.

Legal Background

Most, if not all, municipal mobile home rent adjustment ordinances provide for rent increases based on the concept of assuring that the ordinance does not deprive a property owner of “Just and Reasonable Return.” This stems from a series of United

States Supreme Court decisions that have interpreted the 5th and 14th Amendments of the United States Constitution as giving business owners and landlords some protection from governmental regulations that interfere with investment-backed expectations. Regulations that go too far may be deemed a “taking” of private property, and violate due process.

While courts have upheld a local government’s ability to regulate rents, those regulations cannot result in a total degradation of the profits of an owner. In response to potential direct constitutional facial challenges to local rent control ordinances, local ordinances provide a mechanism for owners to request rent adjustments on the basis of just and reasonable return, where it can be demonstrated that the regular rent increases allowed by the local ordinance do not provide such a return.

California courts have further developed and refined these constitutional concerns in the context of rent regulations. While not stating that any particular method of calculating a “just and reasonable” return is constitutionally required, California courts have recognized at least one preferred method as passing muster under the Constitution - the Maintenance of Net Operating Income (“MNOI”) approach. A detailed description of the MNOI standard is presented later in this report. The City of Thousand Oaks Rent Adjustment Commission Resolution RAC-2 identifies MNOI as the preferred method for calculation a just and reasonable return².

DISCUSSION/ANALYSIS

Thunderbird Oaks Rent Adjustment Application

The owner of the Thunderbird Oaks mobile home park submitted a Rent Adjustment Application (Attachment #3) on June 4, 2010, indicating a 1979 base year average rent of \$246.18 per space per month, and a current (2010) average rent of \$394.03 per space per month. The applicant is requesting a rental increase of \$322.52 per space per month (gross annual increase in rental income of \$623,117), under the “Just and Reasonable Return” provision of the City’s ordinance.

“Just and Reasonable Return” rent adjustment requests are made based on the requirements of Section 5-25.06(b) of the Thousand Oaks Municipal Code (see Attachment #2), and subject to the Guidelines promulgated by RAC Resolutions No. 2 & No. 5 (detailed in the background section of this report).

On July 2, 2010, the City determined that the application was incomplete, and requested additional information from the applicant. The requested information was submitted, and the application was accepted as substantially complete on August 6, 2010. Pursuant to the City’s Ordinance, the date on which an application is accepted as complete sets a schedule that determines the dates when notice must be given, hearings held, and a decision on the request rendered by the RAC.

² But Resolution RAC 2 does allow the owner and tenants to offer other methods of calculating fair return which the Rent Adjustment Commission may adopt.

On October 8, 2010, the applicant submitted correspondence amending the application by requesting a “Vega” adjustment to 1979 base year rents, and an appraisal to substantiate that request. The appraisal submitted by the applicant indicated a fair market base year rent of \$225.00 per space/per month. The applicant also reduced the requested rent increase to \$260.62 per space per month (gross annual increase in rental income of \$503,518). The new “Vega” adjustment proposed by the applicant caused the City to hire an appraiser to evaluate the applicant’s appraisal and formulate an independent conclusion on fair market rents. The amended application requesting an increase of \$260.62 per space per month supersedes the applicant’s June 2010 submittal and forms the basis for the analysis presented in the consultant’s report. City staff viewed the requested “Vega” adjustment, as a substantive change to the original application, and therefore, constituted a new application, and the time frames in the ordinance apply to the October 8, 2010 submittal date.

Notifications, Correspondence and Public Comment

On August 16, 2010, the City mailed notice to each mobile home owner or current resident, informing that a “Just and Reasonable Return” rent adjustment application had been filed with the City, the amount of the requested rent adjustment, the date (originally October 5, 2010), time, and place of the public hearing, and where information regarding the application and Mobile Home Rent Stabilization Ordinance could be obtained. Subsequently, City Staff provided notice that the hearing was being rescheduled from October 5, 2010 to October 18, 2010.

By the end of the business day on December 23, 2010, the City had received several letters from the public (primarily park residents) regarding the proposed rent adjustment request. Copies of these letters as well as any staff responses are provided to the Commission as Attachment # 4. Correspondence or information received from the public after December 23, 2010 will be provided to the RAC as supplemental information prior to the hearing.

City staff also received correspondence from Jackson/DeMarco/Tidus/Peckenpaugh, a law firm retained by some of the residents of Thunderbird Oaks to represent them through this process. A copy of that correspondence is included as Attachment #5.

Analysis of Rent Adjustment Request

The applicant has filed a “Just and Reasonable” rent adjustment application. The basic concept of a “Just and Reasonable” return request is captured in language contained in RAC-2, “...the automatic increases allowed by the ordinance coupled with tax savings resulting from Proposition 13, in most cases would allow an owner to maintain the net operating income at an equivalent level as experienced in 1979.” The RAC indicated that net operating income received through April 1980 was assumed to have constituted a reasonable rate of return at that time. It was further acknowledged that, “there may be some cases where owners have incurred reasonable operating expenses which exceed the rent increases allowed by the ordinance.” In those instances an owner should be

able to maintain the same level of net operating income as they experienced in 1979. This is the premise for considering a “just and reasonable return” rent adjustment request.

To help analyze the applicant’s rent adjustment application, the City retained the services of Dr. Ken Baar, Ph.D, an expert in preparing fair return analyses of rent increase applications. The purpose of Dr. Baar’s report is to analyze the data submitted by the applicant and tenants, present various methods that the RAC can consider in order to determine a “Just and Reasonable Return”, and recommend the amount of rent adjustment that would provide such a return, based on the mobile home rent adjustment ordinance, applicable RAC resolutions, and relevant federal and state case law. The following discussion summarizes the most salient portions of Dr. Baar’s report, which is included in full as Attachment #6 to this report.

1. *Applicant’s Justification for Proposed Rent Adjustment*

The applicant cited the following reasons in their application for requesting a Just and Reasonable Return rent adjustment:

- a. Significantly increased operating costs, and
- b. The effects of inflation over the past 30 years, which they state have “seriously impacted the bottom line of Park operations”.

2. *Maintenance of Net Operating Income Standard*

RAC-2 prescribes the use of a Maintenance of Net Operating Income (“MNOI”) standard to evaluate a “just and reasonable return” rent adjustment request. Section 1.04 states, “Alternate approaches may be employed by the Commission”. However, MNOI is a widely recognized standard for determining “Just and Reasonable Return”. While there is no legal requirement to use a particular standard to evaluate a rent increase request, the MNOI approach has been widely accepted by California courts.

The MNOI standard presumes that a park owner was earning a fair return (or profit) in the year rent regulations went into effect (the “Base Year”). The return in a given year is defined as Net Operating Income (“NOI”), and is determined by subtracting park operating expenses from park operating income.

The MNOI approach is based on the premise that the Base Year NOI represented a just and reasonable return, and that, notwithstanding the annual rent increase permissible under a rent control ordinance, the park owner should be able achieve sufficient revenue to “maintain” that Base Year NOI in future years, which would then be deemed to represent a “fair return” on the investment.

Because inflation degrades the purchasing power of a given amount of money, the Base Year NOI is indexed to take inflation into account. The indexed Base Year NOI is

then compared to the NOI of the park in the comparison year (in this case 2009) to see how the current year NOI compares to the Base Year NOI in constant dollars.

To the extent that the current year (2009) NOI is less than the indexed Base Year NOI, rents can be increased to compensate.

Four factors play a significant role in determining a fair return under an MNOI analysis:

1. The determination of a Base Year;
2. Base year rent adjustment;
3. The determination and adjustment of base year operating expenses; and,
4. The rate at which base year net operating income is "indexed" in order to determine what rent level would yield a just and reasonable net operating income in the current year.

3. *Determination of the Base Year*

The City's regulations stipulate the use of 1979 as the Base Year for calculations related to MNOI.

Section 3 of RAC-2 sets forth the formula for determining 1979 Net Operating Income. However, these requirements are prefaced by Section 3.01, which states "The base year shall be 1979 when the financial information for that year is available." Section 4 of RAC-2 provides that "In the event 1979 financial information is not available and where the loss of such records can be substantiated by clear and convincing evidence, the landlord of record may substitute as a base year the first year following 1979 for which records are available".

The applicant confirmed that the earliest year for which full operating and income data can be provided is 1986. But the applicant nevertheless argues that 1979 should be the base year.

In order to provide numbers for 1979, the applicant imputes 1979 operating expenses from the 1986 data by backing out inflation. As the City's expert, Dr. Ken Baar, points out in his report, if the logic of this approach were accepted it would imply that an applicant would never need to provide financial records and could impute 1979 data based on whatever year for which the applicant had data, which would be contrary to the explicit requirements of RAC-2. In the original application, the applicant imputed rent data for 1979 as well. The applicant also provided rent data for 1983, and based on the Applicant's sworn statement that rents had not increased for the period between 1980 to 1983 inferred that rent levels for 1979 were the same as those documented in 1983. However, subsequent data submitted by the park residents calls this claim into question (the data submitted by the park residents are discussed in further detail later in

this report). As previously discussed, subsequent to the initial application submitted in June 2010, the applicant submitted a request in October 2010 to adjust 1979 base year rents, substantiated by an appraisal they had commissioned to establish "fair market" rents. This is discussed in further detail in Section 4. - Adjustment of Base Year Rent.

Staff believes that 1986 should be used as the Base Year, because it is most consistent with the requirements of the City's Rent Stabilization Program regulations. It is the first year for which actual data can be produced.

But certain equitable principles in this case may lead the RAC to consider 1979 as the Base Year. In particular, the Applicant should not be able to benefit from a lack of 1979 income and expense information by the use of an alternate base year which is more favorable, when the regulations have provided notice of base year documentation requirements since 1981. Furthermore, the Applicant has repeatedly requested that 1979 be the Base Year. MNOI formulas using 1979 as the Base Year will also be presented in the "Alternative Rent Adjustment Calculations" section of this report.

4. *Adjustment of Base Year Rent*

The Base Year rent levels, along with other income components and operating expenses, are used to calculate the Base Year net operating income, which in turn becomes a base for calculating a "just and reasonable" net operating income in subsequent years up to the present by applying the inflation factor. As discussed previously, the applicant's amended request submitted in October 2010 included an adjustment of base year rent (fair value adjustment) based on an appraisal they commissioned to establish fair market rent for 1979. Such an adjustment is termed a "Vega" adjustment and is described below.

i. Description of Fair Value (Vega) Adjustment

In a seminal court case, Vega v. City of West Hollywood, the State Court of Appeals ruled that owners have a constitutional right to a base rent adjustment to compensate for exceptionally low base period rents in calculating a fair return the Court held that "a property owner must be permitted to start rent calculations with a base rent similar to other comparable properties." Therefore in certain instances where base year rents are exceptionally low and were not set by market mechanisms, this type of "Vega" adjustment may be warranted.

ii. Park Owners Conclusion of Fair Value (Vega) Adjustment for 1979

Central to adjusting the base year rent is the establishment of what would constitute general market conditions for the base year. To support the position that a Vega adjustment was warranted, and to determine the amount of such an adjustment, the applicant submitted an appraisal as part of the Rent Adjustment application. The appraisal is a retrospective appraisal because it offers an opinion on what constituted fair value rent for 1979. The park owner's appraisal concluded that fair value rent in

Rent Adjustment Commission – RAA 2010-01 Thunderbird Oaks MHP

January 10, 2011

Page 9

1979 was \$225 per space per month, \$27.00 more than the \$198 average rent actually being charged in 1979 which is substantiated by information provided by the tenants. See Attachment # 7 and the letter dated December 9, 2010 from Jackson/DeMarco/Tidus/Peckenpaugh in Attachment #5 for information on rent data submitted by the tenants.

iii. City Appraiser's Conclusion of Fair Value Adjustment for 1979

In order to verify the conclusion of fair value rents in 1979 presented by the Owners, the City commissioned its own appraisal to establish a fair value rent for the park in 1979.

The City's appraiser reviewed the Rent Adjustment application, including the appraisal submitted by the Park Owner reviewed the City's Rent Stabilization Ordinance and relevant Guidelines, physically inspected the subject park and other mobile home parks in the City, and reviewed rent data for Thunderbird Oaks and the other parks obtained from City records. The City appraiser's conclusion of fair value rent in 1979 was \$205 per space per month, \$7 more than to the \$198 average rent substantiated by information provided by the tenants. The implication of these findings on determining a fair value adjustment is discussed in Sections a. and b. below. For the complete appraisal analysis prepared by the City's consultant, please refer to Summary Appraisal Report, Attachment #6.

The effect of the information provided by the residents is that the actual average rents in the Park in 1979 appear to have been \$27 less than the \$225 per space per month estimated fair market rent submitted by the applicant in October 2010. This would have an effect of reducing the total 1979 base year gross rental income stated in the application from \$434,700 to \$382,884 (a reduction of \$51,816). The data presented by some of the tenants documents rents in a few of the 161 spaces in the park. While this data is not enough to definitively state actual base year rents, rents do appear to have been fairly uniform across the park. One of the 1979 base year formulas (79-3) uses a 1979 Base Year Rental Income figure derived from the information provided by the tenants.

As indicated in the City Consultant's report, under the doctrine set forth in "Vega" and subsequent cases, the Park Owner is entitled to use a base rent which reflects market conditions. The Park Owner did not provide any data on base period rents. The appraisal report by the Park Owner's appraiser concludes that market rents in 1979 were \$225 and the appraisal report by the City's appraiser concludes that market rents were \$205. The differences between either of the appraisers' conclusions about market rents (\$205 and \$225), and the rents in the park established by tenant data (\$198) are not great enough to conclude that the actual base rents as reported by the tenants (\$198) did not reflect market conditions. Instead, they reflect typical variations from the average market rent. Therefore, a "Vega" adjustment to the base year rent is not warranted in this case.

iv. 1986 Base Year Rent Adjustment

Information on the rent levels from 1979 through 1986 is central to consideration of whether actual base year rents should be adjusted for the purposes of an MNOI analysis, on the basis that the increases prior to the base year were low. The following discussion presents the range of possible Base Year rent adjustments, based on City regulations, data submitted by the Park Owner, and rent data submitted by the tenants in the Park.

The rent adjustment regulations presume that the return a park owner was receiving through April 1980 (when the first Rent Stabilization Ordinance was adopted by the City) constituted a fair (just and reasonable) return. However, when a base year other than 1979 is used (in this case 1986), there is no assurance that the Base Year NOI represents “market condition” or a “fair return.” Constitutional principles and case law dictate that the Base Year NOI may need to be adjusted to assure the park owner a Base Year calculation that represents market conditions and fair return. It has been established as detailed in the preceding sections of this report that a “Vega” adjustment is not required in this case for the 1979 Base Year. However, the City’s regulations (Resolution RAC-2) provide a mechanism to adjust the 1986 Base Year NOI through what is termed a “Price Level Adjustment.” A Price Level Adjustment provides that all automatic rent adjustments which could have been implemented shall be added to the 1979 net operating income in order to determine what net operating income would provide a “fair return”.

Data submitted by the tenants appears to corroborate the fact that allowable rent adjustments were not made in 1983 and 1984, but were for all other years. If the Park Owner had increased rents pursuant to all of the allowable adjustments in 1983 and 1984, Park rents would have increased by 22.5% from 1983 to 1986. Therefore, if the Park Owner had implemented the rent increases which were authorized in 1983 and 1984, the 1986 rent and net operating income would have been higher than the amount “presumed” by using 1979 rent levels. Thus, implementing the Price Level Adjustment required by Resolution RAC-2 results in a 1986 Base Year rent adjustment (gross park rental income) of \$48,107 from \$527,629 to \$575,736. One of the 1986 Base Year formulas (86-3) uses an adjusted Base Year rent in the calculation taking into account the Price Level Adjustment required by RAC-2.

City staff did commission an appraisal of comparable rent controlled parks for 1986, which concluded comparable rent in 1986 was \$320 per space per month. One of the limitations of this appraisal is that it incorporates 5 years of rent controlled data, distorting the remnants of any market based pricing from 1979. A “Vega” adjustment of 1986 rents based on this appraisal would provide for rent increases over the 1979 rent level which substantially exceeded the constitutional minimum. In this case 1979 net operating income was \$248,085 while a Vega adjustment would provide a net operating income of \$411,186 in 1986. The increase in NOI from 1979 to 1986 would be 66% compared with an increase of 55% in the CPI during this period and adjustments of net operating income by lesser percentages than the CPI increase which would still meet

the constitutional minimum. Consequently, City staff believes the Price Level Adjustment of the 1986 rents provides a more accurate method of adjustment of the 1986 rent level when it has been established, as is the case here that 1979 rent levels were at fair market.

5. *Determination and Adjustment of Base Year Operating Expenses*

A determination and possible adjustment to Base Year operating expenses may be appropriate for the following reason. To the extent that expense levels are exceptionally low or high in the base year, the net operating income may be correspondingly low or high. A rent increase in the current year derived using the stated Base Year expenses and following the MNOI approach could lead to an artificially low or high projection of what net operating income is required to provide a just and reasonable return (net operating income) in the current year.

Accordingly, the City's consultant and staff have closely reviewed the stated Base Year operating expenses.

a. Management and Administrative Costs

Resolution RAC-2, Sec. 2.11, stipulates that management and administrative expenses "must be calculated for both the base year and the current year at the same percentage of actual income." The guidelines also provide that total management and administrative expenses cannot exceed 8% of income. In the rent increase application, the ratios of management and administration expenses to rental income in 1979, 1986, and 2009 are shown in the following table:

Year	Expense Percentage
1979	4.4%
1986	5.9%
2009	21.9%

Information submitted by the applicant indicates that management and administration expenses totaled \$30,878 in 1986 (\$191.79 per space) increasing to \$167,392 in 2009 (\$1,039.70 per space), an increase of 442%, compared to the CPI increase of 99% during this period. In order to place these increases in perspective relative to overall rents, the reported increase in management and administration expenses from 1986 to 2009 is equal to \$847.91 per mobile home space per year.

In its application the Park Owner attributes these increases in management and administrative expenses as follows:

1. Management and administrative duties have been transferred to a third party who is paid to perform these services;

2. Management and administrative costs are increasing due to the aging infrastructure of the park; and

3. Increasing “regulation” is adding to the cost of operating the park.

The City consultant's report states “Furthermore, the exceptional increase in management and administration expense to rental income over this time frame is not attributable to differences in how expenses were allocated for accounting purposes. In fact, the overall operating expenses projected by the applicant for the 1979 base year equaled 28.9% of rental income (\$110,448 / \$382,536), an exceptionally low ratio by industry standards.”

An exceptionally low Base Year operating expense number can result in a large rent increase being justified using an MNOI standard. This is due to the fact that lower operating expenses increase the amount of NOI in the Base Year, which leads to a higher projection of what NOI is required to provide a fair return in the current year. Therefore, in certain formulas the consultant made an adjustment of 1979 Base Year Operating Expenses to a ratio commensurate with the comparison year. This results in an adjustment in the 1979 Base Year Operating Expenses of \$36,469, increasing the total from \$110,448 to \$146,917. Formulas 79-2 and 79-4 use the consultant adjusted 1979 operating expenses in the rent adjustment calculation.

In order to account for the exceptional increases in management and administrative costs in the comparison year, the 1986 Base Year expenses are adjusted (increased) so that they are proportionate to the comparison year management and administration expenses. The adjustment results in 1986 Base Year Operating Expenses increasing by \$53,239 from \$153,815 to \$207,054. Formulas 86-2 and 86-4 use adjusted 1986 operating expenses in the rent adjustment calculation.

b. Other Operating Expenses

Apart from issues related to the exceptional increases in management and administration expenses from the Base Year to the current year, other operating expenses do not have a substantial impact on the outcome of an MNOI analysis. The following is a list of operating expenses associated with the management and operation of the Park, other than management and administration:

1. Property Taxes
2. Gas and Electricity Expenses
3. Trash and Sewer Expenses Passed Through to the Residents
4. Common Area Utilities

A more complete discussion of other operating expenses can be found in Section IV.B.4. of the Consultant's report (Attachment #6).

6. Adjustment of Net Operating Income for Inflation

The Thousand Oaks Rent Stabilization Ordinance and Resolution RAC-2 provide for the use of the MNOI standard in determining a fair return, but do not provide any specification as to the rate at which NOI shall be indexed to account for inflation from the Base Year to the current year.

The courts have held that net operating income cannot be frozen, which implies that in determining a fair return some adjustment for inflation is required. Some California courts have upheld local regulations that provide for an inflation adjustment of net operating income as low as 40% of the actual increase in the Consumer Price Index (CPI) since the base year. Several California mobile home rent control ordinances that use MNOI formulas have indexed NOI at varying percentages, ranging from 40% to 100% of CPI (for a detailed discussion of this important aspect of determining fair return under the MNOI approach, please refer to Section III.B. of Dr. Baar's report, Attachment #6).

7. Determination of Appropriate Inflation Adjustment for MNOI

The CPI increased by approximately 100% from 1986 to the current year. The applicant's request uses all (100%) of this increase to calculate the net operating income necessary in the current year to achieve a fair and reasonable return – in other words double the net operating income in 1986. Staff believes that this is excessive and not necessary to achieve a just and reasonable return on the Park owner's investment. The following discussion details why it may be appropriate to use a lesser indexing factor to account for the effects of inflation.

In the case of leveraged ownership of real estate (acquisition funded by down payment plus a loan), an investment may prove to be very profitable although net operating income doesn't increase as fast as the CPI. Due to leveraging, "income" attributable to growth in equity may far exceed the rate of increase in NOI, and thus total return is greater than net operating income.

The following example illustrates the impact of indexing at 50% of the rate of increase in the CPI on a park owner's equity in a case in which the owner has financed 70% of the purchase cost. The NOI, and therefore the value of the park, increases at 75% of the rate of increase in the CPI. However, because 70% of the purchase is financed with a mortgage, the investor's equity increases by a much greater rate than the CPI. (An 83% increase in equity compared to a 50% increase in the CPI.)

Impact of 50% Indexing on Growth in Investor's Equity Loan to Purchase Price Ratio 70%			
	Base Year	Current Year	Pct. Increase
CPI	100	150	50%
NOI	420,000	525,000	25%
Property (purchase price)	6,000,000	7,500,000*	25%
Mortgage	4,200,000	4,200,000	0%
Equity (property value- mortgage)	1,800,000	3,300,000	83%

* Use of a different capitalization rate would not significantly impact the rate of increase in equity. In this hypothetical case, the value is computed by dividing the net operating income by a capitalization rate of 7%.

In order to understand the returns associated with contemporary mobile home park investments and provide some perspective on the rent restrictions under the ordinance and fair return standard, it is critical to understand that after a mobile home park in an urban area has been constructed and occupied with mobile homes, there is a very low rental risk because of limited supply and strong demand for this type of housing. This is largely due to the fact that mobile homes are difficult to move within urban areas, and instead are typically sold in place.

Furthermore, as a result of contemporary land use policies and zoning, the supply of mobile home park spaces is extremely limited. To illustrate this point, City records indicate that in 2009, of the 1058 mobile home spaces in the City, there were only 15 vacant mobile home spaces, 12 of which were in one Park – Lakestone (formerly Crestview). This supply-demand condition makes mobile home parks a particularly stable investment, especially when compared to the negative performance of other real estate classes due to economic factors present during the past four years. Scarce supply and strong demand for mobile home park spaces will continue to exert upward pressure on “market” rents.

8. *Alternative Rent Adjustment Calculations*

The City’s consultant identified ten possible MNOI formulas that can be used to calculate a “Just and Reasonable Return” - six calculations using 1979 as the Base Year, and four calculations using 1986 as the Base Year. The alternative formulas take into account certain adjustments to rent and operating expenses, and assume different inflation indexing factors (50% of CPI increase, 75%, and 100%) within the range of factors used in other mobile home rent control ordinances within California. These alternatives are provided for the Commission’s consideration in this matter.

Rent Adjustment Commission – RAA 2010-01 Thunderbird Oaks MHP

January 10, 2011

Page 15

a. Formulas using 1979 as the Base Year

Alternative	Description	Monthly Rental Increase By Assumed Inflation Index		
		50%	75%	100%
79-1	Rental Income based on Park Owner's Appraisal and Expenses as Projected by Park Owner with no adjustments to Income or Expenses. (Applicant's Request)	\$99	\$180	\$261
79-2	Rental Income based on Park Owner's Appraisal with Consultant's Adjustment to Maintenance and Administration Expenses	\$75	\$150	\$224
79-3	Rental Income Adjusted based on Tenant Documentation and Using Expenses Projected by the Applicant.	\$48	\$ 116	\$ 184
79-4	Rental Income Adjusted based on Tenant Documentation and Using Consultant's Adjustments to Maintenance and Administrative expenses	\$ 24	\$ 86	\$ 147
79-5	Rental Income based on City's Appraisal and Expenses as Projected by Park Owner with no adjustments to Income or Expenses	\$62	\$133	\$204
79-6	Rental Income based on City's Appraisal with Consultant's Adjustment to Maintenance and Administration Expenses	\$35	\$100	\$164

b. Formulas using 1986 as the Base Year

Alternative	Description	Monthly Rental Increase By Assumed Inflation Index		
		50%	75%	100%
86-1	Base Year (1986) Rental Income With RAC-2 Price Level Adjustment and Expenses Projected By Applicant	\$106	\$160	\$215
86-2	Base Year (1986) Rental Income With RAC-2 with Price Level Adjustment and With Consultant's Adjustment to Maintenance and Administrative Expenses	\$65	\$112	\$160
86-3	Comparable Base Year Rent based on City Appraisal	\$134	\$193	\$253
86-4	Comparable Base Year Rent based on City Appraisal With Consultant's Adjustment to Maintenance and Administrative Expenses	\$93	\$145	\$198

Rent Adjustment Commission – RAA 2010-01 Thunderbird Oaks MHP

January 10, 2011

Page 16

Conclusion

City staff and its consultant have evaluated the data based on the application and supplemental information provided by the applicant, rent data provided by the tenants, City regulations and legal precedent. City staff and its consultant have evaluated the rent data provided by Thunderbird Oaks tenants regarding rent increases for the period from 1980-1982, and are persuaded that the weight of the evidence supports the tenants' data regarding rents during that time period.

Also as previously stated, a "Vega" adjustment is not warranted in this case because the differences between either of the appraisers' (Park Owner's and City's) conclusions about market rents and the rents in the park established by tenant data (\$198) are not great enough to indicate that the base rents did not reflect market conditions. City staff believes that City Regulations require Price Level Adjustments to the Base Year Rent for those years where no automatic rent increase was taken, and that an adjustment to management and administrative expenses are also necessary. In addition, staff believes that indexing the requested rent adjustment to 50% of CPI will provide the applicant with a fair return, and is appropriate for this type of investment.

While certain alternative formulas presented use 1979 as a base year, City staff believes that using 1986 as the base year is most consistent with the application of City Rent Adjustment regulations. Based on documentation provided by the applicant and the tenants, City staff believes that Alternative 86-2 indexed at 50% of CPI, yielding a "fair and reasonable return" adjustment (increase) of \$65 per space, per month is the most appropriate alternative because it best implements the MNOI approach set forth in Resolution RAC-2, and provides a just and reasonable return for the applicant. This would bring the range of rents in Thunderbird Oaks from \$386.40 to \$590.40, a 12.5% to 20.5% increase. Staff further believes that it is appropriate to phase this increase in two steps of \$32.50 per month, one year apart, due to the significant percentage increase in rent that it represents for the tenants. When fully implemented, this increase would gain the Park owner an additional \$125,580 per year in revenue.

The table below shows the current range of rents in the various mobile home parks in the City, for comparison purposes.

Park	Spaces	Avg Rent	Low Rent	High Rent
Thunderbird MHP	161	\$394.03	\$321.40	\$525.40
Conejo MHP	43	\$419.51	\$312.87	\$922.50
Elms Plaza MHP	34	\$429.78	\$313.00	\$900.00
Lakestone MHP	28	\$232.19	\$203.48	\$547.00
Ranch MHP	74	\$132.63	\$127.92	\$139.36
Twin Palms MHP	80	\$311.95	\$255.94	\$544.50
Vallecito MHP	303	\$537.89	\$478.00	\$745.00
Ventu Estates MHP	155	\$437.50	\$365.54	\$476.61
Ventu Park Villas MHP	170	\$403.44	\$355.07	\$727.35

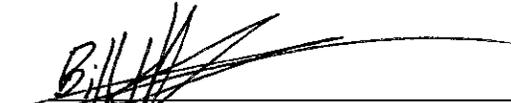
Rent Adjustment Commission – RAA 2010-01 Thunderbird Oaks MHP
January 10, 2011
Page 17

Submitted by:

Prepared by:



John C. Prescott
Community Development Director



Bill Hatcher
Senior Planner

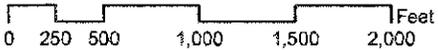
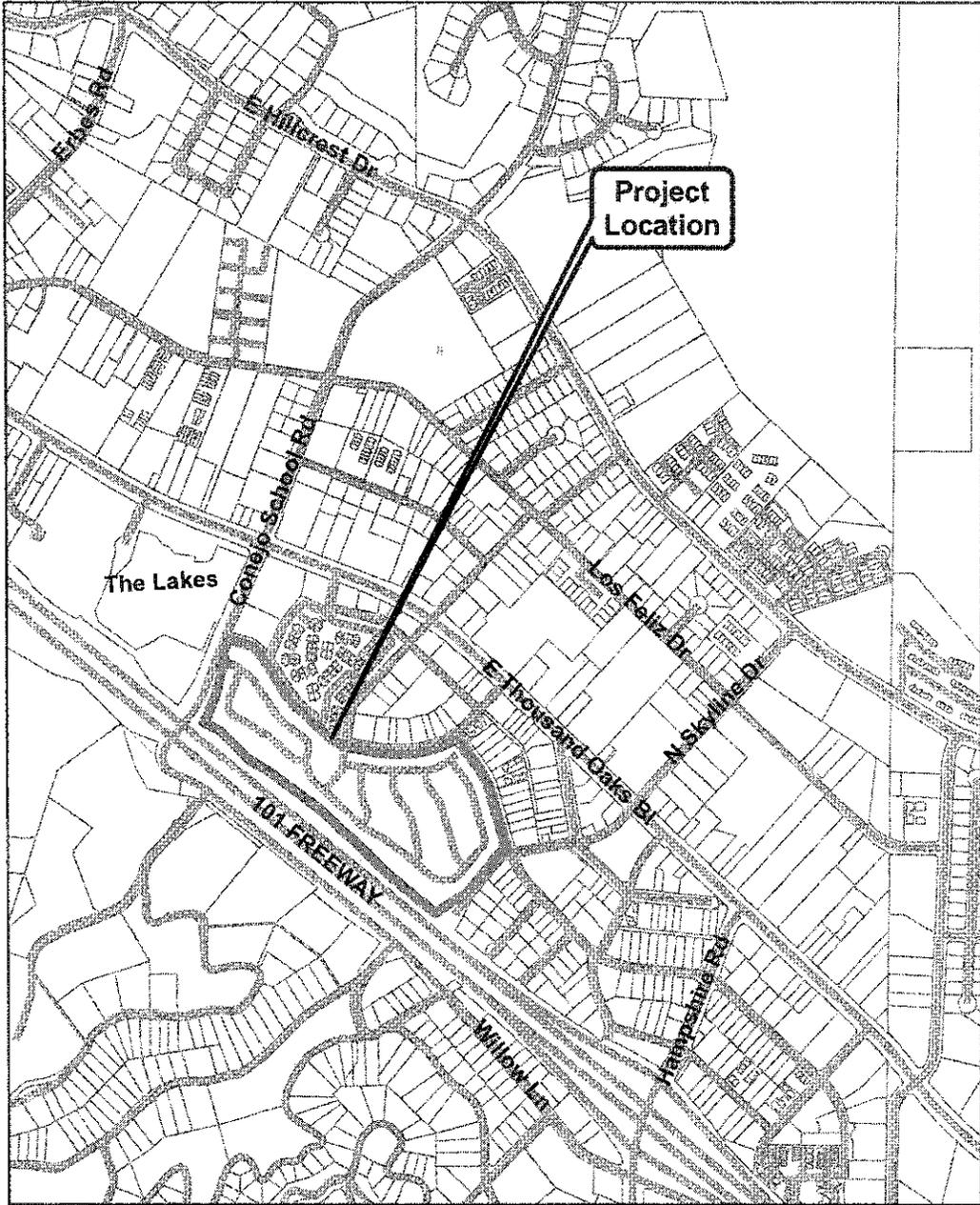
Attachments:

- #1 Location Map
- #2 City's Mobile Home Rent Stabilization Ordinance
- #3 Rent Adjustment Application
- #4 Public correspondence received
- #5 Correspondence from Jackson/DeMarco/Tidus/Peckenpaugh
- #6 Consultant Analysis dated January 3, 2011
- #7 City Appraisal dated December 23, 2010
- #8 Rent Data Provided by the tenants
- #9 Merged RAC-2 and RAC-5

CDD: 430-45\bh\h:\common\housing & redevelopment\rent control\rac - rent adjustment commission\rac 2011 meetings\rac 01 10 11\staff report\final sr rac thunderbird oaks (01 04 11).docx

Attachment 1: Location Map

Thunderbird Oaks Mobile Home Park Location Map



City of Thousand Oaks
Community Development Department

u:\cdcjansen\staff report maps\
housing\Thunderbird MHP-location

Attachment 2: City's Mobile Home Rent Stabilization Ordinance

General Ordinances of Thousand Oaks, CA

TITLE 5. PUBLIC WELFARE, MORALS, AND CONDUCT

CHAPTER 25. MOBILE HOME RENT STABILIZATION

CHAPTER 25. MOBILE HOME RENT STABILIZATION

Sec. 5-25.01. Findings and purpose.

There is a shortage of vacant and available mobile home spaces in the City of Thousand Oaks resulting in a critically low vacancy factor. Many mobile home tenants are on fixed incomes and, if displaced as a result of their inability to pay increased rents, must relocate at a substantial loss or expense, and, in addition, as a result of such housing shortage they may be unable to find decent, safe and sanitary new housing at affordable rent levels. Aware of the difficulty in finding alternative decent housing, some tenants attempt to pay requested and uncontrolled rent increases, but as a consequence, must expend less on other necessities of life. This situation has had a detrimental effect on substantial numbers of renters in the City, especially creating hardships on senior citizens on fixed incomes, and low- and moderate- income households.

The City causes data to be collected through the annual registration statements submitted by mobile home landlords, which confirms a mobile home space and housing shortage continues to exist in the City, the vacancy rate in mobile home parks remains critically low and the deregulation of rents at this time could lead to exorbitant rent increases and aggravation of the crisis, problems and hardships which existed prior to the adoption of the program. This housing shortage necessitates the continuation of the mobile home rent stabilization program. Therefore, it is necessary and reasonable to continue to regulate rents so as to safeguard tenants from excessive rent increases and at the same time provide landlords with a just and reasonable return on their rental spaces.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.02. Definitions.

The following words and phrases, whenever used in this chapter shall be construed as defined in this section.

"Average per space capital improvement cost" means an amount determined by dividing the cost of the capital improvement by the total number of mobile home unit rental spaces in the mobile home park with respect to which the cost was incurred.

"Average per space rehabilitation cost" means an amount determined by dividing the cost of the rehabilitation, less any offsetting insurance proceeds, by the total number of mobile home unit rental spaces in the mobile home park with respect to which the cost was incurred.

"Capital improvement" means the addition or replacement of improvements to a rental space, spaces or the common areas of the mobile home park, provided such new improvement has a useful life of five years or more, including but not limited to, roofing, carpeting, draperies, stuccoing the outside of a building, air conditioning, security gates, swimming pool, sauna or hot tub, fencing, garbage disposal, washing machine or clothes dryer, dishwasher, recreational equipment permanently installed on the premises, and other similar improvements as determined by the Commission.

"Commission" means the Rent Adjustment Commission of the City of Thousand Oaks.

"Decontrolled space" means any space formerly subject to the Rent Stabilization Ordinance, as amended, which was vacant on or after June 26, 1981, and such vacancy occurred on or after May 1, 1981 by reason of the tenants' voluntary vacation of that space or the tenants' eviction for nonpayment of rent.

"Housing services" means services connected with the use or occupancy of a mobile home rental space including, but not limited to, utilities (including cable T.V., light, heat, water and telephone), ordinary repairs or replacement and maintenance, including painting. This term shall also include the provision of elevator service, laundry facilities and privileges, common recreational facilities, janitor service, resident manager, refuse removal, furnishings, parking, and any other benefits, privileges or facilities.

"Index" means the figure employed when determining allowable rent increases under Section 5-25.05, and shall be calculated by taking seventy-five (75%) percent of the Los Angeles-Long Beach-Anaheim, Consumer Price Index for all urban consumers for the year ending April 1, rounded to the nearest tenth. No index in excess of seven (7%) percent shall be employed.

"Landlord" means an owner, lessor or sublessor (including any person, firm, corporation, partnership, or other entity) of a mobile home park, who receives or is entitled to receive rent for the use of any mobile home rental space, or the agent, representative or successor of any of the foregoing.

"Maximum adjusted rent" means the maximum rent plus any rent increase subsequently effected pursuant to Sections 5-25.05 and 5-25.06, less any rent reductions required by regulations promulgated by the Commission. Said amount shall be rounded to the nearest dollar and shall not include any increase for capital improvement work or rehabilitation work approved by the City.

"Maximum base rent" means, for a rental space that was occupied by one or more of the same tenants from July 1, 1986 to February 22, 1996, the highest legal monthly rent which was in effect for the rental space or spaces on July 1, 1986. For rental spaces vacated, as

defined in Section 5-25.05 (b), between July 1, 1986 and February 22, 1996 and for all spaces vacated after that date and eligible for decontrol/recontrol pursuant to this Chapter, the maximum base rent shall be the highest legal rent in effect on the re-renting of the space. Any increase subsequently effected pursuant to Section 5-25.05 shall be computed against the maximum base rent.

"Maximum rent" the highest legal monthly rate of rent which was in effect for the rental space during any portion of the month of June 1980. If a rental space is not rented during said month, then it shall be the highest legal monthly rate of the rent in effect between June 1, 1979 and May 31, 1980. If a rental space was not rented during either of the above periods, then it shall be the rent charged for an equivalent space that was rented during the month of June 1980, or if not so rented then, during the period between June 1, 1979 and May 31, 1980.

"Mobile home" means a single dwelling unit 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.

"Mobile home park" means a parcel of land where five or more mobile home spaces are rented or leased out for mobile homes used as residences. "Mobile home park" does not include developments which sell lots for mobile homes or manufactured housing, or which provide condominium ownership of such lots, even if one or more homes in the development are rented or leased out.

"Mobile home tenant or resident" means any person entitled to occupy a mobile home which is located within a mobile home park.

"Rehabilitation work" means any rehabilitation or repair work done on or in a rental space or common areas of the housing complex containing the rental space and which work was done in order to comply with an order issued by the Community Development Department, the Health Department, or the Fire Department, or to repair damage resulting from fire, earthquake or other natural disaster.

"Rent" means the consideration, including any bonus, benefits or gratuity, demanded or received by a landlord for or in connection with the use or occupancy of a rental space, or the assignment of a lease for such a space including, but not limited to, any monies demanded or paid for parking, furnishings, housing services of any kind, subletting or security deposits.

"Rental space," except as provided below, includes underlying land and mobile homes thereon, whether rent is paid for the mobile home and the land upon which the mobile home is located, or rent is paid for the land alone. The term shall not include:

- (1) Four or fewer mobile homes located on the same lot or parcel.
- (2) Mobile homes located in nonprofit cooperative parks owned and controlled by a majority of the residents.
- (3) Mobile homes which a governmental unit, agency or authority owns, operates or manages which are specifically exempt from municipal rent regulations by state or federal law or administrative regulations. Accommodations to which rental assistance is paid pursuant to 24 CFR 882 ("HUD Section 8 Federal Rent Subsidy Program") may be exempted wholly or partially from the terms of this chapter on an individual basis by written application to the City Manager and after notice to the tenant and landlord

involved.

(4) Mobile homes located in a mobile home park for which a certificate of occupancy was first issued after June 30, 1980.

(5) Nonprofit mobile home parks. Mobile home parks operated by an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code provided that the gross income derived therefrom does not constitute unrelated business income as defined in Section 512 of the Internal Revenue Code.

"Tenant" means a tenant, subtenant, lessee, sublessee, or any other person entitled to use or occupancy of a mobile home rental space.

"Vacancy" means when a tenant voluntarily vacates a mobile home rental space or when a tenant is evicted for nonpayment of rent. A vacancy shall not exist when the tenant sublets or assigns his interest in the rental space, including the subletting or sale of a mobile home coach which remains on the same space within a mobile home park. If a mobile home is removed from the space, the space is decontrolled until re-rented to a new tenant and thereafter is subject to all the provisions of this chapter.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.03. Rent Adjustment Commission.

(a) Creation and organization of the Rent Adjustment Commission. The "Rent Adjustment Commission of the City of Thousand Oaks" is hereby created. The Commission shall consist of five seated members comprised of one landlord, one tenant and three individuals who are neither landlords nor tenants of a residential rental property. Three alternate commissioners may be appointed by the City Council to the Commission, comprised of one landlord, one tenant, and one individual who is neither a

landlord nor a tenant of a residential rental property. The seated members and alternates shall be appointed and removed by the Council, all serving at the Council's pleasure. If at any time during the term of a seated member or alternate member, the member becomes a landlord or tenant of residential rental property, or ceases to be same in conflict with his/her Commission designation, the office or position of that member shall immediately become vacant and a new appointment made thereto.

The term of office or assignment for each member of the Commission shall be for the period of time from their appointment to the time that this section is no longer in effect. The Commission shall designate one of its members as a chairperson and one of its members as vice- chair, which officers shall hold office for one year and until their successors are elected.

(b) Commission action and procedure. Each of the five seated Commissioners shall be entitled to one vote. Three members shall constitute a quorum for purposes of conducting a meeting. The decisions of the Commission shall be determined by a majority vote of the seated members present. An alternate Commissioner may only become a seated Commissioner for purposes of Commission action or decision in the absence of the Commissioner appointed as a seated member of the Commission or if the seated member asks to be excused. In the event of such absence, an alternate Commissioner shall be seated only in accordance with his/her designation as a landlord, tenant, or nonlandlord/nontenant. In no event shall more than five votes be cast for any action or decision of the Commission.

(c) Powers and responsibilities. The Commission shall have the power and be responsible for carrying out the provisions of this chapter and the provisions of any ordinance regulating rents in apartment complexes. It shall have the authority to issue orders and promulgate policies, rules and regulations to effectuate the purposes of this chapter. It may make such studies and investigations, conduct such hearings, and obtain such information as it deems necessary to promulgate, administer and enforce any regulation, rule or order adopted pursuant to this chapter. The City Manager shall designate employees to furnish staff support to the Commission.

Every year the Commission may render to the City Council a written report of its activities pursuant to the provisions of this Chapter along with such comments and recommendations as it may choose to make. The Commission shall meet as often as necessary to perform its duties.

(d) Compliance with Brown Act. The meetings of the Commission shall be held within the city and open to the public. Such meetings shall be conducted in accordance with the items contained in a posted agenda and conducted in compliance with the state Brown Act.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.04. Restrictions on rents.

No landlord shall demand, accept or retain more than the maximum rent or the maximum adjusted rent for a mobile home rental space permitted pursuant to this chapter or to regulations or orders adopted pursuant to this chapter, nor shall any landlord effect a prohibited rent increase through the reduction of housing services.

All landlords shall maintain records setting forth the maximum adjusted rent, the maximum base rent and the current rent being charged for each rental space. This information shall be disclosed to the City upon the City's request. Each landlord who demands or accepts a rent higher than the maximum adjusted rent or demands or accepts a fee or surcharge shall inform the tenant or any prospective tenant of the rental space, in writing, of the factual justification for the fee, surcharge or difference between said maximum adjusted rent and the rent which the landlord is currently charging or proposes to charge.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.05. Automatic adjustments to rent and vacancy decontrol.

The maximum adjusted rent for any rental space may be increased without permission of the Rent Adjustment Commission as follows:

(a) Occupied rental spaces. For a rental space which at any time after August 1, 1980 has not had a rent increase for a period of twelve (12) consecutive months or more, the maximum adjusted rent may be increased in an amount determined by multiplying the Maximum Base Rent by the Index.

Notice of index. After review of pertinent information from the U.S. Bureau of Labor Statistics, the City Manager shall determine the Index from each year and notify each landlord by mail of his finding. Automatic adjustments effected September 1 through August 31 shall employ the Index immediately prior to that period.

(b) Vacancy decontrol/recontrol. If a rental space is vacated voluntarily or as a result of eviction for nonpayment of rent, the maximum adjusted rent may be increased to any amount upon the re-rental of the rental space. Thereafter, as long as the rental space continues to be rented to one or more of the same persons, no other rent increase shall be imposed except as provided in this chapter.

(c) Notice of increases. Notice of any increase in rent pursuant to this section shall be given in accordance with the Civil Code of the State of California. If an increase has been noticed but not effected prior to the effective date of the ordinance codified in this chapter, said notice shall be construed as a valid notice to increase rents in an amount not to exceed the increase permitted by this section.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.06. Administrative adjustments to rent.

(a) Capital improvements and rehabilitation. The City Manager or his designee, in accordance with such guidelines as the Commission may establish, shall have the authority to grant rent adjustments subject to the procedures set forth below for a rental space or spaces located in the same park upon receipt of an application for adjustment filed by the landlord of the rental space or spaces if he finds that one or more of the following grounds exist:

(1) That on or after January 1, 1982, the landlord has completed a capital improvement with respect to a rental space and has not increased the rent to reflect any of the cost of such improvement. If such a finding is made, the landlord shall be entitled to a monthly rent increase equivalent to the cost of the improvement divided by the number of months of the improvement's useful life, except that no increase shall be allowed when the improvement was discrete to the interior of a tenant's rental space and said improvement was not necessary to safeguard the landlord's property from deterioration or loss in value without the express written consent of the tenant to such an increase. The Commission shall provide, by resolution, for the categorization of the capital improvement into five (5), ten (10) and fifteen (15) year useful lives and shall, when necessary, decide which useful life category shall be applied to capital improvements which are not identified within the above-mentioned resolution. The City Manager or his designee shall be responsible, in the absence of the tenant's written consent, for determining whether or not an

<http://www.amlegal.com/nxt/gateway.dll/California/Thousand%20Oaks/title00049.htm/chapte...> 2/22/2005

improvement was necessary to safeguard the landlord's property from deterioration or loss in value. Nothing in this section shall be interpreted to preclude a landlord from making or performing a capital improvement.

(2) That on or after January 1, 1982, the landlord has completed rehabilitation work with respect to a rental space and has not increased the rent to reflect any of the cost of such work. If such a finding is made, the landlord shall be entitled to a monthly rent increase equivalent to the cost of the improvement divided by the number of months that the City Manager or his designee determines to be the appropriate amortization period for that rehabilitative work.

(b) Just and reasonable return.

(1) Commission adjustments. The Commission shall have the authority, in accordance with such guidelines as the Commission may establish, to grant increases in the rent for a rental space or spaces located in the same mobile home park, upon receipt of an application for adjustment filed by the landlord and after notice and hearing, if the Commission finds that such increase is in keeping with the purposes of this chapter and that the maximum rent or maximum adjusted rent otherwise permitted pursuant to this chapter does not constitute a just and reasonable rent on the rental space or spaces. The following are factors, among other relevant factors as the Commission may determine, which may be considered in determining whether a rental space yields a just and reasonable return:

(i) Property taxes;

(ii) Reasonable operating and maintenance expenses;

(iii) The extent of capital improvements made to the common area or spaces as distinguished from ordinary repair, replacement and maintenance;

(iv) Living space, and the level of housing services;

(v) Substantial deterioration of the rental spaces other than as a result of ordinary wear and tear; and

(vi) Failure to perform ordinary repair, replacement and maintenance; and

(vii) Financing costs on the property if such financing was obtained prior to April 1, 1980 and if it contains either a balloon payment or variable rate provision.

(2) Anti-speculation provision. If the only justification offered for the requested rent increase on the landlord's application is an assertion that the maximum rents or maximum adjusted rents permitted pursuant to this chapter do not allow the landlord a return sufficient to pay both the operating expenses and debt service on the rental space or spaces or on the mobile home park containing the rental space or spaces, a rent adjustment will not be permitted pursuant to this subsection to a landlord who acquired an interest in the rental space or spaces after January 1, 1980.

(c) Procedures.

(1) All applications for rent adjustment shall be submitted to the City Manager and shall include, among other things, the mailing addresses and space numbers of the space or spaces for which an adjustment is requested. Each application shall be accompanied by a filing fee of Twenty and no/100ths (\$20.00) Dollars plus Five and no/100ths (\$5.00) Dollars per space affected by the proposed increase. The City Manager shall determine whether an application is complete within thirty (30) days of submittal. The applicant shall produce at the request of the City Manager or Commission such records, receipts and reports as may be necessary to make a determination on the adjustment request. Failure to produce such requested items shall be sufficient basis for the termination of the rent adjustment proceedings. All applications for rent adjustment, together with all oral and written evidence presented in support thereof, shall be under oath or penalty of perjury.

(2) Within ten (10) days of the determination by the City Manager that the application is complete, the City Manager shall set a date for a hearing and determination. The City Manager shall notify the tenant or tenants of the subject space or spaces by mail of the receipt of such application, the amount of the requested increase, the landlord's justification for the request, and the place, date and time of the hearing on the adjustment request. The hearing shall be set no less than ten (10) days and no more than forty-five (45) days after the date of mailing such notice.

(3) The hearing shall be conducted in accordance with rules of procedure which the Commission may choose to adopt. In the event that the Commission does not adopt such rules of procedure, the hearing shall be conducted in general accordance with the City Council Manual of Procedure, Ordinance 488-NS. At the time of the hearing, the landlord and/or any affected tenants may offer such documents, testimony, written declarations or evidence as may be pertinent to the proceedings.

(4) A determination with written findings in support thereof shall be made within seventy-five (75) days from the determination that the application for rent adjustment was complete. The rent adjustment may be granted for less than, but not for more than, the amount requested.

(5) Copies of the findings and determination of the Commission shall be mailed by the City Manager to the applicant and all affected tenants.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.07. Evictions.

(a) A landlord may bring an action to recover possession of a rental space only upon one of the following grounds:

(1) The tenant has failed to pay the rent to which the landlord is entitled.

(2) The tenant has violated an obligation or covenant of the tenancy, other than the obligation to surrender possession upon proper notice, and has failed to cure such violation after having received written notice thereof from the landlord.

(3) The tenant is committing or permitting to exist a nuisance in or is causing damage to, the rental space or to the appurtenances thereof, or to the common areas of the park containing the rental space, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of other mobile homes in the park, and has failed to cure such violation after having received written notice thereof from the landlord.

(4) The tenant is using or permitting a rental space to be used for any illegal purpose.

(5) The tenant, who had a written lease or rental agreement which terminated on or after the effective date of this ordinance, has refused, after written request or demand by the landlord, to execute a written extension or renewal thereof for a further term of like duration with similar provisions and in such terms as are not inconsistent with or violative of any provisions of this chapter.

(6) The tenant has refused the landlord reasonable access to the space for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by the lease or by law, or for the purpose of showing the rental space to any prospective purchaser or mortgagee.

(7) The person in possession of the rental space at the end of a lease term is a subtenant not approved by the landlord.

(8) The landlord seeks in good faith to recover possession so as to demolish or perform other work necessitating the removal of the rental space from rental housing use, except that if the landlord seeks to recover possession for the purpose of converting the space into a stock cooperative, the landlord must have complied with the notice requirements of Government Code section 66427.1 and applicable City ordinances.

(9) The landlord seeks in good faith to recover possession in order to permanently remove the rental space from rental housing use.

(b) If the dominant intent of the landlord in seeking to recover possession of a rental space is retaliation against the tenant for exercising his/her rights under this chapter, and if the tenant is not in default as to the payment of rent, the landlord may not recover possession of a rental space in any action or proceeding or cause the tenant to quit involuntarily.

(c) Before a landlord can use tenant violation of a covenant or obligation of tenancy as grounds for eviction, the landlord must have provided the tenant with a written statement of the respective covenants and obligations of both the landlord and tenant prior to such alleged violation, and such statement must have set forth the particular covenant or obligation subsequently alleged to have been violated.

(d) In any action by a landlord to recover possession of a rental space, the tenant may raise, as an affirmative defense, any of the grounds set forth in Subsections (a), (b), and (c) of this section.

(e) In the event it should be determined that any provision of this section is in conflict with California law relative to landlord/tenant relationships, including eviction of tenants, then, and in that event, any rental space which becomes vacant following eviction for any reason other than nonpayment of rent, shall not be re-rented at a rent in excess of the maximum adjusted rent as defined herein.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.08. Remedies.

Any person who demands, accepts or retains any payment of rent in excess of the maximum rent or maximum adjusted rent in violation of the provisions of this chapter, or any regulations or orders promulgated hereunder shall be liable in a civil action to the person from whom such payment is demanded, accepted or retained for damages of three times the amount by which the payment or payments demanded, accepted or retained exceed the maximum rent or maximum adjusted rent which could be lawfully demanded, accepted or retained together with reasonable attorney's fees and costs as determined by the court, together with a civil penalty not to exceed the sum of Five Hundred and no/100ths (\$500.00) Dollars.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.09. Refusal of a tenant to pay.

A tenant may refuse to pay any rent in excess of the maximum rent or maximum adjusted rent permitted pursuant to this chapter or regulations or orders adopted hereunder. The fact that such rent is in excess of maximum rent or maximum adjusted rent shall be a defense in any action brought to recover possession of a rental space or to collect the illegal rent.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.10. Prior Ordinances.

(a) This chapter is derived from Ordinances 747-NS and 755-NS as amended by Ordinances 782-NS, 787-NS, 805-NS, 831-NS, 838-NS, 846-NS, 933-NS, 1040-NS, and 1216-NS. This chapter shall control to the extent a conflict exists between it and any former law to the contrary, however, the former ordinances shall provide a supporting basis for the findings and interpretations of this ordinance and shall be employed when necessary in determining the maximum rent, maximum adjusted rent and maximum base rent for a space.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.11. Appeals.

Any dispute, contention, or disagreement relative to interpretation, application or enforcement of this chapter or any provisions thereof, shall be submitted to the City Council for determination in accordance with the provisions of section 1-4.01 through section 1-4.05 of the Thousand Oaks Municipal Code, provided that all decisions of the City Manager shall first be appealable to and ruled on by the Commission.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Sec. 5-25.12. Registration.

(a) Purpose. The purpose of the registration requirement is to enable the City to monitor rents under this chapter and to provide for the assessment of fees to assist in the financing of the reasonable and necessary expenses of the implementation and administration of the mobile home rent stabilization program within the City of Thousand Oaks.

(b) Registration. On or before January 1 of each year, a landlord shall furnish to the City Manager, upon a form approved by the City Manager, information indicating the maximum base rent and maximum adjusted rent for each rental space in the

<http://www.amlegal.com/nxt/gateway.dll/California/Thousand%20Oaks/title00049.htm/chapte...> 2/22/2005

complex as of October 1 of that year. Such spaces shall be individually designated by their space number and mailing address. Additionally, the landlord shall indicate when the rent for each individual space was last increased pursuant to section 5-25.05.

(c) Registration fee. By January 1 of each year, the landlord shall submit to the City Manager, a registration fee in the amount of Ten and no/100ths (\$10.00) Dollars for each controlled rental space in the City of Thousand Oaks. A landlord who does not pay the registration fee by January 1 of any given year shall be assessed a late charge of Two and no/100ths (\$2.00) Dollars per month per space for which the registration fee is not paid. The City Council may from time to time adjust this fee by resolution. This section shall not apply to any space which will not receive an increase in rent pursuant to section 5-25.05(a) in any year for which the fee is due, provided that the landlord identify each space which will not receive such an increase by indicating "no increase" in the "Comments" section of the Registration Form (Section 5-25.12(b)), above.

(§ 2, Ord. 1254-NS, eff. January 23, 1996)

Disclaimer:

This Code of Ordinances and/or any other documents that appear on this site may not reflect the most current legislation adopted by the Municipality. American Legal Publishing Corporation provides these documents for informational purposes only. These documents should not be relied upon as the definitive authority for local legislation. Additionally, the formatting and pagination of the posted documents varies from the formatting and pagination of the official copy. The official printed copy of a Code of Ordinances should be consulted prior to any action being taken.

For further information regarding the official version of any of this Code of Ordinances or other documents posted on this site, please contact the Municipality directly or contact American Legal Publishing toll-free at 800-445-5588.

© 2003 American Legal Publishing Corporation
techsupport@amlegal.com
1.800.445.5588.

**Attachment 3:
Rent Adjustment Application
(See Book A, B, C)**

Attachment 4:
Public correspondence
received

9-20-10

Russ Watson
City of Thousand Oaks Housing Div.
2100 E Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Re: proposed rent increase

Dear Mr Watson,

I was not expecting such a large rent increase. When I moved here almost twenty years ago there was no mention of a reversal of the standards followed for annual increase. My husband passed away last year and I am trying to remain in my home, but it will be impossible if the increase as proposed passes.

Please help us remain in our wonderful neighborhood.
Thank you,

Joni Watson Agnew

Ms. Susan Allen
2669 Thunderbird Dr, Space # 101
Thousand Oak, CA. 91362

September 21, 2010

Mr. Russ Watson
Community Development Dept., Housing and Redevelopment Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA. 91362

Re: Notice of hearing by the Rent Adjustment Commission
regarding a request for rent increase at Thunderbird
Oaks mobile home park

Dear Mr. Watson:

I am a resident of Thunderbird Oaks mobile home park.

I do understand that mobile home parks have to generate enough income to be kept in good condition, and that park owners need to receive reasonable returns on their investments.

But the rent increase that has been proposed seems awfully steep. With the full increase, my own monthly space rent will go from \$373 to \$695, an 86% rise, all in one go. Gulp!

For some of us, taking \$3,800 extra a year out of our accounts is probably doable with little or no worry. But for others of us, including me, \$3,800 is a large chunk not to have anymore, even when it is spread out over a year. For myself, I would have to delay some upkeep

and repairs on my mobile home, not take one of two trips to visit family and friends, and skip some everyday enjoyments that make my life pleasant. I say this with certainty because this is what I have already done this last one year, starting in August, 2009.

When it considers the request from A.V.M.G.H., Ltd., I hope the Commission will take into account the blow to our standards of living and qualities of life a rent rise this large will cause.

Sincerely,

Susan Allen

9-6-2010

Codran Anderson
105 Navajo Way
Thousand Oaks, Ca. 91326

Quiss Watson
City of Th. Oaks Housing Division
2100 Th. Oaks Blvd.
Thousand Oaks, Ca. 91362
R.E. - rent raise of 80%.

This rent adjustment is totally ludicrous, unrealistic, unreasonable, harassment and abusive toward seniors. Any raise, other than annually, will cause undue hardship financially & emotionally.

This land was purchased in 1975 or 1976. The park opened to residents in the 1970s. Let's don't forget the owners taxes are calculated under proposition 13 and I believe the land value has increased.

If the intent is to force more seniors to lose their homes, or even go through foreclosure - this will be accomplished. More low income properties are needed - not less.

→ whereby request that my letter be included & attached to the staff report that will be presented on Oct. 5, 2010 (or the

appropriate date if for some reason
this meeting is postponed.

Cody Anderson

COMMUNITY DEVELOPMENT

2010 SEP - 9 AM 10:42

CITY OF THOUSAND OAKS

RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 09 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

Amy Albano
Th. Oaks City Attorney
2100 E. Th. Oaks Blvd
Thousand Oaks, Ca. 91362

RE - Rent adjustment of 80%

Cedra Anderson
105 Navajo Way
Thousand Oaks, Ca. 91362

This rent adjustment is totally ludicrous, unrealistic, unreasonable, harassment and abusive toward seniors. Any raise, other than annually, will cause undue hardship, financially & emotionally.

This land was purchased in 1975 or 1976. The park opened to residents in 1977. Let's don't forget the owners taxes are calculated under proposition 13 and I believe the land value has increased.

If the intent is to force more seniors to lose their homes or even go through foreclosure - this will be accomplished. More low income properties are needed - not less.

→ I hereby request that my letter be included & attached to the staff report that will be presented on Oct. 2, 2010 (or

the appropriate date if for some
reason this meeting is postponed.

Jody Anderson

Dear Mr. Watson,

I have not had a moment to sit down to write. I am giving every moment of my time trying to gather information to show the Commission how utterly outrageous this application is!! I am the Chair Person for Thunderbird Oaks - SOS (Save our Seniors)!

I lived in Orange County for 35 years and have visited the Thousand Oaks area often because my son and his family live here. When I was ready to retire, I went looking for a retirement area. I searched Orange County, Westlake Village, Ohio and Thousand Oaks! Thousand Oaks received my vote because of the city! I went looking for affordable housing since I am alone and on a fixed income. That brought me to Thunderbird Oaks. When I talked with a mobile home contractor and park management, they assured me that rents would not go up more than the designated $3/4\%$ of CPI and that the Hohn family had followed this in the

past. They also stated that the Hahn's had repeatedly assured them that they were dedicated to affordable rents for seniors. That was one year ago "2009". I found a lot in the park, bought an old home that was ready to be moved out and moved a brand new home onto that space. Needless to say, I used my nest egg of \$170,000.00.

With the economy being what it is right now, how can one person be this greedy?

Mr. Watson, I watched you on TV on September 18, 2010 discussing low income housing.... we are definitely low income housing.

Tell Mr Hahn, if he can get the government to raise my social security by \$322.52 he can have it. Otherwise I don't have \$322.52 laying around. to give him each month!

I know the Commission is made up of responsible, sensible people. They must know that many of the people in this park cannot pay this!!

Let's be realistic here and give the people in this park the answer they deserve "NO RENT INCREASE."

Marilyn Award
MARILYN Award
108 NAVAJO WAY

I request that my letter be included AND ATTACHED TO THE STAFF REPORT THAT WILL BE PRESENTED ON OCTOBER 5, 2010 (OR THE APPROPRIATE DATE IF FOR SOME REASON THIS MEETING IS POSTPONED).

September 20, 2010

Russ Watson
City of Thousand Oaks
Housing Division

Dear Mr. Watson,

My husband and I have been residents of Thunderbird Oaks since 1995. We moved into the community as my husband was nearing retirement age. I have been permanently disabled since 1986 due to breast cancer, so when we moved to Thunderbird Oaks we were pleased to have found affordable housing at a time when we needed it most. Also, we were thrilled that we were able to play in Thousand Oaks, our home since 1981.

In 1998 our monthly rent began to incur increases. These increases were nominal at about \$3 per month - \$12 per month. In a retirement community like ours the increases, while minor to most not on a fixed income were still difficult for many residents to pay. However, the proposed increase of \$322.52 per month represents almost an 87% increase. This astronomical amount will be much more than a hardship... it is likely an impossibility for most to pay. Our situation is no exception.

My husband, a United States Veteran, retired in 2005. Our income consists of Social Security and disability. We are, safe to say at our ages permanently on a fixed income. Our monthly income provides us enough money to pay the bare necessities; rent, insurance, gas, utilities, car, food, etc. - Our out-of-pocket medical alone is over \$150 per month. Our prescriptions cost us nearly \$110 per month out-of-pocket. After all these expenditures are paid there is very little left over at month's end.

If the rent is increased to the proposed amount we may be forced to move in with our adult son and his family. To raise our rent 80% is preposterous! It is downright cruel. Many of my friends and neighbors in Thunderbird Oaks will also be affected in the utmost financially devastating way. This would not be a hardship, it would be a travesty to potentially 161 homeowners.

I beg you to reconsider the increase and instead consider the residents you have provided affordable housing to, The Thunderbird

YOLANDA & NEIL BANDEMER 3

Oaks residents are: mothers, fathers, grandfathers, grandmothers, great grandparents, retired, disabled, ill, Convalescent, former teachers, soldiers, I urge you to consider those who stand to lose their homes, their dignity, their pride.

Sincerely,

*** Please include this letter to the Staff report that will be presented on October 5, 2010 (or the appropriate date if the meeting is postponed)

Amy Albano
Thunderbird Oaks City atty.

September 20, 2010

Dear Mrs. Albano,

My husband and I have been residents of Thunderbird Oaks since 1995. We moved into the community as my husband was nearing retirement age. I have been permanently disabled since 1986 due to Breast Cancer, so when we moved to Thunderbird Oaks we were pleased to have found affordable housing at a time when we needed it most. Also, we were thrilled that we were able to stay in Thousand Oaks, our home since 1981.

In 1998 our monthly rent began to incur increases. These increases were nominal at about \$3 per month - \$12 per month. In a retirement community like ours the increases were still difficult for many residents to pay even though they were still minor. Most of us are on fixed incomes. However, the proposed increase of \$322.52 per month represent almost an 87% increase. This astronomical amount will be much more than a hardship it is likely an impossibility for most to pay. Our situation is no exception.

My husband a United States veteran retired in 2005. Our income consist of Social Security and disability. We are safe to say ~~at~~ our ages permanently on a fixed income.

Our monthly income provides us enough money to pay the bare necessities, rent, insurance, gas, utilities, car, food, etc. - Our out-of-pocket medical alone is over \$150 per month. Our prescriptions cost us nearly \$110. per month out-of-pocket. After all these expenditures are paid there is very little left over at month's end.

If the rent is increased to the proposed amount we may be forced to move in with our adult son and his family. To raise our rent 87% is preposterous. It is downright cruel. Many of my friends and neighbors in Thunderbird Oaks will also be affected in the utmost financially devastating way. This would not be a hardship, it would be a tragedy to potentially 161 homeowners.

I beg you to reconsider the increase and instead consider the residents you have provided affordable housing to. The Thunderbird Oaks residents are: mothers, fathers, grandfathers, grandmothers, great grandparents, retired, disabled, ill, convalescent, former teachers, soldiers. I urge you to consider those who stand to lose their homes, dignity, their pride. Sincerely,

*** Please include this letter to the staff report that will be presented on October 5, 2010 (or the appropriate date if the meeting is postponed)

8th Aug 20, 2010

Dear Mr Watson,

I am writing regarding the enormous rent increase of 322.52 per month. This is outrageous. I live on a fixed income & ^{Am} ~~am~~ ^{almost} 80 years old, + have medium to buy also paying Blue Cross.

Please reconsider + have some compassion for all of us senior citizens that live here + most of them + us on fixed incomes.

Please Please help them to lower increase so we can all manage.

Thank you

Mary Banna

Space 72

Shandinbird mobile Home Park
TO, CA 91362

DIVOGA

Spot
May 20, 2010

Dear Ms Albano:

I'm writing to request
your help in lowering the
proposed rent increase of
\$322.52 a month its
out Region. We are all seniors
in the Thunderbird Mobile Home
Park and live on fixed incomes.
I have to pay Blue Cross for Doctors
+ Blue Cross for my prescription.
So its a tight + \$322.52 would be
out of range completely.

Please see what you can
do to lower this increase so we
can all manage it. I'm almost
80 yrs old. Thank you

Mary Barnes

Space 72

Thunderbird Oaks Mobile Park
T.O. CA 91362

DIVOGA

9/20/10

Dear Russ Watson,

Please include this letter and attach it to the Staff report that will be presented on Oct. 5, 2010 or the appropriate date if for some reason this meeting is postponed.

I am writing this letter to strongly protest the proposed rent increase. I have lived in this park for 23 years and this increase would be devastating to me. I can only assume that the person doing this does not live on a fixed income. I moved here so that I could have a comfortable living that I could afford. As the years have passed & I am older unfortunately it is harder & harder to make financial ends meet due to increase in food cost, utilities & the number of medicines I require to keep me healthy. Not only that, but should the

day come and I need to move into
an assisted living facility - the sale of
my home would be the only way I could
afford to do that. If this rent increase
goes through, who would be able to
afford to buy my home & pay the
rent. So this affects me 2 ways.
Please, please understand why this
is so very upsetting to me and
devastating to my life!

Dorothy Benis

Dear Amy Albano,

I am sending this letter to let you know how devastating this increase in rent would be to me. I am 86 years old & have lived in the park for 23 years. I could only afford to move out here by family because of this fabulous park & the rent control. Do you know what it is like to be on a fixed income? All of your costs seem to increase but your pay increase is very small. It is more difficult each year to stay afloat. With age I require more medicine & that cost is outrageous. The park is such a wonderful safe living place, ~~and~~ why do they want to take that away from us? I could not afford to stay here if that new increase is passed. I am very strongly protesting this proposed increase.

If the day should come and I have to

move to an assisted living facility,
I would need the money from the sale
of my home to be able to do that.

If this rent increase goes through,
who could afford to buy my home & pay
the rent? Then where do I go?

Please understand why this is very
very upsetting to me & devastating to
my life.

Please include this letter and attach it to
the staff report that will be presented on
Oct 5th 2010 (on the appropriate date if
for some reason this meeting is postponed)

Please think with your heart,

Dorothy Lewis

Love Your Planet, Do Your Part...

WetAndDryChemicals.com

Specializing in Green Cleaning Chemicals
Industrial • Agriculture • Janitorial • Household

9/21/10

My Abano,

You need to put a stop to the
Greed of the owners of Thunderbird
Onka Mobile Home Estates.

They, as you know are trying to
raise our rents VERY unfairly and
at a time when we received no increase
in social security. They are paying on
peeps that are on fixed income and
are already stretched to the max.
If you have any relative in our
position you would know what I am
talking about.

Robert B. B. B.
125 Bunt

P.S. this stationary is all that is left
of a business I was trying to start.
Bob

IN CALIFORNIA
805.777.0050



OUTSIDE CALIFORNIA
877.264.2436

wetanddrychemicals@gmail.com • www.wetanddrychemicals.com

CTO 01752

September 11, 2010

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

I rent space in the Thunderbird Oaks Mobile Home Park and have lived here for 32 years. At the time I rented this space, I contacted the Park management and we came to an agreement on the terms of my tenancy and a reasonable rent for the space I now occupy.

I have reviewed the current application filed by A.V.M.G.H. Ltd. c/o Andrew Hohn, for the parks rent adjustment, dated August 6, 2010 and believe that \$ 322.52 per month rent is not a reasonable adjustment. I also believe that the justification for this requested increase is fallacious based on the Landlords Justification.

I am requesting that the City of Thousand Oaks reject this unreasonable rent adjustment application and cancel the hearing, dated October 5, 2010 on this subject.

Please enter this letter into the city record.

Sincerely,



Herb Berger
140 Navajo Way
Thousand Oaks, CA 91362

cc:

City Council
City Attorney

CITY OF THOUSAND OAKS
2010 SEP 13 PM 12: 21
COMMUNITY DEVELOPMENT

September 11, 2010

Amy Albano
City Attorney
City of Thousand Oaks
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

I rent space in the Thunderbird Oaks Mobile Home Park and have lived here for 32 years. At the time I rented this space, I contacted the Park management and we came to an agreement on the terms of my tenancy and a reasonable rent for the space I now occupy.

I have reviewed the current application filed by A.V.M.G.H. Ltd. c/o Andrew Hohn, for the parks rent adjustment, dated August 6, 2010 and believe that \$ 322.52 per month rent is not a reasonable adjustment. I also believe that the justification for this requested increase is fallacious based on the Landlords Justification.

I am requesting that the City of Thousand Oaks reject this unreasonable rent adjustment application and cancel the hearing, dated October 5, 2010 on this subject.

Please enter this letter into the city record.

Sincerely,


Herb Berger
140 Navajo Way
Thousand Oaks, CA 91362

cc:

City Council
City Attorney

RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 13 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170



CITY OF THOUSAND OAKS
2010 SEP 13 PM 12:21
COMMUNITY DEVELOPMENT

Dear Mr. Watson:

My name is Carleen Binkley. I am 86 years old.

I have lived in Thunderbird Oaks Mobile Home Park for 43 years.

I am very concerned about our owner wanting to raise our rent by such a large amount.

Please help us out to not allow this to happen.

Please have this information entered in your staff report for the Oct. 5th meeting.

Thank you very much.



Dear Ms. Albano:

My name is Carleen Binkley, I am
86 years old.

I have lived in Thunderbird Oaks
Mobile Home Park for 43 years

I am very concerned about our
owner wanting to raise our rent
by such a large amount.

Please help us out by not allowing
this to happen.

Please have this information
entered in your staff report for
the Oct. 5th meeting

Thank you very much

Love Your Planet, Do Your Part...

WetAndDryChemicals.com

Specializing in Green Cleaning Chemicals
Industrial • Agriculture • Janitorial • Household

CITY OF THOUSAND OAKS
2010 SEP 27 AM 9:00
COMMUNITY DEVELOPMENT

9/21/10

Kass Watson,
I moved to Thousand Oaks from
Sherman Oaks to find a safer place to
live. I am going to be 74 in several
months. I do not have the funds
to move and my house is now "upside
down."

The greed of the owners in raising
the rent is beyond anything I have
seen before. If this goes through
I would probably be on the street.
You can not let this happen.

Robert Brinkley
125 Buell

This co stationary TO, Ca 91362
is all that is left from a business
I was trying to start.

RS

IN CALIFORNIA
805.777.0050



OUTSIDE CALIFORNIA
877.264.2436

CTO 01757

wetanddrychemicals@gmail.com • www.wetanddrychemicals.com

Love Your Planet, Do Your Part...

WetAndDryChemicals.com

Specializing in Green Cleaning Chemicals
Industrial • Agriculture • Janitorial • Household

9/21/10

My Abano,
you need to put a stop to the
Greed of the owners of Thunderbird
Onka Mobile Home Estates.

They, as you know are trying to
raise our rents VERY unfairly and
at a time when we received no money
in social security. They are paying on
people that are on fixed income and
are already stretched to the max.
If you have any relative in our
position you would know what I'm
talking about.

Robert [Signature]
125 [Signature]

P.S. this stationary is all that is left
of a business I was trying to start
[Signature]

IN CALIFORNIA
805.777.0050



OUTSIDE CALIFORNIA
877.264.2436

September 16, 2010

To: Russ Watson, City of Thousand Oaks Housing Division

Regarding: Proposal submitted to the Thousand Oaks Rent Adjustment Commission for a rent increase at the Thunderbird Oaks Mobile Home Park.

When: Hearing to be held October 5, 2010, 6:00 PM at the City Council Chambers of the Thousand Oaks City Hall.

Dear Mr. Watson:

We are writing this letter to express our profound opposition to the proposed \$322.52 monthly increase on each of the 161 resident spaces at Thunderbird Oaks Mobile Home Park.

It is difficult to believe that such a large single increase in rent can be justified as a "just and reasonable return" as the applicants are stating. This increase is a catastrophic financial hit to the retirees of the park, most of whom are on a fixed income with small, or non-existent cost of living increases.

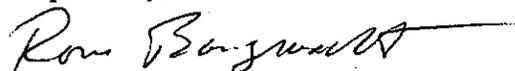
For my wife and I, who are on a fixed income, this represents a huge 62% increase in monthly space rent. For some others in the park, this increase will approximate a 100% increase.

We simply cannot afford this large single increase.

We urge the commission and city attorney to thoroughly review the justifications for the applicants large increase request.

We ask you to please consider the extreme difficulty or inability for the residents to absorb such an increase without losing their home, and not being able to afford another.

Respectfully,



Ronald and Jeanette Borgwardt
2485 Thunderbird Drive, Space 148
Thousand Oaks, CA 91362

P.S. We am requesting that this letter be included in and attached to the staff report that will be presented on October 5, 2010 , or whenever this hearing is held.

September 13, 2010

To: Amy Albano, Thousand Oaks City Attorney

Regarding: Proposal submitted to the Thousand Oaks Rent Adjustment Commission for a rent increase at the Thunderbird Oaks Mobile Home Park.

When: Hearing to be held October 5, 2010, 6:00 PM at the City Council Chambers of the Thousand Oaks City Hall.

Dear Ms. Albano:

We are writing this letter to express our profound opposition to the proposed \$322.52 monthly increase on each of the 161 resident spaces at Thunderbird Oaks Mobile Home Park.

It is difficult to believe that such a large single increase in rent can be justified as a "just and reasonable return" as the applicants are stating. This increase is a catastrophic financial hit to the retirees of the park, most of whom are on a fixed income with small, or non-existent cost of living increases.

For my wife and I, who are on a fixed income, this represents a huge 62% increase in monthly space rent. For some others in the park, this increase will approximate a 100% increase.

We simply cannot afford this large single increase.

We urge the commission and city attorney to thoroughly review the justifications for the applicants large increase request.

We ask you to please consider the extreme difficulty or inability for the residents to absorb such an increase without losing their home, and not being able to afford another.

Respectfully,


Ronald and Jeanette Borgwardt
2485 Thunderbird Drive, Space 148
Thousand Oaks, CA 91362

P.S. We am requesting that this letter be included in and attached to the staff report that will be presented on October 5, 2010, or whenever this hearing is held.

Sept 20, 2010

Dear Mr. Watson,

My name is Virginia Boyert and I am a homeowner in the Thunderbird Mobile Home Park for Seniors in T.O.S. I am sure you are already well aware of the worries of residents here that are connected to the Park owners' request for an increase for every home owner's rent by \$322.00 per month.

My choice to move here was based solely on what I could afford each month, and what my financial responsibilities would be in the future. I used my money to buy an older mobile home because I could not afford anything else. There are 160+ spaces here. We all pay for our own electric, gas, trash and sewer. All home improvements inside and out is paid for by the home owner, not the Park.

Security for me living here was knowing that rent increase each year was based on rent control. Rent control is meant to protect us from unscrupulous land lords hiking up rents unreasonably.

After 25 years, the Park owner feels he needs to by pass the rent control system so he can make "just and reasonable profit." He has the same situation today as he had 25 years ago. as far as having the same amount of spaces he receives rent for. Each year he receives a rent increase from each unit based on the rent control system. He gets more rent on lots that have new homes on them, after the older home was removed.

We are living in treacherous economic times. Many people have no profit at all, not even a job. People

are taking pay cuts to survive! We senior citizens live on a fixed income and we have to worry all the time that more government cut backs are going to eliminate more benefits that we may have that help us get by.

Too bad that so many prey on the elderly for financial gain. Many of us help the very elderly here with yard work, taking them to doctor appointments, giving them food and checking up on them regularly. So many people here have out lived their loved ones or do not have family. Many are certainly considered poverty stricken. We were young once, we could work and make a living back then. I wonder why the elderly have to struggle so badly. Everyone will be where we are someday. Hopefully, they will have the money to not have to be a victim of landlords that decide it is time to make profit from their loss in an economically crippled world.

Please help support our efforts to keep this increase from happening. We are powerless unless those that can speak for us do so. May I request this letter be included and attached to the staff report that will be presented on October 5, 2010 (or the appropriate date if for some reason this meeting is postponed).

Thank you,

Virginia Boyat
119 Comanche Ave # 74
T.O. Ca 91362

Sept 20, 2010

Dear Ms Albano,

My name is Virginia Boyett and I am a homeowner in the Thunderbird Mobile Home Park for Seniors in T.O.S. I am sure you are already well aware of the worries of residents here that are connected to the Park owner's request for an increase for every home owner's rent by \$322.00 per month.

My choice to move here was based solely on what I could afford each month, and what my financial responsibilities would be in the future. I used my money to buy an older mobile home because I could not afford anything else. There are 160+ spaces here. We all pay for our own electric, gas, trash and sewer. All home improvements inside and out is paid for by the home owner, not the park.

Security for me living here was knowing that rent increase each year was based on rent control. Rent control meant to protect us from unscrupulous land lords hiking up rents unreasonably.

After 25 years, the park owner feels he needs to by pass the rent control system so he can make "just and reasonable profit." He has the same situation today as he had 25 years ago. as far as having the same amount of spaces he receives rent for. Each year he receives a rent increase from each unit based on the rent control system. He gets more rent on lots that have new homes on them, after the older home was removed.

We are living in treacherous economic times. Many people have no profit at all, not even a job. People

are taking pay cuts to survive! We senior citizens live on a fixed income and we have to worry all the time that more government cut backs are going to eliminate more benefits that we may have that help us get by.

Too bad that so many prey on the elderly for financial gain. Many of us help the very elderly here with yard work, taking them to doctor appointments, giving them food and checking up on them regularly. So many people here have out lived their loved ones or do not have family. Many are certainly considered poverty stricken. We were young once, we could work and make a living back then. I wonder why the elderly have to struggle so badly. Everyone will be where we are someday. Hopefully, they will have the money to not have to be a victim of landlords that decide it is time to make profit from their loss in an economically crippled world.

Please help support our efforts to keep this increase from happening. We are powerless unless those that can speak for us do so. May I request this letter be included and attached to the staff report that will be presented on October 5, 2010 (or the appropriate date if for some reason this meeting is postponed).

Thank you,

Virginia Boyat

119 Comanche Ave # 74

T.O. Ca 91362

23 SEPTEMBER, 2010
MR. RUSS WATSON
CITY OF THOUSAND OAKS HOUSING DIVISION
2100 E. THOUSAND OAKS BLVD.
THOUSAND OAKS, CA. 91362

DEAR MR. WATSON,

AS A RESIDENT OF "THUNDERBIRD OAK MOBILE HOME PARK", I AM WRITING YOU IN PROTEST, TO THE PROPOSED \$322.52 PER MONTH RENT INCREASE.

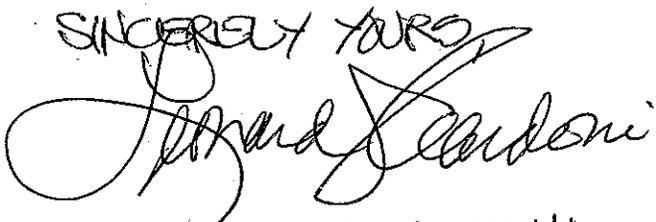
PLEASE INCLUDE MY LETTER AND ATTACH IT TO THE STAFF REPORT, THAT WILL BE PRESENTED ON THE OCTOBER 5, 2010 HEARING, OR THE APPROPRIATE DATE, IF FOR SOME REASON THIS MEETING IS POSTPONED.

THIS PROPOSED RENT INCREASE, IS A SEVERE STRAIN ON MY LIMITED, REDUCED INCOME. WITH INCREASES IN THE COSTS OF FOOD, GASOLINE, ETC. AND ESPECIALLY "HEALTH CARE" INSURANCE,.... THIS UNREALISTIC RENT INCREASE, WILL COMPLETELY, .. BREAK ME! THERE ARE NO OPTIONS, FOR RELOCATION. THE RENT FOR A 1-BEDROOM APARTMENT WOULD EVEN BE MORE COSTLY, FOR A SMALLER LIVING SPACE, WITH NO STORAGE SPACE, NOISY CHILDREN AND LACK OF DIGNITY!

THIS PROPOSED RENT INCREASE, IS UNFAIR AND NOT REALISTIC AND SHOULD NOT BE ALLOWED. I AM ASKING THE CITY OF THOUSAND OAKS TO PLEASE INTERVENE AND HELP ME AND MY NEIGHBORS TO NOT ALLOW THIS RENT INCREASE.

THANK YOU FOR YOUR CONSIDERATION IN THIS MATTER.

SINCERELY YOURS,



LEONARD J. CARDONI
RESIDENT

118 PIUTE AVE., SPACE #87
THOUSAND OAKS, CA. 91362

23 SEPTEMBER, 2010

MS. AMY ALBANO
THOUSAND OAKS CITY ATTORNEY
2100 E. THOUSAND OAKS BLVD.
THOUSAND OAKS, CA. 91302

DEAR MS. ALBANO,

AS A RESIDENT OF "THUNDERBIRD OAK MOBILE HOME PARK", I AM WRITING YOU IN PROTEST, TO THE PROPOSED \$322.52 PER MONTH RENT INCREASE.

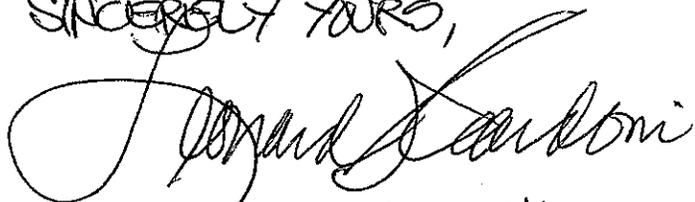
PLEASE INCLUDE MY LETTER and ATTACH IT TO THE STAFF REPORT, THAT WILL BE PRESENTED ON THE OCTOBER 5, 2010 HEARING, OR THE APPROPRIATE DATE, IF FOR SOME REASON THIS MEETING IS POSTPONED.

THIS PROPOSED RENT INCREASE, IS A SEVERE STRAIN ON MY LIMITED, REDUCED INCOME. WITH INCREASES IN THE COSTS OF FOOD, GASOLINE, ETC. and ESPECIALLY "HEALTH CARE" INSURANCE..... THIS UNREALISTIC RENT INCREASE, WILL COMPLETELY... BREAK ME! THERE ARE NO OPTIONS, FOR RELOCATION. THE RENT FOR A 1-BEDROOM APARTMENT WOULD EVEN BE MORE COSTLY, FOR A SMALLER LIVING SPACE, WITH NO STORAGE SPACE, NOISY CHILDREN and LACK OF DIGNITY!

THIS PROPOSED RENT INCREASE, IS UNFAIR and NOT REALISTIC and SHOULD NOT BE ALLOWED. I AM ASKING THE CITY OF THOUSAND OAKS TO PLEASE INTERVENE and HELP ME and MY NEIGHBORS TO NOT ALLOW THIS RENT INCREASE.

THANK YOU FOR YOUR CONSIDERATION IN THIS MATTER.

SINCERELY YOURS,



LEONARD J. CARDONI
RESIDENT

118 PIUTE AVE., SPACE #87
THOUSAND OAKS, CA. 91302

Sept 19, 2010

Dear Mr Watson,

I have lived in Thousand Oaks since 1959. My husband and I raised our three children here and feel most fortunate to have enjoyed our wonderful Conejo Valley. My husband passed away March, 2010 and I sold my home and told our children that I was staying in Thousand Oaks!

I purchased a beautiful mobile home in Thunderbird Oaks Mobile Home in June 2010. Then out of the blue I get a notice that the owners want to increase our rent a ridiculous amount. This is totally unacceptible as everyone here is on a fixed income as I am. We can't let this happen!

I have much faith in our city leaders and knew they will do everything in their power to help us stay in our homes.

Please include this letter in the staff report of Oct 5, 2010 meeting.

Thank you,

Tommye Cochran

141 Navajo Way

Thousand Oaks, Ca 91362

Sept 19, 2010

Dear Mrs. Albano,

I am a new resident at Thunderbird Oaks Mobile Home Park. Escrow closed on the Mobile Home on June 16, 2010, however my house had not sold so I gradually moved to the Mobile Home. My house finally sold and I became a resident on Sept 6, 2010.

Like everyone else here I am on a fixed income and the ^{proposed} increase was unknown to me until I received the notice from the park owners. This is a ridiculous amount to ask for!

I have faith in our City leaders that they will do everything in their power to keep this increase from being a burden on the folks in our park.

I have lived in Thousand Oaks for 51 years, my husband and I raised our three children here and have been blessed to enjoy beautiful Conejo Valley.

Please include this with the Staff Report for Oct 5, 2010 meeting.

Thank you -
Tomnie Cochrane
141 Navajo Way
Thousand Oaks Ca 91382

September 15, 2010
Wednesday

Dear Russ Watson,

I've lived in this area since 1958. Have seen many changes - some very good - and some not so good.

Moved into Thunderbird Oaks Mobil Park November 1996. I live on a fixed income of \$840.⁰⁰ a month - if my rent gets raised \$322.52 more a month - what will happen to me? If I can't pay the extra amount?

I worked three (3) jobs - for five (5) years - to pay off my mobil home. Now, I'm unable to work - because of knee, retina, and cancer surgery. I worked till I was 70.

I've gone the last two summers without air-conditioning, because I cannot afford to pay \$3,000.⁰⁰ to have it fixed or replaced.

I'm requesting that my letter be included and attached to the staff report that will be presented on October 5, 2010 - (or the appropriate date if for some reason this meeting is postponed).

Thank you - for taking the time to read my letter.

Thank You Again,
Shilma (Shil's) Conner



September 15, 2010
Wednesday

Dear Amy Albano,

I've lived in this area since 1958. Have seen many changes - some very good - and some not so good.

Moved into Thunderbird Oaks Mobil Park November 1996; I live on a fixed income of \$840.⁰⁰ a month - if my rent gets raised \$322.⁵² more a month - what will happen to me? If I can't pay the extra amount?

I worked three (3) jobs - for five (5) years - to pay off my mobil home. Now, I'm unable to work - because of knee, retina, and cancer surgery. I worked till I was 70.

I've gone the last two summers without air-conditioning, because I cannot afford to pay \$3,000.⁰⁰ to have it fixed or replaced.

I'm requesting that my letter be included and attached to the staff report that will be presented on Oct. 5, 2010 - (or the appropriate date if for some reason this meeting is postponed).

Thank you - for taking the time to read my letter.

Thank You Again,
Hilma (Skillie) Conner



Sept. 19, 2010

To whom it may concern:

I am writing this letter in regards to the proposed rent increase of \$332.52 a month, to the residents of Thunderbird Oaks Mobile Home Park.

There are a number of residents in the park that really cannot afford such a rent increase.

Those on fixed incomes Social Security and Retirement income. As everyone knows Social Security has not been increased, also, some pensions have not been increased.

Some of these residents have lived in this park for many

years. Have always paid their
rent on time, and have taken
pride in keeping their places
up.

This could also be very difficult
during Winters & Summers, when
heating and air condition is needed.
This, of course being an extra
expense.

This is most unfair, and
definitely a hard ship
on these residents.

my self included

Joan Craig
2408 Orapaho Way
Space 10

September 13, 2010

Ms. Janet Day
2646 Thunderbird Drive
Thousand Oaks CA 91362

Mr. Russ Watson
City of Thousand Oaks Housing division
2100 E. Thousand Oaks Blvd.
Thousand Oaks CA 91362

Dear Mr. Watson:

I am appealing to you in your capacity to reconsider the rent increase at Thunderbird Oaks and The Ranch mobile home parks. At a time when seniors are facing losses on their investments, how can the park owners justify increased profits. Are these owners going to cut their food and medical care if they don't get more rents. That is exactly what will happen to many seniors in these parks.

I lived in Thunderbird park with my husband for 10 years, then moved to the Ranch park (same owners) for 5 years. I moved back to Thunderbird Oaks park in July because I got a mobile home which needed a lot of repair at a low price so I knew I could do the repairs. One week after I moved in I received the letter notifying me of this rent increase. This rent increase will make it impossible for me to fix my leaking roof and water damaged patio room with possible mold issues. When I applied to move into this park the management company required me to fill out an application supposedly to be certain that my debt ratio and income level were adequate to live here. How could Suburban Management approve my purchase knowing they were going to raise my rent to a level which would require me to make unhealthy choices and/or require me to seek government help to survive.

During the 15 years I have lived in Mr. Hohn's parks I have always been told that "Mr. Hohn cares about seniors." I have always seen that demonstrated by park practices, until Suburban Property Management came on board. The whole attitude of the parks changed when this company became involved. Residents have felt harrassed, controlled, and micro-managed. I never heard the level of grumbling and stressing that has been common since Ms. Gretchen Carter began visiting our parks. I suspect that her fees and travel back and forth might be cutting into the profits of the parks. Why not consider local management?

Please read my letter into the minutes of the October 5 meeting concerning this rent increase.
Thank you for your consideration.

Yours truly,



Janet E Day

September 13, 2010

Ms. Janet Day
2646 Thunderbird Drive
Thousand Oaks CA 91362

Ms. Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks CA 91362

Dear Ms. Albano:

I am appealing to you in your capacity to reconsider the rent increase at Thunderbird Oaks and The Ranch mobile home parks. At a time when seniors are facing losses on their investments, how can the park owners justify increased profits. Are these owners going to cut their food and medical care if they don't get more rents. That is exactly what will happen to many seniors in these parks.

I lived in Thunderbird park with my husband for 10 years, then moved to the Ranch park (same owners) for 5 years. I moved back to Thunderbird Oaks park in July because I got a mobile home which needed a lot of repair at a low price so I knew I could do the repairs. One week after I moved in I received the letter notifying me of this rent increase. This rent increase will make it impossible for me to fix my leaking roof and water damaged patio room with possible mold issues. When I applied to move into this park the management company required me to fill out an application supposedly to be certain that my debt ratio and income level were adequate to live here. How could Suburban Management approve my purchase knowing they were going to raise my rent to a level which would require me to make unhealthy choices and/or require me to seek government help to survive.

During the 15 years I have lived in Mr. Hohn's parks I have always been told that "Mr. Hohn cares about seniors." I have always seen that demonstrated by park practices, until Suburban Property Management came on board. The whole attitude of the parks changed when this company became involved. Residents have felt harrassed, controlled, and micro-managed. I never heard the level of grumbling and stressing that has been common since Ms. Gretchen Carter began visiting our parks. I suspect that her fees and travel back and forth might be cutting into the profits of the parks. Why not consider local management?

Please read my letter into the minutes of the October 5 meeting concerning this rent increase.
Thank you for your consideration.

Yours truly,



Janet E Day

9/20/10

CITY OF THOUSAND OAKS
HOUSING DIVISION

ATTN: RUSS WATSON

AFTER MY HUSBAND OF 59 YEARS PASSED AWAY IN 1991, I
CHOSE TO MOVE TO THUNDERBOLT OAKS IN 1991.

MY INCOME IS:

SOCIAL SECURITY

1520.00

SMALL ANNUITY

426.00

1926.00

MONTHLY

EXPENSES:

SPACE RENTAL

500.00

TELEPHONE

49.00

TIPS

70.00

CAR INS + GAS.

85.00

HOUSE INSURANCE

50.00

HOUSE + GARDEN MAINT

70.00

HEALTH INSURANCE

89.00

DENTAL + MEDICINES

60.00

NEWSPAPER

25.00

FOOD + MISC.

250.00

1246.00

Balance

680.00

(cont'd)

9/20/10

PAGE 2

OF COURSE - ONE CALL TO A NUMBER OR
A PRIOR HEALTH ILLNESS - OR A LAKE RENT
INCREASE WOULD WIPE OFF THE BALANCE!

AND I HAVE - 4 - DAUGHTERS, 9 GRANDCHILDREN AND
11 GREAT GRAND KIDS - WHO NEED BIRTHDAYS, ANNIVERSARY
& XMAS!

Im' (91) - help me keep my independence!

Sincerely

Alan Dayton

2432 Lerapaks Spc 12

Hunderbuck Oaks

805 497 2413

(PLEASE PUT IN YOUR FILES)

THOUSAND OAKS CITY ATTORNEY

AMY ALBAND

AFTER MY HUSBAND OF 59 YEARS PASSED AWAY IN 1997,
I CHOSE TO MOVE TO THUNDERBOLT OAKS IN 1998.

MY INCOME IS:

Social SECURITY	6520.00
SMALL ANNUITY	426.00
	<hr/>
	6946.00
	(monthly)

EXPENSES:

SPACE RENTED	500.00
TELEPHONE	49.00
T.V.	20.00
CAR INSURANCE	85.00
HOUSE INSURANCE	50.00
HOUSE + GARDEN MAINT	70.00
HEALTH INSURANCE	87.00
DENTAL + MEDICINES	60.00
NEWSPAPER	25.00
FOOD + MISC.	25.00
	<hr/>
	1246.00
Balance	680.00

(CONT'D)

8/20/60
Page 2

Of course - ONE call to a plumber OR
A MAJOR HEALTH ILLNESS - OR A LEASE RENT
INCREASE WOULD WIPE OFF THE BALANCE!

And I have 4 daughters, 9 granddaughters and
11 great grand kids - who need BIRTHDAYS
ANNIVERSARIES + XMAS!

I'm (91) - Help me keep my independence!

Sincerely

Alan Dayton

1422 Grapahs Spc 12

Sturdevant Club

805 499-1413

(Please put in your file)



2/27/10

City of T.O. Housing
ATTN: Russ Watson

I RECENTLY SENT YOU A LETTER
IN REFERENCE TO THUNDERBIRD CASES.

I MISS QUOTED SOME DATES:
MY HUSBAND DIED SEPT 1997 AND
I MOVED TO THUNDERBIRD DEC. 2001.

PLEASE CORRECT THESE DATES.

Thank you!

Sharon Dayton
2432 Grapoko Spc 12
805 497 1413





2/21/10

Amy ALBANO
T.S. ATTORNEY

I RECENTLY SENT YOU A LETTER
IN REFERENCE TO THUNDERBOLT OATS.

I MISS QUOTED SOME DATES:

MY HUSBAND DIED SEPT 1999 AND
I MOVED TO THUNDERBOLT DEC 2001.

PLEASE CORRECT THESE DATES.

Thank you!

Aileen Dayton
2432 Acropolis Spc 12
805 497 1413



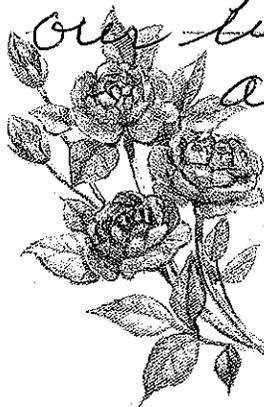
Amy Albano - City Attorney
Sept 16 - 10

This is in regards to The
Proposed Rent Increase.

I have been living in
the Thousand Oaks Mobile
home for 32 Happy years
until now. I am a Senator

91 years old. It would be
an awful hardship on me
to have such a jump in
my Monthly Rent. It would
mean paying Rent or leaving.

We are all senior here.
living on the last years of
our live. Which should be
are happy years.



Dorothy Hron
124 Apache Cir
100000, Calif 91362
Put this letter in the
Records

Sept 20, 2010

Dear Mr. Watson:

I was shocked and dismayed when I got the notice of the proposed rent increase.

It would be a terrible hardship on me and I really cannot afford it.

When you get to be my age there are more doctor bills and medication necessary. I will turn

80 this year and live completely on my social security check.

Please help us

Thank you,

Ruth Deel

111 Comanche

Thousand Oaks 91362

11
Sept 20, 2010

Re: Rent Increase
Thunderbird Oaks

Dear Ms Albans:

I am really worried and
scared about the proposed
rent increase.

I live on my social security
alone I have no other
income.

I used my savings to
buy the mobile home
and thinking I could afford
the rent. I pay Mr Bills & medicine
Bills

I am 80 years old
and I am very worried
about this.

Please help

Reith Deel
111 Comanches
Thousand Oaks

Teresa DiTullio
2341 Arapaho Ave.
Thousand Oaks, CA 91362

September 22, 2010

Mr. Russ Watson
City of Thousand Oaks Housing Department
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Subject: Rental Application for Thunderbird Oaks MHP

Dear Mr. Watson,

The owner of the Thunderbird Oaks Mobile Home Park has made an application to the City for an 82% rental increase for its tenants.

Since Mr. Hohn wants such a very large increase on his investment, he's doing it at the expense of all the residents in the park, most of who live only on their Social Security checks. They then would have to become homeless people.

I think the residents of this park take very good care of the property they are renting, and I think it should be on the owner's conscience to realize what he is doing to these people.

I realize the owner deserves a rent increase, but to almost double his income is unfair to most tenants. I too am helped by my Social Security check, and don't mind a little more rent, but such a large rent increase is too high also for me.

I hope the City Council will be more caring for the citizens of Thousand Oaks, and not be tempted so much for their own pocket books.

I request this letter be included and attached to the Staff Report that will be presented on October 5th, or on the next appropriate date.

Most sincerely,



Teresa DiTullio
2341 Arapaho Ave.
Thousand Oaks, CA 91362

September 22, 2010

Ms. Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Subject: Rental Application for Thunderbird Oaks MHP.

Dear Ms. Albano,

The owner of the Thunderbird Oaks Mobile Home Park has made an application to the City for an 82% rental increase for its tenants.

Since Mr Hohn wants such a very large increase on his investment, he's doing it at the expense of all the residents in the park, most of who live only on their Social Security checks. They then would have to become homeless people.

I think the residents of this park take very good care of the property they are renting, and I think it should be on the owner's conscience to realize what he is doing to these people.

I realize the owner deserves a rent increase, but to almost double his income is unfair to most tenants. I too am helped by my Social Security check, and don't mind paying a little more rent, but such a large rent increase is too high also for me.

I hope the City Council will be more caring for the citizens of Thousand Oaks, and not be tempted so much for their own pocket books.

I request this letter be included and attached to the Staff Report that will be presented on October 5th, or on the next appropriate date.

Most sincerely,

Teresa DiTullio

Patty Dosa
164 NAVAJO Way #35
Thousand Oaks, Ca
91362

9/4/10

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd
Thousand Oaks, Ca 91362

Re: Thousand Oaks M.H.P.

Dear Mr. Watson:

I've decided to start my letter to you with my ending statements first since you will be getting lots of letters & probably won't read most of them. So here it goes:

Picture this 161 or more citizens (seniors) of Thousand Oaks, walking away from their homes, joining others that are homeless, picture you & your family someday being in our place. Can you live with that or have a good night sleep?

Here it goes the reason I'm writing this letter if you choose to read more.

2) My personal life has been rough. Car ins
for hood ones, hose hood ones & everyday. its
a struggle to continue & hope this day will be
a "good day" a day that I don't walk away
from my bank. After paying my rent, bills &
maybe 10 or nothing left to my name, the
1st, 2nd, or last week of the month. Prayers
something doesn't break in my house, car will not
need my repairs & so on

Well the week of Aug. 16, 2010. I received more
bad news. Putting a sinking feeling in my heart &
stomach. I received a letter from the City of T.O.
telling me that ^{from the week ending} ^{M.H.P.} ~~hand~~ has applied for
increase of our monthly rent by \$322.50. I'm

not going to write down how ridiculous the so
is they want to increase four their return

The owner of this park is a kind man, who
wanted to help senior citizens by only increasing
our rent 4% a year. That's why I purchased a
home in this park. Now someone other than the
owner to be greedy, mean & uncaring & only
wanting to "hide his pockets" with money.

I get \$826.00 from disability, \$39.00. SSI
a month. My sister is part owner but has her
own car. She has to help me. My niece has 3
children. Hardly any money, so my sister & I,
mostly my sister buy them clothes, school
supplies, etc. I have to go to Mamma for
food - 1/2 of that I give to my niece. I
eat only 1 or 2 meals a day because I love
my family. If rent increases. I will have to

31

have to walk away from my Home,
join the Homeless. I won't even have
enough to rent a room. My sistee
has no room for me that's the
only family I have.

So please don't accept this
application. Please veto it. Remember
this could happen to you, your loved
ones (your parents) so think of
that when you go to sleep to
night

Thank you for reading
my letter.

Patty Wusa @
Thunderbird ^{01/15} Mobile
Park

164 Nevada Way #35
T-O Ca 91362

9/4/10

Patty Dosa
164 Navajo Way

Thousand Oaks RECEIVED
City Attorney's Office
City of Thousand Oaks
Ca 91362

SEP 08 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

Amy Alband

T.O. City Attorney
2100 E. T.O. Blvd
T.O. Ca 91362

Re: Rent Increase @ Thousand Oaks
Mobile Home Park

Dear Ms. Alband:

Picture this: 161 Senior Citizens or
More, Walking away from their homes
~~and~~ joining other Homeless Citizens
in Thousand Oaks. How would you
feel if this was you, your parents or
other loved ones. This is why I am
writing you a letter & hope you read
it and others.

Like others, wife has been Reimb
Craving for loved ones, having loved ones
everyday to struggle to continue &
hope this day is a "good day". A Day

2) How DONT walk AWAY FROM THE BRICK WITH
NOTH OR NOTHING LEFT AFTER RENT, BILLS, ETC.
PAYING NOTHING BREAKS IN MY HOME, MY CAR.
I CANT EVEN AFFORD TO FIX MY SINKING FLOORS
BROKEN LIVING ROOM, MY DOOR HAVE SPLINTERS,
HAVE BROKE IN KITCHEN, MY OVEN, DISHWASHER
ARE BROKEN, SINKING FLOORS ON PORCH, ETC.

This week of Aug. 16, 2016, I received
SOME BAD NEWS, GIVING ME A PIT IN MY
STOMACH & HEART. THE MANAGEMENT COMPANY
OF THUNDERBIRD MOBILE HOME PARK APPLIED
FOR A RENT INCREASE OF \$ 322.52. DOUBLE
WHAT WE PAY. RIDICULOUS PERCENTAGE INCREASE
THE ~~MAN~~ OWNER OF THIS PARK IS A KIND
MAN, WHO WANTED TO HELP SENIOR CITIZENS
WITH ONLY 4% TO INCREASE EACH YEAR FOR US -
THAT'S WHY I MOVED HERE.

NOW SOMEONE WANTS TO BE GREEDY, MEAN &
UNFAIR. I BARELY MAKE 14 NOW. I GET
\$ 826.00 FROM DISABILITY & \$ 39.00 S.S. I A
MONTH. MY SISTER HELPS A LITTLE, BUT SHE
HAS HER OWN PLACE. WE HELP MY WIFE
WHO HAS 3 CHILDREN, MOSTLY MY SISTER WITH
CLOTHES, SCHOOL SUPPLIES, ETC. I GO TO MARKET
FOR FOOD, SOMETIMES I SEND FOOD TO MY
WIFE I EAT 1 OR 2 MEALS A DAY, HAVE
LOST WEIGHT.

IF THIS OR ANY OTHER INCREASE OF RENT
HAPPENS, I WILL HAVE TO WALK AWAY FROM

31

from my home & join the homeless
pushing a Shopping Cart, in fact. I
will not be the only one. How will the
City of Thousand Oaks feel when they
see all of us on the streets because
of "greed" especially for the city
of Thousand Oaks oldest citizens. It
could happen to your parents, how would
you feel. What would
you do for them? How would you
help them. Would it that make you
upset & angry well, multiply that
to total of 161 owners (Senior
citizens, some disabled, sick, etc.)
How will you sleep for now on with
the images of what I have told you?

Please don't accept this
application. Please veto it. Someone
soon this may happen to you, where
would you have on your Disability,
Social Security, Pension. Think of
that when you go to sleep tonight
Thank you Patty Wosa

Russ Watson,

Sept. 14, 2010

I opposed the unfair proposed \$322.52 per month rent increase because I can't afford it. I live solely on Social Security and have no pension at all.

I'm 78 years old and have rented here since 1998. I don't know what I'm going to do if it passes. I qualify for the City of Thousand Oaks program for Housing Assistance for Seniors which I will receive \$69.00 every 3 months starting in October. But it's not that much to help me against \$322 per month increase. I need your help!

Yours Truly,

Donal Blugue Space 73

115 COMANCHE AVE.

Thunderbird Oaks Mobil Home Park.

SEPT. 14, 2010

Arny Albano,

I opposed the unfair proposed \$322.52 per month rent increase because I can't afford it. I live solely on Social Security and have no pension at all.

I'm 78 years old and have rented here since 1998. I don't know what I'm going to do if it passes. I qualify for the City of Thousand Oaks program for Housing Assistance for Seniors which I will receive \$69.00 every 3 months starting in October. But it's not that much to help me against \$322 per month increase. I need your help!

Yours Truly,

Maxiel Dugue Space 73

115 COMANCHE AVE.

THUNDER BIRD OAKS MOBIL Home Park

Disseminated: only received state & federal \$
NO on AB 761



THE VOICE March/April 2010

CoMO-CAL URGES SENATORS: OPPOSE AB 761!

Mobilehome residents and tenants' rights advocates were shocked last year when the California Assembly passed a bill, AB 761 (Calderon, D-Whittier), that would severely cripple all of California's over 100 local mobile-home rent control laws. It passed the Assembly with the minimum votes needed. What was so shocking is that the bill only passed due to the support of a number of "liberal" Assembly democrats from the Los Angeles area.

The bill is now being considered by the California Senate. We need to stop it from being approved by the Senate in order to keep it from becoming law. CoMO-CAL urges every mobile-home resident who wants to save rent control to send letters, faxes, and phone calls to your Senator. We will keep you informed about the status of this bill.

-- What the bill would do:

AB 761 would mandate vacancy decontrol to all of the state's mobile home rent control laws. Mobile Park owners would be

able to raise rents on mobile home spaces without limits when a mobile home is sold to a new owner. This would have grave consequences for mobile home owners who own their mobile home, but rent the space it sits on. AB 761 would likely wipe out the investments of senior and low-income mobile home owners by instantly de-valuing the worth of their mobile homes.

-- What CoMO-CAL needs you to do:

We need to defeat this bill as soon as possible, and we need to let ALL our Senators know that mobilehome residents throughout the State are depending on them to oppose it.

Please put your name and address on a letter like the one below and send or fax it to your Senator. Please get other persons in your park to send similar letters. And please consider making a donation - large or small - to Co-MO-CAL so that we can continue to protect the rights of mobilehome residents throughout the State of California.

Frank Wodley, President

AB 761 - PLEASE OPPOSE

Dear Senator AB 761 NO,
Please vote NO on AB 761. One million Californians who live in mobile homes need your support. The state has a crisis of affordable housing, but AB 761 would remove rent protections from hundreds of mobile home parks all over the state. AB 761 will allow park owners to raise rents as high as they choose whenever a mobile home changes hands. It will wipe out our home equity. Mobile homes will no longer be affordable to most Californians.

We urge you to help preserve affordable housing. Please vote NO on AB 761.

Thank You,

Annex E Kelly

Your Signature Here

2010 PRIORITY BILLS continued from page 4

NEUTRAL NT

(Spot bills are "placeholder" bills that will later be amended with more substance.)

AB 2029 (Cook) Mobilehomes: annual registration fee. Would exempt certain very low-income households from paying the HCD annual registration fee.

AB 2321 (Nava) Land use: subdivisions: mobilehome parks. - Spot Bill

SB 1047 (Correa) Property taxation: mobilehomes. - Spot Bill



City of Thousand Oaks

NO RENT INCREASE

September 16, 2010

Denise Eddy
2694 Thunderbird Drive
Thousand Oaks CA 91362

SUBJECT: Thunderbird Oaks MHP Rent Adjustment Application 2010

Dear Denise:

The Community Development Department has received your letter voicing concern about the rent adjustment application submitted by the owner of Thunderbird Oaks Mobile Home Park. Our office has also received many letters from other residents of the park expressing similar concerns. The apprehension expressed in your letter is an important reminder of the purpose of the City's mobile home rent stabilization regulations.

I would like to explain the process moving forward. City staff is currently reviewing the application, verifying figures, and consulting with an expert in the field of mobile home rent adjustments. City staff will make a specific recommendation in its staff report to the Rent Adjustment Commission regarding the application. This report should be available to the public no later than October 1, 2010. At the October 5, 2010 hearing, City staff will present its staff report and recommendation to the Commission. Then the park owner will have an opportunity to present evidence in support of his application. Residents and other members of the public will also have an opportunity to speak and present evidence at the hearing. Once public testimony is completed, the Commission will deliberate and reach a decision on the application. The decision may be appealed to the City Council.

You are encouraged to state your concerns, provide evidence, and even offer alternative methods of calculating fair return at the hearing, either on your own or in concert with other residents of the park. It is recommended that, if you are going to provide detailed evidence or alternative methods of calculations, that you submit this information to the City prior to the end of the business day on September 28, 2010, so that it can be included in the packet that is provided to the Commission prior to the hearing.

I also want to take the time to explain the City staff's role in this process. City staff is not an advocate for either the residents or the park owner during this process. City staff's function is to ensure that the application is processed and analyzed in accordance with the City's ordinances and regulations, as well as applicable state and federal case law. The law in this area is complicated and involves rights afforded to the park owner under the United States Constitution and Supreme Court precedents. The City Attorney's

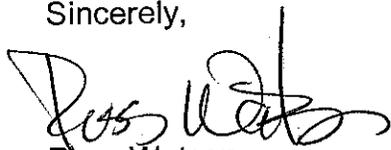
CITY OF THOUSAND OAKS
2010 SEP 30 AM 11:09
COMMUNITY DEVELOPMENT

Thunderbird Oaks Mobile Home Park
September 16, 2010
Page 2

Office is working closely with Community Development staff in the review of this application, and preparation of the staff report to be submitted to the Commission. City staff must consider all of these factors in rendering a recommendation to the Commission.

Again, thank you for your correspondence. Your letter will be included as part of the staff report for the Rent Adjustment Commission. If at all possible, you should attend and participate in the public hearing scheduled for October 5, 2010.

Sincerely,

A handwritten signature in black ink, appearing to read "Russ Watson", written in a cursive style.

Russ Watson
Housing Manager

cc: Christopher G. Norman, Assistant City Attorney

Hugh Faulkner
139 Comanche Ave.
Thousand Oaks, Ca
91362

Sept 14, 2010

Attn: Russ Watson
City of Thousand Oaks, Housing Div.
2100 E Thousand Oaks Blvd
Thousand Oaks, Ca 91362

RE: Proposed Rent Increase, Thunderbird Oaks M.H.P.

Dear Mr Watson

I have lived in the Thunderbird Oaks
Mobile Home Park for 14 yrs, I moved here
because it was a nice place to live and especially
low cost housing.

My newspaper article tells it all. There is
no way I can pay the proposed unfair increase.

PLEASE INCLUDE MY REQUEST FOR
CONSIDERATION IN THE STAFF REPORT FOR
THE OCT, 5TH MEETING (or other time)

THANK YOU



Residents say they'll discuss the rent hike

MOBILE HOME

From A3

is operating at a negative," said park attorney Boyd Hill of the firm Hill, King & Coldren.

In a memo to the city, Hill points out that the city's Mobile Home Rent Stabilization ordinance, which essentially enacted rent control for mobile home parks in the city in 1980. The ordinance states that the Rent Adjustment Commission can adopt a discretionary rent increase if it finds that automatic increases fail to provide a just and reasonable rent.

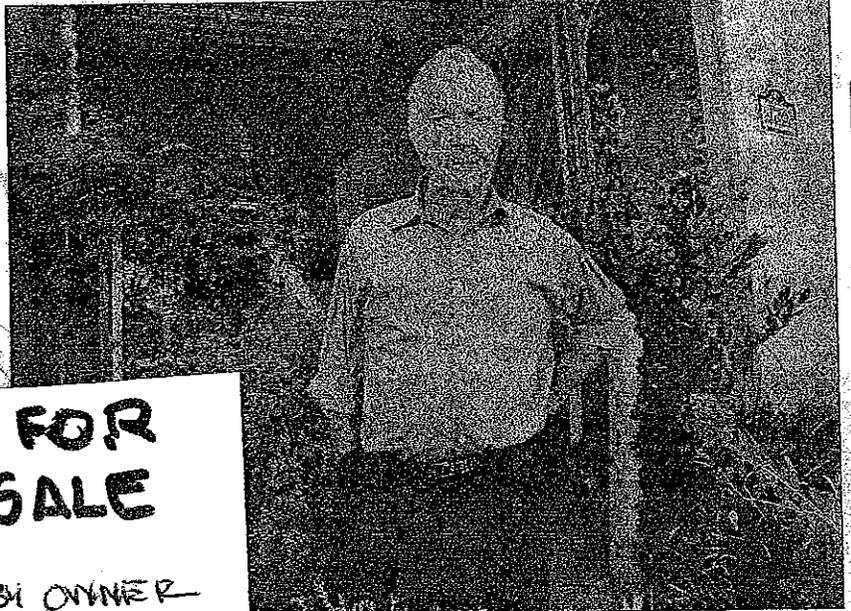
A commission resolution allows commissioners to make a rent increase using net profit and inflation to determine the amount. Different ways of figuring out an increase are also allowed.

Using a formula, called a maintenance of net operating income formula, Thunderbird Oaks owners determined a monthly increase of \$322.52. That translates to an average increase of 80 percent for tenants whose rents at the park range from \$373.40 a month to \$483.40.

"It may not all be imposed at once," Hill said.

Marge Hagy, 82, and her husband, Richard, moved to Thunderbird Oaks in March to be closer to their children. They moved from a park that had many more amenities. Hagy said the couple was not given any indication a rent increase would be pursued.

"Thunderbird management is simply trying to take advantage of elderly in-



Joseph A. Garcia / Star staff

"I don't have a penny left at the end of the month," said Hugh Faulkner, a resident at the Thunderbird Oaks Mobile Home Park, after learning that the park owner wants to raise the rent by \$322.52 a month.

dividuals living in our neighborhood," said Hagy, a retired registered nurse. "The rent stabilization ordinance is intended to protect us against these very actions, and Thunderbird should not be allowed to proceed with such an unjust rent increase."

Hagy pointed out that seniors resorted to cutting medical care, medicine, food and utilities to survive when faced with large rent increases.

Dorothy Dean, 91, moved to the park with her husband and mother in 1978. Dean said she loves her home and thinks the proposed rent increase is a shame. She can't particularly afford a jump from \$428.40 a month to \$750.92, but she has no intention of leaving.

"I'm going to croak here," she said, adding that when she read the letter "I just thought of the people who couldn't afford the raise. I can't afford it, but I can make it. I won't have much

to eat on."

Residents are planning to meet today to discuss the matter. City staff will release a report to the commission with its recommendations at least three days before the commission meeting. The Rent Adjustment Commission will have until Oct. 20 to render a decision.

Any decision can be appealed by the parties to the Thousand Oaks City Council.

Faulkner, who's lived in the park for 14 years doesn't know what he will do if the proposed rent increase goes through. His rent of \$373.40 a month would jump to \$695.92, according to the application submitted in May to the city by Thunderbird Oaks owners.

"I just don't know if it's going to turn out all right," Faulkner said. "It's scary. It's very, very scary for me."

August 16, 2010

Russ Watson
City of Thousand Oaks Housing Revision
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

RE: October 5, 2010 Rent Adjustment Meeting

I have lived in the Thunderbird Oaks Mobile Home Park for the past 5 years. I very much enjoy my home, neighbors, and community activities. My home purchase 5 years ago was intended to be my retirement dwelling.

Now I am distressed about the proposed \$322.50 increase in rents for residents of our Park. After over 30 years of apparent contentment by both landlord and renters, with the expected yearly CPI rent increase, this proposal of rent increase in a recessive economy is a shock and an outrage. The landlord wants a "just and reasonable return." But coach owners are faced with a loss of retirement savings, no social security increases, and devastating loss of home values. Where is our "just and reasonable return"?

Russ Watson - Page 2

August 16, 2010

The stability of our Park is in limbo if residents cannot afford rent increases and they just discontinue paying their rents. Not a very pleasant situation for both landlord and tenant owners. Affordable housing in the Conejo Valley is losing ground. Consider carefully keeping rehabs in our homes.

Sincerely,

Gretchen G. Flagg



Please include this letter and attach it to the staff report that will be presented on October 5, 2010 (or other appropriate date if for some reason this meeting is postponed).

August 16, 2010

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

RE: October 5, 2010 Rent Adjustment Meeting

I have lived in the Thunderbird Oaks Mobile Home Park for the past 5 years. I very much enjoy my home, neighbors, and community activities. My home purchase 5 years ago was intended to be my retirement dwelling.

Now I am distressed about the proposed \$322.50 increase in rents for residents of our Park. After over 30 years of ^{appropriate} contentment by ^{both} landlord and renters, with the expected yearly CPI rent increase, this proposal of rent increase in a recession economy is a shock and an outrage. The landlord wants a "just and reasonable return." But coach owners are faced with a loss of retirement savings, no social security increases, and devastating loss of home values. Where is our "just and reasonable return"?

The stability of our Park is in limbo if residents cannot afford rent increases and they just discontinue paying their rents. Not a very pleasant

Amy Albano - Page 2

August 16, 2010

situation for both landlord and coach owners. Affordable housing in the Conejo Valley is losing ground. Consider carefully keeping seniors in our homes.

Sincerely,

Gretchen Flagg



Please include this letter and attach it to the staff report that will be presented on October 5, 2010 (or other appropriate date if for some reason this meeting is postponed).

TO: Russ Watson
City Of Thousand Oaks Housing Division
2100 E. Thousand Oaks Bl.
Thousand Oaks, CA 91362

From: Ronald M. Fox
112 Comanche Ave.
Thousand Oaks, CA 91362

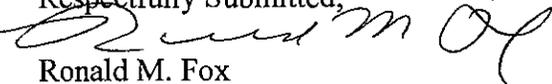
Subject: Proposed Rent Increase Thunderbird Oaks Mobil Home Park

Dear Mr. Watson, I have been a resident of Thousand Oaks for approx. 18 years and reside at the Thunderbird Oaks Mobil Home Park. Like all residences of the park, we live on strict and or limited incomes. Going through a recession even adds to our burden. In today's economy asking for a \$323.00 increase in rent is nothing less than selfish and self serving.

The hardship this would cause would be devastating to me and all residences of the park. If such an increase was allowed, it may force me to sell my home, if, in fact we would be able to see our homes at all or take such a financial hit on them, that we may lose everything. The owners of the property already receive a two percent increase in rent every year, I have not received a wage increase in the past three years and those who are on Social Security have not received an increase in the past year.

I am proud to say that I am a Thousand Oaks Resident, I am proud of all the departments and city employees that serve me from the clerks at City Hall to the Police and Fire Departments as well as our city management team. I truly implore you not to grant any rent increase due to the devastating effect it would have among all of us who reside at the Thunderbird Oaks Mobil Home Park. Thank you so much for time and consideration in this matter.

Respectfully Submitted,


Ronald M. Fox

Could you please include and attached to the staff report that will be presented on October 5th, 2010 (or the appropriate date if for some reason this meeting is postponed) in reference to the Thunderbird Oaks Mobil Home Park rent increase proposal. Thank you for your time and consideration.

TO: Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Bl.
Thousand Oaks, CA 91362

From: Ronald M. Fox
112 Comanche Ave.
Thousand Oaks, CA 91362

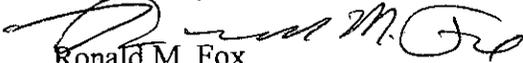
Subject: Proposed Rent Increase Thunderbird Oaks Mobil Home Park

Dear Mr. Watson, I have been a resident of Thousand Oaks for approx. 18 years and reside at the Thunderbird Oaks Mobil Home Park. Like all residences of the park, we live on strict and or limited incomes. Going through a recession even adds to our burden. In today's economy asking for a \$323.00 increase in rent is nothing less than selfish and self serving.

The hardship this would cause would be devastating to me and all residences of the park. If such an increase was allowed, it may force me to sell my home, if, in fact we would be able to see our homes at all or take such a financial hit on them, that we may lose everything. The owners of the property already receive a two percent increase in rent every year, I have not received a wage increase in the past three years and those who are on Social Security have not received an increase in the past year.

I am proud to say that I am a Thousand Oaks Resident, I am proud of all the departments and city employees that serve me from the clerks at City Hall to the Police and Fire Departments as well as our city management team. I truly implore you not to grant any rent increase due to the devastating effect it would have among all of us who reside at the Thunderbird Oaks Mobil Home Park. Thank you so much for time and consideration in this matter.

Respectfully Submitted,


Ronald M. Fox

Could you please include and attached to the staff report that will be presented on October 5th, 2010 (or the appropriate date if for some reason this meeting is postponed) in reference to the Thunderbird Oaks Mobil Home Park rent increase proposal. Thank you for your time and consideration.

2496 Thunderbird Drive
Thousand Oaks, Ca 91362
9/16/10

Mr. Watson,

I am single woman,
living on Social Security,
in Thunderbird Mobile
Homepark since 1997.

I spent 6 years as a
care taker for my late
mother.

I am a "low income"
senior and am VERY worried
about a monthly rent raise
of \$322⁰⁰. I will be a
"street person".

There is NO WAY I can
pay this amount.

I am unable to work
anymore as I have trouble
walking.

Please have this letter
cover →

-2-

attached to the Oct 5th
2010 staff report.

Thank you.

Mary Joje Freck

I am 75 years old and
really need your help.

September 6, 2010

Mr. Russ Watson

City of Thousand Oaks Housing Division

1400 E. Thousand Oaks Blvd

Thousand Oaks, CA 91362

Dear Mr. Watson:

I am writing this personal letter to oppose the UNFAIR RENT INCREASE for Thunderbird Oaks Mobile Home Park. We moved into the park in late December 2008. We have been here for a very short time and thoroughly enjoy the park staff and the many activities for the seniors.

We owned property in Thousand Oaks in the Sunset Hills area for many years from 1979 thru 2004, but lived in the San Diego area from 1991 thru 2008. Our son and his family bought our home in Sunset Hills and continue to live and enjoy the area.

After my husband and I retired in 2006, we decided we wanted to be near our family and chose to return to the Thousand Oaks area. Upon deciding out where to reside, we purchased a NEW (over)



(2)

Mobile home in a senior park. We were told there was "rent control" for which we now know was untrue. We live on our combined Social Security and figured that we would be able to afford space rent of \$525.00 (highest rent in the park, I might add) as well as a small home mortgage. We do NOT want to make another move and feel that this proposed rent increase would make it nearly impossible to make ends meet. We are the "new seniors on the block" and feel it is very unfair to raise our space rent which is almost twice the amount paid by the original home on this space, period!

My husband served six years in the US military in the 1950's to protect our country and the inhabitants within which includes the owners of Thousand Oaks Mobile Home Park, the management company that manages the mobile home park and the people in the city government of Thousand Oaks. In addition, my husband is a liver transplant recipient of sixteen years and one of the pioneers of liver transplant. He has helped many thousands of subsequent people who are transplant recipients. He is a handicapped senior citizen who returned to Thousand Oaks to be near his family and grandchildren to enjoy for the rest of his life. I do not think that this increase is a reward for someone who has given so much to Medical Science and the America people.

(Cont'd)

(3)

As handicapped seniors who are living on a fixed income, with continuing medical expenses which absorbs a fair percentage of our fixed income, it will be very difficult to pay the additional owner's requested amount.

I request that this letter be included and attached to the staff report that will be presented on October 5, 2010 (or the appropriate date if for some reason this meeting is postponed).

Rona H. Freed
110 Lince Dr #89
Thousand Oaks, CA 91362



RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 08 2010

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

Dear Amy Albano,

I am writing this personal letter to oppose the *UNFAIR RENT INCREASE* for Thunderbird Oaks Mobile Home Park. We moved into the park in late December 2008. We have been here for a very short time and thoroughly enjoy the park itself and the many activities for the seniors.

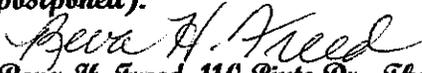
We owned property in Thousand Oaks in the Sunset Hills area for many years from 1979 thru 2004, but lived in the San Diego area from 1991 thru 2008. Our son and his family bought our home in Sunset Hills and continue to live and enjoy the area.

After my husband and I retired in 2006, we decided we wanted to be near our family and chose to return to the Thousand Oaks area. Upon checking out where to reside, we purchased a *NEW* mobile home in a senior park. We were told there was "rent control" for which we now know was untrue. We live on our combined Social Security and figured that we would be able to afford space rent of \$525.00 (highest rent in the park, I might add) as well as a small home mortgage. We do *NOT* want to make another move and feel that this proposed rent increase would make it nearly impossible to make ends meet. We are the "new seniors on the block" and feel it is very unfair to raise our space rent which is almost twice the amount paid by the original home on this space, period!

My husband served six years in the US military in the 1950's to protect our country and the inhabitants within which includes the owners of Thunderbird Oaks Mobile Home Park, the management company that manages the mobile home park and the people in the city government of Thousand Oaks. In addition, my husband is a liver transplant recipient of sixteen years and one of the pioneers of liver transplantation. He has helped many thousands of subsequent people who are transplant recipients. He is a handicapped Senior citizen who returned to Thousand Oaks to be near his family and grandchildren to enjoy for the rest of his life. I do not think that this increase is a reward for someone who has given so much to Medical Science and the American people.

As handicapped seniors who are living on a fixed income, with continuing medical expenses which absorbs a fair percentage of our fixed income, it will be very difficult to pay the additional owner's requested amount.

I request that this letter be included and attached to the staff report that will be presented on October 5, 2010 (or the appropriate date if for some reason this meeting is postponed).


Reva H. Freed, 110 Piute Dr., Thousand Oaks, CA 91362

PAULA & FRED GALLEGOS

2385 Thunderbird Dr. • Thousand Oaks, California 91362
805/373-0909 • Fax 866/624-2423

September 7, 2010

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Mr. Watson,

My husband and I have been residents of Thunderbird Oaks for the past 10 years. We moved here with the intention of spending the rest of our lives in the heart of Thousand Oaks. That this park is under Rent Control was one of the inviting features of this location. In 10 years we have seen our mobile home value peak with the housing market, and now shrink dramatically with the housing market collapse. Homes sit for months and don't sell. Really, is this a good time to try to strong-arm seniors for more of their precious limited income? The proposed rent increase for this park, if approved, will adversely impact every person here, but here is our situation:

Shortly after we moved here my husband retired, and then proceeded to encounter one health issue after another. From his numerous surgeries to a hard-fought battle with cancer, and ongoing treatments, we have had more medical bills than the average household. Even though we are fortunate to have good health insurance, the fact remains that his retirement income is fixed and I have always worked on commission, so as the economy has deteriorated, it has directly reflected on my income too. I can't just tell my clients that I need to make more money, and pull it out of them. But that is what the owners of this Park are trying to do. It takes both of us—two incomes—to meet our household expenses, and there are no fancy new cars and no much-dreamed of vacations. Instead, we average \$1000 per month in medical expenses. Where do we cut back – on food or medical care? Where does a resident that is living month-to-month get an extra \$322 per month?

Senior affordable housing should be absolutely preserved and protected. We request that this letter be entered into the staff report for the October 5 meeting of the Rent Control Board.

Respectfully,


Paula Gallegos

COMMUNITY DEVELOPMENT
2010 SEP - 8 AM 10:32
CITY OF THOUSAND OAKS

PAULA & FRED GALLEGOS

2385 Thunderbird Dr. • Thousand Oaks, California 91362
805/373-0909 • Fax 866/624-2423

RECEIVED
City Attorney's Office
City of Thousand Oaks

September 7, 2010

SEP 08 2010

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

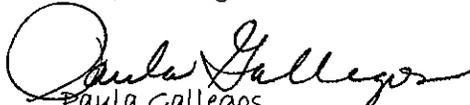
Dear Ms. Albano,

My husband and I have been residents of Thunderbird Oaks for the past 10 years. We moved here with the intention of spending the rest of our lives in the heart of Thousand Oaks. That this park is under Rent Control was one of the inviting features of this location. In 10 years we have seen our mobile home value peak with the housing market, and now shrink dramatically with the housing market collapse. Homes sit for months and don't sell. Really, is this a good time to try to strong-arm seniors for more of their precious limited income? The proposed rent increase for this park, if approved, will adversely impact every person here, but here is our situation:

Shortly after we moved here my husband retired, and then proceeded to encounter one health issue after another. From his numerous surgeries to a hard-fought battle with cancer, and ongoing treatments, we have had more medical bills than the average household. Even though we are fortunate to have good health insurance, the fact remains that his retirement income is fixed and I have always worked on commission, so as the economy has deteriorated, it has directly reflected on my income too. I can't just tell my clients that I need to make more money, and pull it out of them. But that is what the owners of this Park are trying to do. It takes both of us—two incomes—to meet our household expenses, and there are no fancy new cars and no much-dreamed of vacations. Instead, we average \$1000 per month in medical expenses. Where do we cut back - on food or medical care? Where does a resident that is living month-to-month get an extra \$322 per month?

Senior affordable housing should be absolutely preserved and protected. We request that this letter be entered into the staff report for the October 5 meeting of the Rent Control Board.

Respectfully,


Paula Gallegos

CTO 01814

Susana N. Gomez
Thunderbird Oaks Mobile Home Park
108 Apache ST. Space 106
Thousand Oaks CA 91361

CITY OF THOUSAND OAKS
2010 SEP 10 AM 10: 57
COMMUNITY DEVELOPMENT

Dear Mr. Watson,

I am writing you this letter for the purpose of asking for your much needed assistance.

I am currently a mobile home owner at the Thunderbird Oaks Mobile Home Park. I first came to our beautiful community in 1974. As a single mother of 4, I brought my children here to offer them a better life. Although, at times, it was quite difficult to make ends meet, I feel blessed to be able to say that after 35 years of living and working here, myself, 3 of my children and 5 of my Grandchildren, continue to live in the area today.

In 2001 I retired from my position as an Electronics Assembler for the Teredyne Corporation. During that time I found it was necessary to sell my Thousand Oaks condominium and because of the affordable lease, purchase my mobile home at Thunderbird Park. Once again, although on a very fixed income, I felt fortunate to be able to continue living in my "home town" close to my family and friends. I am now extremely concerned that with the recent threats to raise my lease by \$322, almost 90%, I will find myself unable to afford my home.

Mr. Watson, I have always prided myself on doing what is necessary to provide for myself and my family. I am prepared to do the same today; however, at my age and with the current economy, I am afraid my options are limited. I am certain you have heard from or about many of my neighbors expressing similar concerns. Many of us are facing the reality that we may no longer be able to afford our homes.

As I write you this letter I am unclear of what or how you may be able to assist us, however, if there is any advice or assistance you would be willing to provide, please know, I would be forever grateful! Thank you for reading my letter and hopefully considering our need for assistance. God bless.

Sincerely,

Susana Gomez

Susana N. Gomez

Thunderbird Oaks Mobile Home Park

108 Apache ST. Space 106

Thousand Oaks CA 91361

RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 10 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

Dear Ms. Albano,

I am writing you this letter for the purpose of asking for your much needed assistance.

I am currently a mobile home owner at the Thunderbird Oaks Mobile Home Park. I first came to our beautiful community in 1974. As a single mother of 4, I brought my children here to offer them a better life. Although, at times, it was quite difficult to make ends meet, I feel blessed to be able to say that after 35 years of living and working here, myself, 3 of my children and 5 of my Grandchildren, continue to live in the area today.

In 2001 I retired from my position as an Electronics Assembler for the Teredyne Corporation. During that time I found it was necessary to sell my Thousand Oaks condominium and because of the affordable lease, purchase my mobile home at Thunderbird Park. Once again, although on a very fixed income, I felt fortunate to be able to continue living in my "home town" close to my family and friends. I am now extremely concerned that with the recent threats to raise my lease by \$322, almost 90%, I will find myself unable to afford my home.

Ms. Albano, I have always prided myself on doing what is necessary to provide for myself and my family. I am prepared to do the same today; however, at my age and with the current economy, I am afraid my options are limited. I am certain you have heard from or about many of my neighbors expressing similar concerns. Many of us are facing the reality that we may no longer be able to afford our homes.

As I write you this letter I am unclear of what or how you may be able to assist us, however, if there is any advice or assistance you would be willing to provide, please know, I would be forever grateful! Thank you for reading my letter and hopefully considering our need for assistance. God bless.

Sincerely,

Susana Gomez

9/14/10

RUSS WATSON,

I CURRENTLY LIVE AT 116 COMANCHE AVE. IN THE THUNDERBIRD OAKS MOBILE HOME PARK. THIS LETTER IS IN REFERENCE TO A PROPOSED RENT INCREASE OF \$322.52 PER MONTH THAT THE LANDLORD IS REQUESTING WHEN I OPENED THE NOTIFICATION LETTER AND SAW THIS AMOUNT, I THOUGHT IT WAS SOME KIND OF MISTAKE OR TYPO. I AM RETIRED AND LIVING ON A FIXED INCOME. MY CURRENT RENT IS \$428.40 PER MONTH. WE'VE HAD THIS HOME HERE SINCE 1976. THE RENT AMOUNT HAS INCREASED EVERY JANUARY DURING THIS SPAN OF OVER 30 YEARS.

I'VE LIVED IN SEVERAL APARTMENT BUILDINGS IN MY LIFE AND PAID RENT. JUST ABOUT THE ENTIRE COST FOR APARTMENT LANDLORDS IS THE "STRUCTURE" OR BUILDINGS THEMSELVES HERE, I OWN THE BUILDING AND HAVE FULL RESPONSIBILITY FOR IT. ALSO, I OWN THE LANDSCAPE AROUND IT. (BUSHES ETC.) ALL MAINTENANCE ON THE HOME IS PAID BY ME. THAT INCLUDES ELECTRICAL, PLUMBING, WATER DAMAGE, EARTHQUAKE, FIRE, AND ALL ELSE THAT CAN OCCUR. THE COST OF MAINTAINING A BUILDING OVER 30 PLUS YEARS IS ENORMOUS. OUR LANDLORD WORRIES ABOUT NONE OF THIS!

THE PROPOSED INCREASE IS 75% ABOVE
MY CURRENT RENT AMOUNT! I CANNOT
AFFORD TO PAY THIS. LAST YEAR, I
HAD TO CANCEL MY HEALTH INSURANCE,
AND THEREFORE HAVE NONE PRESENTLY.
PREMIUMS PRICED ME RIGHT OUT OF THE
PICTURE.

I ASK THAT YOU REJECT THIS PROPOSED
TOTALLY UNFAIR RENT INCREASE AMOUNT.
A 75% INCREASE TO MY CURRENT RENT
MUST BE CONSIDERED UNFAIR.

RESPECTFULLY,

Michael Gracey

MICHAEL GRACEY
116 COMANCHE AVE. SPACE 67
THOUSAND OAKS, CA 91362

P.S. - PLEASE INCLUDE THIS IN THE STAFF
REPORT FOR OCT. 5

9/14/10

AMY ALBANO,

I CURRENTLY LIVE AT 116 COMANCHE AVE. IN THE THUNDERBIRD OAKS MOBILE HOME PARK. THIS LETTER IS IN REFERENCE TO A PROPOSED RENT INCREASE OF \$322.52 PER MONTH THAT THE LANDLORD IS REQUESTING WHEN I OPENED THE NOTIFICATION LETTER AND SAW THIS AMOUNT, I THOUGHT IT WAS SOME KIND OF MISTAKE OR TYPO. I AM RETIRED AND LIVING ON A FIXED INCOME. MY CURRENT RENT IS \$428.40 PER MONTH. WE'VE HAD THIS HOME HERE SINCE 1976. THE RENT AMOUNT HAS INCREASED EVERY JANUARY DURING THIS SPAN OF OVER 30 YEARS.

I'VE LIVED IN SEVERAL APARTMENT BUILDINGS IN MY LIFE AND PAID RENT. JUST ABOUT THE ENTIRE COST FOR APARTMENT LANDLORDS IS THE "STRUCTURE" OR BUILDINGS THEMSELVES. HERE, I OWN THE BUILDING AND HAVE FULL RESPONSIBILITY FOR IT. ALSO, I OWN THE LANDSCAPE AROUND IT. (BUSHES ETC.) ALL MAINTENANCE ON THE HOME IS PAID BY ME. THAT INCLUDES ELECTRICAL, PLUMBING, WATER DAMAGE, EARTHQUAKE, FIRE, AND ALL ELSE THAT CAN OCCUR. THE COST OF MAINTAINING A BUILDING OVER 30 PLUS YEARS IS ENORMOUS. OUR LANDLORD WORRIES ABOUT NONE OF THIS!

THE PROPOSED INCREASE IS 75% ABOVE
MY CURRENT RENT AMOUNT! I CANNOT
AFFORD TO PAY THIS. LAST YEAR, I
HAD TO CANCEL MY HEALTH INSURANCE,
AND THEREFORE HAVE NONE PRESENTLY.
PREMIUMS PRICED ME RIGHT OUT OF THE
PICTURE.

I ASK THAT YOU REJECT THIS PROPOSED
TOTALLY UNFAIR RENT INCREASE AMOUNT.
A 75% INCREASE TO MY CURRENT RENT
MUST BE CONSIDERED UNFAIR.

RESPECTFULLY,

Michael Gracey

MICHAEL GRACEY
116 COMANCHE AVE. SPACE 67
THOUSAND OAKS, CA 91362

P.S. - PLEASE INCLUDE THIS IN THE STAFF
REPORT FOR OCT. 5

2583 Mohawk Ave.
1000 Oaks, Ca. 91362
September 20, 2010

Russ Watson
City of 1000 Oaks Housing Div.
2100 E. 1000 Oaks Blvd.
Thousand Oaks, Ca. 91362

Dear Mr. Watson,

I am writing this letter to be included and attached to the Staff report that will be presented on 9/15/10.

My reason for writing you is that my husband and I oppose the enormous proposed rent increase that our park owner has requested. We have lived in our home for almost sixteen years and I, at 85 years of age and my husband, at 87 years have felt that this would be our final

home and could mentally "rest easy" with that notion. Now things might be changing and it is indeed stressful. My husband is a veteran of two wars and is handicapped, certainly unable to be employed and make any extra money to meet the required increase. With only social security to live on and no pension it is difficult enough to make ends meet. What are we to do? We look to you for any assistance you can give us.

Thank you for your consideration.

Respectfully
Cindy & Matt Graham

2583 Mokawa Ave.
1000 Oaks, Ca. 91362
September 21, 2010

Amy Albano
1000 Oaks Attorney
2100 C. 1000 Oaks Blvd.
Thousand Oaks, Ca. 91362

Dear Ms. Albano,

I am writing this letter to be included and attached to the Staff Report that will be presented on Oct. 5, 2010.

My reason for writing you is that my husband and I oppose the enormous proposed rent increase that our park owner has requested. We have lived in our home for almost sixteen and I, at 85 years of age and my husband, at 87 years

have felt that this would be our
final home and could mentally
"rest easy" with that notion. Now
things might be changing and it
is most stressful. My husband is
a veteran of two wars and is
handicapped, certainly unable to
be employed and make any extra
money to meet the required increase.
With only social security to live
on and no pension it is difficult
enough to make ends meet. What
are we to do? We look to you for
any assistance you can give us!
Thank you for your consider-
ation

Respectfully,
Audrey & Edith Graham

Russ Watson
City of Thousand Oaks
Housing Division

Sept 20, 2010
2575 Mohawk Ave.
Thousand Oaks, Ca
91362

Dear Mr. Watson,

We write this letter completely devastated with what we feel has been a deliberate misrepresentation of the facts in the purchase of our Mobile Home in Thunderbird Mobile Home Park. This is a park that the owners advertise as a home for older people.

In February we made a difficult decision to relocate to Thousand Oaks. Due to our age and health problems we needed to be closer to our children.

We felt protected because of Thousand Oaks rent stabilization Ordinance to choose Thousand Oaks. In making our decision we carefully considered our options and living expenses.

We purchased our home in February 2010. At no time during the sales process did the ownership or management firm make us aware, when explaining our rent, trash and sewer expense, that within six months that they were intending to increase our expense by 80%.

They knew because they had done a very extensive investigation of our income, that we would not have purchased this property had we known of this drastic increase. Let us explain in blunt terms how devastating this increase would be. Our fixed income does not cover extra expenses. It can cover our rent, that was quoted, food and health care.

The increase they propose would have to come from one of these life necessities. How could the owner of this park justify trying to recoup his so called return on his investment from 1980 out of seniors meager fixed income?

The very seniors he solicited to live here. This would jeopardize their well-being and is certainly Elder Abuse. We ask for your help.

Marge + Dick Hagy Space 129

Ms Amy Albano
Thousand Oaks City Attorney
2100 C. Thousand Oaks Blvd.
Thousand Oaks, Ca. 91362

Sept 20, 2010
2575 Mohawk Ave
Thousand Oaks, Ca.
91362

Dear Ms Albano,

We write this letter completely devastated with what we feel has been a deliberate misrepresentation of the facts with the purchase of our Mobile Home in Thunderbird Mobile Home Park. This is a park that they advertise as a home for older people.

In February, we made a difficult decision to relocate to Thousand Oaks. Due to our age and health problems we needed to be close to our children.

We felt protected because of Thousand Oaks Rent Stabilization Ordinance to choose Thousand Oaks. In making our decision we carefully considered our options and living expenses.

We purchased our home in February 2010. At no time during the sales process did the ownership or management firm make us aware, when explaining our rent, trash, and sewer expenses, that within six months they were intending to increase our expense by 80%.

They knew, because they had done a very extensive investigation of our income, that we would not have purchased this property with this drastic increase.

Let us explain in blunt terms how devastating this increase would be.

Our fixed income does not cover extra expenses. We can cover our rent, that was quoted, food and health care. The increase they propose would have to come from one of these life necessities.

How could the owner of this park justify trying to recoup his so-called return on his investment from 1980 out of seniors meager fixed income.

The very seniors he solicited to live here, this would jeopardize their well being and is certainly Elder Abuse.

We ask for your help.

Marge + Dick Hagy Sp '29

Sept 3, 2010

Dear Russ Watson

I am writing this letter because I feel that the rent increase my owner wants to place on me at this time is ~~at~~ 50% of my income and it is high. I bought this home figuring I could live here on my single income. This increase would make it hard for me to pay for medicine, food, car, car insurance, insurance on my home, clothes and all the other things I need to live in this home.

I feel you need to watch over the seniors in this city against the greed of big business. I am breaking the air of the 101 freeway which I feel makes this park a health hazard to you seniors also. Remember you will be a senior before you know it this could happen to you. Please protect senior housing in your city.

Please put this letter in the file for the Oct 5 meeting.

Sincerely

Pat Neekathorn
2630 Thunderbird Dr #24
T.O. Ca 91362

Sept 3, 2010

RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 07 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

Dear Amy Albano

I am writing this letter because I feel that the rent increase my owner whats to place on me at this time is at 50% of my income ^{and} is to high. I bought this home figuring I could live here on my single income. I have to maintain my home which is not cheap. This increase will make it hard for me to pay for medicine, food, car, car insurance, insurance on my home and repairs I might need on home in the future.

I feel you need to watch over the seniors in this city against the greed of big business. Remember you will be a senior before you know it and this could happen to you. Its re very scary.

Thank you for anything you can do

Sincerely yours

Pat Heckathorn
2630 Thunderbird Dr #24
T.O. Ca 91362

I want this letter to be placed in the file for the Oct 5, th meeting

Thunderbird Oaks Mobile Home Park

Dear Mr Russ Watson

I protest the ^{proposed} \$322.50 ^{per month} rent increase.

When I moved here two years ago I was told my space rent would only increase by the cost of living. I am elderly and on a fixed income and cannot afford this increase.

Please include and attach this letter to the staff report that will be presented on October 5. Thank You

Dale E Henkel

Thunderbald Oaks Mobile Home Park

Dear Amy Albano

I protest the proposed rent increase of \$ 322.52 per month.

When I moved here two years ago, I was told my rent would only increase by the cost of living. I am elderly and on a fixed income and cannot afford this increase

Dede E. Herbel

~~Please include this letter to~~

Please include and attach this letter to the staff report that will be presented on October 5.

Thank You

Donald B. Howard

122 Prute Ave.

Thousand Oaks, Ca 91362

Sept. 17, 2010

Mr. Russ Watson

City of Thousand Oaks Housing Division

2100 E. Thousand Oaks Blvd.

Thousand Oaks, Ca 91362

Dear Mr. Watson

I am 85 years old, born Aug. 6, 1925

I am too old to have my basic rent increased, and because of the rent increase I will be forced to move,

I cannot accept the proposed rent increase.

Please do not allow this increase

Sincerely, Don Howard

Please accept this note, and attach ^{it} to the appropriate info for the commission to handle.

Howard W. Howard

122 PINE Ave.

Thousand Oaks, Ca. 91362

Sept. 13, 2010

Dear Jerry Albano

Thousand Oaks City Attorney,

2100 E. Thousand Oaks Ave.

Thousand Oaks, Ca 91362

Please do not allow this rent ~~to~~ increase that is
being proposed,

I am 85 years ~~of~~ old and cannot handle moving because of
this rent increase.

Thank you -

Sincerely
Howard

SEPT. 14-2010

COLIN & UENA L. JENKINS
2457 ARADAKO AVE SPC 131
THOUSAND OAKS MOBILE HOME PARK
THOUSAND OAKS
CAI. 91362

SIR ROSS WATSON,

DEAR SIR,

PLEASE INCLUDE THIS MY LETTER TO YOU, IN THE STAFF REPORT ON OCT "5" OR? MY WIFE AND I HAVE LIVED AT THUNDERBIRD OAKS MOBILE HOME PARK SINCE 1994, AND WE LOVE THE FACILITY & AMENITIES AND OF COURSE THE ABILITY TO PAY THE REQUIRED RENT, WHILE RECEIVING SOCIAL SECURITY. THE APPLICATION BY THE OWNER OF THE PARK IF PASSED IN ITS ENTIRETY WILL CREATE A REAL HARDSHIP ON MYSELF AND MAJORITY OF TENANTS IN THE PARK.

AS YOU WELL KNOW WE ARE CAPTIVE TENANTS AS WE OWN THE HOMES SITTING ON THE RENTAL SPACES, SO PLEASE USE YOUR COOPERATION AND FORESIGHT AND NOT PLACE TO HIGH A HARDSHIP ON US SENIORS

THE OWNER OF THIS PARK HAS SHOWN A PROFIT ON HIS INVESTMENT EACH YEAR SINCE THE DEVELOPMENT OF THE PARK AND UNDER RENT CONTROL HAS STILL SHOWN A YEARLY PROFIT. EVEN IN THIS ECONOMY, WHILE US SENIORS RECEIVED NO COST OF LIVING RAISE FOR 2010

SHOULD THE COMMITTEE DECIDE TO HONOR THE OWNERS APPLICATION, PLEASE CONSIDER THE TENANTS AND NOT MAKE THE DECISION TOO UNBEARABLE FOR US.

THE "RENT CONTROL" WAS PUT IN EXISTANCE FOR A GOOD REASON AND HAS BEEN WELCOMED FOR YEARS BY THOUSAND OAKS SENIORS.

PLEASE USE YOUR WISDOM IN YOUR DECISION.

Sincerely

Colin & Uena Jenkins

SEPT 14 - 2010

COLIN & UERA. JENKINS
2457 ARADATHO AVE SPC 131
THOUSAND OAKS MOBILE HOME PARK.
THOUSAND OAKS
CA. 91362

SIZ AMY ALBANO

PLEASE INCLUDE THIS MY LETTER TO YOU IN THE STAFF REPORT ON OCT "5" OR? MY WIFE AND I HAVE LIVED IN THE PARR SINCE 1994 AND WE LOVE THE PARK AND AMENITIES, AND OF COURSE THE ABILITY TO PAY THE RENT WHILE RECEIVING SOCIAL SECURITY THE APPLICATION BY THE OWNER FOR AN INCREASE IN HIS PROFITS WILL CREATE A DEFINATE HARDSHIP FOR MYSELF AND THE MAJORITY OF TENANTS HERE

AS YOU POSSIBLY KNOW WE ARE OWNERS OF THE HOMES SITTING ON HIS RENTAL SPACES. ON DATE OF PURCHASE WE HAD TO SHOW WE COULD AND WOULD BE ABLE TO PAY THE RENTAL FEE WE WONDER HOW MANY COULD DO THAT IF THE FULL REQUEST IS GRANTED TODAY.

PLEASE STUDY AND REMEMBER THE "RENT CONTROL" WAS INSTIGATED FOR A GOOD REASON AND HAS BEEN WELCOMED OVER THE YEARS BY MANY OF THOUSAND OAKS SENIORS.

PLEASE USE YOUR WISDOM IN YOUR DECISION!

Sincerely
Colin & Uera Jenkins.

Dear Mr. Watson
City of Thousand Oaks
Housing Div.

Sept. 7, 2010

My name is Kathryn Jenkins and I am a resident of Thunderbird Oaks mobilehome park. As one of most of us here I am on a fixed income and cannot afford this astronomical rent increase of over 75 Percent of my current rent which is already \$28.40 a month. When I bought my home, I thought with the rent control on I could live here the rest of my life, now I don't know what I will do. Please don't let this happen to us. I would appreciate it if you would mention my concern and attach my letter to your report of recommendations to the Thousand Oaks City Council. This would be a huge, huge kindness on all of us here if Mr. Hohn is allowed to do this. Thank you for any help you can give us!

P.S. I have lived here since 1985

Sincerely
Mrs. Kathryn Jenkins
118 Chupena Way
Thousand Oaks, Ca. 91362
Appl 113 - 805-379-0491

Dear Amy Albano
Thousand Oaks
City Attorney

RECEIVED
City Attorney's Office
City of Thousand Oaks

Sept. 7, 2010

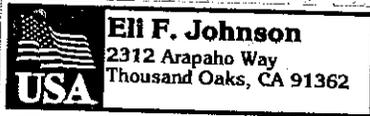
SEP 03 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
805-379-0170

My name is Kathryn Jenkins and I am a resident of Thunderbird Oaks mobilehome park. As one of most of us here I am on a fixed income and cannot afford this astronomical rent increase of over 75 percent of my current rent which is already \$28.40 a month. When I bought my home in 1985 I thought with the rent control on I could live here the rest of my life, now I don't know what I will do. Please don't let this happen to us. I would appreciate it if you would mention my concern and attach this letter to your reports of recommendations to the Thousand Oaks City Council.

This would be a huge, huge hardship on all of us here if Mr. John is allowed to do this. Thank you for any help you can give us.

Sincerely
Kathryn Jenkins
118 Chaparral Wy #113
Thousand Oaks, Ca. 91362
805-379-0491



Eli F. Johnson *

THOUSAND OAKS

SEPT. 14th 2010

TO RUSS WATSON

CITY OF T.O. HOUSING DIV.

DEAR MR. WATSON

THE LETTER FROM SCOTT MITNICK IN AUGUST WAS A SHOCK!!

AS YOU PROBABLY ALREADY KNOW

ABOUT 75% OF THE SENIORS

LIVING IN THUNDERBIRD OAKS MOBILE

HOME PARK WILL NOT BE ABLE TO

AFFORD THE INCREASE OF \$322.52

PR. MONTH, INCLUDING MYSELF.

THE CITY OF THOUSAND OAKS NEEDS

AFFORDABLE HOUSING FOR LOW INCOME

SENIORS. WE NEED HELP FROM OUR

ELECTED OFFICIALS.

I REQUEST THAT THIS LETTER BE

INCLUDED AND ATTACHED TO THE STAFF

REPORT OCT. 5th 2010

EJ *

THOUSAND OAKS
SEPT. 14th 2010

TO AMY ALBANO
T.O. CITY ATTORNEY

DEAR MS. ALBANO

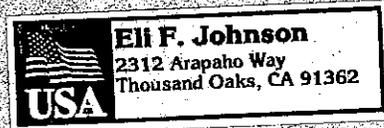
THE LETTER FROM SCOTT MITNICK IN
AUGUST WAS A SHOCK !!

AS YOU PROBABLY KNOW - ABOUT 75%
OF THE SENIORS LIVING IN THUNDERBIRD
OAKS MOBILE HOME PARK WILL NOT BE
ABLE TO AFFORD THE INCREASE OF
\$ 322.52 PR. MONTH, INCLUDING
MYSELF.

THE CITY OF T.O. NEEDS AFFORDABLE
HOUSING FOR LOW INCOME SENIORS.
WE NEED HELP FROM OUR ELECTED
OFFICIALS.

I REQUEST THAT THIS LETTER BE
INCLUDED AND ATTACHED TO THE
STAFF REPORT OCT 5th 2010.

THANK YOU
Eli Johnson



September 15, 2010

Russ Watson
City of Thousand Oaks Housing Division
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Mr. Watson,

I am writing to you regarding the unfair proposal of a \$322.52 per month increase on my home at 104 Navajo Ave. (Space 50) in Thunderbird Oaks Mobile Home Park.

My husband and I purchased our home here in October of 2002. It was our desire to retire here and live until we died. At the time of purchase, we had our two social security incomes plus my husband's pensions and I had one small pension of my own. Unfortunately, my husband became seriously ill and died March 8, 2004.

As a widow, my income reduced drastically. Up to this time, I have been able to live on one social security check plus my small pension and a small pension from my husband. However, the unexpected rent increase proposed will cause me severe hardship in my finances. Since I moved here later than many of my

Pg 2 - Letter to Russ Watson - dated 9/15/10

neighbors, my rent is higher than most. It is currently \$483.40 per month. My costs for electricity, gas, sewer and garbage average about \$160 per month. There is also the costs for telephone, cable, annual Property tax on my home, and annual homeowners insurance, which increased this year to \$733.00.

As I began adding up all these expenses, it became more and more frightening for me to see ^{that} I may not be able to live here for the rest of my life, as I had planned.

Even more scary is the knowledge that many of my neighbors here are without income sufficient to even qualify to live here once this increase occurs!! What happens to their equity in their homes? How will they even be able to sell their homes and moved out?

I pray our city government and their committee will rule that this request is not fair and reasonable and would only result in financial devastation of the residents of Thunderbird Mobile Home Park.

Thank for including and attaching this letter to the Staff report for Oct 5 meeting and any further committee reviews.

Sincerely,
Eleanor "Non" Jones
Space 50

Sept 15, 2010

Mrs. Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Ms. Albano,

I am writing to you in regard to the unfair proposal of a \$322.52 per month increase on my home at 104 Navajo Ave. (Space 50) in Thunderbird Oaks Mobile Home Park.

My husband and I purchased our home here in October of 2002. It was our desire to retire here and live until we died. At the time of purchase, we had our two social security incomes, plus my husband's pensions, and I had a small pension of my own. Unfortunately, my husband became seriously ill and died, on March 8, 2004.

As a widow, my income reduced drastically. Up to the current time, I have been able to live on my one social security check plus my small pension and a small pension from my husband. However, this unexpected rent increase proposal will cause a severe hardship in my finances. Since I moved here later than many of my neighbors, my rent is higher than most. My current rent is \$483.40 per mo.

Pg 2 - Letter to Amy Albano - dated 9/15/10

My costs for electricity, gas, sewer and garbage average about \$1100 per month. There is also the costs for telephone, cable, annual property tax on my home, and annual homeowners insurance, which increased this year to \$733.00.

As I began adding up all these expenses, it became more and more frightening to realize that I may not be able to live here for the rest of my life, as I had planned. This fact probably applies to many widows living here in the park!

Even more scary is the knowledge that many of my neighbors here are without sufficient income to even qualify to live here if this increase occurs! What happens to their equity in their homes? How will they even be able to sell their homes and move out?

I pray our city government and their committee will rule that this request is not fair and reasonable and should only result in financial devastation of the residents of Thunderbird Mobile Home Park.

Thank you for including and attaching this letter to the staff report for Oct. 5 meeting and any further committee reviews.

Sincerely,

Eleanor "Non" Jones
Space 50

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, Ca 91362

Dear Mr. Watson:

This letter is in reference to the proposed rent increase for the Thunderbird Oaks Mobile Home Park.

I have lived in the park for nine years. I purchased it for my retirement with the assurance that the rent was under rent control with the full participation of the park owner and his family who would eventually inherit the park.

many people in the park, myself included, cannot afford to have their rent almost doubled in one fell swoop.

Please attach and include this letter to the staff report that will be presented on 10-5-10, or any date if this meeting is postponed.

Thank you for your consideration on this matter.

Sincerely,
Jenni Jones
Space 56

Sept. 15-'10

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, Ca 91362

Dear Ms. Albano:

I'm writing in regards to the proposed rent increase at the Thunderbird Oaks Mobile Home Park.

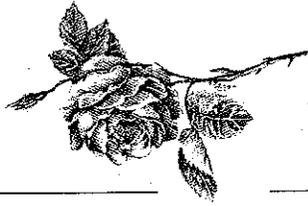
Nine years ago I bought into the park for my retirement with the assurance that the park was under rent control with the full participation of the owner and his eventual beneficiaries. If this had not been the case I would not have purchased in this park.

Like many in the park, I cannot afford to have my rent almost doubled.

Please attach and include this letter to the staff report that will be presented Oct. 5, '10, or any date if this meeting is postponed.

Thank you for your attention on this matter.

Sincerely,
Janice Jones



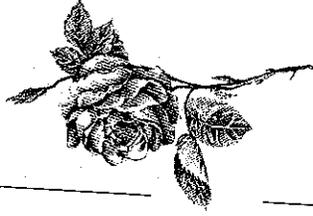
Bess Watson
City of T.O. Housing Division
2100 E.T.O. Blvd.
T.O. Co 91362

As a Resident of the T.O.
model Home Park (old Lakota Rd.)
I'm writing to express my
extreme distress over the proposed
rent increase to our Park.

This would be beyond my
ability to pay on my Social
Security Income.

Please help all of us here in
the Park include this letter
with Staff Report to be pre-
sented to the Oct 5 2010 Meeting
or when needed.

Louise Kasoria
423 Comanche Ave
T.O. Co. 91362



Amy Albano

Thousand Oaks City Attorney

2100 E. T.O. Blvd.

T.O. Ca. 91362

As a resident of the Thousand
Oaks Wood Home Park - I am
writing to express my extreme
dislike over the proposed Rent
increase to our folks.

This would be beyond my ability
to pay on my Social Security
Income.

Louis Kasonik

123 Comanche Ave.

T.O. Ca. 91362

Please include this letter with your
Staff Report Oct 5, 2010 Meeting
or when needed.

9/17/10



Dear Russ Watson

I moved to Thousand Oaks about 1-1/2 years ago and I love it here.

When I decided to buy a home, I did my homework! I was told this park was under rent control and the owners for the past 30 years had raised the rents minimally.

You can imagine when I received notice from the city stating that the owners of the park wanted a \$322.52 increase per month, I was devastated.

I have not benefited from any rent control ordered by the city of Thousand Oaks. My rent was set at the time of my purchasing my home to be





in accordance with the
rents that were comparable
to the area. What happened
in a year?

Everything else declined, and
the owners think this property
has increased?

I hope you will put a stop
to something that is absolutely
outrageous and would force
me to move. I thought this
would be my final move.

Thank you.

Marilyn Kaufman

2444 Arapahoe Way #13

Thousand Oaks, CA 91362

805/418-7969

* My letter is to be included and
attached to the staff report that
will be presented on Oct 5, 2010 (see
the appropriate date of this meeting
is postponed.



Sept 18, 2010
Amy Albano Esquire:

Weeks ago, I received a letter proposing a \$322.52 rental increase monthly. I was shocked and dismayed.

The reason for moving to this senior complex eleven years ago was to be able financially pay rent in our twilight years.





My husband has passed away.
all living expenses; rent, food,
gas must be apportioned from
my social security weekly portion
divided from my monthly check.
Such a rental increase would
be beyond my ability to pay.

Please include this letter
in the staff report on the
meeting of Oct 5th 2010.

Respectfully yours,
Leanne K. Brown
123 Commerce Ave

Russ Wilson
City of Thousand Oaks Housing Division
2108 Thousand Oaks Blvd.
Thousand Oaks, Ca 91362

I am a resident of Thunderbird Oaks
Mobil Home park and I am on a very
limited income and handicapped. I
was told when I bought my mobil that
the park was under rent control.

By you wanting to raise the rent
\$ 322.52 which is double to what I
am paying will be an extreme hardship
on me and I have no where else to go.

I think the amt. that you are
asking for is extremely unfair and
unreasonable. I cant afford it.

I enjoy living here and have
nice neighbors. Please don't gread take
over your decisions.

Barbara Thent

Ap. # 152

* This is to be read at the Oct 5th 2010
meeting.

Amy Albano
Thousand Oaks City Attorney
2100 Thousand Oaks Blvd,
Thousand Oaks, CA 91362

I am a resident of Thunderbird Oaks
Mobil Home park and I am on a very
limited income and handicapped. I
was told when I bought my mobil that
the park was under rent control.

By you wanting to raise the rent
\$ 322.52 which is double to what I
am paying will be an extreme hardship
on me and I have no where else to go.

I think the amt. that you are
asking for is extremely unfair and
unreasonable. I cant afford it.

I enjoy living here and have
nice neighbors. Please don't grab take
over your decisions.

Barbara Went

Ap. # 152

* This is to be read at the Oct 5th 2010
meeting.

Mr Watson -

The double rent tax is awful. It will be tough on everybody, especially poor, sick, and elderly.

Regardless, it should not be one big shot where phasing in should be the approach.

Think carefully instead of a monster shot for all owners.

Lynn E. Kaufman

2596 Thunderbird Dr #21

Thousand Oaks, CA 91362

805-374-8203

9/22/10

Sept. 22, 2010

To: Russ Watson, Housing &
Redevelopment Mgr.

From: John & Sara Kell
2384 Anapah Wy #8
T.O. CA 91362

Re: Rent increase at
the Thunderbird Oaks
Mobile Home Park in
T.O.

Please include the following
in the Agenda Packet
to be provided to the Rent
Adjustment Commission for
the Rent Adjustment Hearing
to be held on Oct. 5, 2010 (or
if the mtg. postponed or changed,
to whatever date is determined)

#1. We purchased this house
in March, 2010. We were told
it was under rent control

To: Russ Watson
From: John & Sara Kolb 2 -

We are on a fixed income and this horrendous increase would indeed be a hardship and force me to sell; if indeed I would be able to sell it and certainly not for a profit.

I. Immediately after moving in I got sick - medical bills -- then we had a plumbing problem; \$3500. Both unexpected. The home is 36 yrs. old, appliances are old, had to replace 2 so far, used; In addition to our monthly rent we pay water, gas & electric plus phone, insurances, food, etc.

If we had known the rent was going to skyrocket, we never would have bought it.

To: Russ Watson
From: John Sara Kelle

- 3 -

You've been operating all these years with the normal increases and now you want us to make up for something you failed to do since 1979. You think you're having a hard time financially take a look at the economy in the country. It's not easy how were you able to keep the Park open all this time - What improvements have you made - the street signs? The old ones still served their purpose. The one out front? If it belong to the Park (you) the one should have been left in. - What's been been done in my view is not an improvement & certainly not worth an increase. Oh yes, a new sign - an offensive one I might add. These things would have saved money.

Yours truly,
Sara & John Kelle

#14
2384 Thunderbird Dr
Thousand Oaks

CA 91362

Sept 12-10.

Mr Watson

I am a widow living in Thunderbird Oaks
Mobile Home Park

I moved here after my husband passed
away, thinking it would be affordable for
me for the rest of my life.

If the rent goes up like the owners are
asking, it will no longer be affordable for any
of us who live here. Then where do we go?

Most of us many who are widows have
worked hard to raise families and wanted
to retire in Thousand Oaks. We also have
many Veterans who have served our Country
living in this park.

I am sure you will never be in our
position, but think how you would
feel if you could be without a home.

Thank You

Sylvia Kopfer

2384 Thunderbird Dr # 141
Thousand Oaks

CA 91362

Sept 12-10

Ms Albarron

I am a widow living in Thunderbird Oaks
Mobile Park.

I moved here after my husband passed away
thinking it would be affordable for me for
the rest of my life

If the rent goes up like the owners are
asking it will no longer be affordable for
any of us who live here, and certainly
no one will want to buy our homes.

Then where do we go?

Most of us many who are widows
have worked hard to raise families and
wanted to retire in Thousand Oaks.

We also have many Veterans who have
served our Country living in this park.

Think how you would feel if you
would ever be in this position and
facing the future without a home.

Thank You
Sylvia Kopper

Sept 13/10

Dear Russ,

We are on a fixed income
& it would be a great hardship if our
rent was raised so extremely.

We have lived in T.O. since
1961 & we have always supported our town.
This increase could cause a lot
of seniors to lose their homes.

Please Help Us.

Sincerely
Ed. You Lafferty

Please include this letter in the staff
report for Thunderbird Oaks Mobile Home Park
Thank you

Sept. 13/10

Dear Amy,

We are on a fixed income
& it would be a great hardship if
our rent was raised so extremely!

We have lived in F.O. of
since 1961 & we have always supported
our town.

This increase could cause
a lot of seniors to lose their homes

Please Help Us.

Sincerely
Eop Lou Lepert

Please include this letter in the staff
report for Thunderbird Oaks Mobile Park.

Thank you.

SEPT. 10, 2010

Dear Ms. Albano,

I have been a resident of Thunderbird Oaks Mobile Home Park since 1999 and over that time have believed the park owners to be "Fair & Reasonable" people until I received the "Rent Adjustment Application"

I have read the application and I am not an accountant but it seems to me it is full of questionable numbers built on a foundation of assumed operating expenses between the years 1979 & 1986.

I believe the motive behind this so called "Fair & Reasonable" rent increase is to drive people out of their homes for the purpose of conversion to "Condo" status. We have seen this happening in other parks.

As you may know, most all of the tenants in our park are seniors on Social Security and fixed incomes.

Any increase above the annual one would create a hardship for many in the park.

Page 1 of 2

Please do not let the park owners who have made bad business decisions over a period of 30 years make themselves whole again on the backs of a few senior citizens. In America, this is not how business is done... if it were there would be no business failures.

This is like a government bailout only paid for by 161 low income senior citizens.

Sincerely,

Daryl Lafferty

COPY TO:

~~RUSS WATSON~~

P.S. Please include this letter in the Staff Report for Thunderbird Oaks Mobile Home Park.

Page 2 of 2

SEPT. 10, 2010

Dear Ms. Albano,

I have been a resident of Thunderbird Oaks Mobile home Park since 1999 and over that time have believed the park owners to be "Fair + Reasonable" people until I received the "Rent Adjustment Application". I have read the application and I am not an accountant but it seems to me it is full of questionable numbers built on a foundation of assumed operating expenses between the years 1979 & 1986.

I believe the motive behind this so called "Fair & Reasonable" rent increase is to drive people out of their homes for the purpose of conversion to "Condo" status. We have seen this happening in other parks.

As you may know, most all of the tenants in our park are seniors on Social Security and fixed incomes.

Any increase above the annual one would create a hardship for many in the park.

Please do not let the park owners who have made bad business decisions over a period of 30 years make themselves whole again on the backs of a few senior citizens. In America, this is not how business is done... if it were there would be no business failures.

This is like a government bailout only paid for by 161 low income senior citizens.

Sincerely,

Daryl Lafferty

COPY TO:

RUSS WATSON

P.S. Please include this letter in the Staff Report for Thunderbird Oaks Mobile home Park.

September 13, 2010

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Ms Albano:

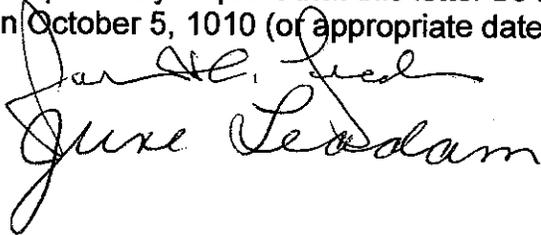
We have lived in Thousand Oaks for 40 years. After we retired, we felt we no longer needed a large house to live in. We had watched Thunderbird Mobile Home Park built and felt this would be a good place to retire, that we could afford, that we would still be able to shop, have medical care and still be a part of Thousand Oaks for our retirement years and able to live on our own and within our means. We picked Thunderbird Mobile Home Park with good faith that the City would respect the retired people who have helped support this City for many years, and still do.

Many many people in Thunderbird Mobile Home Park and many other parks have felt safe and secure in our respectable mobile home parks. There are many people, widows and widowers, in this park and others who cannot afford this ridiculous jump in the rent. Many people would have nowhere to go and would not be able to sell the mobile home for a fair price so that they could afford to live anywhere else. Some might be able to pay it but I have heard them say they would not have money left over for necessities, like medicine and food. Most mobile homes cannot easily be moved to another place, but there would be no places to move that is affordable and under the rent control.

Thousand Oaks is a desirable place to live and none of us wants to leave, but does not have low income housing for retired respectable people. It does, in fact, need more places that retirees can afford. After all we do still shop here, support many causes, keep our same doctors and go to our churches. Most of us have lost money in our investments that were to supplement us for the rest of our lives. Where will this hike in rent come from?

Please help these many good retired people to continue living in affordable housing. We will be extremely appreciative.

I respectfully request that this letter be included and attached to the staff report that will be presented on October 5, 2010 (or appropriate date). Thank you!



June and John Leadam
112 Apache Ave. Space 105
Thousand Oaks, CA 91362

September 13, 2010

Ms. Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Ms Albano:

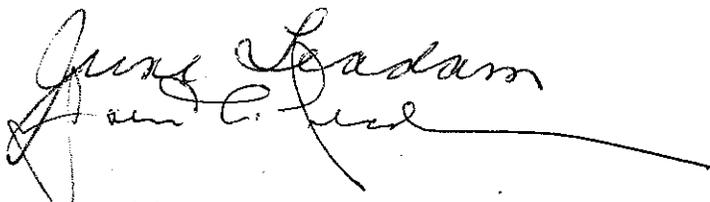
We have lived in Thousand Oaks for 40 years. After we retired, we felt we no longer needed a large house to live in. We had watched Thunderbird Mobile Home Park built and felt this would be a good place to retire, that we could afford, that we would still be able to shop, have medical care and still be a part of Thousand Oaks for our retirement years and able to live on our own and within our means. We picked Thunderbird Mobile Home Park with good faith that the City would respect the retired people who have helped support this City for many years, and still do.

Many many people in Thunderbird Mobile Home Park and many other parks have felt safe and secure in our respectable mobile home parks. There are many people, widows and widowers, in this park and others who cannot afford this ridiculous jump in the rent. Many people would have nowhere to go and would not be able to sell the mobile home for a fair price so that they could afford to live anywhere else. Some might be able to pay it but I have heard them say they would not have money left over for necessities, like medicine and food. Most mobile homes cannot easily be moved to another place, but there would be no places to move that is affordable and under the rent control.

Thousand Oaks is a desirable place to live and none of us wants to leave, but does not have low income housing for retired respectable people. It does, in fact, need more places that retirees can afford. After all we do still shop here, support many causes, keep our same doctors and go to our churches. Most of us have lost money in our investments that were to supplement us for the rest of our lives. Where will this hike in rent come from?

Please help these many good retired people to continue living in affordable housing. We will be extremely appreciative.

I respectfully request that this letter be included and attached to the staff report that will be presented on October 5, 1010 (or appropriate date). Thank you!

A handwritten signature in black ink, appearing to read "June and John Leadam". The signature is written in a cursive style and is positioned above the typed name and address.

June and John Leadam
112 Apache Ave. Space 105
Thousand Oaks, CA 91362

9/21/10

Hello,

I'm writing to you to complain about the stupid rent increase at the Thunderbird Oaks mobile home park.

I have only lived here a short time and would have never moved in if I had know this place is owned by someone insane or just plain greedy.

Most of us live on Social Security and this amount of increase will force most of us out.

I have given up a lot since the cost of everything has gone up so much and now worry about housing to give up food.

My medicine has skyrocketed and don't know what to do if I can't buy anymore.

Please think about this very carefully.

I'm 82 years old and where do I go from here if I can't afford to stay?

Laura Lee

My Social Security benefits are not going up next year either.

Hello,

I am a 82 year old living at The
Shirleybird Oaks Park and I am
protesting the rent increase of \$22.52!

Like so many others here, I live on
my Social Security which we did
not get an increase in benefits
this year and will not next year.

With the cost of everything going up
so fast how can we afford to live
here if the increase goes up. What
happened to Rent Control?

I have given up a lot of things how
much more do I have to give.

Is some one in some or just greedy?

Lillian Lee

Please attach to stabs report O.S.

Tel. 805 496 1410 2301 Thunderbird Drive
Thousand Oaks, CA 91362
14th Sept '10

Dear Mrs. Watson,

The recent news that I, along with all the other residents of 'Thunderbird Oaks' MHP received regarding a \$ 322 (three hundred twenty-two dollars) increase on our monthly rent was devastating and shocking to say the least. I am a widow on a fixed income, only by living carefully & frugally am I able to meet the financial demands which come along - i.e. food, house / car insurance (I drive a 1991 vehicle) health costs, phone bill etc. etc.

Last year there was no increase in Social Security & this year will be the same I believe.

Mrs. Watson, I am simply asking you to please give this 'proposal' every consideration to the future security, well-being, and survival of residents in this park. We cannot afford to live anywhere else and can't just walk away from our homes.

This increase is just too much!
Thank you for your support in helping us fight this.

I remain,
Yours faithfully,
Pamela Leschinsky

Tel. 805 496 1410

2301 Thunderbird Drive
Thousand Oaks, CA 91320

14th Sept '10

Dear Mrs. Albano,

The recent news that I, along with all the other residents of 'Thunderbird Oaks' MHP (received regarding a \$322 (three hundred twenty-two dollars) increase in our monthly rent was devastating and shocking to say the least. I am a widow on a fixed income; only by living carefully and frugally am I able to meet the financial demands which come along - i.e. food, house/car ins. (I drive a 1991 vehicle!) health costs, phone bill etc. etc.

Last year there was no increase in Social Security and this year will be the same I believe.

Mrs. Albano, I am simply asking you to please give this 'proposal' every consideration to the future security, well-being and survival of residents in this park. We cannot afford to live elsewhere and can't just walk away from our homes.

This increase is just too much!
Thank you for your support in helping us fight this.

I remain,

Yours faithfully,

Pamela Leschinsky

9-12-2010

City of Thousand Oaks
Rent Control Adjustment Hearing

Attn: Russ Watson,

Dear Mr. Watson,

My name is Ida M. Jew (ILM).
L.E.V. I live at 116 Navajo Spce #7,
Thousand Oaks, Ca. 91321 Thousand
Oaks Mobile Home Park.

I'm 85 years old. My husband and
I bought our mobile home when
my husband was 85 years old. I
was 80 years old. Chris, my husband,
was very ill at the time and we
needed a place we could afford
and rent reasonable. We knew that
Thousand Oaks did have a fair rent
control law for mobile home parks.
We bought our home having faith
in this law. My husband, Chris,
died 1 1/2 years ago.

An increase of \$922.00 a month
borders on Elder Abuse!!! Almost everyone
in this park are in their 70's, 80's and
90's. This is a park for the Elderly!!!
No Children!!! No young couples or
young singles!!!

I have talked to many of my
friends and neighbors in this park
and everyone is at a loss as to

what they can do. When they can't make their rent (with the \$322.00) increase will everyone be forced to put their homes up for sale?

Where will they go? Where will I go? With this rent increase we will not be able to sell our homes. No One is going to buy a mobile home and pay so much for rent! Will I have to lose my home because the Rent Control Law is no longer honored??

You - our Councilmen ^{made} the rent control to protect us - the Elderly! We all purchased our homes, assuring you - "Our Protectors" - - would protect us seniors! !!!

I will fight this increase as long as my 85 year old body will function. I might add here that last February 2010 - I was diagnosed with cancer. Help me to keep my rent reasonable. My medical bills will in a short time be mountainous! I need my home! The Elderly need your protection!

I have had your fair rent increases each year since purchasing my home. I'd never complained about these increases.

I hope, you and other Councilmen,

will not carry around a huge
guilt because you didn't protect
the 160 residences of Thunderbird
Home Park --- An Elderly Community!!!

I'm sorry to be so hard on my
City Councilmen --- But ---
WE NEED YOUR PROTECTION!!

Thank you, for at least, listening
to this 85 year old & greatgrandma!

Sincerely,

Ila M. Jew

This letter is to be included into
the final staff report.

9-12-2010

Amy Albano
Thousand Oaks City Attorney
Thousand Oaks, CA 91362

Dear Amy Albano,

I'm writing to you to ask for your help in fighting the Outrageous rent increase of \$312.00 a month proposed by the owners of my mobile home park.

My name is Ole M. Jew. I live at 111 Navajo Space 47 (Thunderbird Oaks Mobile Home Park) Thousand Oaks, CA 91362.

I am 85 years old and lost my husband (Chris) 1 1/2 years ago. I, also, have been diagnosed with pancreatic cancer last February.

Most everyone living in this park are in their 70's, 80's, and 90's. They (and I) have no jobs to help our incomes. What are we to do if this rent increase goes into effect? Where will we go??

I Need My Home!! Every Elderly Person need Their Home!!

Everyone I have talked to here knew about Thousand Oaks, "Rent Control Law" for mobile home parks. Everyone one of us, "Renters", need our homes. We all bought here because we felt secure with rental raises.

(over)

It seems today that I have not only lost my Beloved husband and am alone, I may also loose my home because of the \$322.00 a month increase in my rent --- I face fighting my cancer at the same time.
Please! Help all of us!!
Fight this Rental Increase!

Thank you for listening to me.

Sincerely,

Ila M. Lev

I want this letter to be included into the final staff report.

Sept 15, 2010

DEAR RUSS WATSON:

I write in opposition to the Proposed UNFAIR RENT INCREASE AT THUNDERBIRD OAKS MOBILE HOME PARK. I FEEL THE RENT INCREASE IS A HARDSHIP TO ALL OF US WHO HAVE LIVED IN THUNDERBIRD OAKS FOR MANY, MANY YEARS. AS YOU KNOW, THE ECONOMY HAS HAD DEVASTATING EFFECTS ON MANY PEOPLE AND A LOT OF THE RESIDENTS ARE RETIRED OR NEARING RETIREMENT AGE (INCLUDING MYSELF) AND IT HAS BEEN DIFFICULT TO MAKE ENDS MEET. I HAVE A MODERATE INCOME AND THE PROPOSED RENT INCREASE WILL REALLY MAKE LIFE MORE DIFFICULT FOR ME. THE FINANCIAL BURDEN OF THE RENT INCREASE MAY ^{EVEN} IMPACT WHEN I WILL BE ABLE TO RETIRE. THEREFORE, I REQUEST THAT YOU VOTE AGAINST THE PROPOSED UNFAIR RENT INCREASE AT THE THUNDERBIRD OAKS MOBILE HOME PARK. I ALSO REQUEST THAT MY LETTER BE INCLUDED AND ATTACHED TO THE STAFF REPORT THAT WILL BE PRESENTED ON OCT 5, 2010 (OR THE APPROPRIATE DATE IF FOR SOME REASON THIS MEETING IS POSTPONED)

THANK YOU FOR YOUR CONSIDERATION.

SINCERELY,

MICHAEL LEVY

2622 MOTTAWK AVE SP117

THUNDERBIRD OAKS MOBILE HOME
PARK

Sept. 15, 2010

DEAR AMY ALBALO:

I WRITE IN OPPOSITION TO THE PROPOSED UNFAIR RENT INCREASE AT THUNDERBIRD OAKS MOBILE HOME PARK. I FEEL THE RENT INCREASE IS A HARDSHIP TO ALL OF US WHO HAVE LIVED IN THUNDERBIRD OAKS FOR MANY, MANY YEARS.

AS YOU KNOW, THE ECONOMY HAS HAD A DEVASTATING EFFECTS ON MANY PEOPLE AND A LOT OF THE RESIDENTS ARE RETIRED OR NEARING RETIREMENT AGE (INCLUDING MYSELF) AND IT HAS BEEN DIFFICULT TO MAKE ENDS MEET. I HAVE A MODERATE INCOME AND THE PROPOSED RENT INCREASE WILL REALLY MAKE LIFE MORE DIFFICULT FOR ME. THE FINANCIAL BURDEN OF THE RENT INCREASE MAY EVEN IMPACT WHEN I WILL BE ABLE TO RETIRE.

THEREFORE, I REQUEST THAT YOU VOTE AGAINST THE PROPOSED UNFAIR RENT INCREASE AT THE THUNDERBIRD OAKS MOBILE HOME PARK. I ALSO REQUEST THAT MY LETTER BE INCLUDED AND ATTACHED TO THE STAFF REPORT THAT WILL BE PRESENTED ON OCT 5, 2010 (OR THE APPROPRIATE DATE IF FOR SOME REASON THIS MEETING IS POSTPONED). THANK YOU FOR YOUR CONSIDERATION.

SINCERELY,

MICHAEL LEVY
2622 MOHAWK AVE SP. 117
THUNDERBIRD OAKS
MOBILE HOME PARK

Donald E. Macpherson
2598 Mohawk Ave
Thousand Oaks, Ca. 91362

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, Ca. 91362

Sept. 6, 2010

Dear Sir,

With regard to the application for Rent Adjustment for Thunderbird Oaks Mobile Home Park by A.V.M.G.H., Ltd. I have studied the application and the critique by Dan Goldstein, C.P.A. and am convinced that the application should be rejected.

If A.V.M.G.H., Ltd. wants a "just and Reasonable Return" they should prepare a "just and Reasonable" application and they should consider "just and reasonable" living conditions for their tenants.

Most tenants live in mobile home parks because of limited income. Some have mortgages. Such a large rent

increase cannot be met by some tenants who have no recourse. Those with mortgages won't be able to meet the payments and will face foreclosure. The large and unreasonable rent increase will make the units impossible to sell leaving the tenants with only one recourse - to walk away. This may create additional homeless in the city.

Please consider rejecting the current, improper application and require a resubmittal in proper form with proof of the extraordinary expense increases.

Sincerely,

Ronald E. Meeperson

RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 08 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

Donald E. Macpherson
2598 Mohawk Ave.
Thousand Oaks, Ca. 91362

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, Ca. 91362

Sept. 6, 2010

Dear Madam,

With regard to the application for Rent Adjustment for Thunderbird Oaks Mobile Home Park by A.V.M.G.H., Ltd. I have studied the application and the critique by Don Goldstein, C.P.A. and am convinced that the application should be rejected.

If A.V.M.G.H., Ltd. wants a "just and Reasonable Return" they should prepare a "just and Reasonable" application and they should consider "just and reasonable" living conditions for their tenants.

Most tenants live in mobile home parks because of limited income. Some have mortgages. Such a large rent

increase cannot be met by some tenants who have no recourse. Those with mortgages won't be able to meet the payments and will face foreclosure. The large and unreasonable rent increase will make the units impossible to sell leaving the tenants with only one recourse - to walk away. This may create additional homeless in the city -

Please consider rejecting the current, improper application and require a resubmittal in proper form with proof of the extraordinary expense increases.

Sincerely,

Ronald E. Macpherson

Mary Maslow
2411 Rimpala Ln
Toledo OH 4362

9-14-2016

Mr Russ Watson

City Housing

I'm writing this note to let you know something about me.

I've lived in the suburb area since 1999, and I've been single for over 20 yrs. It was a struggle to purchase my coach, being single. I retired long ago, because of health reasons and 45 mile round trip to work.

It's was great at first no increase in Retirement or Soc Security, and small increases in Rent, utility, etc.

Our past always looks good, and we haven't had any major improvements, everyone and works had to keep up their Model and small care around it.

The same Gretchen Carter, and all of a sudden are yearly overhead grows with leap and bounds, we need a local property Mgr Co. Since Dutch will jump 30-100 thousand more

Thank you

Mary Maslow

please attach to Staff Report

Marge Marlow
2411 Arapaho
To Cal 91362
#133

Amy Ablano
To City attorney

I'm writing this note to let you
know something about me. I've lived
in the Sherwood Oaks since 1999, and
I've been single for over 20 yrs.
It was a struggle to purchase my
coach, being single. I retired long
ago, because of health reasons
and a 45 mile round trip to work.

It was great at 1st, no increase
in rent, or SS 1, small increases in
rent, utility, etc.

Our park always looked groomed
and we hadn't had any major
improvements, everyone worked
hard to keep up their mesh and
small area around it.

Then came broken trees and
all of a sudden are yearly security
jumps way up! we need a help
property manager screen our paper for
Thank you
Marge Marlow

please attach to Staff Report

Sept. 14, 2010

To Mr. Russ Watson,

I and my husband have lived in Thunderbird Oaks for 7 1/2 years. We sold our home and moved here as it was an affordable place for our retirement based on our income. Now times are tighter as my husband has Alzheimer and is in a daycare facility 5 days a week which is costing me \$800. a month. With our rent and other bills such as utilities, phone etc., we are just making it. With the rent increase we will be way over our limit and I am quite sure we will have big trouble. What a horrible and stressful way to spend our ending years. Please help us with this devastating problem. Please include and attach this letter to the staff report that will be presented Oct 5, 2010 at the appropriate date for this meeting. Thank you - Sharon Marshall
2934 Thunderbird I
T.O., CA 91362
1416 01884

Attention:

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks CA 91362

and

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Re: The Proposed Unfair Rent Increase
at Thunderbird Mobile Home Park

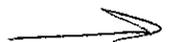
As if the economy isn't bad enough, you've recently reconvened "Thousand Oaks Housing Division Committee" with hearings to financially aid and abet this land owner is outrageous!

How can the city agree to the demand of Doubling space rent to provide this land owner with what the land owner thinks their profit should be??

Only recently they purchased the park knowing full well the financial status of SPACE X RENT.

This smells of future city tax increases and a willing and hopeful municipal body determined to find any way to get it!

This is a rent controlled facility with space rents increasing each year which we absorb as it is, and now you are poised to allow the doubling of this expense to what is a majority of fixed income octogenarians!



Sept 14, 2010

To Amy Albano,

I and my husband have lived in Thunderbird Oaks for 7 1/2 years. We sold our home and moved here as it was an affordable place for our retirement based on our income. Now times are tighter as my husband has Alzheimer and is in a day care facility 5 days a week which is costing me \$800. a month. With our rent and other bills such as utilities, phone etc. we are just making it. With the rent increase we will be way over our limit and I am quite sure we will have big trouble. What a horrible and stressful way to spend our ending years. Please help us with this devastating problem. Please include and attach this letter to the Staff Report that will be presented Oct 5, 2010 or the appropriate date for this meeting. Thank you

Shaion Marshall
2434 Thunderbird Dr
T.O., CA 91362
#144

The unit values in the park have gone down by more than half through the housing collapse. This increase will further devalue the home sites here to the point where the residents that must leave as a result of your actions will not even be able to do so. Where is their protection! No one will move in here with thousand dollar space rent. THERE MUST BE NO AGREEMENT TO THIS INCREASE!

I request that this letter be included and attached to the staff report that will be presented on October 5, 2010 (or any other date if hearing postponed)

John & Sally McArthur
Unit 157
2357 Thunderbird Drive
Thousand Oaks, CA 91362

John McArthur
Sally McArthur

Jane Yeater McCabe
2324 Arapaho Avenue
Thousand Oaks, CA 91362

September 20, 2010

Mr. Russ Watsson
City of Thousand Oaks Housing Department
2100 E. Thousand Oaks Boulevard
Thousand Oaks, CA 91362

Subject: Rental Application for Thunderbird Oaks MHP

Dear Mr. Watson:

Andrew Hohn & Family, owners of Thunderbird Oaks Mobile Home Park, are soliciting the City for approval of an 83% ground rental increase for the Tenants who reside within the Park. For many of the Tenants, whose sole income is derived from social security, already exist close to the poverty line. Their home within the Park represents their largest investment, and their investment is now threatened. The Hohn application has rendered their home unmarketable. The Hohn's application is based on his right to receive a *reasonable return* on his investment; a novel concept, indeed.

Receiving a reasonable return on your investment is not unnatural. I'm sure the vast majority of the world's population is wondering "what happened to their investment". Pessimism over the economy has pushed yields on savings to practically zero. Rates of return on money market accounts are less than 0.5% per annum. Money funds yield a microscopic 0.04%. "Risk-free" 10 year Treasury rates are at a record low of 2.5%. But the Hohn Family somehow believes their desires should be elevated above the rest.

What is a reasonable return on investment for an owner of a mobile home park comparable to Thunderbird Oaks? That is the question. The answer is that comparable parks in Southern California are earning between 3.5% and 6%, depending on location and amenities. The average overall rate for comparable parks is about 4.5%. Not a bad rate of return considering the state of the economy. If the Hohn Family is not realizing a comparable market yield on their investment, then they should exercise prudent management skills and reduce their expenses. Perhaps if Hohn replaced their

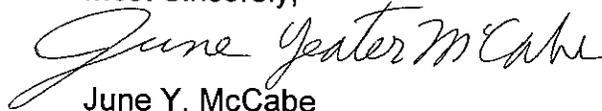
To: Russ Watson
Re: Thunderbird Oaks MHP
September 20, 2010

current Management Company, which is located in Pinole, CA, their bottom-line profits would dramatically increase.

I certainly understand the Hohn Family has a right ^{to} engage any company they choose to manage their property. By the same token, the residents of the Park should not be obligated to subsidize any Company that charges a higher than market rate for a comparable service. But perhaps the "Family" has a reason for keeping this extravagant expense onboard. I wonder what it could be? Perhaps the Rent Control Commission should inquire.

I am requesting my letter be included and attached to the Staff Report that will be presented on October 5, 2010, or the appropriate date should the meeting be postponed.

Most Sincerely,

A handwritten signature in cursive script that reads "June Yeater McCabe". The signature is written in black ink and is positioned above the printed name.

June Y. McCabe

*Jane Yeater McCabe
2324 Arapaho Avenue
Thousand Oaks, CA 91362*

September 20, 2010

Mr. Russ Watsson
City of Thousand Oaks Housing Department
2100 E. Thousand Oaks Boulevard
Thousand Oaks, CA 91362

Subject: Rental Application for Thunderbird Oaks MHP

Dear Mr. Watson:

Andrew Hohn & Family, owners of Thunderbird Oaks Mobile Home Park, are soliciting the City for approval of an 83% ground rental increase for the Tenants who reside within the Park. For many of the Tenants, whose sole income is derived from social security, already exist close to the poverty line. Their home within the Park represents their largest investment, and their investment is now threatened. The Hohn application has rendered their home unmarketable. The Hohn's application is based on his right to receive a *reasonable return* on his investment; a novel concept, indeed.

Receiving a reasonable return on your investment is not unnatural. I'm sure the vast majority of the world's population is wondering "what happened to their investment". Pessimism over the economy has pushed yields on savings to practically zero. Rates of return on money market accounts are less than 0.5% per annum. Money funds yield a microscopic 0.04%. "Risk-free" 10 year Treasury rates are at a record low of 2.5%. But the Hohn Family somehow believes their desires should be elevated above the rest.

What is a reasonable return on investment for an owner of a mobile home park comparable to Thunderbird Oaks? That is the question. The answer is that comparable parks in Southern California are earning between 3.5% and 6%, depending on location and amenities. The average overall rate for comparable parks is about 4.5%. Not a bad rate of return considering the state of the economy. If the Hohn Family is not realizing a comparable market yield on their investment, then they should exercise prudent management skills and reduce their expenses. Perhaps if Hohn replaced their

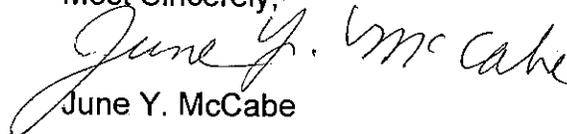
To: Russ Watson
Re: Thunderbird Oaks MHP
September 20, 2010

Perhaps if the Hohn Family replaced their current Management Company, which is charging them a hefty fee and is located in Northern California, their bottom-line profits would dramatically increase.

I certainly understand the Hohn Family has a right engage any company they choose to manage their property. By the same token, the residents of the Park should not be obligated to subsidize any Company that charges a higher than market rate for a comparable service. But perhaps the "Family" has a reason for keeping this extravagant expense onboard. I wonder what it could be. Perhaps the Rent Control Commission should inquire.

I am requesting my letter be included and attached to the Staff Report that will be presented on October 5, 2010, or the appropriate date should the meeting be postponed.

Most Sincerely,


June Y. McCabe

2611 Thunderbird Dr.
#109
Thousand Oaks Ca
9/24/10

Dear Mr. Watson,

This letter is to express my dismay at the rent increase being proposed at Thunderbird Oaks Mobile Home Park Thousand Oaks. Most residents are on a fixed income and to increase rent to approximately 200% in these economic times is absurd.

I am 72 years old and have lived at Thunderbird Oaks approximately 14 years - an increase of this amount is devastating and can financially cripple residents to the point they will lose their homes and have no reasonable alternative in the local area.

I ask that you please closely consider this plea and not allow such an increase to be placed on a community of senior citizens. Yours Sincerely,
Patricia A. [Signature]

2611 Thunderbird Dr #109
Thousand Oaks 91362
9/24/10

Dear Ms Albano,

Please include and attach
this letter to the Staff report that
will be presented on Oct 5th 2010
(or the appropriate date) if for some
reason this meeting is postponed)

This letter is to express my
dismay at the rent increase
being proposed at Thunderbird
Oaks mobile home Park.

Most residents are on a fixed
income and to increase the rent
to approximately 200% in these
economic times is absurd.

I am 72 years old and have
lived at Thunderbird Oaks about
14 years - an increase of this
amount is devastating and can
financially cripple residents
to the point they will lose their

homes and have no reasonable alternative in the local area.

I ask that you please closely consider this plea and not allow such an increase to be placed on a community of senior citizens

Yours Sincerely

Patricia M. Barry

3

Please include and attach this letter to the Staff report that will be presented on Oct 5th 2010 (on the appropriate date) if for some reason this meeting is postponed

TO Russ Watson -

9/2/10

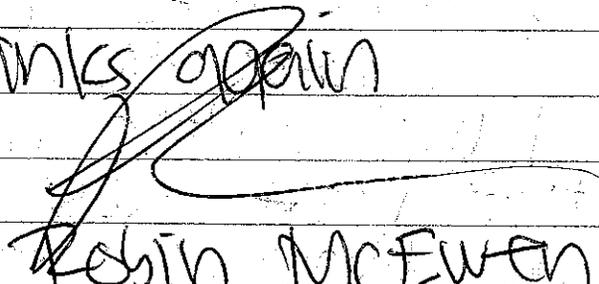
I'm a resident here at Thunderbird Mobile Home Park since April 2010. I have lived in Thousand Oaks since 1992 and just lost my mom in August 2009. I had to sell our child's home of 47 yrs. I'm a soul supporter after losing my job of 30 yrs in the insurance business. I now have a full-time nanny job. When I chose to move into the park I was under the impression that the rent was going to work with my financial situation. If I knew it was going to go up I would have reconsidered my options. I chose this park because of the location and price. I'm not in a financial situation to afford my rent to go up. The problems I had to go through to get my coach approved by the off-site management company were as follows:

- proof of my moms will showing that my names on it and how much I was getting.
- had to have both the seller and escrow company to write a letter to show I had cash to pay for my coach.
- a bank account set up with a years rent set aside with my

SISTER AS A COSIGNER INCREASE WITHIN
THE FIRST YEAR I COULDN'T PAY MY RENT.

I WAS PAYING CASH FOR MY COACH
AND THOUGHT THERE'S NO NEED TO
GIVE ALL THE PAPERWORK MANAGEMENT
REQUESTED AND FEEL THEY TOTALLY
IMPAIRED MY PRIVACY. IF THE RENT
GIVES PASS AND GOES UP 100% I WILL
HAVE NO CHOICE BUT TO MOVE.

Thanks again


Robin McEwen
SPACE #132

TO Amy Albano -

9/21/10

I'm a resident here at Thunderbird Mobile Home Park since April 2010. I have lived in Thousand Oaks since 1942 and just lost my mom in August 2009. I had to sell our childhood home of 47 yrs. I'm a full supporter after losing my job of 30 yrs in the insurance business. I ~~now~~ now have a full-time job as a nanny. When I chose to move into the park I was under the impression that the rent was going to work with my financial situation. ~~Would~~ If I knew it was going to go up I would of reconsidered my options. I ~~choose~~ chose this park because of the location and price. I'm ~~not~~ in a financial situation to afford my rent to go up. The problems I had to go through to get my ~~own~~ coach approved by the off site management company were as followed.

- ~~prove~~ proof of my moms will showing that my name ~~is~~ on it and how much I was getting.

- had to have both the seller and escrow company to write a letter to show I had cash to pay for my coach.

- a bank account set up
with a year's rent set aside with
my sister as a cosigner incase
within the first year I couldn't
pay the rent.

I was paying cash for my coach
and thought there's no need to
do all the paperwork management requested
and feel they totally invaded my
privacy. If the rent does pass and
goes up 100% I will have no choice but
to move.

Thanks again

Robin McEwen
Space #132

Sept. 11, 2010

Dear Amy and Russ,

This letter is about the \$322.52 rent increase for us old people at Thunderbird Oaks.

Amy as you know men always got paid more than women. I worked at a factory after my children were grown and my husband left.

They had me teaching men how to build computers, soldering the chips under the microscope, on payday the men received their paychecks in an envelope, my check was just handed to me because the men were paid more than women.

I also worked as a Teachers Aide after the factory closed.

Russ Watson and Amy Albano

City of Thousand Oaks Housing Division

Re: PROPOSED RENT INCREASE/Thunderbird Oaks Mobile Home Park - for 55 years and older.

I REQUEST THAT MY LETTER BE INCLUDED AND ATTACHED TO THE STAFF REPORT THAT WILL BE PRESENTED ON OCTOBER 5, 2010 (OR THE APPROPRIATE DATE IF FOR SOME REASON THIS MEETING IS POSTPONED).

Dear Mr. Watson and Ms. Albano:

I am an 88 year old widowed woman living on Social Security. In 1986, after my husband had an incapacitating stroke, we purchased our mobile home within the Thunderbird Park. We believed this was a protected Senior Citizen housing project with a guarantee of no major rent increases. Remember - this property is developed with 161 miniature lots where normally only a very few house lots could be built. It was zoned specifically to provide affordable housing for the elderly in exchange for such a high density project. I estimate that currently, the owners of the park receive over \$800,000 a year in rent (over \$60,000 per month). To request double that amount is an insult to the City who approved the high density zoning.

Since my husband's death five years ago, I live solely on my Social Security of \$1,342

a month. After I pay my current rent (\$420.45), utilities, insurances, gasoline & car repairs, medicines and medical care - I have almost nothing left for food and any remaining necessities of life. I have No Savings for emergencies. It does not take a mathematical genius to see that any major rent increase will make it Impossible for me to live! I have nowhere else to go! I might as well die! I realize I am not alone in this crisis, as many of my neighbors have the same financial limitations as I have.

It is an incomprehensible nightmare, that as I approach 90 years of age - instead of being honored and respected as a human being, I am being threatened with homelessness!

I beg you to search your conscience and to take a strong stand against this unjust proposed increase.

Sincerely, *Elverna Mc Naboe* 9/14/10

Elverna A. Mc Naboe, 2678 Thunderbird Dr. 100 O Oaks, Ca. 805 495 2663

CITY OF THOUSAND OAKS
2010 SEP 24 AM 10:32
COMMUNITY DEVELOPMENT

I worked with students with learning disabilities, I am glad that teachers no longer have tenure as I reported a teacher that was mean and uncaring to students.

I'm so glad I get a social-security check every month, it covers my rent and food, if the rent increase passes I hope I don't end up on the streets as so many people have.

Please help us all at the Thunderbird Oaks.

People here need help now.

Thank you

Jerry G. McNeal

Sept 12, 2010

City of Thousand Oaks
Community Development Dept.
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91362-2903

Attn: Russ Watson
Housing & Redevelopment Mgr.

Subject: Thunderbird Oaks M.H.P. Rent Adjustment 2010

Dear Mr. Watson,

The plan to increase our rent to \$32750 is scaring us so much. We have lived in the park for twenty years or so. The increase in our space rent is more than most of us could handle living on Social Security. My husband Ralph passed away May 31st, so that stopped his Social Security pension as well as his VA pension. I will be living on my own Social Security which means that I will have to cut down on everything including groceries.

Please, please do what you can so this large increase in our rent doesn't take place.

Thank you for your help with this problem.

Sincerely,

Jean Meyer
9360 Arapaho Wy - Space 6
Thousand Oaks, CA 91362

CITY OF THOUSAND OAKS
2010 SEP 14 AM 10:48
COMMUNITY DEVELOPMENT

9-3-10

Russ Watson

City of Thousand Oaks Housing Div.

2100 E. Thousand Oaks Blvd.

Thousand Oaks, CA 91362

Subject: Thunderbird Oaks Mobile Home Park
Increase in Rent at our Park

Dear Russ Watson,

Please, please be advised that a rent increase of \$322 plus is just more than we could handle. My husband passed away in May so I am down to living on one Social Security check.

We would really be pleased if you would study this increase before making it ok.

Thank you so much.

Yours truly,

Jean Meyer

2360 Arapaho - Space 6

Thousand Oaks, CA 91362

Sept. 14, 2010

Amy Albano
Thousand Oaks Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Subject: Fight The Proposed Unfair Rent Increase

Dear Amy Albano

Must write to you to let you know how much of an increase in our space rent would affect us.

My husband passed away in May of this year so I no longer receive his Social Security check. Therefore I will be living on just mine. It is quite different in paying bills and buying groceries and gas for the car. We have lived in the park for approximately 20 years.

Please, please help us regarding this increase in our park rent. Thank you.

Sincerely,

Jean Meyer
2360 Arapaho Wy. - Space 6
Thousand Oaks, CA 91362

RECEIVED
City Attorney's Office
City of Thousand Oaks

9-3-10

SEP 07 2010

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

Subject: Increase in Rent in our Park.
Thunderbird Oaks Mobile Home Park.

Dear Amy Albano,

Please, please be advised that a rent increase of \$322 plus is just more than we could handle. My husband died this past May so I am down to living on my social security.

We would really be pleased if you would study this increase before making it ok.

Thank you so much.

Yours Truly

Jean Meyer

2360 Arapaho Space 6
Thunderbird Oaks Mobile Home Park

I moved to Thunderbird Oaks Mobile Home Park in 1976. Four years before retiring from Los Angeles County Fire Dept. I sat down & planned my budget. Of course with the knowledge & expectation of a small rent increase in 4 years. We have not expected the rent to go to \$358.00. With the monthly raises & now the proposed increase to \$322.00. is an increase that is prohibited to many residents living on Social Security.

Our pay is increased over the years but now we will have to figure our expenses to match this ridiculous increase in rent.

This is not going to help the city, the tax's going to come from the owners who have large 4th bills.

The state is in financial trouble now and you are asking for unplanned rent increase

Ed Meyer

Include this letter & attached it to the staffed report that will be ^{presented} presented on Oct. 5, 2010, (or the appointed date if for ~~some~~ some reason this meeting is postponed).

Russ Watson
City of Thousand Oaks Housing Div.
2100 Thousand Oaks Blvd.
Thousand Oaks Ca. 91362

Amy Albano
Thousand Oaks Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, Ca 91362

I moved to Thunderbird Oaks Mobile Home Park in 1976. Four years before retiring from Los Angeles County Fire Dept. I sat down & planned my budget. Of course with the knowledge & expectation of a small rent increase in 4 years. We have not expected the rent to go to \$358.⁰⁰ With the monthly raises & now the proposed increase to \$392. mo. is an increase that is prohibited to many residents living on Social Security.

Our pay is increased over the years but now we will have to figure our expenses to match the ridiculous increase in rent.

This is not going to help the city. As here are the taxes going to come from for the owners who have large H. Bills.

The state is in financial trouble now and you are asking for unplanned rent increase

Bob Meyer

Include this letter & attached it to the staffed report that will be ^{presented} ~~presented~~ on Oct. 5, 2010, (or the appointed date if for ~~some~~ some reason this meeting is postponed).

Russ Watson
City of Thousand Oaks Housing Div.
2100 Thousand Oaks Blvd.
Thousand Oaks Ca. 91362

Amy Albano
Thousand Oaks Attorney
2100 E. Thousand Oaks #
Thousand Oaks Blvd
Thousand Oaks, Ca 91362

September 12, 2010

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Mr. Watson,

My name is Kevin Wengler, writing on behalf of my mother, Penelope Munyan, who lives here in the Thunderbird Oaks Mobile Home Park (Lot 98).

Regarding the proposed rent increase — this would create a harmful extemporaneously high economic increase for my mother's monthly expenses. The proposal sounds more like 30 years of war reparations. As my mother's primary care giver, I have been monitoring her finances and caring for the keep-up and maintenance of her home, car and pets. My mother already lives outside of her means because of emotional traumas from polio and breast cancer. I recently audited my mother's income and expenses and have only confirmed what I already know — she can barely pay for her basic necessities.

As a U.S. Army veteran and student at Moorpark college, I have a limited income with my

- GI Bill and I need to save money for my transfer to UCSB next fall which will cost everything I have. I will not be able to help out my mother.

Please take into consideration what is fair and equitable for the tenants of Thunderbird Oaks and respect the modest lifestyle and income of this senior community. Please do not allow any increase, ~~any increase~~ beyond what has been the normal increase adjustments, annually, for the past 30 years.

If Dan Goldstein, son-in-law of one of tenants is correct, his expert knowledge as an accountant attests to the improper preparation and sneaky methodology for the current proposal by the owners of the property.

So please respect the people, the tenants, by thoroughly reviewing this proposal and consider their dignity also.

Thank for your time.

Sincerely,

Kevin Wengler
Kevin Wengler

September 12, 2010

Amy Albano

Thousand Oaks City Attorney

2100 E. Thousand Oaks Blvd.

Thousand Oaks, CA 91362

Dear Mrs. Albano,

My name is Kevin Wengler, writing on behalf of my mother, Penelope Munyan, who lives in the Thunderbird Oaks Mobile Home Park (Lot 48).

As her primary care giver, I keep track of any problems my mother encounters, especially her budget and expenses.

My mother is a survivor of polio and breast cancer. She is very stoic regarding these traumas, but keep in mind, she takes a list of medications that include pills for anxiety and depression. She has had gastric bi-pass surgery and various implant and reconstructive surgeries; one recently left an infection and bad scarring.

I sat down with my mother recently to create a monthly budget concerning just basic necessities; home mortgage, car loan, insurance, rent, food and gas for example... and she's short one to two hundred dollars a month and that doesn't include the home

owner's insurance and property taxes. Without my help, my mother wouldn't be able to ascertain what her necessities are, regardless of the illusion that she lives comfortably here in this park. Although my mother is employed and lucky to have adequate health coverage, she does not earn enough to support herself and has incurred many debts and this has been a perpetual lifestyle for decades.

As a U.S. Veteran and student at Moorpark College, I hope to be the first out of my immediate family to get a college degree. I'll be applying for the Fall 2014 UCSB here soon. I hope to help out my mother as much as I can before I transfer.

Please take into consideration, not only my mother, but ^{the} rest of the community here at Thunderbird Oaks Mobile Home Park. Any extemporaneous economic increase for rent, which feels like a war reparations obligation would be extremely harmful for over one-hundred households living on modest fixed incomes.

I'm using my GI Bill money to help with the repairs on mother's car and to take her dogs to the veterinarian. I can't carry the burden of my mother's debts and obligations because I deserve an education, I served in places like Bosnia so I could earn it.

Thank you for your consideration, sincerely -
Kevin Wenger Kevin Wenger



Marilyn Myall
2348 Arapaho #5
Thousand Oaks, CA 91362-3211
805-370-1428

CITY OF THOUSAND OAKS

2010 SEP 23 AM 10:42

Wednesday, September 22, 2010

COMMUNITY DEVELOPMENT

Russ Watson
City of Thousand Oaks Housing Div.
2100 East Thousand Oaks Blvd
Thousand Oaks, CA 91362

Dear Mr. Watson,

I am writing you in regard to the Thunderbird Mobile Home Park announced rent increase of \$322.52 per month. We are all still in shock that the owner is bent on increasing our rent by a staggering 80%.

It is astonishing to me to fathom that during the worst economic collapse in my lifetime, the wealthy owners of this park would be proposing such an untimely and unprecedented massive increase in rent under a rent control ordinance which we thought was created to protect us and prevent the dislocating effect of this very thing from happening.

I am a "Senior Citizen" on a fixed income that I worked very hard all my life to achieve. I would not have a problem with the increase if I could turn around and arrange to have the Social Security Administration increase my monthly income by 80%. But this they will not do.

Has Mr. Andrew Hon exhausted all opportunities to cut costs elsewhere? Has he made an effort renegotiate contracts with his vendors in light of this economic crisis? Has he sought to cut energy costs? Seek better terms with insurance companies and bankers? It strikes me that he should show that he has taken these steps before proposing a rent increase of this proportion.

This is an alarming and incomprehensible amount of money. If this rent increase is approved, it would force myself and others out of our homes. It would mean that we would not be able to do the cherished things we seniors planned to do in our retirement -- to have the freedom to visit our children and grandchildren and work for programs in the community and many other things.

I cannot understand why Mr. Hon would propose this at a time when I read in the paper today that California has one of the highest unemployment rates in the country and that the ranks of the poor are growing to peak levels. The poverty rate, according to the paper, is now 14%. — that's 43.6 million Americans in poverty. The highest since 1994. We seniors don't want to join this group. We don't want to be pushed into poverty.

This proposal is insensitive to seniors. Mr. Hon can raise our rents to increase his income. We have fixed incomes with no comparable way to raise our incomes by 80%.

Please reject his proposal.

Sincerely,

Marilyn Myall

Marilyn Myall



Marilyn Myall
2348 Arapaho #5
Thousand Oaks, CA 91362-3211
805-370-1428

Wednesday, September 22, 2010

Amy Albano
Thousand Oaks City Attorney
2100 East Thousand Oaks Blvd
Thousand Oaks, CA 91362

Dear Ms. Albano

I am writing in regard to the Thunderbird Mobile Home Park announced rent increase of \$322.52 per month. We are all still in shock that the owner is bent on increasing our rent by a staggering 80%.

It is astonishing to me to fathom that during the worst economic collapse in my lifetime, the wealthy owners of this park would be proposing such an untimely and unprecedented massive increase in rent under a rent control ordinance which we thought was created to protect us and prevent the dislocating effect of this very thing from happening.

I am a "Senior Citizen" on a fixed income that I worked very hard all my life to achieve. I would not have a problem with the increase if I could turn around and arrange to have the Social Security Administration increase my monthly income by 80%. But this they will not do.

Has Mr. Andrew Hon exhausted all opportunities to cut costs elsewhere? Has he made an effort renegotiate contracts with his vendors in light of this economic crisis? Has he sought to cut energy costs? Seek better terms with insurance companies and bankers? It strikes me that he should show that he has taken these steps before proposing a rent increase of this proportion.

This is an alarming and incomprehensible amount of money. If this rent increase is approved, it would force myself and others out of our homes. It would mean that we would not be able to do the cherished things we seniors planned to do in our retirement -- to have the freedom to visit our children and grandchildren and work for programs in the community and many other things.

I cannot understand why Mr. Hon would propose this at a time when I read in the paper today that California has one of the highest unemployment rates in the country and that the ranks of the poor are growing to peak levels. The poverty rate, according to the paper, is now 14%. — that's 43.6 million Americans in poverty. The highest since 1994. We seniors don't want to join this group. We don't want to be pushed into poverty.

This proposal is insensitive to seniors. Mr. Hon can raise our rents to increase his income. We have fixed incomes with no comparable way to raise our incomes by 80%.

Please reject his proposal.

Sincerely,

Marilyn Myall

9-21-10

Russ Watson

Thousand Oaks Housing Division

2100 E. Thousand Oaks Blvd

Thousand Oaks, Ca 91362

I am a 34 yr resident of Thunderbird Oaks Mobile Home Park and have never had any trouble with the rent even though we had raises every year.

Now I am on a fixed income with no increases for several years and none coming, why does this A.V.M.G.H LTA suddenly choose this time to double our rents. just what are their plans besides greed?

Lana Myszka

2416 Thunderbird Dr

Thousand Oaks, Ca 91362

Please include this in the Oct 5, staff report even if it is delayed in being read. Dan

9-21-10

Amy Albano
Thousand Oaks City Attorney
2100 E Thousand Oaks Blvd
Thousand Oaks, Ca 91362

I am a 34 yr resident of Thunderbird Oaks Mobile Home Park and never had any trouble with the rent even though we received raises each year.

Now I am on a fixed income with no increases the last couple of years and none to come. All of a sudden this A.M. G.M. / comes along wanting to double or more the rent which I certainly can't afford. Why now after all this time. You tell me.

Laura Myska
2416 Thunderbird K
Thousand Oaks, Ca
91362

Please be sure this is included to the staff report of Oct 5 in case it may be delayed being read.

September 15, 2010



Cecelia Norton
114 Cheyenne Way
Thousand Oaks CA 91362

Mr. Russ Watson

City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Sir:

Please be concerned for my financial inability to accept this new rent increase that has been proposed to the residents of Thunderbird Oaks Mobile Home Park.

I just moved into this Park less than two years ago. I had to take a loan to purchase this mobile, and between my loan payment and the rent here I felt I could make it here for a long while. God willing.

However, since I have been here, the sewer fee has increased, the trash fee has increased, the electric and gas has risen and now this horrific rent increase it is so, so, unfair.

Please help me to remain here in my home.

Sincerely,
Cecelia H. Norton

September 15, 2010



Cecelia Norton
114 Cheyenne Way
Thousand Oaks CA 91362

Ms Amy Alkano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Ms. Alkano:

Please be concerned for my financial inability to accept this new rent increase that has been proposed to the residents of Thunderbird Oaks Mobile Home Park.

I just moved into this park less than two years ago. I had to take a loan to purchase this mobile and between my loan and the rent here, I was sure I would be able to live here for a long while, God willing.

However, since I've been here, the sewer fee has increased, the trash fee has increased, electric and gas has risen, and now this horrific rent increase, it is just so, so unfair.

Please help in any way possible to help me stay in my home. Sincerely
Cecelia Norton

CTO 01918

111 Apache Ave
Thousand Oaks,
Ca 91362-3210
9-15-10

Dear Mr. Watson:

Needless to say, I am opposed to the proposed rent increase targeted for the Thousand Oaks Mablehome Park.

My daughter, who is disabled, and I live in the park with a fixed income, my pension from the USPS, social security and her SSI.

Last month her SSI was reduced by over \$100 due to a computer error which was not our fault, - You may imagine what this does to our limited income.

So in addition the park owners would add an additional \$322 + to the rent -

To say it would be a severe situation would be an understatement.

Please include this statement in the staff report which would be presented on Oct 5, 2010 (or another date if changed)

Thank you for your consideration.

Gordon H. Palmer
GORDON H. PALMER

Julie Polly

Sept 14, 2010

Dear Mr. Watson,

I am writing in regard to the proposed rent increase in Thunderbird Oaks Mobile Home Park. I am a fairly new resident here. I moved here from Neb. after my husband died because of and at the urging of my sister who lives here, thinking this would be a good, affordable place to live where my social security would stretch the best.

I, like others, have limited income. This increase may force me to return to the job market, if I can find something at my age. At the very least take in a border to make ends meet. I'm praying this doesn't happen. This is supposed to be the best time of my life now!

Julie Polly

I'm sincerely hoping and please
don't fall on deaf ears and you
are able to come to our assistance
in fighting this. A proposed
\$322.52 monthly increase would
be devastating to many of us here.

I'm requesting my letter be
included & attached to the staff
report that will be presented on
Oct. 5, '10 (or appropriate date if
changed).

Thank you for your assistance
in this matter.

Julie Polly



Julie Polly
2614 Thunderbird Dr
Thousand Oaks CA 91362-3245

Julie Polly

Sept 14, 2010

Dear Ms. Albano,

I am writing in regard to the proposed rent increase in Thunderbird Oaks Mobile Home Park in Thousand Oaks. I am a fairly new resident here. I moved here from Nebr. after my husband died because of my sister who lives here, thinking this would be a good, affordable place to live where my social security would stretch the best. I, like most of the other, have limited income. This increase may force me to return to the job market, if I can find something at my age. This is supposed to be the Golden years!

I'm sincerely hoping our pleas don't fall on deaf ears.

Julie Polly

and you are able to come to our
assistance in fighting this. A
proposed \$322.52 monthly in-
crease would be devastating to
many of us here.

I am also requesting my
letter be included and attached
to the staff report that will be
included presented on Oct 5, '10
(or appropriate date if changed).

Thank you for your
assistance in this matter.

Sincerely,

Julie L. Polly



Julie Polly
2614 Thunderbird Dr
Thousand Oaks CA 91362-3245

Russ WATSON

SEPT. 19, 2010

CITY OF THOUSAND OAKS HOUSING DIVISION

2100 E. THOUSAND OAKS BLVD.

THOUSAND OAKS, CA 91362

RE: PROPOSED \$322.53 RENT INCREASE

DEAR SIR,

I SPENT ONE YEAR CHECKING OUT SENIOR MOBILE HOME PARKS AFTER MY UNCLE WAS TOLD HE HAD PANCREATIC CANCER AND A YEAR TO LIVE. AFTER HIS DEATH 3 YRS. AGO, I MOVED FROM SAN DIEGO TO BE CLOSER TO MY AUNT, WHO HAS DEMENTIA.

DESPITE THE DIRT & NOISE OF THE 101 FREEWAY, I CHOSE THUNDERBIRD OAKS SENIOR MOBILE HOME PARK BECAUSE IT FIT INTO MY MEAGER BUDGET.

MY SOCIAL SECURITY PAYS FOR MY MORTGAGE, SPACE RENT, AND UTILITIES, WHICH LEAVES MY \$500 401K TO PAY FOR FOOD, CAR MAINT. AND INSURANCE, GAS, MEDICAL, DENTAL, HOME INS. AND TAXES.

THIS LEAVES VERY LITTLE FOR FAMILY GIFTS, EATING OUT OR EVEN A MOVIE. I CLIP COUPONS, ONLY BUY CLOTHES ON SALE OR AT THRIFT STORES AND CUT MY OWN HAIR EVERY OTHER TIME. I'M CLOSE TO TELLING MY FAMILY - NO MORE GIFTS FROM ME.

THE VALUE OF MY MOBILE HOME HAS DROPPED \$100,000 AND MY 401K IS DOWN 30% FROM WHEN I MOVED 3 YRS. AGO.

I CAN'T FINANCIALLY HELP EITHER OF MY CHILDREN, WHO BOTH HAVE MS. MY SON IS IN A WHEELCHAIR FULL TIME NOW AND HAD TO QUIT WORKING THIS YEAR AT THE AGE OF 52. MY DAUGHTER HAD TO SHORTEN HER WORKING HOURS AT AGE 45. THEIR MOM CAN'T HELP THEM! AND THEY CAN'T HELP THEIR MOM!

MY FINANCIAL POSITION, AS BAD AS IT IS, I KNOW IS BETTER THAN A LOT OF TENANTS AT THUNDERBIRD OAKS.

PAGE 01924

BUT NOW THE GREED OF THE RICH PARK OWNER IS
THREATENING TO END UP WITH MANY OF US HAVING TO SELL
AT AN EVEN BIGGER LOSS THAN HAS ALREADY HAPPENED WITH
THE DOWN REAL ESTATE MARKET, BECAUSE NO ONE WILL WANT
TO PAY THE HIGHEST RENT OF ANY SENIOR PARK IN THE COUNTY
ALONG WITH PUTTING UP WITH THE DIRT & NOISE OF THE 101 HWY.

WHAT'S THE OWNER GOING TO DO WITH A HALF EMPTY
PARK THAT HE ISN'T GETTING ANY RENT FROM, BECAUSE
PEOPLE HAVE TO WALK AWAY FROM THEIR LIFETIME
INVESTMENT WHEN THEY CAN'T GET IT SOLD.

OUR RENT SHOULD BE LOWERED IN TIMES LIKE THIS,
NOT RAISED (IN MY CASE) 66%!!!! PLEASE VOTE NO!!
HOW WOULD YOU FEEL IF YOUR GRANDMOTHER LIVED HERE?

I AM REQUESTING THAT THIS LETTER BE INCLUDED
AND ATTACHED TO THE STAFF REPORT THAT WILL BE
PRESENTED ON OCTOBER 5, 2010 (OR THE APPROPRIATE
DATE IF FOR SOME REASON THIS MEETING IS POSTPONED).

Beverly G. Potter
BEVERLY G. POTTER - AGE 75
2611 MOHAWK AVE. - LOT 125
THOUSAND OAKS, CA 91362
805-418-7016

AMY ALBANO
THOUSAND OAKS CITY ATTORNEY
2100 E, THOUSAND OAKS BLVD.
THOUSAND OAKS, CA 91362

SEPT. 19, 2010

RE: PROPOSED \$322.53 RENT INCREASE
AT THUNDERBIRD OAKS SENIOR MOBILE HOME PARK

DEAR AMY,

I SPENT ONE YEAR CHECKING OUT SENIOR MOBILE HOME PARKS AFTER MY UNCLE WAS TOLD HE HAD PANCREATIC CANCER AND A YEAR TO LIVE. AFTER HIS DEATH 3 YRS. AGO, I MOVED FROM SAN DIEGO TO BE CLOSER TO MY AUNT, WHO HAS DEMENTIA.

DESPITE THE DIRT & NOISE OF THE 101 FREEWAY, I CHOSE THUNDERBIRD OAKS SENIOR MOBIL HOME PARK BECAUSE IT FIT INTO MY MEAGER BUDGET.

MY SOCIAL SECURITY PAYS FOR MY MORTGAGE, SPACE RENT AND UTILITIES, WHICH LEAVES MY \$500 401K TO PAY FOR FOOD, CAR MAINT. AND INSURANCE, GAS, MEDICAL, DENTAL, HOME INS. AND TAXES.

THIS LEAVES VERY LITTLE FOR FAMILY GIFTS, EATING OUT OR EVEN A MOVIE. I CLIP COUPONS, ONLY BUY CLOTHES ON SALE OR AT THRIFT STORES AND CUT MY OWN HAIR EVERY OTHER TIME. I'M CLOSE TO TELLING MY FAMILY - NO MORE GIFTS FROM ME.

THE VALUE OF MY MOBILE HOME HAS DROPPED \$100,000 AND MY 401K IS DOWN 30% FROM WHEN I MOVED 3 YRS. AGO.

I CAN'T FINANCIALLY HELP EITHER OF MY CHILDREN, WHO BOTH HAVE MS. MY SON IS IN A WHEELCHAIR FULL TIME NOW AND MY DAUGHTER HAD TO SHORTEN HER WORKING HOURS NOW AT

AGE 45. THEIR MOM CAN'T HELP THEM! AND THEY CAN'T HELP THEIR MOM!

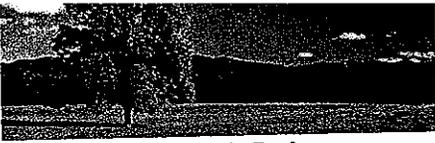
MY FINANCIAL POSITION, AS BAD AS IT IS, I KNOW IS BETTER THAN A LOT OF TENANTS AT THUNDERBIRD OAKS. BUT NOW THE GREED OF THE RICH PARK OWNER IS THREATENING TO END UP WITH MANY OF US HAVING TO SELL AT AN EVEN BIGGER LOSS THAN HAS ALREADY HAPPENED WITH THE DOWN REAL ESTATE MARKET, BECAUSE NO ONE WILL WANT TO PAY THE HIGHEST RENT OF ANY SENIOR PARK IN THE COUNTY ALONG WITH PUTTING UP WITH THE DIRT & NOISE OF THE 101 FREEWAY.

WHAT'S THE OWNER GOING TO DO WITH A HALF EMPTY PARK THAT HE ISN'T GETTING ANY RENT FROM, BECAUSE PEOPLE HAVE TO WALK AWAY FROM THEIR LIFETIME INVESTMENT WHEN THEY CAN'T GET IT SOLD.

OUR RENT SHOULD BE LOWERED IN TIMES LIKE THIS, NOT RAISED 66% AS IN MY CASE. PLEASE VOTE NO!!!
HOW WOULD YOU FEEL IF YOUR GRANDMOTHER LIVED HERE?

I AM REQUESTING THAT THIS LETTER BE INCLUDED AND ATTACHED TO THE STAFF REPORT THAT WILL BE PRESENTED ON OCTOBER 5, 2010 (OR THE APPROPRIATE DATE IF FOR SOME REASON THIS MEETING IS POSTPONED).

BEVERLY G. POTTER - AGE 75
2611 MOHAWK AVE. - SP. 125
THOUSAND OAKS, CA 91362
805-418-7016



Bob & Gloria Prehmus
120 Comanche Way, Thousand Oaks, CA 91362

9/15/10

Dear Russ Watson,

We moved into Thunderbird Oaks mobile home park the first of May to live closer to our grandchildren. We looked at other parks and their rent was higher and we couldn't afford to live there. The owners here are now trying to raise our rent by \$322.52 ~~more~~ each month. We are handicapped and are living on a fixed income. We cannot afford to live here with that additional increase. It would be devastating to us.

Please help us!

Bob & Gloria Prehmus
Space # 66

Please include and attach this letter that will be presented on 10/5/10 in the staff report.

CTO 01928



Bob & Gloria Prehmus
120 Comanche Way, Thousand Oaks, CA 91362

9/16/10

Dear Amy Albano,

We moved into Thunderbird Oaks mobile home park the first of May to live closer to our grandchildren. We looked at other parks but their rent was higher and we couldn't afford to live there. The owners here are now trying to raise our rent by \$322.50 more each month. We are handicapped and are living on a fixed income. We cannot afford to live here with that additional increase. The increase would be devastating to us. We put our life savings into repairs on our mobile home.

Please help us!

Bob & Gloria Prehmus
Space #66

* Please include and attach this letter to the staff report that will be presented on Oct. 5, 2010 (or the appropriate date if for some reason this meeting is postponed).

SEPT 17, 2010

RUSS WATSON
CITY OF THOUSAND OAKS HOUSING DIVISION
2100 E. THOUSAND OAKS BLVD
THOUSAND OAKS, CA 91362

I HAVE BEEN A RESIDENT OF THUNDERBIRD OAKS MOBILE HOME FOR 18 YEARS. IT HAS BEEN A VERY NICE EXPERIENCE UNTIL.... 160 LIVES WERE SHATTERED WITH A REQUEST FOR A RENT INCREASE OF \$322.22 PER MONTH THAT'S AN INCREASE OF 80%. THAT'S \$618000 PER YEAR!

WHY DO THEY WANT IT ALL AT ONCE? NONE OF US ARE BUDGETED FOR SUCH A DRACONIAN INCREASE. IS THEIR GOAL TO FORCE US OUT OF OUR HOMES? WHAT IS THEIR INTENT? I KNOW... BUSINESS IS BUSINESS BUT SOMEHOW COMMON SENSE AND DECENCY SHOULD PREVAIL.

MANY OF THE RESIDENTS ARE IN ILL HEALTH; SOME ARE INCAPACITATED; SOME NEED CARE-GIVERS; AND MOST HAVE THE BARE MINIMUM OF INCOME JUST TO GET BY.

YOU ARE ALL GOING TO BE SENIORS SOMEDAY AND I HOPE YOU DON'T HAVE TO GO THROUGH THIS AGONIZING AND DISRUPTIVE SITUATION.

SINCERELY

Howlan W. Rojas

I REQUEST THAT THIS LETTER BE INCLUDED AND ATTACHED TO THE STAFF REPORT THAT WILL BE PRESENTED^{AT} THE MEETING SCHEDULED FOR OCT 5, 2010

SEPT 17, 2010

AMY ALBANO
THOUSAND OAKS CITY ATTORNEY

I HAVE BEEN A RESIDENT OF THUNDERBIRD OAKS MOBILE HOME FOR 18 YEARS. IT HAS BEEN A VERY NICE EXPERIENCE UNTIL.... 160 LIVES WERE SHATTERED WITH A REQUEST FOR A RENT INCREASE OF \$322.22 PER MONTH THAT'S AN INCREASE OF 80%. THAT'S \$618000 PER YEAR!

WHY DO THEY WANT IT ALL AT ONCE? NONE OF US ARE BUDGETED FOR SUCH A DRACONIAN INCREASE. IS THEIR GOAL TO FORCE US OUT OF OUR HOMES? WHAT IS THEIR INTENT? I KNOW... BUSINESS IS BUSINESS BUT SOMEHOW COMMON SENSE AND DECENCY SHOULD PREVAIL.

MANY OF THE RESIDENTS ARE IN ILL HEALTH; SOME ARE INCAPACITATED; SOME NEED CARE-GIVERS; AND MOST HAVE THE BARE MINIMUM OF INCOME JUST TO GET BY.

YOU ARE ALL GOING TO BE SENIORS SOMEDAY AND I HOPE YOU DON'T HAVE TO GO THROUGH THIS ACONIZING AND DISRUPTIVE SITUATION.

SINCERELY

Houlan V. Rojas

I REQUEST THAT THIS LETTER BE INCLUDED AND ATTACHED TO THE STAFF REPORT THAT WILL BE PRESENTED ^{AT} THE MEETING SCHEDULED FOR OCT 5, 2010

September 3, 2010

Dear Mr. Watson,

I live in Thunderbird Oaks MHP.

Whenever I come through the entrance here, I think, "I'm home. I'm safe. This is a wonderful place to live. I'm so grateful, Thank you, God."

My husband died in 1996. I had to sell our home and there wasn't much money so I looked into living in a mobile home. In choosing a park, one of the most important factors to me, was rent control since I couldn't see how my financial situation would be getting better. Thunderbird Oaks was perfect, I loved it and it had rent control! I didn't know the rent control would expire.

The day my house closed, the realtor said there was only one vacancy at Thunderbird Oaks - Did I want to see it? You bet I did!

It was wonderful. It wasn't one of the fancy ones, in fact, it was old, it was orange, it had mustaid appliances, it needed repair, it was in my price range and I loved it!

A friend helped me update it as much as I could. I love my home and my life.

That was 12 years ago and I am now 74 years old. My income is still limited but I get along.

I don't go to movies, on vacations, out to eat, etc. My luxury is my little dog Gigi and her vet bills.

09/03/10

The other day I tried to give Gigi away to a friend. My friend said that she would take her but she'd have to stay with me. My friend would take care of the vet.

This rent increase will almost double what my rent is now. I'm not prepared for this. I also have to have surgery on my shoulder and something with the arteries in my legs. How do I do this? I'm asking you to please not do this \$322.⁹² a mo. Let me stay in my home besides. I have no where else to go. The economy has taken its toll on my family too.

Could it the rent increase age out (?) or something?

Thank you for your time and your consideration.

Doris Biggs
160 Navajo Way Sp 36

SEP 07 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

September 3, 2010

Dear Ms. Abbano,

I live in Thunderbird Oaks MHP.

Whenever I come through the entrance here I think, "I'm home. I'm safe. This is a wonderful place to live. I'm so grateful. Thank you God."

My husband died in 1996. I had to sell our home and there wasn't much money so I looked into living in a mobile home. In choosing a park one of the most important factors to me, was rent control since I couldn't see how my financial situation would be getting better. Thunderbird Oaks was perfect. I loved it and it had rent control. I didn't know the rent control would expire.

The day my house closed, the realtor said there was only one vacancy at Thunderbird Oaks - Did I want to see it? You bet I did!

It was wonderful. It wasn't one of the fancy ones, in fact, it was old, it was orange, it had musty appliances, it needed repair, it was in my price range and I loved it!

A friend helped me update it as much as I could. I love my home and my life.

That was 12 years ago and I am now 74 years old. My income is still limited but I get along.

I don't go to movies, on vacation, out to eat etc. My luxury is my little dog Gigi and her vet bills.

The other day I tried to give Kigi away to a friend.
My friend said that she would take her but
she'd have to stay with me. My friend would
take care of the vet.

This rent increase will almost double what my
rent is now. I'm not prepared for this I also
have to have surgery on my shoulder and
something with the arteries in my legs. How
do I do this? I'm asking you to please not do
this \$322.52 a mo. Let me stay in my home
besides. I have no where else to go. The economy
has taken it's toll on my family too.

Couldn't the rent increase age out (?) or
something?

Thank you for your time and your
consideration.

Doris Riggs
160 Nevada Way Sp36
T.O. CA 91362
805-373-5180

2468 Arapaho Way
Thousand Oaks, CA. 91362

September 15th, 2010

Dear Mr. Watson:

This is my second letter to you as a Thunderbird Oaks Mobile Home Park resident living in space 15.

My husband and I moved into this senior park in August 1988, and 8 months later I became a widow. Since then I have learned to enjoy the park, all it has to offer and found many neighbors and friends in this community setting.

A notice dated August 16th 2010 from Scott Metrick has changed my life. There have been many stressful days and nights and more are likely.

Last month on the 10th I celebrated my 80th Birthday.

I live on my late husband's social security and his pension of \$45³⁸ monthly. The city of Thousand Oaks supports me with a check of \$67⁰⁰ 4 times a year.

Where would I find \$322⁵² more a month?

Sincerely,

Jayne Sandt

Please attach this letter to the Staff Report that will be presented on October 5th, 2010.

2468 Arapaho Way #15
Thousand Oaks CA 91362

September 5, 2010

Mr. Russ Watson:

Since mid August there
are no happy senior homeowners
at Thunderbird Oaks Mobile Home
Park on Conejo School Rd

A letter from City Manager, Scott
Mitnick stated the Park owner
A.V.M.G.H. Ltd. c/o Andrew Hohn,
is requesting a monthly rent increase
for all 160 spaces in the amount of
\$322⁵².

I spoke with numerous
residents who are upset since
our financial status could not
pay for the HUGE increase.
There are many of us who
have a low monthly income.

We need the city Council
and you to help us PLEASE.

Yours truly,
Jeanne Seadt

RECEIVED
City Attorney's Office
City of Thousand Oaks

2468 Arapaho Way #15
Thousand Oaks, CA 91362

SEP 08 2010

September 5, 2010

Ms. Amy Albano:

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

During August there are
no happy senior homeowners at
Thunderbird Oaks Mobile Home Park
on Corejo School Road.

A letter from City Manager Scott
Mitnick stated the Park owner
A.V.M.G.H. Ltd. c/o Andrew Hobuss
requesting a monthly increase
in the amount of \$32252 for
all 161 spaces.

I spoke with numerous residents
who are upset since our financial
status could not pay for the
HUGE increase.

There are many of us who have
a low monthly income.

We need the city's help
to not let this happen.

PLEASE.

Yours truly
Jeanne Sandt

9/3/10

RUSS WATSON
City of Thousand Oaks Housing Division
2000 E. T. Oaks Blvd
T. Oaks, CA, 91362

Mr. Watson -

Please Please Please Do what you
can to help us here at Thousand Oaks
Mobile Home Park,
the Rent Increase from the owners
will absolutely destroy me -
I am living only on Social Security
and nothing else!

I've resided here since 2001 and hoped
to be here the rest of my life.

Please present my letter to the
City Council on Oct. 5th.

We need help here.

Respectfully Submitted,

Camille Saso
2591 Mohawk Ave.
T. Oaks, CA 91362
(805) 557-1178

9-3-2010

Amy Albano
T. Oaks City attorney
2100 E. Thousand Blvd.
T. Oaks, CA. 91362

RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 07 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 499-2170

Ms. Albano:

I Live in Thunderbird Oaks Mobile Home Park.

I'm writing to beg you for help!
The Rent Increase requested by the owner of the Property is outrageous and is destroying me physically and emotionally, AND Financially!

I only have Social Security - Nothing else! I budget + pay my rent on time + hoped to remain living here for the rest of my life!
I Beg of you to help and include my letter in the report to be presented to City Council on Oct. 5th, 2010

Respectfully Submitted -

Camille CASO
2591 Mohawk Ave.
T. Oaks, CA. 91362

(805) 557-1178

P.S. I have lived here for nine (9) years and am a widow.

Brigitte Schalke
2623 Mohawk-Ave
Thousand Oaks, Ca
91362

Dear Mr. Watson

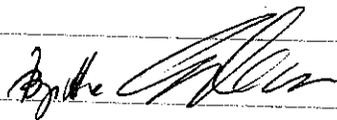
My american dream!

Sept. 13 / 2010

I'm a resident of Thousand Oaks for 33 years. America has always my dreamland. Living in communist east germany has hell on earth. After many hindrance to jump and fighting for years with the east german goverment, I finely could leave the „iron curtain“ with my 4 year old son in 1977, with no money and no english. With out the help of President Jimmy Carter this wouldn't be possible. He bin exchanged for modern computers. My first step on american soil was so overwhelming with emotions, I kent on my knees, kiss the ground and subble like a baby. America, the land of freedom and opportunitys become cure nen homeland. He lerne the language, I work two jobs to help my son true collage and university and he become proud american citizen. Bud now my american dream is covered with dark clouds. My monthly income is \$ 760.00 social security, it's very hard now, how I survive a \$ 322 rent increase? The only way out is a bullet in my head.

Please help me to live the rest of my life the american dream in pease.

God bless america, god bless you all!



Please attach this to the Staff Report !!!

Brigitte Schalke
2623 Mohawk-Ave.
Thousand Oaks,
Ca. 91362

Dear Mrs. Albano

Sept. 13/2010

My american dream !

I'm a resident of Thousand Oaks for 33 years. America was always my dreamland. Living in communist east germany was hell on earth. After many hindrance to jump and fighting for years with the east german goverment, I finely could leave the „iron curtain“ with my 4 year old son in 1977, with no money and no english. With out the help of President Jimmy Carter this wouldn't be possible. He bin exchanged for modern computers. My first step on american soil was so overwhelming with emotions, I went on my knees, kiss the ground and subble like a baby. America, the land of freedom and opportunitys become oure new homeland. We lerne the language, I work two jobs to help my son true college and university and we become proud american citizen. Bud now my american dream is covered with dark clouds. My monthly income is \$ 760.00 social security, it's very hard now, how I survive a \$ 322.00 rent increase ? The only way out is a bullet in my head.

Please help me to live the rest of my life the american dream in pease.

God bless america, god bless you all !



Please attache this to the Staff report !!!

103 Pined Dr. #92
Thousand Oaks, Ca. 91362
Sept. 16, 2010

Dear Mr. Watson

I've what you would call had a beautiful life. I was married for 37 years and had five wonderful children. We owned a sm. Ranch on Mulholland Hwy. in Calabasas for 14 years. Between 1993-94 my husband was stricken with Pancreas Disease. We owned a Computer Design Business downtown, L.A. After my husband's surgery, he was a very sick man and the business went downhill fast. Secretly, my husband was involved with another woman. She was very well off financially! When I found out, I filed for Divorce; I figured it'd do okay! Not knowing how bad the Business was doing, he had run it into the ground and the Ranch, the Bank took it. I lost everything. The kids were young and all struggling getting their lives to succeed. Anyhow, I was left with nothing and I went back to Sys. NY where we all originated. I lived with my Sister and worked at a General Hospital for 3 yrs. for minimum wages. I come back

out a California 1997, to be near my kids.
One of my boys purchased a sm. house in Big Bear
and he demodeled it for me. I lived up there for 13 years
and now I've gotten older (72) and I want and
the kids wanted me to be closer. I really couldn't
afford this Mobile Home if it wasn't for my Sister, whom
I stayed with for those 3 yrs I went back. My Sister
signed on to be my Partner Buyer. She is over 55
and could do this and we qualified by the skin of our
teeth. None of my kids could do this but all my
kids contributed to my buying the Mobile Home and
they all contribute toward the mortgage + Rent
every month and are all committed!! It's
very tough because it ^{Mobile Home} needed + needs lots of
work to be done on it. Nothing was done here in over
almost 30 yrs. The lady who owned it was 103 yrs.
old + never did a thing to upgrade the home! I've
been here almost 3 mos. and now faced with
an increase in the rent! I can't afford any
increase with the way I'm set up. I get \$76.00
@ month Social Security check and that is all I have
to live on. I can hardly afford groceries, gas +
necessities now! When we closed on this Mobile
Home, I was told don't worry about increases
because of rent control. Misleading!!!

I know from talking to neighbors, I'm not the
only one struggling in the Park.

Thank-you
Elizabeth J. Serrino

103 Puute Dr. #9
Thousand Oaks, Ca.
91362
Sept. 16, 2010

Dear Amy,

I've what you would call had a beautiful life. I was married for 37 years and had five Wonderful Children. We owned a small Ranch on Mulholland Hwy in Calabasas for 14 years. Between 1993-97, my husband was stricken with Pancreas Disease. We owned a Computer Design Business downtown, L.A. After surgery, he was a very sick man and business went downhill fast. Secretly, my husband was involved with another woman. She was very well off financially! When I found out, I filed for divorce; I figured I'd be okay! He had run the own into the ground, and the Ranch, the Bank took it. I lost everything. The kids were young and all struggling getting their lives to succeed. Anyhow I was left with nothing. I went back East, where we all originated, and I lived with my sister Sepacuse, N.Y. I never had to work

until I got to N.Y. and I worked for minimum wage
at a General Hospital for 3 years. I came back
out to California to be near my kids. One of
my boys purchased a sm. House in Big Bear
and he remodeled it for me. I've lived
up there for 13 years. And now I've gotten
older (72) and I want + the kids wanted me
to be closer. I really couldn't afford this
Mobile Home if it wasn't for my sister
from back East, whom I stayed with back East.
She signed on to be my partner buyer. She
is over 55 and could do this and we qualified by
the skin of our teeth. None of my kids could do this
but all my kids contributed to my buying the
Mobile Home and they all contribute toward
the mortgage + Rent every month and
are all committed!! It is very tough and I've
been moved in almost 3 months, and now
faced with an increase in the rent! I
can't afford any increase with the way I'm set
up. As of now I get \$11.00 Social Security a month.
This is all I have to live on. I can hardly
afford groceries, gas + necessities. When we
closed on this Mobile Home, I was told don't
worry about increases because of rent control.
Misleading!! I know from talking to neighbors
I'm not the only one struggling in the Park.

Thank-you
Elizabeth Spring
CTO 01946

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, Ca. 91362.

Please include and attach this letter to the staff report for the appropriate meeting.

Dear Mr. Watson:

My name is Barbara Sharpe and I live in Thunderbird Oaks Mobile Home Park @ 2300 Arapaho Way, Thousand Oaks 91362. I am 67 years old. I have lived in the Conejo Valley for 36 years.. I am on Social Security only and I am disabled.

I moved to Thunderbird Oaks 2 yrs. ago knowing that because this park is under rent control there may be a small rent increase each year. This was all calculated into my budget to be able to afford to live here and eat.. I felt good about buying a mobile here and assuming a payment on it plus monthly rent. I intended to live out the rest of my life here.

That has all come crashing down with the proposed rent increase of \$322.50 PER MONTH.

I cannot work to get the money to pay for a rent increase. Social Security will not be enough to pay for it so my only option is to sell the mobile, though I seriously doubt there is any way I will find a buyer for it with the proposed rent increase. With the market down so much, I probably owe more then I might be able to sell it for, which means I will just have to abandon it.

I am sure many others here are in the same position.

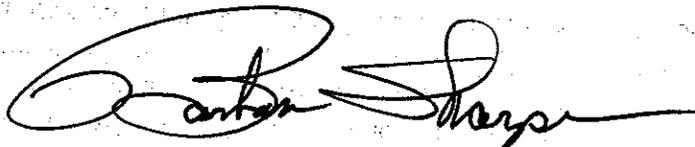
This is not a high rent district being right under the freeway with its noise and pollution. I am willing to put up with all that as long as I can afford to live here. The proposed increase might force me out to a homeless shelter and I just can't handle the thought of that.

I am not sleeping at night, so worried about what will happen. This situation is devastating to me. I am close to tears most of the time trying to think of what to do to save my life.

Most of the tenants of this park are women on a very fixed low income, who have nowhere else to go.

PLEASE help us.

Thank you so much for taking the time to read my letter.



Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, Ca. 91362

Please include and attach this letter to the staff report for the appropriate meeting.

Dear Ms. Albano:

My name is Barbara Sharpe and I live in Thunderbird Oaks Mobile Home Park @ 2300 Arapaho Way, Thousand Oaks 91362. I am 67 years old. I have lived in the Conejo Valley for 36 years.. I am on Social Security only and I am disabled.

I moved to Thunderbird Oaks 2 yrs. ago knowing that because this park is under rent control there may be a small rent increase each year. This was all calculated into my budget to be able to afford to live here and eat.. I felt good about buying a mobile here and assuming a payment on it plus monthly rent. I intended to live out the rest of my life here.

That has all come crashing down with the proposed rent increase of \$322.52 PER MONTH.

I cannot work to get the money to pay for a rent increase. Social Security will not be enough to pay for it so my only option is to sell the mobile, though I seriously doubt there is any way I will find a buyer for it with the proposed rent increase. With the market down so much, I probably owe more then I might be able to sell it for, which means I will just have to abandon it.

I am sure many others here are in the same position.

This is not a high rent district being right under the freeway with its noise and pollution. I am willing to put up with all that as long as I can afford to live here. The proposed increase might force me out to a homeless shelter and I just can't handle the thought of that.

I am not sleeping at night, so worried about what will happen. This situation is devastating to me. I am close to tears most of the time trying to think of what to do to save my life.

Most of the tenants of this park are women on a very fixed low income, who have nowhere else to go.

PLEASE help us.

Thank you so much for taking the time to read my letter.



9/13/10

Russ Watson
City of T.O. Housing Div.
2000 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Mr. Watson:

I'm all for Rent Control, and want it to remain! I like many folks here in Thunderbird Oaks Mobilehome Park am on a fixed income. It would be devastating to me for this unfair rent increase. I would not be able to handle this increase. Where would I go ???

I've been a resident of Thunderbird Oaks Mobilehome Park since 1986. I'm 83 years old and live alone.

We, as Seniors need Rent Control. We do not need this outrageous \$ 322.52 per month increase.

Please be sure that this letter be included and attached to the Staff Report that will be presented on October 5, 2010 (or the appropriate date, if for some reason this meeting is postponed).

Thank you for your attention.

Susan Shaw
2647 Mohawk Ave.
Thousand Oaks, CA
91362

RENT CONTROL TO STAY

Amy Albano
Thousand Oaks City Attorney
2100 E Thousand Oaks Blvd.
Thousand Oaks, CA 91362

9/13/10

Dear Ms. Albano:

We want Rent Control to remain!
It would be devastating for me for this
outrageous increase in rent (\$322.54).
I, as most people in Thunderbird Oaks
Mobilehome Park are on a fixed income
and cannot come up with that kind
of additional cash. I am 83 years old
and live alone. It's just not fair to
treat us (or any elderly person) like this.
Why are we, at our age, being
picked on? We have accepted the
increases over the years which were not
as extreme as this proposed one
(\$322.54), so why not be fair to us.

Please include ^{and attach} this letter to the Staff
Report that will be presented at the
October 5, 2010 meeting (or the appropriate
date, if for some reason this meeting is
postponed).

Thank you

P.S. I've lived in T-Bird since 1986.

Susan E. Shaw
2647 Mohawk Ave.
Thousand Oaks, CA 91362

RENT CONTROL SHOULD STAY - WE NEED TO
STAY SANE!!

September 12, 2010

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

RE: Thunderbird Mobile Home Park

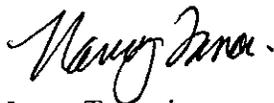
Dear Mr. Watson:

I am a three year resident of Thunderbird Mobile Home Park. I sold a home I owned in another state to be near my family so I could watch my grandchildren grow up. When I purchased here at Thunderbird it was with the belief that I could live here the rest of my life...my final move so to speak. I was skeptical about purchasing a mobile home but was assured that this property was zoned as Mobile Home Park, the use was for mobile homes, that the owner has it written in his will that it would remain a mobile home park, and that it was under rent control. This gave me some assurance that there were protections in place that would allow me to consider this my permanent home.

I was working part-time when I moved in, but with the economy starting to take a down turn I reasoned that with having paid cash for my home, and owning an older car, my expenses could be kept low enough that if I was careful, I could pay my rent and barely live on my only income - Social Security. This is the situation I am in today and the notice of a \$322 a month rent raise from A.V.M.G./Hohn has me terrified. I do not have the income to pay rent, my other bills and by food. I do not have an extra penny at the end of the month. I don't know what I will do. I don't know what other people will do here either.

I am hoping that the City of Thousand Oaks will protect its citizens, but the specter of what is happening to the people at Conejo Mobile Home Park is hovering over us.

Sincerely,



Nancy Tamarin
2355 Arapaho Way #137
Thousand Oaks, CA 91362

CITY OF THOUSAND OAKS
2010 SEP 14 AM 10:48
COMMUNITY DEVELOPMENT

RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 14 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 480-1100

September 12, 2010

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

RE: Thunderbird Mobile Home Park

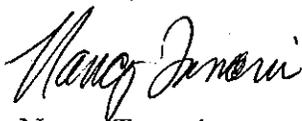
Dear Mr. Watson:

I am a three year resident of Thunderbird Mobile Home Park. I sold a home I owned in another state to be near my family so I could watch my grandchildren grow up. When I purchased here at Thunderbird it was with the belief that I could live here the rest of my life...my final move so to speak. I was skeptical about purchasing a mobile home but was assured that this property was zoned as Mobile Home Park, the use was for mobile homes, that the owner has it written in his will that it would remain a mobile home park, and that it was under rent control. This gave me some assurance that there were protections in place that would allow me to consider this my permanent home.

I was working part-time when I moved in, but with the economy starting to take a down turn I reasoned that with having paid cash for my home, and owning an older car, my expenses could be kept low enough that if I was careful, I could pay my rent and barely live on my only income - Social Security. This is the situation I am in today and the notice of a \$322 a month rent raise from A.V.M.G./Hohn has me terrified. I do not have the income to pay rent, my other bills and by food. I do not have an extra penny at the end of the month. I don't know what I will do. I don't know what other people will do here either.

I am hoping that the City of Thousand Oaks will protect its' citizens, but the specter of what is happening to the people at Conejo Mobile Home Park is hovering over us.

Sincerely,



Nancy Tamarin
2355 Arapaho Way #137
Thousand Oaks, CA 91362

September 12, 2010

To Russ Watson,

In 1986, because of my husband's bad heart, he had to retire.

Social Security told him at age 60 he would only receive Disability for his income.

When he passed away in 1988 I applied for his full Social Security and they told me I would only receive his Disability.

A year later I sold our home. I had been looking at mobile home in Thousand Oaks. I wanted to stay here near my family and because I am post-polio I did not want to drive on the freeway.

I was happy to find my great mobile home in Thunderbird Oaks. I loved the plan of the house and the cost of the rent and it has a lovely yard.

I was happy to join the community of people in the

park with not too many people. It is laid out lovely and has a very nice club house, spa & pool and lots of activities & everything a person could want for retirement.

I spent a lot of money redecorating the house & redoing the yard.

As I only receive a very low income and get food stamps and Medicare Extra Help through Kaiser and take in a single lodger I am able to live comfortably.

I had hoped to live this way until I passed on, but, now this situation has put a rock in my way.

But rocks can be moved.

I hereby request that my letter be included and attached to the staff report that will be presented on October 5, 2010 (or

the appropriate date if for some
reason this meeting is postponed)

Sincerely
Shirley Torak

Sept 11, 2010

To Amy Albano,

In 1986, because of my husband's bad heart, he had to retire. Social Security told him at age 60 he would only receive Disability for his income.

When he passed away in 1988 I applied for his full Social Security and they told me I would only get his Disability. A year later I sold our home.

I had been looking for a mobile home in Thousand Oaks. I wanted to stay near my family and because I am post polio I did not drive on the freeway.

I was very happy to find a great mobile home in Thousand Oaks. I love the house plan and the cost of rent, and it has a lovely yard.

I was happy to join the community of active people in the park. It is also a park with not too

many people. It is a pretty park and we have a nice Club house with a pool and spa. Everything a person could want for retirement.

I spent a lot of money redecorating the house and redoing the yard.

As I only receive a very low income and get food stamps & Extra Help from Medicare through Kaiser and take in a single lodger I can manage.

I had hoped to keep living this way until I pass away, but, now this situation has put a rock in my way.

But, rocks can be moved.

I hereby request that my letter be included and attached to the staff report that will be presented on October 5, 2010 (or the appropriate date if for some reason this meeting is postponed.)

yours truly,

Shirley Torch
116 Apache Blvd

09-10-10

Dear Mr. Walter

CITY OF THOUSAND OAKS

SEP 13 PM 12:21

COMMUNITY DEVELOPMENT

I have been a resident of
Thunderbird Oaks MHP for 11
years.

My husband and I moved there
prior to retirement because
we planned that either he or
one of us could live there with
out government assistance. He
passed last year.

Now if our landlord gets what
he wants, my living expenses will
go from 32% to 53% of my monthly
income. That leaves much less for
incidentals such as food
insurance, fuel, medical and
church.

This proposed increase will
place a severe hardship
on me.

Carol L. Tucker sp 88

09-10-10

Dear Ms Albano,

RECEIVED
City Attorney's Office
City of Thousand Oaks

SEP 13 2010

2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362
(805) 449-2170

I live in Thunderbird Oaks.

My husband and I moved there prior to our retirement. We became debt free and thought that either he or one of us could live there without government assistance. He passed last year.

Now, if our landlord gets all he wants, my living expenses will increase by 22% to 52% of my monthly income. That leaves little else for necessities such as food, fuel, insurance, medical and church.

This proposed increase will place a severe hardship on me.

Carol L. Tucker # 88

Kuss Watson

9-10-10

I am 86 yrs old WWII vet. My name is Scott Tufts and live in the Thunderbird Oaks Mobile Home Park. Have lived here 5 yrs. Used to live in TO yrs ago and moved to Lancaster Cal because my wife was transferred to the B-2 Plant. I was retired but then went to work on the B-2 for about a yr. also. I had worked for General Dynamics. When we moved here with a new double wide mobile home I asked what the rent had gone up in previous yrs and was told, and we said that was OK. My wife passed away last yr. We planned on just living our last yrs on our fixed income. If I had known it was going to double we would never have moved in. I can't go out now and get another job my step sons are married and don't have room or want me I would have to live under a bridge if the rent is doubled. Please help me and my neighbors and don't raise the rent double. We have worked hard all our lives but this would devastate us.

Scott Tufts

Erny Albano
To City Attorney

City Attorney's Office
City of Thousand Oaks

9-10-10

SEP 07 2010
2100 E. Thousand Oaks Blvd
Thousand Oaks, CA 91320
(805) 449-2170

I am 86 yrs old my name is Scott Tufts
an old WWII vet. I live in the Thunderbird
Oaks Mobile Home. Have lived here 5 yrs.
We used to live in Newberry Park and
10 years ago. When we moved to
Lancaster Ca. We missed TO so wanted
to move back. Prices of houses were too
high so my wife and I looked at
Mobile Homes and fell in love with
them. We liked Thunderbird Oaks so
we bought a new one double wide 1550
sq ft. Custom interior. I live on my
retirement fixed income. We asked
how much rent had gone up and
was told how much. It was OK so
we moved in with our new home. We
were to spend the rest of our lives here
my wife passed away last year. We felt
so nice and safe when we drove into the
Park. Now I am faced with double rent
going up. I don't have any place to go
my step sons and their wives live out
of state and don't want me or have
the room. I planned on being here comfortable
in my old age. I can't go out and get
a job now. I would have to live under
a bridge. What worry in my old age
especially when we live on a fixed income.

my neighbors are in the same boat
I am. Good people who have worked
hard all our lives and now
have to face this. Please help
me if you can.

Love Scott Tufts

Mr. Russ Watsson
City of Thousand Oaks Housing Dept.
2100 E Thousand Oaks Blvd
Thousand Oaks Ca 91362

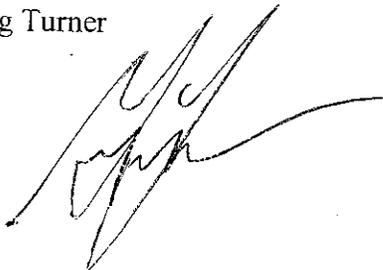
Mr. Watsson, the Hohn family's solicitation for approval of an 83% ground rental increase for the tenants of Thunderbird Oaks Mobile Home Park is ungrounded. The Hohn family new of the rent control on this property when they bought it and the purchase price reflected this restriction. They are now trying to circumvent this restriction to further their own interests regardless of how it will affect the lives and long term investments in the park of all of the tenants.

The Hohn family is paying over market prices to a Management company that is probably owned by them or connected to them in some way to try to make it look like they are making a smaller profit. I think the city needs to look into this.

The results of and increase in rent for the tenants of the park would be devastating. The long term investments in the purchase of their homes would be erased at a time in their lives when it is too late for them to recover. They have timed their attack well right in the middle of the largest recession our country has gone through in the last 70 years.

I urge you to deny the request.

Thank You
Greg Turner

A handwritten signature in black ink, appearing to read 'Greg Turner', with a long horizontal flourish extending to the right.

Sept. 15, 2010

Mr. Russ Watson,

I use a Walker that is impossible to climb up and down stairs. My Family ALL live in two story houses and I CAN'T live with them. IT also would be a hardship moneywise for me, I only have a certain amount of money to spend each month. I beg of you to please NOT raise the rent. I also have a CAREGIVER which I cannot do without. I beg of you please, please do NOT raise The Rent.

Sincerely,

Phyllis L. Liptain

P.S.

I Have Lived Here

11 YEARS

Please include and attached to the Staff Report that will be presented on Oct. 5, 2010 or the appropriate date for some reason this Meeting is postponed.

Sept. 15, 2010

Amy Albano,

I use a Walker that is impossible to climb up and down stairs. My Family ALL Live in two story houses AND I CAN'T LIVE WITH THEM. IT ALSO WOULD BE A HANDSHIP MONEY WISE FOR ME. I ONLY HAVE A CERTAIN AMOUNT OF MONEY TO SPEND EACH MONTH, I BEG OF YOU TO PLEASE NOT RAISE THE RENT. I ALSO HAVE A CARE GIVER WHICH I CANNOT DO WITHOUT. I BEG OF YOU PLEASE, PLEASE DO NOT RAISE THE RENT.

P. S.

I have lived here
11 years.

Sincerely,

Phyllis J. Uptain

Please include and attached to the Staff Report that will be presented on Oct. 5, 2010 on the APPROPRIATE DATE if for some reason this meeting is postponed.

Thank you

Pramrudee Whitmore
2481 Arapaho Way #130
Thousand Oaks, CA 91362
September 20, 2010

Mr. Watson,

I live in Thunderbird Mobile Home Park for seniors for the past eight years. I was fortunate to be able to move into this park.

My monthly Social Security check is very small. Medical helps with my health benefits.

If the rent is increased to \$322.52 a month, I can become homeless, since I will not be able to afford this higher amount.

Please attach this letter to the staff report for your October 5 meeting.

Thank You,

A handwritten signature in cursive script that reads "Pramrudee Whitmore". The signature is written in black ink and is positioned to the right of the typed "Thank You,".

RUSS WATSON
CITY OF THOUSAND OAKS HOUSING DIVISION
2100 E. THOUSAND OAKS BLVD.
THOUSAND OAKS, CA 91362

SEPTEMBER 17, 2010

DEAR SIR:

MY WIFE AND I OF FORTY FOUR YEARS OF MARRIAGE
CHERISH LIVING HERE AT THUNDERBIRD MOBILE HOME PARK IN
THOUSAND OAKS. IT'S CLEAN, SAFE AND CONVENIENT TO OUR DOCTORS,
PHARMACY AND OTHER NECESSARY PLACES OF BUSINESS.

I AM SEVENTY FIVE YEARS OLD AND MY WIFE IS SEVENTY.
SHE SUFFERS FROM SEVERE RHEUMATOID ARTHRITIS. I HAVE A
SEVERE HEART CONDITION AND AM RECOVERING FROM BLADDER
CANCER.

MEDICAL AND PRESCRIPTION COSTS ALONG WITH LIVING
EXPENSES TAKE UP MOST OF OUR FIXED INCOME. AN INCREASE
IN OUR RENT IN EXCESS OF \$300.00 PER MONTH WOULD BE
ABSOLUTELY DEVASTATING FOR US. WE DO NOT HAVE THE HEALTH OR
THE FUNDS TO RELOCATE AT THIS LATE TIME IN OUR LIVES. THIS
PROPOSED INCREASE WOULD BE AN INSURMOUNTABLE HARSHIP
NOT ONLY FOR US BUT FOR MANY OF OUR FRIENDS AS WELL
THAT ARE LOCATED IN THE PARK.

THANK YOU FOR YOUR KIND CONSIDERATION
IN THIS MATTER,

RON & JOOY WOODMANSEE

Ron Woodmansee

Jooey Woodmansee

AMY ALBANO
THOUSAND OAKS CITY ATTORNEY
2100 E. THOUSAND OAKS BLVD.
THOUSAND OAKS, CA, 91362

SEPTEMBER 17, 2010

DEAR MS. ALBANO,

MY WIFE AND I OF FORTY FOUR YEARS OF MARRIAGE
CHERISH LIVING HERE AT THUNDERBIRD MOBILE HOME PARK IN
THOUSAND OAKS, IT'S CLEAN, SAFE AND CONVENIENT TO OUR DOCTORS,
PHARMACY AND OTHER NECESSARY PLACES OF BUSINESS.

I AM SEVENTY FIVE YEARS OLD AND MY WIFE IS SEVENTY,
SHE SUFFERS FROM SEVERE RHEUMATOID ARTHRITIS, I HAVE A
SEVERE HEART CONDITION AND AM RECOVERING FROM BLADDER
CANCER.

MEDICAL AND PRESCRIPTION COSTS ALONG WITH LIVING
EXPENSES TAKE UP MOST OF OUR FIXED INCOME. AN INCREASE
IN OUR RENT IN EXCESS OF \$300.00 PER MONTH WOULD BE
ABSOLUTELY DEVASTATING FOR US. WE DO NOT HAVE THE HEALTH OR
THE FUNDS TO RELOCATE AT THIS LATE TIME IN OUR LIVES, THIS
PROPOSED INCREASE WOULD BE AN INSURMOUNTABLE HARSHIP
NOT ONLY FOR US BUT FOR MANY OF OUR FRIENDS AS WELL
THAT ARE LOCATED IN THE PARK,

THANK YOU FOR YOUR KIND CONSIDERATION
IN THIS MATTER,

RON + JULY WOODMANSEE

Ron Woodmansee

July Woodmansee

September 18, 2010

Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Mr. Watson:

I am writing this letter in response to the proposed \$322.52 per month rent increase at Thunderbird Oaks Mobile Home Park. My name is Lupe Zavala (age 74) and I live on a fixed income (social security income of \$1,152 only). Currently, I am responsible for my monthly rent and utilities of \$570. This does not include food and other expenses.

In addition, I am responsible for supporting my 47 year old daughter who does not work and this is an additional expense for me.

As you can see, a monthly increase in rent of \$322.52 would create a tremendous financial burden on me. In fact, any increase in rent would create a tremendous financial burden on me.

Therefore, I request that your office deny any increase in the monthly rent at Thunderbird Oaks Mobile Home Park.

Sincerely,



Lupe Zavala
120 Navajo Way
Thousand Oaks, CA 91362
Thunderbird Oaks Mobile Home Park

September 18, 2010

Amy Albano
Thousand Oaks City Attorney
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Ms. Albano:

I am writing this letter in response to the proposed \$322.52 per month rent increase at Thunderbird Oaks Mobile Home Park. My name is Lupe Zavala (age 74) and I live on a fixed income (social security income of \$1,152 only). Currently, I am responsible for my monthly rent and utilities of \$570. This does not include food and other expenses.

In addition, I am responsible for supporting my 47 year old daughter who does not work and this is an additional expense for me.

As you can see, a monthly increase in rent of \$322.52 would create a tremendous financial burden on me. In fact, any increase in rent would create a tremendous financial burden on me.

Therefore, I request that your office deny any increase in the monthly rent at Thunderbird Oaks Mobile Home Park.

Sincerely,



Lupe Zavala
120 Navajo Way
Thousand Oaks, CA 91362
Thunderbird Oaks Mobile Home Park

Russ Watson - RE: Rent Adjustment Commission

From: Russ Watson
To: Marshall, Pam
Date: Aug 24, 10 5:20 PM
Subject: RE: Rent Adjustment Commission
Attachments: RAC2010appointments.pdf

Pamela.

Below is a copy of the staff report the City Council considered in appointing the RAC members at its July 20th Council meeting

At the July 29th RAC meeting:
 Lloyd Wertheimer was elected Chair
 Maxwell Sheldon elected Vice Chair

I was looking for a link from the web page for the Handbook, but have not located one. The City Clerk is the Department responsible for this document. I will see if I can make this available, or have them forward to you a PDF tomorrow.
 Russ

>>> "Pam Marshall" <pamela_marshall@sbcglobal.net> 5:04 PM Tuesday, August 24, 2010 >>>
 Can you tell me who the Chair and Vice-Chair are and email me a link for the Commission Handbook?

Thanks.

From: Russ Watson [mailto:RWatson@toaks.org]
Sent: Tuesday, August 24, 2010 4:53 PM
To: Pam Marshall
Subject: RE: Rent Adjustment Commission

I was at the meeting, in part in support of the fact the Mayor attended the meeting, and also because of the nature of the issue, City Manager wanted a staff member to attend so as to know first hand the concerns stated.

>>> "Pam Marshall" <pamela_marshall@sbcglobal.net> 4:23 PM Tuesday, August 24, 2010 >>>
 Hi Russ,

No, there is not yet a main contact person. My parents and my aunt both live at Thunderbird Oaks and I have met many of their neighbors over the years. I went to the meeting and I am trying to help them. Several people signed up for the committee and will be meeting tonight. I will also be at the meeting this evening. I am not sure who will end up as the contact person, but we should have that figured out tonight. Were you at the meeting last night? Obviously, one of the issues regarding a contact person is that these are senior citizens and many of them have no access to or understanding of email, downloading from the web, fax machines, etc. I may end up the contact person; I am not sure. But my goal is to get as much information as possible for tonight so that we can move forward with as much organization and efficiency as possible.

Thanks, Pam

From: Russ Watson [mailto:RWatson@toaks.org]
Sent: Tuesday, August 24, 2010 4:11 PM
To: Pam Marshall

Subject: Re: Rent Adjustment Commission

Pamela, is there been a main contact person for the residents of Thunderbird Oaks, ie committee spokesperson for the committee that was proposed to be established at the meeting last evening?

*Russ Watson
Housing & Redevelopment Manager
Community Development Department
City of Thousand Oaks
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91362*

*(805) 449-2322 direct
(805) 449-2390 Fax
rwatson@toaks.org*

>>> "Pam Marshall" <pamela_marshall@sbcglobal.net> 3:01 PM Tuesday, August 24, 2010 >>>
Dear Mr. Watson,

I checked the city website and see that a meeting of the Commission was held on July 29th. I tried to review the minutes of that meeting, but they did not seem to be posted yet. Are the minutes of the meeting availble and, if not, do you know when they will be available?

Thank you,

Pamela Marshall
pamela_marshall@sbcglobal.net
Cell: 818-317-6429

Russ Watson - Re: Thunderbird Oaks Mobile Home Park

From: Russ Watson
To: Saso, Camille
Date: Aug 18, 10 3:12 PM
Subject: Re: Thunderbird Oaks Mobile Home Park
Attachments: Russ Watson.vcf

Ms. Saso

I received your e-mail message and understand your reaction to this Notice.

The rent increase application was submitted by the park owner. The City of Thousand Oaks is required to process this application pursuant to the City Mobile Home Rent Stabilization Ordinance. As stated in the Notice, there will be a hearing on this application conducted by the City's Rent Adjustment Commission. This hearing is scheduled for **Tuesday October 5th at 6:00 PM** in the City Council Chambers. The Commission will hear testimony from all interested parties and render a decision. I encourage you to attend this hearing.

As an affected tenant, you are able to offer to the Commission documents, testimony, written declarations or evidence as may be pertinent to the proposed rent increase. Related to this application, it is important to note that City staff and the Commission are not advocates for either the tenants or applicant. The Commission's role is to apply the Mobile Home Rent Stabilization Ordinance to the application in a manner required by law and consistent with the evidence presented.

Copies of the rent application (submitted by owner), as well as the City's Rent Stabilization Ordinance and other related information, are available for review or pick up at the Community Development Department public counter located on the first floor of City Hall. These documents have also been placed on City's web page, and can be viewed at: http://www.toaks.org/government/committees/rent_adjustment_commission.asp

Sincerely,

Russ Watson.

*Russ Watson
 Housing & Redevelopment Manager
 Community Development Department
 City of Thousand Oaks
 2100 Thousand Oaks Blvd.
 Thousand Oaks, CA 91362*

*(805) 449-2322 direct
 (805) 449-2390 Fax
 rwatson@toaks.org*

>>> Camille Saso <eebatza@gmail.com> 11:42 PM Tuesday, August 17, 2010 >>>

Mr. Watson:

I'm in absolute shock - and scared to death! Just read the Notice of Hearing re Rent Adjustment for our mobile home park.

Could this POSSIBLY occur?

I would be living on a park bench - barely cutting it now!!!!

Living only on my Social Security Benefit and nothing else!

What can I do to help prevent this from happening?????

Camille Saso

2591 Mohawk Ave.

Thousand Oaks, CA 91362 (in Thunderbird Oaks MobileHome Park)

--

--

LIVE A LITTLE

LAUGH A LOT

AND LOVE FOREVER!

Russ Watson - Re: Rent control for senior mobile home park

From: Russ Watson
To: White, Carrie (JDPA)
Date: Aug 20, 10 4:47 PM
Subject: Re: Rent control for senior mobile home park
Attachments: Russ Watson.vcf

Ms White.

By your message I assume your colleague resides in the Thunderbird Oaks MHP as this is the only MHP that has received notice of a proposed rent adjustment application filed by the MHP owner. In that notice there is a link to the City's Rent Stabilization Ordinance and link to the application.

I cannot provide specific reference to possible case law that could be used in defense of this application, however in the application there are references to many legal determinations involving rent control and mobile home parks. The City's ordinance and rent adjustment application can be accessed via web at:

<http://www.toaks.org/government/committees/default.asp>

I hope this helps.

*Russ Watson
Housing & Redevelopment Manager
Community Development Department
City of Thousand Oaks
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91362*

*(805) 449-2322 direct
(805) 449-2390 Fax
rwatson@toaks.org*

>>> "White, Carrie (JDPA)" <Carrie.White@jdpa.com> 3:12 PM Wednesday, August 18, 2010 >>>

My college currently lives in a senior community mobile home park. The new owner wants to apply a \$300 rent increase on each lot. How would I go about fighting this if possible? Do you know of any case law that I could use to defend the proposed increase?

Sincerely,

Carrie Millett-White

The information contained in this message is intended only for the recipient, and may be a confidential attorney-client communication or may otherwise be privileged and confidential and protected from disclosure. If the reader of this message is not the intended recipient, please be aware that any dissemination or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by replying to the message and deleting it from your computer. The McGraw-Hill Companies, Inc. reserves the right, subject to applicable local law, to monitor and review the content of any electronic message or information sent to or from McGraw-Hill employee e-mail addresses without informing the sender or recipient of the message.

Russ Watson - COMPARABLE SALES DATA

From: "McCabe John J" <John.J.McCabe@irs.gov>
To: "Russ Watson" <rwatson@toaks.org>
Date: Aug 25, 10 5:15 PM
Subject: COMPARABLE SALES DATA
Attachments: MHP SALES EXHIBIT A.doc

Russ,

Per our conversation, I am attaching the comparable sales information you requested. Thank you for taking the time to explain procedural protocol of the rent adjustment commission and the telephone numbers and names of the city attorneys who will be involved in the process. Please advise if I can provide you with any additional information. If I come across any material that I believe relevant to the matter, I will send it along.

Please acknowledge receipt of this material. Thanks again,

John McCabe

EXHIBIT A

MOBILE HOME PARK SALES

ADDRESS	NR OF SPACES	SALES DATE	SALE PRICE	CAP RATE	LAND SIZE	PRICE PER SPACE	YEAR BUILT	GIM
Marine Land MHP 531 Pier Avenue Hermosa Beach, CA APN: 4183-018-010, 009	60	07/14/04	\$6,000,000	5.42%	182,516	\$100,000	unk	12.4
1700 S. Glendora Ave 17700 Avalon Blvd. Carson, CA 90746 APN: 7319-017-086	50	05/08/06	\$3,894,520	3.7%	158,994	<u>\$77,890</u>	1975	12.68
12401 Filmore Street Sylmar, CA 91342 APN: 2526-023-042, 049	186	12/22/05	\$16,000,000	5.2%	745,747	\$86,021	unk	12.8
Lincoln Center MHP 9080 Bloomfield St. Cypress, CA 90630 APN: 244-342-23	305	12/10/05	\$19,795,000	6.5%	1,354,280	\$64,901	1971	10.2
Friendly Village MH 5450 N. Paramount Bl Long Beach, CA 90805 APN: 7157-006-009, 009	182	09/06/05	\$14,400,000	5.0%	815,878	\$79,120	1970	13.4
Lake Hills MHP 2770 Parker Rd. Castaic, CA 91384 APN: 2865-013-014	115	04/01/05	\$ 7,100,000	6.0%	604,500	\$61,739	1978	11.2
5065 Telegraph Rd. Ventura, CA 93003 APN: 083-0-050-250	372	07/29/04	\$23,500,000	6.2%	1,045,004	\$63,172	unk	10.8
American MHP 16420 Downey Ave Paramount, CA 90723 APN: 7107-002-014, 017	171	02/09/04	\$12,850,000	6.02%	80,019	\$75,146	1963	11.1

MOBILE HOME PARK SALES
(continued)

ADDRESS	NR. OF SPACES	SALES DATE	SALE PRICE	CAP RATE	LAND SIZE	PRICE PER SPACE	YEAR BUILT	GIM
Heart O the Hills MHP 13792 Hwy 8 Business El Cajon, CA 92021 APN: 398-260-21-0	46	01/31/07	\$4,250,000	4.8%	214,751	\$92,391	unk	12.81
Pioneer MHP 16123 Pioneer Blvd Norwalk, CA 90650 APN: 7014-002-001	53	03/24/06	\$4,110,000	4.1%	212,878	\$77,547	1968	unk
11620 Ranchito St El Monte, CA 91732 APN: 8547-024-024	18	07/17/07	\$1,425,000	5.0%	22,390	\$79,167	unk	15.5

Average Cap Rate 5.3%

Average Gross Income Multiplier 11.9

Average price per space of the 11 comparable area parks \$77.918 (rounded)

Based on market yield of long term Treasury Bonds, the risk free rate on a 7 year U.S. Treasury bond is 2.60%. The average rate of return necessary to motivate an investor to buy into a mobile home park in So CA is between 4% and 6%, or an equity risk premium between 1.4% and 3.4% above the "risk free rate". The size of the risk premium is indicative of the degree of uncertainty, or deviation from an expected outcome, regarding the future benefits to be realized from a specific investment. A risk premium of this size reflects economic stability, income predictability, slow growth, low volatility, and over-all general security. A capital investment that lacked these qualities would be considered a higher risk investment and require a higher risk premium to compensate an investor for the unforeseeable hazards associated with uncertainty.

By way of comparison, according to Price Waterhouse Cooper, for the 1st quarter of 2010, the "average" capitalization rates for apartment ownership was 8.03%; regional malls 8.34%; commercial offices 8.24%; and warehousing 8.73%. While these rates reflect the average, the high end rates of the respective sectors are significantly higher than the 6% yield rate reflected by the MHP sector of the market. The current high end rate for apartments is 11%; regional malls 12%; commercial offices 10.5%; and warehousing 12%.

Since risk drives the capitalization rate, the choice of the applicable rate is driven by the "definition" of the economic income stream being capitalized. The economic income that the Thunderbird Oaks Mobilehome Park produces is a constant and slowly expanding income stream produced by long term, multi-tenant residential ground leases, with step increases indexed to inflation. This income is guaranteed by tenant improvements that collateralize the leases.

Therefore, the marketplace has determined that investors who are seeking a safe and secure investment, possessing the characteristics previously mentioned, find that a 4% to 6% rate of return an attractive inducement for investing in this sector of the real estate market.

Submitted on Behalf of Tenants of
Thunderbird Oaks Mobile Home Park
2501 Thunderbird Drive
Thousand Oaks, CA 91363

by
Dan Goldstein
3280 Erinlea Avenue
Newbury Park, CA 91320
(805) 312-5952 (cell)

CITY OF THOUSAND OAKS

2010 AUG 27 AM 11:38

COMMUNITY DEVELOPMENT

August 27, 2010

Scott Mitnick
City Manager
City of Thousand Oaks
2100 Thousand Oaks Boulevard
Thousand Oaks, CA 91362

Dear Mr. Mitnick:

My mother-in-law is a resident of the Thunderbird Oaks Mobile Home Park. I have reviewed the Rent Adjustment Application (the "Application") filed by A.V.M.G.H., Ltd dated May 27, 2010 as well as Chapter 25 of Title 5 of the Thousand Oaks Municipal Code ("Mobilehome Rent Stabilization"), prior ordinances Chapter 25 was derived from dating back to 1980 and the Rent Adjustment Commission ("RAC") Resolutions referenced in the Application.

I have significant concerns about the accuracy and validity of the Application with respect to adhering to the requirements of Resolution No. RAC-2, which establishes guidelines in order to determine a "just and reasonable return" that was the basis for the Application.

My background includes over 23 years of finance and accounting experience. I earned my CPA license while working at global accounting firm Ernst & Young and have worked in numerous senior financial managerial capacities in my career, including Amgen and other local companies, including my current role as Chief Financial Officer at a growing company in Camarillo. I served on the City of Thousand Oaks Investment Review Committee, City of Thousand Oaks Fireworks Fundraising Committee and as Chairman of the County of Ventura Tobacco Settlement Program Finance Oversight Committee. In addition to my undergraduate degree in Business Administration from CSUN (accounting emphasis), I earned my MBA at the UCLA Anderson School.

The Application is based on a formula driven by comparing 1979 Base Year Net Operating Income to Current Year Net Operating Income, applying an inflation factor to the Base Year. The following are my concerns with these calculations:

1. Section 3 of RAC-2 establishes guidelines in order to determine a "just and reasonable return." It states "the base year shall be 1979 when the financial information is available" yet the Base Year Gross Total Income submitted in the Application is based on a 1985 city registration form. This is not adequate documentation for purposes of calculating 1979 Gross Total Income. Adequate records to support actual Gross Total Income should include detailed financial statements and/or tax returns from 1979 supported by cash receipt documentation and bank statements.
2. In the calculation of 1979 Net Operating Income referenced in Section 3.02 of RAC-2, the Applicant used 1986 Operating Expenses from "1986 Andrew V. Hohn Tax Return Schedule C for Thunderbird Oaks" (Attachment 4 to the Application), and then computed an estimate of 1979 Operating Expenses by reducing the 1986 Operating Expenses by 7 years of inflation adjustment factors. Such methodology is not in accordance with Generally Accepted Accounting Principles nor is allowed or contemplated in RAC-2. In order to properly substantiate 1979 Net Operating Income, the applicant should provide 1979 Base Year Operating Expenses as defined in Sec. 2.08 of RAC-2, supported by detailed accounting records, including but not limited to a tax return, financial statement, detailed disbursement ledger, receipts and cancelled checks.

August 27, 2010

3. Section 4 of RAC-2 states "in the event that the 1979 financial information is not available, and where the loss of such records can be substantiated by clear and convincing evidence, the landlord of record in 1979 may substitute as a base year the first year following 1979 for which records are available." The Application did not provide any actual 1979 financial information in the filing, nor did it indicate a loss of such records. If the 1979 Base Year Gross Total Income and 1979 Base Year Operating Expenses are not available, the Applicant must show clear and convincing evidence of this and prepare such Application, if deemed necessary, based on the first year for which complete (e.g. detailed and auditable) records are available.

Deriving historical year financial statements based on information 5 to 7 years subsequent to such year is highly unusual. Such methodology would not be accepted by the IRS, Securities and Exchange Commission, banks, investors and other third parties. There is no reason to accept such methodology in the Application.

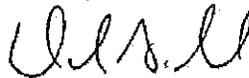
As a consequence of the above, the Application is inadequate for purposes of determining eligibility for rent increases pursuant to the 1979 base year formula described in Section 3 of RAC-2 and it should be rejected by the City of Thousand Oaks.

Other concerns about the Application include:

- Justification for the substantial 691% increase in Management and Administration costs from the 1979 "Base Year" (which as noted previously does not represent the actual 1979 expense) to the 2009 Current Year.
- Review of the 644% increase in utilities costs, 450% increase in rubbish removal costs, 320% increase in payroll taxes and 2,231% increase in service expenses.
- Justification for using a March 2010 CPI factor for 2009 Current Year in the Price Level Adjustment rather than a 2009 annualized CPI factor.
- Appropriateness and reasonableness of any increase in rent based on comparable rentals at other local mobile home parks. Increasing rents on mostly elderly, fixed income tenants by 62% to 86% will have drastic and, for some, dire financial consequences on these tenants, from both a cash flow and property valuation perspective.
- Justification for a 62% to 86% increase in rents 30 years after the initial rent regulation ordinances were put in place. It certainly wasn't contemplated that a landlord could justify such exorbitant increases after years of more moderate and appropriate increases in line with the spirit of the City's Rent Stabilization Program.

Please don't hesitate to contact me with any questions. I appreciate the ability to bring this information to your attention and would be happy to discuss this in more detail at any time.

Sincerely,



Dan Goldstein

cc: Tenants of Thunderbird Oaks Mobile Home Park
Russ Watson



City of Thousand Oaks

COMMUNITY DEVELOPMENT DEPARTMENT
JOHN C. PRESCOTT, DIRECTOR

BUILDING DIVISION
PLANNING DIVISION
HOUSING/REDEVELOPMENT DIV.

(805) 449-2500
(805) 449-2323
(805) 449-2393

September 2, 2010

Dan Goldstein
3280 Erinlea Avenue
Newbury Park, CA 91363

Re: Thunderbird Oaks Rent Adjustment Application

Dear Mr. Goldstein:

Thank you for your letter regarding the above captioned application. I am responding on behalf of City Manager, Scott Mitnick.

I want to assure you that city staff is thoroughly evaluating the park owner's data. The City has retained an expert in the field of mobile home rent adjustments to evaluate the applicant's material. City staff will be providing a comprehensive report evaluating the application to the Rent Adjustment Commission. Many of the issues you raise will be addressed in that report. This report should be available to the public on October 1, 2010.

The City is aware of the potential impact that such a rent adjustment may have on the residents, but as indicated in the notice that went out to residents, City staff and the Commission are not advocates for either the tenants or applicant. It is the Commission's role to apply the Mobile Home Rent Stabilization Ordinance to the application in a manner required by law and consistent with the evidence presented. The City Attorney's office is actively involved in the application process to ensure that the application and material submitted are evaluated and presented to the Rent Adjustment Commission, in conformance with the requirements of the Mobile Home Rent Stabilization Ordinance, current Rent Adjustment Commission regulations, and governing legal case precedents.

As also stated in the notice of hearing, the tenants have the right to provide additional evidence and propose an alternative methodology for determining just and reasonable return. I would strongly urge tenants to provide this information to the City as soon as possible so staff will have adequate time to review it before the hearing.

If you have questions or would like to discuss this application, please feel free to contact Russ Watson, Housing & Redevelopment Manager at 805.449.2322, or rwatson@toaks.org.

Sincerely,

John Prescott
Community Development Director

C: Scott Mitnick, City Manager

Russ Watson - Re: Thunderbird Oaks Letter

From: Dan Goldstein <dan@conejovalleyguide.com>
To: Russ Watson <RWatson@toaks.org>
Date: Sep 08, 10 12:42 AM
Subject: Re: Thunderbird Oaks Letter
CC: John Prescott <JPrescott@toaks.org>, <Megato@roadrunner.com>, Andrew Powers <APowers@toaks.org>, Bill Hatcher <BHatcher@toaks.org>, Christopher Norman <cnorman@toaks.org>, Carole Wilson <CWilson@toaks.org>, Mark Towne <MTowne@toaks.org>, Scott Mitnick <SMitnick@toaks.org>

Russ and City Staff,

Thanks for your prompt response to my September 3rd email on September 7th after what I trust was a great Labor Day weekend.

Russ, I've read through and referenced in my letter dated August 26th the 60+ page application that is publicly available on the City of Thousand Oaks website that includes supplemental information in the form of 10 attachments. If you have additional supplemental information not included in that package, I certainly would be interested in receiving a copy. Let me know if this is the case.

I've stated several times what you have restated...that 1979 shall be the base year when financial information for that year is available. You stated that City staff is reviewing the reasonableness of the Applicant's methodology for establishing 1979 as the base year in the absence of detailed financial information. That implies City staff agrees with me that the Applicant has indeed NOT submitted required 1979 financial information, nor has provided any type of clear and convincing evidence that such records are not available, as required in Sec. 4 of RAC-2. The Applicant should have been asked to substantiate why the actual 1979 financial information was not used in the Application as they clearly have not followed the rules.

Attachment 9 to the Application is a legal memorandum from the Applicant's attorney. In Item V.1. of that memo the attorney states that "Here, Thunderbird Oaks can establish that 1979 financial information is available and cannot establish by clear and convincing evidence that 1979 records are lost." Thus, the Applicant claims that 1979 financial information IS available. However, it goes on to reference Attachments 2 and 3 for Rental Unit Income. If you look at the 4th page of Attachment 2, there is a footnote that indicates the "1979 monthly Space Rent" is taken from January 1986 registration forms that list 1983 rent. The Applicant clearly did not supply ACTUAL 1979 Rental Unit Income from its tax returns or financial records. They state 1979 financial information is available, yet they DID NOT use it or justify why it has not been used.

The attorney goes to state that 1979 operating expenses can be reasonably determined by CPI adjustment of 1986 operating expenses. This is once again in direct conflict with his statement that 1979 financial information is available. If 1979 financial information is available, they should have used 1979 information. They didn't. And they didn't justify with "clear and convincing evidence" the loss of such records. They do mention on page 1 of Attachment 10 that "the oldest records available are the 1986 tax returns" but they do not justify the loss of the earlier records. Their methodology for "determining" 1979 operating expenses by taking 1986 information and adjusting it by a CPI is a not a reasonable approach as it makes an excessively broad assumption that the expense breakdown in 1986 was the same as in 1979. If I asked my Amgen friends to provide me 1979 operating expenses based on 1986 operating expense information that was going to be used in a calculation to double the price of their products, they would laugh at me. The Base Year NOI is the most critical component of the MNOI formula as it is used as the basis for future "just and reasonable" profits; it should not be left to some 7 year "rollback" estimate

that frankly I've never seen used as a basis for creating an entire operating expense statement in my nearly 25 years of accounting/finance experience. This approach is simply not justifiable or reasonable.

Nowhere in RAC-2 does it state that 1979 financial information can be ESTIMATED based on some subsequent year's data. If 1979 information is not available, then they should/could have proposed using a more recent year in their MNOI Formula and applied an inflation factor based on that subsequent year. So if 1986 is truly the oldest year available to the Applicant, they should clearly and convincingly explain why 1979 financial information is not available, then use 1986 financial information for the MNOI formula, applying an inflation factor using 1986, not 1979, as the Base Year.

The Applicant has clearly not played by the rules of RAC-2 and it should not take an "expert" to determine that. The rules are clear and the supporting details to the Application clearly evidence that they have not followed the rules. So I respectfully submit to your team a request to reassess the decision to accept the Application while perhaps providing the Applicant specifics that I've given above as how to prepare a valid Application in accordance with RAC-2.

It is unfair to the residents of Thunderbird Oaks, who as you know are elderly, mostly fixed income tenants currently in shell shock by such an extraordinary proposed rate increase, to have to make arguments at the October 5th Hearing about the invalidity of the Application submitted over 3 months ago. They were given only 45 days to prepare for this Hearing and do not have anywhere near the financial/legal/organizational resources of the Applicant. The right thing to do for these City residents at this time is to reject the current Application and provide the Applicant the opportunity to resubmit a corrected Application, and at the same time, immediately cancel the October 5th Hearing until such time the Applicant submits a corrected application should they choose to do so.

Please don't hesitate to contact me anytime with any questions. I'll stop by City Hall offices if you'd like. I strongly believe these issues need to be addressed now, not in a memo to be released 2 business days before the Hearing.

Best regards,

Dan Goldstein
 Founder/Editor
 Dan@ConejoValleyGuide.com
www.ConejoValleyGuide.com
 (805) 312-5952

On Tue, Sep 7, 2010 at 4:14 PM, Russ Watson <RWatson@toaks.org> wrote:

Mr. Goldstein:

I am responding to your email of September 3rd. You have indicated in your letter that RAC-2 clearly states that the base year for the "just and reasonable return" formula must be 1979. This is partially correct. Section 3 of RAC-2 – "Determination of Eligibility for Rent Increases Pursuant to the 1979 Base Year Formula", sets forth the formula for determining 1979 Net Operating Income. However, these requirements are prefaced by Section 3.01, which states "The base year shall be 1979 when the financial information for that year is available. Section 4 Determination of Eligibility for Rent Increases when 1979 Net Operating Income and Expense Information is not Available", affords the ability to use the first year after 1979 as the base year for which records are available.

City staff and its expert are currently reviewing the data provided by the applicant, and the reasonableness of their methodology for establishing 1979 as the base year in the absence of detailed financial information.

I appreciate the concern you raise about the timing of the report availability, but the timing of the

report issuance in advance of the October 5th meeting is consistent with report availability for the City Council and other City Boards and Commissions. The City has the background data provided by the applicant available on CD-ROM. We had provided this data to one of the Thunderbird Oaks park tenants via mail on August 20, 2010 for a general tenant meeting that was held on August 23, 2010. If you would like a copy of this information, we will be pleased to mail it to you, or you are welcome to come down and pick up a copy at the public counter in the Community Development Department.

The City's Ordinance and Resolution set forth the methodology for establishing "Just and Reasonable Return" as Maintenance Net Operating Income (MNOI). Information regarding the applicant's initial investment is not required, except to the extent that debt service is an operating expense. In your letter you inquire about the possibility of requesting additional information from the applicant, perhaps this is information you could request as well. You are certainly welcome to correspond with the applicant but it is important to understand that the applicant is not obligated to respond to your inquiries.

Thank you again for your comments. Please let me know if you would like a copy of the applicant's supplemental information, and whether you would like to pick it up or have it mailed to you.

*Russ Watson
Housing & Redevelopment Manager
Community Development Department
City of Thousand Oaks
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91362*

*(805) 449-2322 direct
(805) 449-2390 Fax
rwatson@toaks.org*

>>> Dan Goldstein <dan@conejovalleyguide.com> 2:26 PM Friday, September 03, 2010 >>>

Thank you Russ and John for your response to my letter. I appreciate the work that your staff is doing and know you have your hands full. I've been a Thousand Oaks resident since 1994 and think the City does a fantastic job.

As I've stated before, RAC-2 clearly states the base year for the "just and reasonable return" formula must be 1979. The Applicant did not use 1979 financial information and did not justify why, as required by RAC-2. I would liken this to filing a 1979 tax return with 1986 W-2 and 1099 statements...obviously the IRS would ask that the the tax return be corrected.

The whole basis of the Application was this formula. If the underlying information used in the formula does not adhere to the requirements, I see no point in submitting it to the Rent Adjustment Commission. Rejecting the Application would not preclude the Applicant from re-filing the application with proper information. That said, I'm confident that the mobile home park expert you mention will address this issue in their report.

I'm a bit concerned about the timing of that report however. Issuing it on October 1st leaves just 2 business days before the meeting, leaving little time for the Tenants to address issues raised in it.

Since the basis of the rent adjustment is historical data, we strongly feel we need to have access to and review the underlying financial records of this data, including tax returns, accounting general ledgers, cash receipts and cash disbursement ledgers, bank statements and supporting cash receipts and disbursements documentation (e.g. receipts). Without an adequate accounting and audit of the 1979 Base Year and 2009 Current Year information claimed to be used in the Application, we believe the Rent Adjustment Commission will not have a basis for forming a decision. Is this something that can be requested and obtained prior to the October 5th Hearing or will we need to ask for this at the Hearing itself?

You mention again that the tenants have the right to produce additional evidence and propose an alternative methodology for determining "just and reasonable return." Based on the P&L submitted in the Application, the Tenants and myself all strongly feel the Owner is currently receiving a just and reasonable return. But for purposes of better understanding the Applicant's 2009 P&L, we would like to submit a list of questions to the Applicant regarding certain components, in particular the Management and Administrative Expenses. Once again, should this be requested prior to the Hearing or at the Hearing?

Additionally, we would like to request a detailed accounting of what the Applicant's investment in the subject property is for the purposes of determining "just and reasonable return." Since the Tenants are not aware of what the cost basis (i.e. investment amount) of the Thunderbird Oaks property is, it would be difficult to determine what the Applicant's return on investment is.

Thank you again for your time and energy dedicated towards these and other issues. I would be more than happy to speak and/or meet with anyone at City Hall or consultants/experts hired by City Staff. Call or email me anytime.

Have a great Labor Day weekend.

Sincerely,

Dan Goldstein
 Dan@ConejoValleyGuide.com
www.ConejoValleyGuide.com
 (805) 312-5952

On Thu, Sep 2, 2010 at 2:47 PM, Russ Watson <RWatson@toaks.org> wrote:

Hi Dan,

Attached is a PDF copy of a response letter regarding to the letter you sent to Mr. Mitnick. The original of this letter has been placed in US mail, you should receive it tomorrow.

Also you should know that City received a call today from Nancy Needham (ACORN newspaper) stating she had a copy of you letter and asked how City was responding. I told Ms Needham that City believed the application met the requirements of the ordinance, thus was accepted as complete and that City today is sending you a written response to your letter. She requested a copy of our response letter and as this is a public document, I have been authorized to provide a copy.

As stated in our response letter City is thoroughly evaluating the park owners data, retained an expert in these matters and will provide a comprehensive report to the Rent Adjustment Commission.

Please let me know if you have additional questions.

Sincerely,

Russ Watson
 Housing & Redevelopment Manager
 Community Development Department
 City of Thousand Oaks
 2100 Thousand Oaks Blvd.
 Thousand Oaks, CA 91362

(805) 449-2322 direct
 (805) 449-2390 Fax
rwatson@toaks.org

>>> Dan Goldstein <dan@conejovalleyguide.com> 10:56 AM Friday, August 27, 2010 >>>

Hi Russ,

Nice chatting with you. Attached is a pdf of the letter hand delivered to Scott Mitnick and yourself today. Don't hesitate to contact me with any questions. My view is that the Application as submitted does not comply with the requirements of RAC-2 and should be rejected as filed.

Have a great weekend and I look forward to speaking with you and anyone else at City Hall on the matter.

Best wishes,

Dan Goldstein

Dan@ConejoValleyGuide.com

www.ConejoValleyGuide.com

(805) 312-5952

Russ Watson - Thunderbird Mobile Home Park Rent Increase

From: Carol Fredericks <cafred@msn.com>
To: <rwatson@toaks.org>
Date: Sep 22, 10 8:38 AM
Subject: Thunderbird Mobile Home Park Rent Increase

Dear Mr. Watson,

I moved into the Thunderbird Oaks Mobile Home Park in 2000 feeling secure in that I believed the park's rent was to remain under rent control with yearly raises in the range of 3-5%. The rent increase notice recently sent out regarding the absolutely ludicrous amount of \$322 per month per coach space came as a total shock to me and all other residents of the park as well. I retired in 2006 knowing that I could make ends meet living here in Thunderbird Oaks but this financial burden being thrust upon all of us is absolutely too much to comprehend. Where in Thousand Oaks are we who have been contributing members of this community for many, many years supposed to go at this point in our lives? I realize the owners of the park are in business but is there no fairness not to mention compassion for the seniors in this park? We read in the paper and hear on the news of the respect we should all share for our seniors in this lovely city but just exactly where does the owner feel we should turn? Many, many in this park are living on their social security alone and have worked hard all their lives and many are veterans that have served this country. We do not deserve this inhumane treatment and **I strongly oppose this outrageous increase and assault on our seniors!**

Please include this letter in the staff report that will be presented on October 5, 2010

Sincerely yours,

Carol A. Fredericks
2685 Thunderbird Dr., #100
Thousand Oaks, CA 91362

From: Alice De Los Santos
2458 Thunderbird Dr.
Thousand Oaks, CA

CITY OF THOUSAND OAKS
2010 SEP 25 AM 10:58
0175
COMMUNITY DEVELOPMENT

805-494-3124

(20)

Dear Board Members

I am writing this for my mother Alice De Los Santos. She resides in the Thunderbird Mobile Home Park at 2458 Thunderbird Dr. My Mom is 81 years old, and like many people from her generation thought everything would be great in her "Golden Years". Of course everything does not happen the way you expect. Both she and my Farther worked hard all their lives. My Dad past away in 1992. Sense then my Mom has lived on a single Social Security Check. Her income is about \$1300 a month. Her situation is exactly the reason that rent control was put in place.

The Mobile Home Park owners purchased this park knowing the rules. My Mother bought her mobile home knowing the rules. Now the owners want to take the rug out from under her modest life style by nearly doubling her rent.

Both my Mom and I understand that everyone is entitled to a fair return on their investment. However doubling the rate of return in a single year is greater than can be accepted as fair. We also accept that there are possible extraordinary expenses that could beset the owners of the park, broken sewer, broken water, street replacement and other large expenses.

We propose that instead of increasing the rent by nearly 100% that there a trust fund be established for these extraordinary expenses. Both the tenant and the landlord would be required to contribute \$25.00 each month per space. And the rent would be increased by \$50.00 a month. That portion of the trust fund contributed by the tenant would be turned over to the landlord if the tenant dies within 6 months of the sale of the mobile home or the tenant dies while still a tenant. Otherwise their share would be returned to the tenant 9 months after they sell their mobile home. The trust should be administered by three parties, one tenant representative, one owner representative, and a natural trust administer from the bank holding the trust!

Alice De Los Santos

Alice de los Santos

Tenant

Date 10/5/10

Mike Delos Santos

MM

Non Tenant - Son

Date 10/5/10

October 20, 2010

Russ Watson
Housing Manager
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91362

CITY OF THOUSAND OAKS
2010 NOV 12 PM 4:09
COMMUNITY DEVELOPMENT

RE: A Resident's Response to HK&C letter dated 10/8/10

As a resident at Thunderbird Oaks Mobile Home Park, I'm responding to just some of the ridiculous statements in this letter to show how facts and figures have been manipulated to support the Park Owners' grievous attempt to raise our rent an iniquitous amount at this time of economic disaster going on in America.

Page 5 - "Contrary to Mr. Seller's argument, it is the Park tenants who have been systematically taking advantage of below market rents for nearly 30 years to the great disadvantage of the Park Owner----- clearly illustrate the free ride that the tenants have enjoyed."

I guess we were supposed to pay the Owner more than we were being billed for, to make sure he was getting the average Market Rent. But then we would have had to do yearly studies of what the Rent Market was and surely that would have had to include a yearly study of the freeway noise and poor air quality for a yearly proper reduction of rent to below the average Rent Market. FREE RIDE? That's what I'll call it the next time I pay \$471 for a 40' x70' piece of land.

"The significantly higher stick built housing and apartment costs demonstrate why such a rent adjustment is appropriate and justified at this time."

Mr Sellers reference to costs of buying a "stick built" house or renting "apartment costs" was to simply point out that mobile home residents cannot afford that type of housing which includes actual living units (with walls, kitchens, baths, etc) not just the land which our purchased living units set on.

"Furthermore, mobilehome tenants have benefited from significantly high mobilehome resale values far in excess of the coach value as a result of "in-place" in a mobilehome park subject to the City's draconian Rent Control Ordinance."

The "high mobilehome resales" are dictated by the Real Estate Market which effects all residential sales and rentals in a rising market or over time historically and not as a result of the Rent Control Ordinance that presides over all the Parks in Thousand Oaks.

PAGE 1

Page 6 - "During the five year snapshot from 2002-2007, mobilehome rent increases in the City were limited to 9% under the City Rent Control Ordinance, but inflation as measured by the Consumer Price Index was at almost 19%."

Were these figures meant to say this was annually for all five years? If so, why use the highest Real Estate Market years in recent history. Why not use 2007 to present which would reflect the current down turn in the Real Estate Market and the worst economic times since the depression. For example, I paid \$225,000 for my new unit, 3 years ago (the most I've ever paid for a home in my whole life) and a 2 year old unit, the same size, recently sold for \$105,000. I have a \$70,000 loan still left, which means the \$150,000 I put down is only worth \$35,000 and I have a payment of \$592 for 7 more years when I have to re-finance to a new loan.

"The increase in mobilehome resale value in Thousand Oaks that Vallecito tenants enjoyed during that 2002-2007 time period was an astronomical 139%. Similar mobilehome resale value increases occurred in Thunderbird Oaks during that time period."

If a similar resale value happened in Thunderbird Oaks, why wasn't that their example? And how does that 139% increase compare with the rest of the residential Real Estate Market during those 5 years. Was that just one sale that they've referred to and maybe the people gutted the place, making it like a new one?

Secondly, there can be no comparison made between the two Parks due to their larger updated clubhouse with exercise room and larger pool, and the fact that they don't have sleepless nights from the freeway noise and aren't breathing the air pollution that we live with daily.

"Therefore, the Park tenants have been 30 year beneficiaries of owner subsidized rentals and have little cause to complain that the Park Owner is seeking to bring rent levels current to the same profit level the Park Owner enjoyed when rent control was enacted."

What about the tenants that have only been here one year, or three years, or five and six years, who paid the highest prices for their units and calculated the rent versus their income, with the promise from the Park Owner's employee that this Park was under the Rent Control Ordinance. They haven't had a 30 year benefit from Rent Control.

PAGE 2

Page 7 - "And most importantly, the tenants have not been injured but instead significantly benefited by up to 30 years of artificially low rent levels during times of high inflation and rising costs."

That they are choosing to do this now, at a time of the lowest economy in American history since the Depression, shows how greed is their driving force. Why didn't they try for this unconscionable increase during the time of high inflation in 2005- 2007. Or when they took out a \$2,000,000 loan on the property in 2003?

"What the Park Owner is doing by seeking a prospective rent adjustment is the exact procedure specified by the California Supreme Court to remedy prior confiscatory taking of the Park Owner's property that has been ongoing for several years:-----reference----'Moreover, this remedy, as opposed to an award of damages against the Rent Board, places the cost of compensating Kavanau roughly on those tenants who benefited from unconstitutionally low rents.' "

We confiscated the property? And now the much referenced "30 years" has become "several years". How can it be unconstitutional that we didn't force extra rent money on the Park Owner that he didn't ask for.

Page 8 - "The starting point for discussion of how much information must be submitted is the directive of the California Supreme Court that 'the procedural mechanism by which landlords may obtain (rent) adjustments must not be prohibitively burdensome.' "

I guess they're allowed to make-up and estimate information instead of actual facts and figures that withstand being investigated

Page 9 - "According to those standards, it is not the commission's business to independently verify each and every expense item or to determine 'when, how or why the NOI changed.' " Instead, the Commission only has the power to reject a particular comparison year expense item if the Commission determines, based upon industry standard evidence, that a particular expense is unreasonable."

So, again, they can make-up or estimate the facts and figures and the Commission has to treat it true.

"According to those standards, the Applicant must only submit income and expense information for the Base Year and the Comparison Year."

Even when they are 30 years apart and the Base Year has been arrived at by using year 1986 figures and calculating backwards for seven years to come up with the Base Year figures?

"Contrary to Mr. Sellers' false allegation, the employment of Suburban Park Management did not result in a spike in management and administrative expenses, but instead resulted in a significant management and administration cost savings for the Park, eliminating the need for the salaries and other expenses for two highly compensated on-site Park employees."

If this is the case, then why not go for this increase when their expenses were higher two years ago.?

Page 11 - "With respect to the 1979 Base Year income, Mr McCarthy relied o MAI appraiser John Neet's opinion of 1979 Base year market rental value. Mr. Neet obtained that value by taking comparable Vallecito average rents for 1986 and performing a 'price level adjustment' to 1979 rental income value using the City's applicable 8% and 7% rates as specified by the City's Regulations."

As I said before, you can't use "Vallecito average rents for 1986" to calculate Thunderbird Oaks 1979 market rental value. Their higher quality of amenities and the much greater distance from the freeway noise and air pollution, even in 1979, is something that Mr. Neet's should have taken into consideration. The Thunderbird Oaks property border's the 101 freeway which connects to the 23 freeway a short distance away and therefore should be taken into consideration as a negative in the current market rental value and therefore any increase being asked for by the Park Owner.

BEVERLY POTTER
2611 MOHAWK AVE. SP.125
THOUSAND OAKS, CA 91362
805-418-7016

PAGE 4

Russ Watson
Housing Manager
2100 Thousand Oaks Blvd.
Thousand Oaks, CA 91362

THUNDERBIRD OAKS AIR POLLUTION

QUOTE from JOHN P. NEET, MAI APPRAISAL dated 10/1/10

Appraisal Page 6, Item 21 - Last Paragraph:

"The appraiser is not an expert in the field of hazardous materials. This appraisal does not constitute an expert inspection of the property for environmental or health hazards. The only way to be certain as to the condition of the property with respect to "environmental hazards" is to have an expert in the field inspect the property. **This appraisal should not be relied upon as to whether environmental hazards exist on or near the property. It is the appraiser's recommendation that a Phase I Environmental Assessment be obtained on this or any other property prior to making any monetary decision involving the property to determine the potential for environmental hazards.**"

The City's Rent Adjustment Commission should take special note of this paragraph and especially his recommendation in **bold print** that there be "a Phase 1 Environmental Assessment be obtained on **this or any other property** prior to making any monetary decision involving the property to determine the potential for environmental hazards."

Perhaps he includes the above paragraph in all his appraisals, but it's very probable that since he personally "inspected the property" (page 3) he became very aware of the fact that the property borders the 101 Freeway with loud traffic noise and black dirt on all our homes from the air pollution. The prior paragraph in Item 21, seems to cover the fact that he's not responsible if environmental hazards are present on the property. So why include the second paragraph with **bold print**?

Also, "this or any other property" obviously refers to the comparable properties that he used to arrive at his opinion of the Market Rent as of February 29, 1980. The appraisal does not include the most important factor when comparing Thunderbird Oaks to the other three properties. The fact that we have a higher risk of health problems and earlier deaths as stated in the nine articles on air-pollution studies that I've included. These studies are just a few available on the internet within this last year.

I understand that the purpose of Mr. Neet's appraisal was to establish the Market Rent for 1980, but even in 1980, there was more traffic noise and air-pollution at Thunderbird Oaks than the other three parks, simply because of their further distance from the freeway. You also have to consider the fact that the emission laws we have now were not in effect then.

I'm sure that the Park Owner was very aware that he had to offer a lower than Market Rent, right from the beginning, in order to compete with the other parks that weren't adjacent to the freeway. It's even more imperative today that the requested rent increase not be approved because it would put most of our rents higher than the majority at Vallecito. This would result in a double problem for the people who cannot afford a rent increase and also couldn't sell their home, even at a reduced price, just because of the higher rent.

When I moved here, because I couldn't afford Vallecito, I assumed the rent was lower because it was right on the freeway. But I didn't know until I was living here how the freeway noise interferes with your sleep and you're constantly cleaning black sooty dust off everything inside and outside of the house. The worst thing is, we're breathing that black dirt every day. I didn't know how dangerous it is to live here until I went on the internet to do research for this letter.

I've also included the Caltrans report on the Annual Average Daily Traffic (AADT) for 101 Freeway in Thousand Oaks. I put brackets on our area near the 23 Freeway and dots by the Wendy exit to Vallecito. I want to point out that Vallecito is several hundred feet below and south of the freeway, while we're approximately 30' below and adjacent to the freeway.

In my 23 year career as a Real Estate Agent, appraisers were consistent in lowering their appraisals if a property was adjacent to a busy street or freeway. The properties always took longer to sell, even at a reduced price. Rental units were affected the same way. Less rent and more vacancies. If this rent increase is not denied, there's going to be a high number of evictions and vacancies in Thunderbird Oaks.

I am requesting that this letter be included and attached to the Staff Report that will be presented on the hearing date that has not yet been determined since the Oct. 18, 2010 canceled hearing.

Attachments: Caltrans Annual Average Daily Traffic

Carbon Monoxide Linked to Heart Problems in Elderly 9/1/09

Air Pollution Linked to Hospitalizations for Pneumonia in Seniors 12/23/09

Higher Blood Pressure Found in People Living in Urban Areas 5/17/10

Pollution Takes Its Toll on the Heart 9/21/10

Strong Link Between Diabetes and Air Pollution 9/30/10

Air Pollution Alters Immune Function, Worsens Asthma Symptoms 10/6/10

Air Pollution Linked to Breast Cancer 10/7/10

Traffic Pollution Tied to Increased Emphysema Risk 10/14/10

Air Pollution Raises Risk of Sudden Cardiac Arrest 9/24/10

Beverly Potter

2611 Mohawk Ave. Sp. 125

Thousand Oaks, CA 91362

805-418-7016

2009

SOUTH

NORTH

District	Route	Rte Suf	County	Pre	Postmile	Description	Back Peak Hour	Back Peak Month	Back AADT	Ahead Peak Hour	Ahead Peak Month	Ahead AADT
07	101	LA	S		0	LOS ANGELES, JCT. RTE. 5, SANTA ANA E LA				9,300	144,000	140,000
07	101	LA	S		0.624	LOS ANGELES, FOURTH ST INTERCHANGE	9,300	144,000	140,000	8,200	131,000	127,000
07	101	LA	S		0.907	LOS ANGELES, FIRST ST INTERCHANGE	8,200	131,000	127,000	7,900	129,000	126,000
07	101	LA	S		1.329	LOS ANGELES, JCT. RTE. 10, SAN BERNARDINO	7,900	129,000	126,000			
07	101	LA			0	LOS ANGELES, JCT. RTE. 10, SAN BERNARDINO				13,900	221,000	214,000
07	101	LA			0.387	LOS ANGELES, VIGNES ST INTERCHANGE	13,900	221,000	214,000	13,400	217,000	212,000
07	101	LA			0.82	LOS ANGELES, ALAMEDA/ LOS ANGELES STS	13,400	217,000	212,000	12,700	209,000	204,000
07	101	LA			1.007	LOS ANGELES, SPRING ST INTERCHANGE	12,700	209,000	204,000	13,600	226,000	221,000
07	101	LA			1.569	LOS ANGELES, JCT. RTE. 110, HARBOR/PASADENA	13,600	226,000	221,000	16,000	272,000	267,000
07	101	LA			2.483	LOS ANGELES, GLENDALE BLVD INTERCHANGE	16,000	272,000	267,000	15,500	265,000	260,000
07	101	LA			2.857	LOS ANGELES, JCT. RTE. 2 NE, ALVARADO ST	15,500	265,000	260,000	15,900	270,000	264,000
07	101	LA			3.342	LOS ANGELES, BENTON WAY/RAMPART ST	15,900	270,000	264,000	15,700	265,000	259,000
07	101	LA			3.76	LOS ANGELES, SILVER LAKE BLVD INTERCHANGE	15,700	265,000	259,000	14,400	252,000	246,000
07	101	LA			4.397	LOS ANGELES, VERMONT AVE INTERCHANGE	14,400	252,000	246,000	13,800	238,000	232,000
07	101	LA			4.851	LOS ANGELES, MELROSE AVE INTERCHANGE	13,800	238,000	232,000	13,100	225,000	218,000
07	101	LA			5.554	LOS ANGELES, JCT. RTE. 2 WEST, SANTA MONICA	13,100	225,000	218,000	11,700	197,000	192,000
07	101	LA			5.812	LOS ANGELES, WESTERN AVE INTERCHANGE	11,700	197,000	192,000	13,100	218,000	212,000
07	101	LA			6.38	LOS ANGELES, SUNSET/HOLLYWOOD BLVDS	13,100	218,000	212,000	12,000	198,000	193,000
07	101	LA			6.912	LOS ANGELES, GOWER ST/ARGYLE AVE	12,000	198,000	193,000	13,100	213,000	207,000
07	101	LA			7.459	LOS ANGELES, CAHUENGA BLVD INTERCHANGE	13,100	213,000	207,000	14,500	233,000	227,000
07	101	LA			7.84	LOS ANGELES, HIGHLAND AVE INTERCHANGE	14,500	233,000	227,000	17,700	282,000	272,000
07	101	LA			9.221	LOS ANGELES, BARHAM BLVD INTERCHANGE	17,700	282,000	272,000	16,600	263,000	253,000
07	101	LA			10.343	LOS ANGELES, LANKERSHIM/VENTURA BLVDS	16,600	263,000	253,000	15,600	243,000	234,000
07	101	LA			11.112	LOS ANGELES, VINELAND AVE INTERCHANGE	15,600	243,000	234,000	14,600	232,000	226,000
07	101	LA			11.747R	LOS ANGELES, JCT. RTES. 134/170, VENT/HOLLYWD	7,300	115,000	113,000	9,200	146,000	141,500
07	101	LA			11.747L	LOS ANGELES, JCT. RTES. 134/170, VENT/HOLLYWD	7,300	116,000	113,000	9,200	146,000	141,500
07	101	LA			12.852	LOS ANGELES, LAUREL CANYON BLVD	18,300	291,000	283,000	18,600	295,000	286,000
07	101	LA			13.878	LOS ANGELES, COLDWATER CANYON AVE	18,600	295,000	286,000	19,000	297,000	289,000
07	101	LA			14.885	LOS ANGELES, WOODMAN AVE INTERCHANGE	19,000	297,000	289,000	19,300	298,000	290,000
07	101	LA			15.908	LOS ANGELES, VAN NUYS BLVD INTERCHANGE	19,300	298,000	290,000	20,300	311,000	302,000
07	101	LA			17.17R	LOS ANGELES, JCT. RTE. 405, SAN DIEGO FRWY	10,700	165,000	157,500	10,700	165,000	157,500
07	101	LA			17.17L	LOS ANGELES, JCT. RTE. 405, SAN DIEGO FRWY	10,200	156,000	151,000	10,700	165,000	157,500
07	101	LA			18.607	LOS ANGELES, HAVENHURST AVE INTERCHANGE	21,400	329,000	315,000	20,000	311,000	296,000
07	101	LA			19.217	LOS ANGELES, BALBOA BLVD INTERCHANGE	20,000	311,000	296,000	19,800	313,000	296,000
07	101	LA			20.225	LOS ANGELES, WHITE OAK AVE INTERCHANGE	19,800	313,000	296,000	19,500	302,000	285,000
07	101	LA			21.252	LOS ANGELES, RESEDA BLVD INTERCHANGE	19,500	302,000	285,000	19,300	294,000	277,000
07	101	LA			22.254	LOS ANGELES, TAMPA AVE INTERCHANGE	19,300	294,000	277,000	19,000	284,000	267,000
07	101	LA			23.264	LOS ANGELES, WINNETKA AVE INTERCHANGE	19,000	284,000	267,000	18,600	274,000	256,000
07	101	LA			24.311	LOS ANGELES, DE SOTO AVE INTERCHANGE	18,600	274,000	256,000	18,700	270,000	252,000
07	101	LA			24.851	LOS ANGELES, CANOGA AVE INTERCHANGE	18,700	270,000	252,000	17,000	241,000	225,000
07	101	LA			25.337	LOS ANGELES, JCT. RTE. 27, TOPANGA CANYON	17,000	241,000	225,000	14,500	211,000	203,000
07	101	LA			25.755	LOS ANGELES, VENTURA BLVD INTERCHANGE	14,500	211,000	203,000	14,700	210,000	202,000
07	101	LA			26.86	LOS ANGELES, WOODLAKE AVE INTERCHANGE	14,700	210,000	202,000	15,400	218,000	208,000
07	101	LA			27.364	LOS ANGELES, MULHOLLAND DR INTERCHANGE	15,400	218,000	208,000	14,800	205,000	196,000
07	101	LA			28.287	CALABASAS, PARKWAY CALABASAS	14,800	205,000	196,000	14,000	191,000	183,000
07	101	LA			31.058	CALABASAS, LAS VIRGENES CANYON RD	14,000	191,000	183,000	13,600	173,000	167,000
07	101	LA			31.917	CALABASAS, LOST HILLS RD INTERCHANGE	13,600	173,000	167,000	14,100	176,000	170,000
07	101	LA			32.79	AGOURA HILLS, LIBERTY CANYON RD	14,100	176,000	170,000	14,300	177,000	171,000
07	101	LA			33.688	AGOURA HILLS, CHESEBRO/PALO COMADO	14,300	177,000	171,000	14,000	171,000	165,000
07	101	LA			35.035	AGOURA HILLS, KANAN RD INTERCHANGE	14,000	171,000	165,000	13,800	165,000	160,000
07	101	LA			36.18	AGOURA HILLS, REYES ADOBE RD INTERCHANGE	13,800	165,000	160,000	14,000	165,000	160,000
07	101	LA			37.536	WESTLAKE VILLAGE, LINDERO CANYON RD	14,000	165,000	160,000	12,500	176,000	166,000
07	101	LA			38.19	LOS ANGELES/VENTURA COUNTY LINE	12,500	176,000	166,000			
07	101	VEN			0	LOS ANGELES/VENTURA COUNTY LINE				12,500	176,000	166,000
07	101	VEN			0.701	THOUSAND OAKS, JCT. RTE. 23 SOUTH, WESTLAKE	12,500	176,000	166,000	13,100	177,000	171,000
07	101	VEN			1.622	THOUSAND OAKS, HAMPSHIRE RD INTERCHANGE	13,100	177,000	171,000	14,400	191,000	185,000
07	101	VEN			3.107	THOUSAND OAKS, JCT. RTE. 23 NORTH, MOORPARK	14,400	191,000	185,000	14,000	183,000	177,000
07	101	VEN			4.06	THOUSAND OAKS, MOORPARK RD INTERCHANGE	14,000	183,000	177,000	13,900	180,000	174,000
07	101	VEN			5.046	THOUSAND OAKS, LYNN RD INTERCHANGE	13,900	180,000	174,000	13,200	178,000	171,000
07	101	VEN			6.186	THOUSAND OAKS, VENTU PARK RD INTERCHANGE	13,200	178,000	171,000	12,100	162,000	156,000
07	101	VEN			7.017	THOUSAND OAKS, BORCHARD RD INTERCHANGE	12,100	162,000	156,000	11,200	146,000	141,000
07	101	VEN			7.885	THOUSAND OAKS, WENDY DR INTERCHANGE	11,200	146,000	141,000	10,100	136,000	127,000
07	101	VEN			10.738	CAMARILLO, CAMARILLO SPRINGS RD	10,100	136,000	127,000	10,000	135,000	127,000
07	101	VEN			12.298	CAMARILLO, PLEASANT VALLEY RD INTERCHANGE	10,000	135,000	127,000	10,200	137,000	130,000
07	101	VEN			13.848	CAMARILLO, JCT. RTE. 34, LEWIS RD INTERCHANGE	10,200	137,000	130,000	10,700	145,000	139,000
07	101	VEN			14.801	CAMARILLO, CARMEN DR INTERCHANGE	10,700	145,000	139,000	10,500	142,000	136,000

Evidence Growing of Air Pollution's Link to Heart Disease, Death

ScienceDaily (May 11, 2010) — The scientific evidence linking air pollution to heart attacks, strokes and cardiovascular death has "substantially strengthened," and people, particularly those at high cardiovascular risk, should limit their exposure, according to an updated American Heart Association scientific statement.

The evidence is strongest for fine particulate matter (PM2.5) having a causal relationship to cardiovascular disease, said the expert panel of authors who updated the association's 2004 initial statement on air pollution, also published in *Circulation: Journal of the American Heart Association*.

The major source of PM2.5 is fossil fuel combustion from industry, traffic, and power generation. Biomass burning, heating, cooking, indoor activities and forest fires may also be relevant sources, particularly in certain regions.

"Particulate matter appears to directly increase risk by triggering events in susceptible individuals within hours to days of an increased level of exposure, even among those who otherwise may have been healthy for years," said Robert D. Brook, M.D., lead author of the statement, which was written after review of epidemiological, molecular and toxicological studies published during the past six years.

"Growing evidence also shows that longer-term PM2.5 exposures, such as over a few years, can lead to an even larger increase in these health risks. In this context, the American Heart Association said that PM2.5 should be recognized as a 'modifiable factor' that contributes to cardiovascular morbidity and mortality."

In the statement, the panel also concluded that there's a:

- "small yet consistent" association between short-term exposure to air pollution and pre-mature death;
- strong level of evidence supporting a relationship between air pollution and ischemic heart disease;
- "moderate, yet growing link" between air pollution and heart failure and ischemic stroke;
- "modest" level of evidence supporting an association between air pollution and peripheral vascular diseases, irregular heartbeats and cardiac arrest.

The elderly and those with existing heart diseases, such as heart failure or coronary artery disease, and perhaps those with diabetes appear to be at higher risk from short-term PM2.5 exposure.

"The foremost message for these high-risk groups remains that they should work to control their modifiable traditional risk factors -- blood pressure, cholesterol, diabetes, smoking," said Brook, a cardiovascular medicine specialist and associate professor in the Department of Internal Medicine at the University of Michigan in Ann Arbor.

There are several ways by which PM2.5 could affect the cardiovascular system; however, one leading explanation suggests that several components of PM2.5, once inhaled, can cause inflammation and irritate nerves in the lungs. These responses can start a cascade of changes that adversely affect the rest of the body, Brook said.

"It's possible that certain very small particles, or chemicals that travel with them, may reach the circulation and cause direct harm," Brook said. "The lung nerve-fiber irritation can also disrupt the balance of the nervous system throughout the body. These responses can increase blood clotting and thrombosis, impair vascular function and blood flow, elevate blood pressure, and disrupt proper cardiac electrical activity which may ultimately provoke heart attacks, strokes, or even death.

"These studies also indicate that there is no 'safe' level of PM2.5 exposure," he said.

Recommendations include:

- Physicians should emphasize treatment of traditional cardiovascular risk factors, which may lessen patients' susceptibility to air pollution.
- All patients with cardiovascular disease should be educated about the risks of air pollution.
- Healthcare professionals should consider educating patients without cardiovascular disease but who are at high risk, such as the elderly, individuals with metabolic syndrome or multiple risk factors and those with diabetes.
- Based on air pollution levels, as forecasted by the Air Quality Index available in many media sources, recommendations for methods to reduce exposure and limit activity should be followed depending on the patient's level of risk.

Reducing exposure to air pollution takes effort at the population level by implementing national policies as well as at the individual level, Brook said. "People can limit their exposure as much as possible by decreasing their time outside when particle levels are high and reducing time spent in traffic -- a common source of exposure in today's world."

The American Heart Association and the Environmental Protection Agency are co-sponsoring a Congressional briefing on Capitol Hill to educate lawmakers about the link between air pollution and cardiovascular disease. The association plans to monitor opportunities at the state and federal level to decrease the amount of particulate matter air pollution.

Co-authors are: Sanjay Rajagopalan, M.D.; Arden Pope III, Ph.D.; Jeffrey R. Brook, Ph.D.; Aruni Bhatnagar, Ph.D.; Ana Diez-Roux, M.D., Ph.D.; Fernando Holguin, M.D.; Yuling Hong, M.D., Ph.D.; Russel Luepker, M.D.; Annette Peters, Ph.D.; David Siscovick, M.D.; Sidney C. Smith, M.D.; Laurie Whitsel, Ph.D.; and Joel D. Kaufman, M.D.

Editor's Note: This article is not intended to provide medical advice, diagnosis or treatment.

Email or share this story:

| [More](#)

Story Source:

Air Pollution Linked to Hospitalizations for Pneumonia in Seniors

ScienceDaily (Dec. 23, 2009) — A McMaster University researcher has found the first evidence that prolonged exposure to higher levels of the pollutants found in car exhaust fumes and industrial air pollution can lead to hospitalization for pneumonia in adults aged 65 and older.

Infectious disease specialist Mark Loeb led a research team to assess the effect of long-term exposure to nitrogen dioxide and sulfur dioxide, both found in motor vehicle emissions, and fine particulate matter, found in industrial air pollution, on the risk of hospitalization for pneumonia in older adults. Loeb, a physician, is a professor in the Department of Pathology and Molecular Medicine and the Department of Clinical Epidemiology and Biostatistics of the Michael G. DeGroot School of Medicine.

The research results are to be published in the Jan. 1, 2010, issue of the *American Journal of Respiratory and Critical Care Medicine*.

"Our study found that among older individuals, long-term exposure to traffic pollution independently increased their risk of hospitalization for pneumonia," said Loeb, who is also the director of the Infectious Diseases Division at McMaster University. "We propose that exposure to air pollution may have increased the individuals' susceptibility to pneumonia by interfering with lung immune defenses designed to protect the lung from pathogens."

Loeb led a research team in recruiting 365 older adults from Hamilton who had been hospitalized with radiologically confirmed pneumonia between July 2003 and April 2005. Control subjects randomly selected from the same neighbourhoods as the patients were also enrolled in the study.

The research team used structured interviews to collect health data from participants and compared the two groups' exposures to nitrogen dioxide, sulfur dioxide and fine particulate matter of less than 2.5 micrometres using data from air-quality monitoring stations and land-use regression models.

The researchers found that exposure for more than 12 months to higher levels of nitrogen dioxide and fine particulate matter of less than 2.5 micrometres more than doubled the risk of hospitalization for pneumonia in adults aged 65 and older. Exposure to sulfur dioxide was not associated with an increased risk of hospitalization.

"The results of this study highlight the important health impact that long-term exposure to ambient air pollution can have on respiratory infections," Loeb said. "It also emphasizes the need to monitor emissions from vehicles, given that ground-level nitrogen dioxide is derived predominantly from traffic."

Pneumonia is a leading cause of illness and death in order adults. Rates of hospitalization for pneumonia among patients 65 year and older have increased in recent years. While the role of air pollution has been recognized as a risk factor for asthma and other respiratory diseases, few studies have been completed on the role of air pollution on pneumonia hospitalization in older adults.

Editor's Note: This article is not intended to provide medical advice, diagnosis or treatment.

Email or share this story:

| [More](#)

Story Source:

The above story is reprinted (with editorial adaptations by *ScienceDaily* staff) from materials provided by [McMaster University](#), via [EurekAlert!](#), a service of AAAS.

Need to cite this story in your essay, paper, or report? Use one of the following formats:

APA

MLA

McMaster University (2009, December 23). Air pollution linked to hospitalizations for pneumonia in seniors. *ScienceDaily*. Retrieved October 22, 2010, from <http://www.sciencedaily.com/releases/2009/12/091223074703.htm>

Note: If no author is given, the source is cited instead.

Higher Blood Pressure Found in People Living in Urban Areas

ScienceDaily (May 17, 2010) — People who live in urban areas where particulate air pollution is high tend to have higher blood pressure than those who live in less polluted areas, according to researchers from the University of Duisburg-Essen in Germany.

The researchers used data from the Heinz Nixdorf Recall Study, an ongoing population-based cohort study of almost 5,000 individuals that focuses on the development of heart disease. They analysed the effects of air pollution exposure on blood pressure between 2000 and 2003.

While some earlier studies have shown that acute increases in particulate air pollution, such as day-to-day fluctuations, can raise blood pressure, little was known about medium- and long-term exposure. "Our results show that living in areas with higher levels of particle air pollution is associated with higher blood pressure," said Barbara Hoffman, M.D., M.P.H., head of the Unit of Environmental and Clinical Epidemiology, University of Duisburg-Essen, and senior author of the study.

The results were presented at the ATS 2010 International Conference in New Orleans.

The authors used a dispersion and chemistry transport model to estimate long-term exposure to particulate pollution. For the blood pressure measurement, they used an automated oscillometric device that detects the blood's movement through the brachial artery and converts the movements into a digital reading.

They found that average arterial blood pressure rose by 1.7 mmHg for an increase of 2.4 $\mu\text{g}/\text{m}^3$ in the exposure level to fine particulate matter (under 2.5 μm), which mostly originates from combustion sources in urban areas (traffic, heating, industry, power plants). They found a similar association for coarser particulate matter under 10 μm , which contains more earth crust material and roadway pollution.

"Both, systolic and diastolic blood pressure, are higher in people who live in more polluted areas, even if we take important factors that also influence blood pressure like age, gender, smoking, weight, etc. into account. Blood pressure increases were stronger in women than in men," explained Dr. Hoffman.

High blood pressure increases the risk for atherosclerosis, a hardening of the arteries, which leads to cardiovascular diseases like heart attacks and strokes. "Our results might explain why people who live in more polluted areas are at a higher risk to suffer and die from these diseases," said Dr. Hoffman.

It has also been shown that chronic noise exposure, for example from living close to major roads, is associated with higher blood pressure or with diseases of the heart.

"In our study, air pollution levels represent averaged background concentrations which were not related to nearness to busy streets," said Dr. Hoffman. "Therefore, the observed increase in blood pressure is not likely due to noise exposure.

"This finding points out that air pollution does not only trigger life threatening events like heart attacks and strokes, but that it may also influence the underlying processes, which lead to chronic cardiovascular diseases. It is therefore necessary to further our attempts to prevent chronic exposure to high air pollution as much as possible."

Dr. Hoffman and colleagues intend to study whether living in areas with higher levels of air pollution leads to a faster progression of atherosclerosis of the coronary arteries, which supply the heart with fresh blood, and of the carotid arteries, which supply the brain with fresh blood.

Several large studies in Europe and the United States are already under way and are expected to shed more light on the chronic effects of living in polluted areas.

Editor's Note: This article is not intended to provide medical advice, diagnosis or treatment.

Email or share this
story:

| [More](#)

Story Source:

The above story is reprinted (with editorial adaptations by ScienceDaily staff) from materials provided by [American Thoracic Society](#), via [EurekAlert!](#), a service of AAAS.

Need to cite this story in your essay, paper, or report? Use one of the following formats:

APA

MLA

American Thoracic Society (2010, May 17). Higher blood pressure found in people living in urban areas. *ScienceDaily*. Retrieved October 22, 2010, from <http://www.sciencedaily.com/releases/2010/05/100516195542.htm>

Note: If no author is given, the source is cited instead.

ScienceDaily

Your source for the latest research news

Web address:

<http://www.sciencedaily.com/releases/2010/09/100920123910.htm>

Pollution Takes Its Toll on the Heart

ScienceDaily (Sep. 21, 2010) — The fine particles of pollution that hang in the air can increase the risk for sudden cardiac arrest, according to a new study conducted by a team from Long Island Jewish (LIJ) Medical Center and The Feinstein Institute for Medical Research.

Robert A. Silverman, MD, and his colleagues have been interested in the effects of ambient fine particulate matter on a number of medical conditions, including cardiovascular disease and asthma. The US Environmental Protection Agency (EPA) keeps tabs on air pollution through dozens of strategically placed pollution sensors in cities and towns throughout the country. This data allowed the researchers to collect data on average 24-hour values of small particulates and other gaseous pollutants around New York City during the summer (when pollution is higher) and winter months. They then compared that data to the 8,216 out-of-hospital cardiac arrests that occurred between 2002 and 2006. Most people in the throes of a cardiac arrest do not survive in time for emergency medical service teams to save them.

What they were looking for was simple: Were there more cardiac arrests on high pollution days than on lower pollution days? In the *American Journal of Epidemiology*, Dr. Silverman and his fellow researchers reported that for a 10ug/m³ rise in small particle air pollution, there was a four-to-10 percent increase in the number of out-of-hospital cardiac arrests. The current EPA standard is 35ug/m³. The effect was much greater in the summer months, said Dr. Silverman, an associate professor of emergency medicine and director of research at LIJ's Department of Emergency Medicine. The scientists also evaluated levels of ozone, nitric oxide, sulfur dioxide and carbon monoxide, but these showed a much weaker relationship. Analysis of the data from the death records and the 33 EPA monitors was conducted in collaboration with Kazuhiko Ito, PhD, an assistant professor at the Nelson Institute of Environmental Medicine at New York University School of Medicine and investigators from the New York City Fire Department, John Freese, MD, Brad J. Kaufman, MD, David J. Prezant, MD, and James Braun.

"Small particulate matter is dangerous to health," said Dr. Silverman. "We need to figure out ways to combat air pollution and decrease the number of high-pollution days." He added that pollution related cardiac arrests occurred during times when the levels were high but still below the current EPA safety threshold.

The researchers are now looking for a relationship between out-of-hospital cardiac arrests and traffic flow patterns. Other studies have suggested that one in three people live in areas where small particulate matter levels are considered unhealthy.

Editor's Note: This article is not intended to provide medical advice, diagnosis or treatment.

Email or share this

| [More](#)

story:

Story Source:

The above story is reprinted (with editorial adaptations by *ScienceDaily* staff) from materials provided by **North Shore-Long Island Jewish (LIJ) Health System**.

Journal Reference:

1. R. A. Silverman, K. Ito, J. Freese, B. J. Kaufman, D. De Claro, J. Braun, D. J. Prezant. **Association of Ambient Fine Particles With Out-of-Hospital Cardiac Arrests in New York City**. *American Journal of Epidemiology*, 2010; DOI: [10.1093/aje/kwq217](https://doi.org/10.1093/aje/kwq217)

Need to cite this story in your essay, paper, or report? Use one of the following formats:

APA

MLA

North Shore-Long Island Jewish (LIJ) Health System (2010, September 21). Pollution takes its toll on the heart. *ScienceDaily*. Retrieved October 22, 2010, from <http://www.sciencedaily.com/releases/2010/09/100920123910.htm>

Note: If no author is given, the source is cited instead.

Strong Link Between Diabetes and Air Pollution Found in National U.S. Study

ScienceDaily (Sep. 30, 2010) — A national epidemiologic study finds a strong, consistent correlation between adult diabetes and particulate air pollution that persists after adjustment for other risk factors like obesity and ethnicity, report researchers from Children's Hospital Boston. The relationship was seen even at exposure levels below the current EPA safety limit.

The report, published in the October issue of *Diabetes Care*, is among the first large-scale population-based studies to link diabetes prevalence with air pollution. It is consistent with prior laboratory studies finding an increase in insulin resistance, a precursor to diabetes, in obese mice exposed to particulates, and an increase in markers of inflammation (which may contribute to insulin resistance) in both the mice and obese diabetic patients after particulate exposure.

Like the laboratory studies, the current study focused on fine particulates of 0.1-2.5 nanometers in size (known as PM_{2.5}), a main component of haze, smoke and motor vehicle exhaust. The investigators, led by John Pearson and John Brownstein, PhD, of the Children's Hospital Informatics Program, obtained county-by-county data on PM_{2.5} pollution from the Environmental Protection Agency (EPA), covering every county in the contiguous United States for 2004 and 2005.

They then combined the EPA data with data from the Centers for Disease Control (CDC) and the U.S. Census to ascertain the prevalence of adult diabetes and to adjust for known diabetes risk factors, including obesity, exercise, geographic latitude, ethnicity and population density (a measure of urbanization).

"We wanted to do everything possible to reduce confounding and ensure the validity of our findings," says Pearson, the study's first author.

In all analyses, there was a strong and consistent association between diabetes prevalence and PM_{2.5} concentrations. For every 10 µg/m³ increase in PM_{2.5} exposure, there was a 1 percent increase in diabetes prevalence. This finding was seen in both 2004 and 2005, and remained consistent and significant when differing estimates of PM_{2.5} exposure were used.

"We didn't have data on individual exposure, so we can't prove causality, and we can't know exactly the mechanism of these peoples' diabetes," acknowledges Brownstein. "But pollution came across as a significant predictor in all our models."

Even among counties falling within EPA limits for exposure, those with highest versus the lowest levels of PM_{2.5} pollution had a more than 20 percent increase in diabetes prevalence, which remained after controlling for diabetes risk factors.

"From a policy perspective, the findings suggest that the current EPA limits on exposure may not be adequate to prevent negative public health outcomes from particulate matter exposure," Brownstein says.

"Many environmental factors may contribute to the epidemic of diabetes in the United States and worldwide," notes Allison Goldfine, MD, head of clinical research at the Joslin Diabetes Center and a coauthor on the study. "While a lot of attention has correctly been attributed to caloric excess and sedentary behaviors, additional factors may provide novel approaches to diabetes prevention."

Based on their findings, the researchers call for more study of environmental factors in diabetes, including basic research on the inflammatory mechanisms in diabetes and the role of PM2.5.

"We would like to access better individual-level data on diabetes and exposure," adds Brownstein. "We also have an interest in investigating this finding internationally where standards may be less stringent."

The study was funded by the National Center for Biomedical Computing of the National Institutes of Health.

Editor's Note: This article is not intended to provide medical advice, diagnosis or treatment.

Email or share this
story:

| [More](#)

Story Source:

The above story is reprinted (with editorial adaptations by *ScienceDaily* staff) from materials provided by [Children's Hospital Boston](#).

Journal Reference:

1. J. F. Pearson, C. Bachireddy, S. Shyamprasad, A. B. Goldfine, J. S. Brownstein. **Association Between Fine Particulate Matter and Diabetes Prevalence in the U.S.** *Diabetes Care*, 2010; 33 (10): 2196
DOI: [10.2337/dc10-0698](https://doi.org/10.2337/dc10-0698)

Need to cite this story in your essay, paper, or report? Use one of the following formats:

APA

MLA

Children's Hospital Boston (2010, September 30). Strong link between diabetes and air pollution found in national U.S. study. *ScienceDaily*. Retrieved October 22, 2010, from <http://www.sciencedaily.com/releases/2010/09/100929105654.htm>

Note: If no author is given, the source is cited instead.

ScienceDaily

Your source for the latest research news

Web address:

<http://www.sciencedaily.com/releases/2010/10/101005171042.htm>

Air Pollution Alters Immune Function, Worsens Asthma Symptoms, Study Finds

ScienceDaily (Oct. 6, 2010) — Exposure to dirty air is linked to decreased function of a gene that appears to increase the severity of asthma in children, according to a joint study by researchers at Stanford University and the University of California, Berkeley.

While air pollution is known to be a source of immediate inflammation, this new study provides one of the first pieces of direct evidence that explains how some ambient air pollutants could have long-term effects.

The findings, published in the October 2010 issue of the *Journal of Allergy and Clinical Immunology*, come from a study of 181 children with and without asthma in the California cities of Fresno and Palo Alto.

The researchers found that air pollution exposure suppressed the immune system's regulatory T cells (Treg), and that the decreased level of Treg function was linked to greater severity of asthma symptoms and lower lung capacity. Treg cells are responsible for putting the brakes on the immune system so that it doesn't react to non-pathogenic substances in the body that are associated with allergy and asthma. When Treg function is low, the cells fail to block the inflammatory responses that are the hallmark of asthma symptoms.

The findings have potential implications for altered birth outcomes associated with polluted air, much the same as those noted for the effects of cigarette smoke.

"When it came out that cigarettes can cause molecular changes, it meant the possibility that mothers who smoked could affect the DNA of their children during fetal development," said study lead author Dr. Kari Nadeau, pediatrician at Stanford's Lucile Packard Children's Hospital and an assistant professor of allergy and immunology at Stanford's School of Medicine. "Similarly, these new findings suggest the possibility of an inheritable effect from environmental pollution."

Forty-one participants came from the Fresno Asthmatic Children's Environment Study (FACES), a longitudinal study led by principal investigator Dr. Ira Tager, professor of epidemiology at UC Berkeley's School of Public Health, and co-principal investigator S. Katharine Hammond, UC Berkeley professor and chair of environmental health sciences. The researchers also recruited 30 children from Fresno who did not have asthma.

"I'm not aware of any other studies that have looked at how chemicals can alter cells so early in the regulatory process, and then connected that effect to clinical symptoms," said Tager. "There are people who still question the direct link between air pollution and human health, but these findings make the health impact of pollutants harder to deny."

Fresno was chosen because it is located in California's Central Valley, where trapped hot air mixes with high traffic and heavy agriculture to create some of the highest levels of air pollution in the country. It is also a region known for its high incidence of asthma: Nearly one in three children there have the condition, earning Fresno the nickname, "The Asthma Capitol of California."

The researchers compared the participants from Fresno with 80 children, half with asthma and half without, in the relatively low-pollution city of Palo Alto, Calif. The children were matched by age, gender and asthma status, among other variables. The children were tested for breathing function, allergic sensitivity and Treg cells in the blood.

Daily air quality data came from California Air Resources Board monitoring stations. The researchers calculated each child's annual average exposure to polycyclic aromatic hydrocarbons (PAH), a byproduct of fossil fuel and a major pollutant in vehicle exhaust.

The study found that the annual average exposure to PAH was 7 times greater for the children in Fresno compared with the kids in Palo Alto. Levels of ozone and particulate matter were also significantly higher in Fresno.

Not surprisingly, the study found that the children in Fresno had lower overall levels of Treg function and more severe symptoms of asthma than the children in Palo Alto. For example, the non-asthmatic children in Fresno had Treg function results that were similar to the children with asthma in Palo Alto.

The study authors correlated increased exposure to PAH with methylation of the gene, Forkhead box transcription factor (Foxp3), which triggers Treg cell development. Methylation effectively disables the gene's function, leading to reduced levels of Treg cells. The connection between Treg function and the severity of asthma symptoms held for children in both groups.

While previous studies have found associations between pollution -- especially motor vehicle exhaust -- and an increased risk of developing asthma, few have traced its molecular pathway so completely, the study authors said.

"The link between diesel exhaust and asthma could simply have been that the particulates were irritating the lungs," said Nadeau. "What we found is that the problems are more systemic. This is one of the few papers to have linked from A to Z the increased exposure to ambient air pollution with suppressed Treg cell levels, changes in a key gene and increased severity of asthma symptoms."

The researchers noted that Treg cells are important for other autoimmune disorders, so the implications of this study could go beyond asthma.

Other co-authors of the study are Dr. John Balmes, UC Berkeley professor of environmental health sciences; Elizabeth Noth and Borianna Pratt, UC Berkeley researchers at FACES; and Cameron McDonald-Hyman, research assistant at Stanford University's School of Medicine.

The National Institutes of Health, U.S. Environmental Protection Agency and the American Lung Association helped support this research.

Editor's Note: This article is not intended to provide medical advice, diagnosis or treatment.

Air Pollution Linked to Breast Cancer, Study Suggests

ScienceDaily (Oct. 7, 2010) — Air pollution has already been linked to a range of health problems. Now, a ground-breaking new study suggests pollution from traffic may put women at risk for another deadly disease. The study, published in the journal *Environmental Health Perspectives*, by researchers from The Research Institute of the MUHC (RI MUHC; Dr. Mark Goldberg), McGill University (Drs. Goldberg, Dan Crouse and Nancy Ross), and Université de Montréal (Dr. France Labrèche), links the risk of breast cancer - the second leading cause of death from cancer in women -- to traffic-related air pollution.

"We've been watching breast cancer rates go up for some time," says study co-author Dr. Mark Goldberg, a researcher at The RI MUHC. "Nobody really knows why, and only about one third of cases are attributable to known risk factors. Since no-one had studied the connection between air pollution and breast cancer using detailed air pollution maps, we decided to investigate it."

Dr. Goldberg and his colleagues approached the problem by combining data from several studies. First, they used the results of their 2005-2006 study to create two air pollution "maps" showing levels of nitrogen dioxide (NO₂), a by-product of vehicular traffic, in different parts of Montreal in 1996 and 10 years earlier in 1986.

Then, they charted the home addresses of women diagnosed with breast cancer in a 1996-97 study onto the air pollution maps. Their findings were startling. The incidence of breast cancer was clearly higher in areas with higher levels of air pollution.

"We found a link between post-menopausal breast cancer and exposure to nitrogen dioxide (NO₂), which is a 'marker' for traffic-related air pollution," says Dr. Goldberg. "Across Montreal, levels of NO₂ varied between 5 ppb to over 30 ppb. We found that risk increased by about 25 per cent with every increase of NO₂ of five parts per billion. Another way of saying this is that women living in the areas with the highest levels of pollution were almost twice as likely to develop breast cancer as those living in the least polluted areas."

These disturbing results must be interpreted with great caution, warns Dr. Goldberg. "First of all, this doesn't mean NO₂ causes breast cancer," he explains. "This gas is not the only pollutant created by cars and trucks, but where it is present, so are the other gases, particles and compounds we associate with traffic -- some of which are known carcinogens. NO₂ is only a marker, not the actual carcinogenic agent."

A study of this kind can be subject to unknown errors. While the researchers tried to account as much as possible for them, areas of uncertainty remain. "For example, we don't know how much the women in the study were exposed to pollution while at home or at work, because that would depend on their daily patterns

of activity, how much time they spend outdoors and so on," says Dr. Goldberg.

Dr. Labrèche adds "Some studies published in the US have also shown possible links between cancer and air pollution. At the moment, we are not in a position to say with assurance that air pollution causes breast cancer. However, we can say that the possible link merits serious investigation. From a public health standpoint, this possible link also argues for actions aimed at reducing traffic-related air pollution in residential areas."

The study was a collaborative effort by researchers from the Research Institute of the MUHC, McGill University and Université de Montreal. It was funded by a research grant from the Canadian Cancer Society and another one from the Canadian Institutes of Health Research (CIHR).

Editor's Note: This article is not intended to provide medical advice, diagnosis or treatment.

Email or share this
story:

| [More](#)

Story Source:

The above story is reprinted (with editorial adaptations by *ScienceDaily* staff) from materials provided by [McGill University Health Centre](#).

Journal Reference:

1. Dan L. Crouse, Mark S. Goldberg, Nancy A. Ross, Hong Chen, France Labrèche. **Postmenopausal Breast Cancer is Associated with Exposure to Traffic-related Air Pollution in Montreal, Canada: A Case-Control Study.** *Environmental Health Perspectives*, 2010; DOI: [10.1289/ehp.1002221](https://doi.org/10.1289/ehp.1002221)

Need to cite this story in your essay, paper, or report? Use one of the following formats:

APA

MLA

McGill University Health Centre (2010, October 7). Air pollution linked to breast cancer, study suggests. *ScienceDaily*. Retrieved October 22, 2010, from <http://www.sciencedaily.com/releases/2010/10/101006104003.htm>

Note: If no author is given, the source is cited instead.

Traffic pollution tied to increased emphysema risk

URL of this page:

http://www.nlm.nih.gov/medlineplus/news/fullstory_104423.html

(*this news item will not be available after 01/12/2011)

Thursday, October 14, 2010



By Amy Norton

NEW YORK (Reuters Health) – People who spend years living near high-traffic roadways may be more likely to develop emphysema and related lung problems than those who live in less-traveled areas, a new study suggests.

Research has shown that air pollution can exacerbate symptoms in people with lung diseases like asthma and chronic obstructive pulmonary disease (COPD), a group of serious lung conditions that includes emphysema and chronic bronchitis.

But whether long-term exposure to pollution affects the odds of developing COPD in the first place has been unclear.

In the new study, researchers found that among nearly 53,000 Danish adults followed for up to 35 years, those estimated to have the greatest cumulative exposure to traffic pollution were more likely to develop COPD than those with the least exposure.

The findings, reported in the American Journal of Respiratory and Critical Care Medicine, point to an association between traffic pollution and COPD risk. They do not, however, prove cause-and-effect.

Cigarette smoking is the primary cause of COPD, estimated to be behind more than 95 percent of cases. Other environmental factors, such as heavy exposure to dust from coal, grain or wood, may also lead to COPD.

The current findings raise the possibility that long-term exposure to traffic pollution contributes to the risk in some people -- particularly those made vulnerable by certain health conditions, like asthma.

If that's the case, the risk of any one person developing COPD due to such exposure would be "very small," as compared with smoking or exposure to second-hand smoke, according to lead researcher Zorana J. Andersen, of the Danish Cancer Society in Copenhagen.

Still, she told Reuters Health in an email, on the population level, even a small risk associated with traffic pollution would "not be negligible," considering the millions of people living in high-traffic urban areas.

The findings are based on 52,799 adults ages 50 to 64 who completed questionnaires on their health and lifestyle factors, including smoking history, in the mid-1990s.

Andersen's team used data from the Danish national hospital register to find any first-time admissions for COPD in the group between 1971 and 2006. They also estimated individuals' long-term exposure to traffic pollutants based on their residential addresses throughout the study period.

Overall, just over 3 percent of participants had a first-time hospital admission for COPD during the study period.

When the researchers looked at participants' average long-term exposure to nitrogen dioxide -- a pollutant produced by car exhaust -- they found that those in the top 25 percent for exposure were more likely to be hospitalized for COPD than those in the bottom 25 percent.

The association between traffic pollution and COPD risk was stronger among people with asthma or diabetes than those without the conditions.

This, according to Andersen's team, raises the possibility that

people with health conditions that cause systemic inflammation in the body might be more vulnerable to any effects of traffic pollution on lung function.

However, the researchers also caution that, in statistical terms, these associations were weak or of "borderline" significance.

This, they write, calls for "caution in interpreting the strength of (the) reported associations and replication of these results by other studies."

Other limitations of the study include the fact that participants' pollution exposure was estimated based on their addresses; individuals' actual pollution exposure, from a range of sources, was not known.

Even so, Andersen said that people should be aware that heavy exposure to traffic pollution has been associated with a number of health risks -- including asthma development and deaths from heart disease and stroke. The American Heart Association suggests that people with heart disease and other at-risk individuals -- including the elderly and those with risk factors for heart disease, like diabetes and high blood pressure -- try to limit their exposure to congested roadways.

On a broader level, Andersen noted, links between air pollution and health risks are important in supporting policies aimed at pollution control.

SOURCE: <http://link.reuters.com/kyk58p> American Journal of Respiratory and Critical Care Medicine, online September 24, 2010.

Reuters Health

(c) Copyright Thomson Reuters 2010. Check for restrictions at:
<http://about.reuters.com/fulllegal.asp>

Related MedlinePlus Pages

Air Pollution:

<http://www.nlm.nih.gov/medlineplus/airpollution.html>

Emphysema:

<http://www.nlm.nih.gov/medlineplus/emphysema.html>

Lung Diseases:

<http://www.nlm.nih.gov/medlineplus/lungdiseases.html>

Page last updated on 15 October 2010

Air Pollution Raises Risk of Sudden Cardiac Arrest: Study

Rate rose even when spikes in fine particle levels were below EPA safety threshold, researchers find

URL of this page:

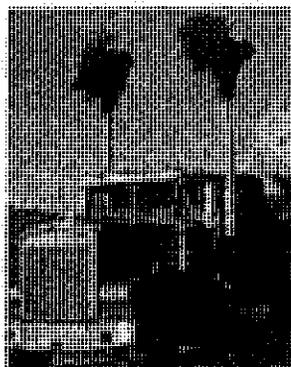
http://www.nlm.nih.gov/medlineplus/news/fullstory_103706.html

(*this news item will not be available after 12/23/2010)

By Robert Preidt

Friday, September 24, 2010

HealthDay



U.S. Environmental
Protection Agency

FRIDAY, Sept. 24 (HealthDay News) -- Fine particles of pollution that linger in the air can increase the risk of sudden cardiac arrest, warns a new study.

Researchers compared data about air pollution levels in New York City and 8,216 out-of-hospital cardiac arrests that occurred in the city between 2002 and

2006.

They found that a rise of 10 micrograms per cubic meter of air in small-particle air pollution was associated with a 4 to 10 percent increase in the number of out-of-hospital cardiac arrests.

Pollution-related cardiac arrests occurred when particulate levels were high but still below the current EPA safety threshold of 35 micrograms per cubic meter of air.

This association was much stronger in the summer months, said the researchers from the North Shore-Long Island Jewish Health System.

The study appears online Sept. 20 in the *American Journal of Epidemiology*.

"Small particulate matter is dangerous to health," study author Dr. Robert Silverman, an associate professor of emergency medicine and director of research in the department of emergency medicine at Long Island Jewish Medical Center, said in a health system news release.

"We need to figure out ways to combat air pollution and decrease the number of high-pollution days," he added.

This study adds to the growing number of studies that suggest air pollution is bad for the heart.

Earlier this year, the American Heart Association issued a statement noting that evidence is growing that air pollution is a risk factor in heart attack, stroke and cardiovascular death.

Dan Goldstein
3280 Erinlea Avenue
Newbury Park, CA 91320
dan@conejovalleyguide.com
(805) 312-5952 (cell)

November 12, 2010

Thousand Oaks Rent Adjustment Commission and
City Staff
Thousand Oaks City Hall
2100 Thousand Oaks Boulevard
Thousand Oaks, CA 91361

**Re: Critical Inaccuracies and Discrepancies with October 8, 2010 Hart, King &
Coldren Letter to City and Revised Proposed Rent Adjustment for
Thunderbird Oaks Mobile Home Park**

Hearing Date: January 10, 2011

Dear Commissioners and City Staff,

As you are aware, I have provided financial support for the efforts of Mark Sellers of Jackson DeMarco Tidus Peckenpaugh ("JDTP") and previously raised issues with the Rent Adjustment Application (the "Application") filed by A.V.M.G.H., Ltd dated May 27, 2010 in my letter to the City Manager dated August 26, 2010. I have visited Thunderbird Oaks Mobile Home Park (the "Park" or "Thunderbird") and talked with a number of the tenants in that Park on many occasions. I am aware of the limited financial resources of many of the tenants and the general level of investment those tenants have made in their coaches and space improvements. I have reviewed the Application and the Park Owner's (the "Owner" or "Applicant") supplemental submittals. I have reviewed the Thousand Oaks Rent Stabilization City Codes and the Rent Adjustment Committee's adopted resolutions setting out the regulations for space rent increases in mobile home parks. I am familiar with the concept of providing the park owner with a "just and reasonable return" and the concept of Maintenance of Net Operating Income. I had reviewed and provided input into Mr. Sellers' letter of September 23, 2010, and it accurately reflects my concerns about the Application. I continue working directly with the residents of the Park and Mr. Sellers.

My background includes over 23 years of financial and accounting experience, I earned my CPA license while working at global accounting firm Ernst & Young and an MBA at the Anderson School at UCLA. I have performed extensive auditing, accounting and financial analysis at numerous companies and clients and currently serve as CFO of a 2010 Inc. 1000 company based in Camarillo. Previously, I was appointed to serve on the City of Thousand Oaks Investment

Review Committee and the County of Ventura Tobacco Settlement Program Finance Oversight Committee where I served as Chairman.

I have reviewed the Hart, King & Coldren (“HK&C”) letter to the City dated October 8, 2010 and was shocked at the number of critical errors, omissions and misstatements in the information provided by the Owner and HK&C. The revised proposed rent increase of \$260.62 per space represents as much as an 81% increase in rent for tenants of the Park. Such draconian increase, if approved, would have a dramatic, negative impact on the lives of most Park tenants. As such, it is critical that the underlying data and claims made by the Owner and HK&C are accurate and relevant.

HK&C’s Claim That “Park Tenants Have Benefited from a 30 Year Free Ride.”

On page 2 of its letter, HK&C claims that the Owner of the Park "had no rent documents from the period 1979-1989 because the information was kept by his prior accountant, who is now deceased and whose firm is now dissolved." On page 5, HK&C makes the dramatic statement "it is the Park tenants who have been systematically taking advantage of below market rents for nearly 30 years to the great disadvantage of the Owner." These assertions stem several questions:

1. If the Owner was "systematically" taken advantage of by tenants of the Park for nearly 30 years as HK&C claims, why did he not apply for a Just and Reasonable Return application sometime, anytime over the last 30 years? This claim is simply ludicrous. The City of Thousand Oaks Rent Adjustment Commission (the “Commission”) adopted Resolution No. RAC-2, spelling out guidelines for claiming Just and Reasonable Return requests by City Mobile Home Park Owners, on May 7, 1981. The Owner owns five mobile home parks. Logically, he would have carefully studied the Thousand Oaks rent control regulations and his options for space rent increases. The Owner clearly did not feel he was taken advantage of since, if he did, he would have previously filed for a Just and Reasonable Return increase as that mechanism has been in place for nearly 30 years to remedy such concern.
2. “Base year” (1979) records are very important under any rent control system. If indeed the Owner felt "systematically" taken advantage of for nearly 30 years, why would he not have maintained or assured the safekeeping of financial records for the period 1979-1989? If the Owner truly had felt taken advantage of, he would have maintained such information for a Just and Reasonable Return claim and/or would have instructed his accountant to maintain the information on his behalf. Had he instructed the accountant to maintain the financial information, he could have obtained the information upon the accountant's passing. That said, CPAs I know typically maintain clients’ records for no more than 5 to 7 years but communicate to their clients prior to disposing of records. It is the Owner’s responsibility to maintain adequate financial information for the purposes of computing 1979 Net Operating Income, not the City’s responsibility or anyone else’s.

HK&C claims that “mobilehome tenants have benefited from significantly high mobilehome resale values far in excess of the coach value as a result of being ‘in-place’ in a mobilhome park subject to the City’s draconian Rent Control Ordinance” and goes on to reference a chart that compares changes in real estate prices/rents in Thousand Oaks from 2002 to 2007.

There is nothing draconian about the City’s Rent Control Ordinance. Rent stabilization or control laws are enacted to prevent park owners from "systematically" taking advantage of the tenant’s substantial investment in their coaches with little or no options to relocate. Like most other rent control systems now in effect throughout California, it allows for a reasonable annual automatic increase for all space rents based on a percentage (in Thousand Oaks, 75%) change in the applicable CPI, as well as a methodology and mechanism for making an additional discretionary “just and reasonable return” increase, if such increase is sufficiently justified and supported a park owner’s application and submitted records.

It is misleading (and amusing) that HK&C would reference changes in real estate prices during the largest bubble in housing prices in our lifetime, leading up to the biggest crash in real estate prices in our lifetime. The period used for the chart was 2002 to 2007. Assuming the underlying data was relevant and accurate, that particular period showed an alleged “astronomical 139%” increase in mobilehome resale values at the Vallecito Mobile Home Park during that time. They couldn’t have cherry picked a better time frame. Perhaps they should review current prices at Vallecito, which I suspect will show something close to zero change in resale prices in comparison to 2002 prices. Better yet, why not take a look at Thunderbird if you are attempting to make the argument that Park tenants have benefited financially in comparison to homeowners. Median home prices have dropped over 40% since the 2006-2007 peak and there has been no corresponding drop in mobile home rental rates. Many feel that the real estate market may not have bottomed out yet.¹ So if anyone has benefitted in recent years, it is the Owner, not park tenants!

Contradictory Statements Regarding 1979 vs 1986 and Other Base Year Information

The most critical component of the Application’s Maintenance of Net Operating Income formula is the accuracy of the 1979 Base Year Net Operating Income (“NOI”), because every dollar is magnified by a Price Level Adjustment over a 30 year period, roughly tripling every dollar. Thus, for each dollar of possible under/overstatement, the resulting amount that is then compared to 2009 financial information is magnified by a factor of 3 (although please review the important section below entitled “Erroneous Calculation of Price Level Adjustment, which highlights the fact that the Owner’s CPI index calculation is grossly inaccurate and not in accordance with City requirements). It is the Owner’s responsibility to provide accurate, actual 1979 Base Year

¹ Foreclosure filings reported on U.S. properties in September 2010 show an increase of nearly 3 percent from the previous month and a record total of bank repossessions in September, “the first time bank repossessions have surpassed the 100,000 mark in a single month.” RealtyTrac.com, Oct 14, 2010.

financial information. He has not done so. As a result, what should have been quite a simple, uncomplicated Application was over 60 pages of confusing, misleading information in their efforts to “create” a 1979 Base Year using 1986 information.

HK&C claims that “City Regulations require that 1979 be the Base Year unless the Owner can make a very stringent showing and unless the Owner specifically requests another Base Year and substantiates the use of such alternative base year.” What is meant by “a very stringent showing?”

HK&C references RAC-2 “In the event that the 1979 financial information is not available, and where the loss of such records can be substantiated by clear and convincing evidence, the landlord of record in 1979 may substitute as a base year the first year following 1979 for which records are available.”

What we agree on is that 1979 is the “desired” base year to be used when actual financial information for that year is available. Where we disagree is HK&C’s insistence that “the Park Owner” has the sole power to request another base year. Nothing in RAC-2 so limits the Commission’s use of a subsequent year as the “base year” when the 1979 actual records are not available. What the park owner requests is not relevant. The facts are the 1979 financial records, ALL of them, including Gross Rental Income and Operating Expenses, not just a small sampling of historical records from a handful of current Park tenants, representing complete records necessary for an accurate MNOI calculation, have not been submitted. Under RAC Res. No. 2, Section 4, the Commission must use the first year following 1979 for which there are records and financial information, here 1987.

HK&C notes that the "Park Owner conducted significant due diligence to determine what he thought was the actual 1979 Base Year rent level for the Park prior to filing the Application." I find this statement to be highly unusual, particularly given Bruce Hohn's declaration (Attachment 3 to original Rent Adjustment Application) that "the Thunderbird Oaks monthly rents did not increase from the Base Year of 1979 through 1983" as declared "under penalty of perjury that the foregoing facts are true." Since the Owner allegedly and negligently did not retain any financial records to support his claim for additional rent, one would think that the Owner would perform an extensive review for such documentation given how critical 1979 Base Year information is for the Application. Perhaps the Owner could have asked tenants of the Park for rental information back in May of 2010, prior to submitting the initial Application. Instead, his memory was “refreshed” only after some tenants of the Park were able to find this information.

Notwithstanding the contradictory statements made by the Owner and HK&C regarding the availability of 1979 Base Year financial information, it is 100% clear to us that 1979 Base Year financial information has not been made available by the Owner. In lieu of that critical information, RAC-2 Sec. 4 indicates that the next best course of action to the landlord is to “substitute the first year following 1979 for which records are available.”

HK&C erroneously alleges “the Park Owner is not required to use a different year if financial information is not available; he merely has an option to do so as indicated by the use of the word ‘may’ in the above-cited regulation (RAC-2 Sec. 4)” This interpretation is utterly ridiculous. The word “may” merely indicates to the Owner that should he not have 1979 financial information available, then he may SUBSTITUTE that year for the next available year. This is further highlighted by verbiage in 4.01 and 4.02 for situations where financial records are not available from a previous landlord, in which case, again, the base year may be substituted. The word substitute does not imply that year should be used to speculate and estimate what the 1979 Base Year data “should (or could) have been.”

To be clear, the words, tone and context of RAC-2 Sections 3 and 4 spell out the following:

1. The base year **shall be 1979** when the financial information **for that year** is available.
2. If 1979 financial information is NOT available (as is the case here), the landlord must provide evidence that this is indeed the case. In the current instance, the Owner and HK&C have clearly stated that the Owner did not retain 1979 financial information.
3. If the landlord still feels a need to request a Just and Reasonable Return request even without the requisite 1979 financial information, the Commission allows the landlord to substitute the first year following 1979 for which records are available. Clearly that means that, say, if 1987 were the first year for which financial information were available, then 1987 would be the new base year.
4. Upon computing the NOI for that replacement base year, the Price Level Adjustment referenced at RAC-2 Sec. 3.04 would be applied to that base year. In the above example, it would be applied from 1987 through the current year.

Separately, in the Application, the Owner has used 1986 as base year, yet in HK&C’s October 8, 2010 letter they indicate financial records are not available 1979-1989. Is this statement in error or is 1986 detailed financial information available? If it is, 1986 should be the base year used in the calculation and we would appreciate the ability to review, in detail, the components of NOI for that year. If 1990 is the first available year (based on HK&C’s statement that records are not available through 1989), then 1990 should be made the base year of the NOI for the Application and we also would seek to review that financial information after the Application is re-submitted.

HK&C on page 11 of its letter references the MHC Operating Limited Partnership v. City of San Jose case for supporting its argument that a subsequent year (in this case, 1986) can be used to estimate 1979 Base Year financial information. However, in that case the expert indicated eighty percent of expenses can be estimated “pretty precisely,” which is not the situation for the current Application. In addition, whatever can be estimated for Thunderbird has an end result that will be magnified by a Price Level Adjustment factor over a 30 year period as compared to only a 13 year period in the MHC case. Finally, if you simply look at the huge discrepancy in cost increases on page 4 of the Application from the “Base Year” to the Current Year, you will see

expenses can change at wildly diverging rates. In summary, relying on an estimate to derive a base year that “might” be somewhat accurate is not reasonable, appropriate or fair for the Application and Park Tenants.

Erroneous Calculation of Price Level Adjustment

In the Owner’s original Application (and utilized again in the revised Application), he derives a “CPI price level adjustment” by dividing a March 2010 “Current Year CPI” of 225.48 by a December 1979 “Base Year CPI” of 77.20 to calculate a 292.1% “Percentage Change in CPI” that in turn is multiplied by the alleged Base Year NOI. Attachment 1 to the original Application references the CPI price level adjustment in Item 31 of City Application Form NOI Worksheet (“Worksheet”).

Item 31 on the Worksheet indicates the price level adjustment as “Net operating income adjusted by Index for each year subsequent to base year up to current year.” Notice the word “Index” is capitalized as a defined item. For many reasons cities do apply the full CPI to rent increases (CPI factors of changes in cost for food, education and recreation may not be indicative of cost factors in operating a mobile home park). Like many California rent control ordinances, the City’s Mobile Home Rent Stabilization Ordinance (the “Ordinance”) in Sec. 5-25.02 defines its Index as:

“Index” means the figure employed when determining allowable rent increases under Section 5-25.05, and shall be calculated by taking seventy-five (75%) percent of the Los Angeles-Long Beach-Anaheim, Consumer Price Index for all urban consumers for the year ending April 1, rounded to the nearest tenth. No index in excess of seven (7%) percent shall be employed.

Nowhere does RAC-2, the City Application Form or the Ordinance reference using an **unadjusted** CPI rate in the Application. **The Applicant did not properly follow this instruction and thus any Application and calculation therein must be corrected before being considered by the City.**

Following is a table that illustrates the maximum allowable Price Level Adjustment using the City’s Ordinance and definitions.

Year	CPI 4/1/FY*	% Change FY vs PY	75% of % Change	Allowed Index	Cumulative Index
1979					1.000
1980		n/a		8.00%	1.080
1981		n/a		8.00%	1.166
1982		n/a		8.00%	1.260
1983		n/a		8.00%	1.360
1984		n/a		7.00%	1.456
1985	111.1	n/a		7.00%	1.558
1986	115.5	4.0%	3.00%	3.00%	1.604
1987	120.6	4.4%	3.30%	3.30%	1.657
1988	126.2	4.6%	3.50%	3.50%	1.715
1989	134.5	6.6%	5.00%	5.00%	1.801
1990	139.7	3.9%	2.90%	2.90%	1.853
1991	145.5	4.2%	3.20%	3.20%	1.913
1992	149.8	3.0%	2.30%	2.30%	1.957
1993	152.5	1.8%	1.40%	1.40%	1.984
1994	154.6	1.4%	1.10%	1.10%	2.006
1995	157.3	1.7%	1.30%	1.30%	2.032
1996	159.8	1.6%	1.20%	1.20%	2.056
1997	161.4	1.0%	0.80%	0.80%	2.073
1998	165	2.2%	1.70%	1.70%	2.108
1999	170.7	3.5%	2.60%	2.60%	2.163
2000	176.2	3.2%	2.40%	2.40%	2.215
2001	181.1	2.8%	2.10%	2.10%	2.261
2002	188.2	3.9%	2.90%	2.90%	2.327
2003	191.5	1.8%	1.40%	1.40%	2.359
2004	199.2	4.0%	3.00%	3.00%	2.430
2005	208.5	4.7%	3.50%	3.50%	2.515
2006	216.5	3.8%	2.90%	2.90%	2.588
2007	223.6	3.3%	2.50%	2.50%	2.653
2008	221.4	-1.0%	-0.80%	-0.80%	2.632
2009	225.5	1.9%	1.40%	1.40%	2.668
			Less 1.0 Base Year Factor		(1.000)
			Cumulative Allowed Index		1.668 166.8%

* CPI as of end of March of following year per City of Thousand Oaks Ordinance

Inaccuracies and Discrepancies in the Market Rental Value Report of John P. Neet

The first page of John Neet's report indicates his opinion on the market rental "value" for a "space" is as of February 29, 1980, because this was the date of City of Thousand Oaks Ordinance No. 747-NS. Additionally, on page 12 of the report he feels "it is very likely that the market rent levels in the *latter part* of 1979 were not substantially different than concluded above" (i.e. February 29, 1980). This is puzzling because HK&C states in page 2 of its letter that John Neet's appraisal establishes the 1979 Base Year market rent "level" for the "park." If this were the case, Mr. Neet more appropriately should have been instructed to calculate a 1979

estimate factoring in the market rates for the calendar year 1979 Base Year. Commission Resolution No. RAC-2 requires 1979 be used as Base Year (assuming records for 1979 are available, which of course as we already know is not the case). As a result, the calculation is flawed as it relates to calculating a Just and Reasonable Return claim as defined in RAC-2, because it is based on an incorrect point in time (February 29, 1980) rather than for the 12 month period ending December 31, 1979 (or other base year).

Page 6, Item 21 of Neet's report indicates:

“The appraiser is not an expert in the field of hazardous materials. This appraisal does not constitute an expert inspection of the property for environmental or health hazards. The only way to be certain as to the condition of the property with respect to ‘environmental hazards’ is to have an expert in the field inspect the property. This appraisal should not be relied upon as to whether environmental hazards exist on or near the property. It is the appraiser’s recommendation that a Phase I Environmental Assessment be obtained on this or any other property prior to making any monetary decision involving the property to determine the potential for environmental hazards.”

Thunderbird Oaks borders the 101 Freeway and is approximately 30 feet below and adjacent to the 101, causing constant Freeway noise and black soot/dust in the Park. Based on this statement by Neet and the aforementioned facts, a Phase I Environment Assessment should clearly be obtained prior to making any monetary decision involving the property, such as the draconian rent increase proposed by the Owner.

Neet's opinion on page 11 of his report is that the market rent for Thunderbird as of February 29, 1980 (which as previously noted is an inaccurate time frame for purposes of the Application) was \$225 per month for every space. While average "extrapolated" rentals as of 2/29/1980 for four parks (including Thunderbird) were listed on page 10 of the report, there was no mention as to specifically how \$225 was derived. Neet claims that Rancho Vallecito is considered slightly superior in terms of physical appeal" to Thunderbird and that Vallecito's average rent was \$232. He also lists average extrapolated rents for Ventu Park Villas and Ventu Estates at \$161.85 and \$192.10, respectively. But exactly how the \$225 per space conclusion was derived?

We take issue with the statement that Vallecito is considered “similar to slightly superior” to Thunderbird Oaks. Thunderbird is directly adjacent to the 101 freeway in a less residential neighborhood than all three of the parks used by Neet as comparables. Vallecito is much further from the freeway than Thunderbird in a quiet, mostly residential neighborhood and in an aesthetic rural setting with views. As noted above, there are also environmental issues at Thunderbird as a result of the soot/dust from the extremely busy freeway adjacent to the park.

Page 10 of Neet's report indicates that the Rancho Vallecito average rent was \$232 as of 2/29/1980, based on a January 1987 Survey of Mobile Home Space Rents in Ventura County by Castaneda & Associates prepared for the Oxnard Housing Authority that was attached to the report. Rents for the other parks were obtained from rent rolls provided to the City of Thousand

Oaks. We request a review of the professional qualifications of Castaneda & Associates given how critical this survey information is for purposes of Neet's report.

Additionally, the Castaneda Survey concludes that the average rental at Vallecito in January 1987 was \$362. However, survey information provided in that report indicates that all spaces at Vallecito are double-wide spaces, whereas information on the City of Thousand Oaks rent rolls provided by the Owner indicates that 19, or roughly 12%, of the 161 Thunderbird spaces are single-wide and 142 are double-wide. Accordingly, an adjustment should be made to the calculation to factor in this disparity. The same adjustment should be performed, if applicable, with respect to the other mobile home park comparables used by Neet in his analysis.

HK&C Responses to Concerns Raised in JDTP letter Dated September 23, 2010 Regarding Data in Application

Management and Administration Expenses

In the Owner's revised Application, Management and Administration ("M&A") expenses in the 2009 Current Year of \$167,392 are nearly 800% higher than the alleged \$21,152 in the alleged 1979 Base Year. An 800% increase over that time frame is nearly triple the growth in the CPI rate over that period. In JDTP's letter, we pointed out this highly improbable increase in M&A expenses and we are concerned how expense incurred by the Owner on other mobile home parks may have been allocated to Thunderbird inappropriately.

We pointed out that Section 2.11 of RAC-2 indicates, as a soft or manipulative owner controlled cost, the total M&A expense "cannot exceed 8% of the Actual Rental Income." In this case, the Owner has proposed M&A expense of nearly 22% of Actual Rental Income. As such, the Commission must only apply 8%, or \$61,162, of M&A expense in its 2009 Current Year NOI calculation. HK&C did not address this comment in its October 8, 2010 response to the City.

There is a significant discrepancy between M&A expenses as a percentage of Actual Rental Income in the alleged Base Year as compared to in the Current Year that needs to be addressed by the Commission. HK&C claims that Section 2.11 "does not require the Park Owner to document any differences in the level of M&A expenses between the Base Year and Current Year." But Section 2.11 does indicate:

When the landlord performs different services in the base year and the current year, an adjustment will be allowed for such differences to the extent the landlord shall document the amount of such differences.

Regardless of what RAC-2 says, for the Owner to exclude certain costs, such as the value of unpaid M&A expenses, in the Base Year, while including exaggerated, questionable M&A expenses in the Current Year, has the dual effect of understating Base Year Expenses and overstating Base Year NOI, while overstating Current Year Expense and understating Current Year NOI. There is no valid reason why M&A expenses could have grown by a factor of 791%

during a time when the CPI grew 292%. It behooves the Commission to address this issue with the Owner by either allowing for an adjustment in both Base Year and Current Year to the 8% maximum stated in RAC Sec. 2.11 or hiring an expert for the purpose of assessing the validity and relevancy of M&A expenses proposed by the Owner for Base Year and Current Year.

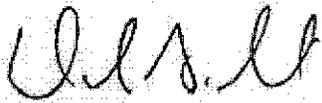
Other Expenses

Noted in the September 23, 2010 JDTP letter was a concern that the \$5,945 Workers Compensation expense included in 2009 NOI seemed high, at 6.3% of salaries shown in Attachment 8, page 2 of the application. HK&C claims that amount was actually paid. We do not doubt that statement. However, it is entirely possible that the expense was improperly allocated to Thunderbird's 2009 Operating Expenses, resulting in too high of an allocation. We ask that the Commission request for a detailed accounting of that expense, showing the payment, the rate and the compensation it was based on.

We noted that utilities expenses increased by 644% from the alleged 1979 Base Year (\$13,660) to the 2009 Current Year (\$101,647), over double the inflation rate during that period. HK&C in its response indicates that the increase in excess of the nearly 300% inflation rate of that period is due to utility deregulation, the energy crisis, utility taxes and fees and changes in utility billing practices. Given that 87% of the reported 2009 utility costs were for water and sewer, we find this explanation to be insufficient. The energy crisis took place in 1979 and, if anything, would have caused a spike in expenses in 1979, which in turn would decrease 1979 NOI from the current estimate based on 1986 financial information. We ask that the Commission obtain a more detailed accounting for actual utility costs in the 1979 Base Year (or other base year as deemed appropriate in light of the lack of 1979 financial information) and 2009.

Thank you for your time and support in these addressing these matters. Please do not hesitate to contact me with any questions.

Sincerely,



Dan Goldstein

Copy to: Mark Sellers, Jackson DeMarco Tidus Peckenpaugh
Marilyn Aurand, Thunderbird Mobile Home Park Resident
Karen King, Thunderbird Mobile Home Park Resident

Russ Watson - Amended personal letter1 to replace Sept 9

From: "Karol" <k63034@verizon.net>
To: "Watson, Russ" <RWatson@toaks.org>
Date: Dec 10, 10 9:41 AM
Subject: Amended personal letter1 to replace Sept 9
Attachments: Karol Freed.vcf; Freed letter to Watson Amend 1.doc

Russ, attached is personal letter amendment 1 to replace one sent Sept 9, 2010. Also mailed today.
Karol Freed
k63034@verizon.net

Mr. Russ Watson
City of Thousand Oaks Housing Division
2100 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

Dear Mr. Watson,

Please replace my letter of September 9, 2009 with this amendment #1 letter.

I am writing this personal letter to oppose the **“UNFAIR RENT INCREASE”** for Thunderbird Oaks Mobile Home Park. We moved into the park in late December 2008. We have been here for a very short time and thoroughly enjoy the park itself and the many activities for the seniors.

We owned property in Thousand Oaks in the Sunset Hills area for many years from 1979 thru 2004, but lived in the San Diego area from 1991 thru 2008. Our son and his family bought our home in Sunset Hills and continue to live and enjoy the area.

After my husband and I retired in 2006, we decided we wanted to be near our family and chose to return to the Thousand Oaks area. Upon checking out where to reside, we purchased a NEW mobile home in Thunderbird Oaks, a senior park. We were told there was “rent control” for which we now know was untrue. We live on our combined Social Security and figured that we would be able to afford space rent of \$525.00 (highest rent in the park, I might add) as well as a small home mortgage. We do NOT want to make another move and feel that this proposed rent increase would make it nearly impossible to make ends meet. We are the “new seniors on the block” and feel it is very unfair to raise our space rent which is almost twice the amount paid by the original home on this space, period! This is **“FINANCIAL ELDER ABUSE”** by the park owner and the city government of Thousand Oaks!!!!

My husband served six years in the US military in the 1950's to protect our country and the inhabitants within which includes the owners of Thunderbird Oaks Mobile Home Park, the management company that manages the mobile home park, the people in the government of Thousand Oaks, and people in state and Federal governments. In addition, my husband is a liver transplant recipient of sixteen years and one of the pioneers of liver transplantation. He has helped many thousands of subsequent people who are transplant recipients. He is a handicapped Senior citizen who returned to Thousand Oaks to be near his family and grandchildren to enjoy for the rest of his life. I do not think that this increase is a reward for someone who has given so much to Medical Science and the American people.

As handicapped seniors who are living on a fixed income, with continuing medical expenses that absorbs a fair percentage of our fixed income, it will be very difficult to pay the additional owner's requested amount.

I have requested that this letter be included and attached to the staff report prepared by the government of Thousand Oaks that will be presented on January 10, 2011 (or the appropriate date if for some reason this meeting is postponed again).

R&KF ILT
Karol & Reva H. Freed
110 Piute Dr.
Thousand Oaks, CA 91362

Russ Watson - Russ, FYI: COURT UPHOLDS MOBILE HOME RENT CONTROLS

From: "Karol" <k63034@verizon.net>
To: "Watson, Russ" <RWatson@toaks.org>
Date: Dec 23, 10 11:18 AM
Subject: Russ, FYI: COURT UPHOLDS MOBILE HOME RENT CONTROLS
CC: "Marilyn Aurand" <megato@roadrunner.com>
Attachments: Karol Freed.vcf; Court upholds mobile home rent controls.doc

COURT UPHOLDS MOBILE HOME RENT CONTROLS

Ruling in a Goleta case, the U.S. 9th Circuit Court of Appeals says park owners' property rights are not infringed on by laws controlling how much they can charge for monthly site rentals.

By Carol J. Williams, Los Angeles Times December 23, 2010

Laws controlling how much mobile home park owners can charge for monthly site rentals don't infringe on constitutionally protected property rights, a federal appeals court ruled Wednesday.

The U.S. 9th Circuit Court of Appeals rejected the argument of Daniel and Susan Guggenheim of Goleta, Calif., that the city was engaged in an unconstitutional "taking" of their property by limiting how much space rentals can grow.

The Guggenheims bought the land in 1997, five years before Goleta was incorporated as a city but well after Santa Barbara County adopted the original rent-control measure in 1979. The couple had no "investment-backed expectations" taken away from them, the appeals court said, because rent control already was the law when they bought Rancho Mobile Home Estates.

The decision, though split 8 to 3, could foretell the outcome of renter-owner disputes elsewhere in the nine-state region covered by the court, as other mobile home parks have become arenas of contention between landowners wanting to charge what the market will bear and homeowners of the often not-so-mobile dwellings having to pay more or disassemble and relocate their homes.

Goleta's ordinance imposes strict limits on rental increases for existing tenants and caps rent increases at 10% for new buyers of mobile homes already situated in residential clusters within the city.

The Guggenheims argued that the rent-control limits unjustly transferred the value of their property to the tenants because mobile home owners could sell their homes for almost nine times as much when the buyers could count on paying fixed monthly rent for the space rather than market value.

An expert's report said homes at the park would sell for an average of \$14,000 without rent control and \$120,000 with it, enriching the homeowner at the landowner's expense. Space rentals could earn \$13,000 a year on the open market, the expert said, while under the city controls the same space costs less than \$3,300 annually.

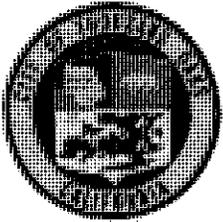
Those disparities didn't amount to an unconstitutional "taking" in violation of due process and equal protection, the court said, because the Guggenheims knew of the controls when they bought the property.

Judge Carlos T. Bea, joined by Chief Judge Alex Kozinski and Judge Sandra S. Ikuta, dissented. The trio, all appointees of Republican presidents, said the majority ignored other U.S. Supreme Court findings and disputed that Goleta's ordinance was a legitimate rent-control policy.

I am requesting that this article be included and attached to the staff report prepared by the government of Thousand Oaks that will be presented on January 10, 2011 (or the appropriate date if for some reason this meeting is postponed again).

Karol Freed
110 Piute Dr.
Thousand Oaks, CA 91362

Karol Freed
k63034@verizon.net



City of Thousand Oaks

CITY ATTORNEY

DATE , 2010

TENANT
ADDRESS
Thousand Oaks, CA 91362

SUBJECT: Thunderbird Oaks MHP Rent Adjustment Application 2010

Dear Nancy:

The City Attorney's office has received your letter voicing concern about the rent adjustment application submitted by the owner of Thunderbird Oaks Mobile Home Park. Our office has also received many letters from other residents of the park expressing similar concerns. The apprehension expressed in your letter is an important reminder of the purpose of the City's mobile home rent stabilization regulations.

I would like to explain the process moving forward. City staff is currently reviewing the application, verifying figures, and consulting with an expert in the field of mobile home rent adjustments. City staff will make a specific recommendation in its staff report to the Rent Adjustment Commission regarding the application. This report should be available to the public no later than October 1, 2010. At the October 5, 2010, hearing, City staff will present its staff report and recommendation to the Commission. Then the park owner will have an opportunity to present evidence in support of his application. Residents and other members of the public will also have an opportunity to speak and present evidence at the hearing. Once public testimony is completed, the Commission will deliberate and reach a decision on the application. The decision may be appealed to the City Council.

You are encouraged to state your concerns, provide evidence, and even offer alternative methods of calculating fair return at the hearing either on your own or in concert with other residents of the park. It is recommended that if you are going to provide detailed evidence or alternative methods of calculations that you submit this information to the City prior to the end of the business day on September 28, 2010, so that it can be included in the packet that is provided to the Commission prior to the hearing.

I also want to take the time to explain the City staff's role in this process. City staff, including the City Attorney's office, is not an advocate for either the residents or the park owner during this process. City staff's function is to ensure that the application is processed and analyzed in accordance with the City's ordinances and regulations, as

Thunderbird Oaks Mobile Home Park
September 13, 2010
Page 2

well as applicable state and federal case law. The law in this area is complicated and involves rights afforded to the park owner under the United States Constitution and Supreme Court precedents. City staff must consider all of these factors in rendering a recommendation to the Commission.

Again, thank you again for your correspondence. Your letter will be included as part of the staff report for the Rent Adjustment Commission. If at all possible, you should attend and participate in the public hearing scheduled for October 5, 2010.

Sincerely,

Christopher G. Norman
Assistant City Attorney

cao 420-86 h:\common\mhp/thunderbird/resident ltr.docx



City of Thousand Oaks

September 27, 2010

TENANT
Thunderbird Drive
Thousand Oaks CA 91362

SUBJECT: Thunderbird Oaks MHP Rent Adjustment Application 2010

Dear Tenant:

The Community Development Department has received your letter voicing concern about the rent adjustment application submitted by the owner of Thunderbird Oaks Mobile Home Park. Our office has also received many letters from other residents of the park expressing similar concerns. The apprehension expressed in your letter is an important reminder of the purpose of the City's mobile home rent stabilization regulations.

I would like to explain the process moving forward. City staff is currently reviewing the application, verifying figures, and consulting with an expert in the field of mobile home rent adjustments. City staff will make a specific recommendation in its staff report to the Rent Adjustment Commission regarding the application. This report should be available to the public no later than October 1, 2010. At the October 5, 2010 hearing, City staff will present its staff report and recommendation to the Commission. Then the park owner will have an opportunity to present evidence in support of his application. Residents and other members of the public will also have an opportunity to speak and present evidence at the hearing. Once public testimony is completed, the Commission will deliberate and reach a decision on the application. The decision may be appealed to the City Council.

You are encouraged to state your concerns, provide evidence, and even offer alternative methods of calculating fair return at the hearing, either on your own or in concert with other residents of the park. It is recommended that, if you are going to provide detailed evidence or alternative methods of calculations, that you submit this information to the City prior to the end of the business day on September 28, 2010, so that it can be included in the packet that is provided to the Commission prior to the hearing.

I also want to take the time to explain the City staff's role in this process. City staff is not an advocate for either the residents or the park owner during this process. City staff's function is to ensure that the application is processed and analyzed in accordance with the City's ordinances and regulations, as well as applicable state and federal case law. The law in this area is complicated and involves rights afforded to the park owner under the United States Constitution and Supreme Court precedents. The City Attorney's

Thunderbird Oaks Mobile Home Park
September 27, 2010
Page 2

Office is working closely with Community Development staff in the review of this application, and preparation of the staff report to be submitted to the Commission. City staff must consider all of these factors in rendering a recommendation to the Commission.

Again, thank you for your correspondence. Your letter will be included as part of the staff report for the Rent Adjustment Commission. If at all possible, you should attend and participate in the public hearing scheduled for October 5, 2010.

Sincerely,

Russ Watson
Housing Manager

cc: Christopher G. Norman, Assistant City Attorney

Attachment 5:
Correspondence
Jackson/DeMarco/Tidus/Peck
enpaugh

Jackson | DeMarco | Tidus Peckenpaugh

A L A W C O R P O R A T I O N

September 23, 2010

Direct Dial: 805.418.1914
 Email: msellers@jdtplaw.com
 Reply to: Westlake Office
 File No: 6570-91461

Hand Delivered

Thousand Oaks Rent Adjustment Commission and
 City Staff
 Thousand Oaks City Hall
 2100 Thousand Oaks Boulevard
 Thousand Oaks, CA 91361

**Re: Critical Omissions and Problems With Application of A. V. M. G. H. Ltd. to
 Increase All Space Rents at Thunderbird Oaks Mobile Home Park by
 \$322.52.**

Hearing Date: October 5, 2010.

Dear Commissioners:

This law firm has been retained by a number of residents in the Thunderbird Oaks Mobile Home Park who are quite distraught by the park owner's request to substantially increase the rent for all of the 161 spaces in that park. Since the Rent Adjustment Commission has heard few, if any, of these special rent adjustment requests, we have provided some general background information.

Basis for the Residents' Anxiety.

Mobile homes represent an affordable form of housing for seniors on limited or fixed incomes in Thousand Oaks, a fact that is reaffirmed at the Thunderbird Oaks Mobile Home Park, where the residents are 55 years of age and older. Even in this poor housing market, the median single family house in Thousand Oaks costs \$508,000. The bottom line is these park residents cannot afford to buy a house in Thousand Oaks. In addition, a quick online look shows monthly rents for a 2 bedroom apartment can run from \$1500 to \$2300.

Irvine Office
 2030 Main Street, Suite 1200
 Irvine, California 92614
 t 949.752.8585 f 949.752.0597

Westlake Village Office
 2815 Townsgate Road, Suite 200
 Westlake Village, California 91361
 t 805.230.0023 f 805.230.0087

www.jdtplaw.com

Although called “mobile”, these coaches are not moved.¹ A mobile home park represents a very unique form of dual ownership of the land and of the coaches unlike the apartment arrangement between a tenant and a landlord. Mobile home residents make substantial investments to become the owners of these coaches, sometimes needing a lender to finance the acquisition and making two payments each month.² As a result of that investment, mobile home parks experience longer lasting residencies than found in apartments, with a number of residents in Thunderbird Oaks having been there since it opened 34 years ago. Since this is an owner-occupied only park (no tenant subleasing), there is a pride of ownership with the residents taking extra care in the maintenance and improvements of their coaches and spaces. (See attached photographs). Unfortunately, due to this significant investment in an immobile coach and being on limited incomes, the residents in Thunderbird Oaks lack the options, bargaining power or leverage that apartment tenants have. Coach owners are essentially at the mercy of the park owner; thus, the need for City oversight under rent control.

The purpose of rent control law is to avoid drastic rent increases or spikes forced by park owners upon the residents. However, A. V. M. G. H. Ltd.’s application for up to an 86% increase for many spaces in this park is the antithesis of rent “stabilization” for these residents.³

I.

Due to Intentional Delay and the Present Rate of Return – No Increase Is Justified.

When the park owner purchased the land in 1974 for around \$525,000 and built Thunderbird Oaks, he set the initial rents in an environment where rent control was a well known possibility.⁴ The park’s only amenities are the original small pool, jacuzzi and small club house. The park owner no longer must absorb the varying levels of individual resident use of gas and

¹ Relocating a coach is not easy or cheap, first you need to find the rare vacant space to move it to, then hire people to unhook utilities, remove coach’s base skirting/foundation, hoist it and install properly sized axles and wheels, any joined segments must be separated, hitch installed, attached to a specially rigged truck, etc.

² For example, a Thunderbird resident invested \$162,000 for a new double wide coach in 2009 to replace an old coach (that was then sent to the recycling yard as salvage). An 80% coach purchase loan will be at a higher interest rate than conventional home loans and must be paid off in no more than 15 years.

³ Pursuant to TOMC Sec. 5-25.06 (b)(1) the Commission may grant an administrative “just and reasonable return” rent increase “if the Commission finds that such increase is in keeping with the purposes of this chapter.”

⁴ Per deed recorded July 16, 1974. In the 1970s rent control laws had been enacted in over 170 municipalities, mainly in the Northeast and California where the rent pressures were most severe.

electricity and the utility supplier's price increases. Those cost risks are passed through to the residents (via separate sub-meters for each coach). In 1999, the residents were also transferred each coach's waste water service costs and in 2009 the coach's trash collection costs. We are unaware of any recent capital improvements installed in the park or new added service.

There are numerous approaches to computing a park owner's rate of return. While we are not privy to all of the owner's asset costs and expenses information, we have obtained from the City the owner's 2009 accounting general ledger.⁵ You should note: (1) The older average resident age in this park and coach owner's pride of ownership avoid any time consuming management problem or need; (2) Due to the level of a coach owner's investment and the fact that coaches are generally not moved, there is a low vacancy risk at Thunderbird Oaks; and, (3) No new parks have been built in Thousand Oaks or nearby in the last 30 years, so no competition. These factors create a low maintenance and low risk business.⁶

A park owner can supplement any City annual automatic CPI space rent increase by initiating a park specific "just and reasonable return" rent increase application under TOMC Sec. 5-25.06 (b)(1). If the owner does not file that application, it must be assumed the City's annual automatic maximum space rent increase provided the park owner with a fair and reasonable return. The Thunderbird Oaks park owner intentionally chose not to ask for a specialized rent adjustment during the last 30 years. Rents were increased on almost an annual basis. Years went by with no warning to the residents that the owner might be waiting for a big claim that could double rents. The residents relied on the park owner's silence and acceptance of the annual CPI adjustments, now to their detriment. It is inconsistent with public policy and unfair to allow a park owner to now assert that the 30 years of not seeking a special just and reasonable return increase was excusable and that delay can be ignored under a rate stabilization system. We have no idea when or if the rate of return allegedly dropped below a "just and reasonable" return. By 30 years of intentional delay, the park owner has waived any right to claim an accumulated rent increase over that period. The reasonable, logical or only fair public policy question is: What has happened in the last two or three years to this park's expenses that prevent a just and reasonable return?

First, based on the economy over the last three years, many businesses are not making the return they used to. Second, there have been no new capital improvements, no upgrades in amenities, no added services or park resident benefits, no unusual management demands or catastrophes during that period that might impose a new added cost on the park owner. Third,

⁵ The applicable rate of return would be determined by comparing a given return with those in similar businesses posing the same type of financial risks.

⁶ We note the insurance expenses at the park were \$14,159 in 1986 and have increased to only \$14,420 in 2009, which certainly does not indicate any high level of risk exposure.

the recent changes in the CPI on the park's normal expenses have been nominal and last year it was a negative -.8%. Fourth, home prices are currently 37% below the 2006 peak level, apartment rents have decreased by at least 9%,⁷ and fixed return, low risk, investments now earn 2.8% or less (government bonds).

Our research shows the normal rate of return from a low risk investment in a mobile home park would be in the 5% area. The Thunderbird Oaks park owner's Earnings Before Interest, Taxes, Depreciation and Amortization was \$443,550 in 2009 on total assets of \$918,990 as shown in the general ledger statement. This is a 48% return on assets, which is an extraordinarily high annual rate of return for even a highly risky investment. Even if we calculate a return off of the historical cost basis for land, buildings and capital assets on their books, before depreciation, or a \$1,746,998 figure,⁸ that would still result in an extremely high 25% return on investment. There is simply no justification for any rent increase, therefore, this application must be denied.

II.

Serious Problems with the Omissions and Data in the Application that Require a Denial

Cities are not locked into any fixed or set method to determine a fair and reasonable return. Working with a CPA, Dan Goldstein, in looking over this application and the accompanying financial data, we have noted the following serious problems:

1. Without the actual full annual expense and income data for each and every year, we cannot determine when, how or why the NOI changed as dramatically as the park owner now claims. Looking at just 2 points, 30 years apart (or the alleged 1979 expenses compared to only the 2009 expenses), allows for the manipulation of the actual situation and fails to consider any aggregate of net returns. As an example, a park owner can decide to seek a special rent adjustment and then increase the expenses for the year prior to filing the application (here 2009) to get the 2009 "net" unrealistically low, so that applying a long period of changes in the CPI to those 2 time points implies a loss in the owner's return for every year. Here, in 2009, the park owner added the cost of a management company (Suburban Park Management, of Pinole, CA, a small northern California property management company where the owner's daughter works) in addition to the costs of the on-site resident managers (subsidized space rent plus salary). As a

⁷ 2010 Ventura County Real Estate & Economic Outlook, M. Schniepp.

⁸ Land: \$530,962; Buildings/Improvements: \$1,006,870; Office Equip: \$18,938; Furniture/Fixtures: \$45,706; Vehicles: \$16,000; Coach: \$51,832; Leasehold Improvements: \$76,690.

result, the 2009 Management & Administration ("M & A") expense (\$167,392) is the largest park cost change. The Commission and City staff need to see the actual annual expenses and income data for every year before this application can be properly evaluated. The park owner has the burden of producing the evidence. If the owner fails to produce competent and reliable financial evidence, the Commission must presume the owner is receiving a fair and reasonable rate of return under the City's authorized automatic annual rent increases. The Application now before the Commission is incomplete and should be rejected.

2. RAC Resolution No. 2 is very specific requiring the use of the park's 1979 data as the Base Year unless the applicant shows "the loss of such records can be substantiated by clear and convincing evidence." The only thing that is clear and convincing is that the park owner has not provided the actual 1979 financial information, nor even tried to substantiate why such was not submitted.⁹ The park owner merely asks the Commission to speculate and make a broad leap of faith in assuming that the 1986 financial information can be projected back to create the 1979 data using reverse CPI changes. Obviously, expenses can stay the same or change from year to year, let alone over 7 years. Key to accepting the Maintenance of Net Operating Income ("MNOI") analysis is the assumption the "actual" rate of return in the Base Year for this park (a time before rent control took effect) provided a fair and reasonable return. Without knowing or having the actual 1979 base year income or expense statements¹⁰, the owner's proposed MNOI analysis cannot be used. This reverse CPI calculation is not an accepted or appropriate calculation by the financial institutions, investors, the SEC, accountants, or CPAs. Since the park owner has the burden of producing the evidence, the Application now before the Commission is incomplete and should be rejected.
3. With 1986 as the earliest year with actual data submitted, it should become the Base Year for use in a MNOI analysis. Under RAC Res No. 2, Sec. 4 Commission must use the first year following 1979 for which there are records and financial information.¹¹ The inflation rates from 1986 to 2009 would produce a far lower possible rent increase, more in the neighborhood of \$100 rather than the proposed \$322. However, even that amount must still be further reduced based on the use of "reasonable" costs (See item 4, 5 and 6).

⁹ Amazingly, Item V.I. of Attachment 9 to the Application, a legal memorandum from the Applicant's attorney, states "Thunderbird Oaks can establish that 1979 financial information is available", but it was not submitted.

¹⁰ On the 4th page of Attachment 2, a footnote indicates the "1979 monthly Space Rent" is taken from January 1986 registration forms listing the 1983 rents and there is no mention of any other income.

¹¹ If data for early years is unavailable, the Rent Adjustment Board can use a post enactment year as the Base Year. *Los Altos El Granada Investors v. City of Capitola*, (2006) 139 Cal. App. 4th 629, 655.

The City should require that the park owner provide a 1986 accounting general ledger and copies of supporting documents (as they have for 2009) to ensure that the revenue and operating expenses for this 1986 Base Year are appropriately stated.

4. The 2009 M & A of \$167,392 is the largest cost change from 1986 and Section 2.11 of RAC Res. No. 2 says the total M & A expense "cannot exceed 8% of the Actual Rental Income."¹² The park owner owns 4 other mobile home parks and we are concerned how any shared items under this M & A expense might have been allocated to drive up that soft cost. Instead of a \$167,392 M & A expense, the City must only apply a \$61,162 M & A expense (8% of 2009 actual rental income). It is interesting to note the park owner's suggested 292% CPI change from 1979 when applied to the alleged 1979 M & A expense of \$21,152 would make that cost today only \$61,763, approximately the 8% figure. When we use a normal 8% M & A expense, the owner's 2009 NOI becomes more like \$106,230 and results in a lower possible increase under the item 3 CPI calculation above (in neighborhood now of \$48 or less per month if that amount can be shown to be justified per items 5 and 6 below).
5. Other problems with high expense data are found in Attachment 8, page 2, for the insurance expense that includes a \$5,945 Workers Comp expense that is 6.3% of Salaries set out on that same sheet. That is over double average California Workers Compensation expense rate of 2.47%¹³ and indicates this expense is too high and needs to be reduced, which would again increase the 2009 Net Operating Income ("NOI") resulting in a possible rent increase even less than the amounts we discussed above.
6. Sec 2.11 of RAC Res. No. 2 allows an adjustment for M & A expenses where the park owner performs some M & A functions as self-labor in operating the park (subject to the 8% limitation noted above). The park owner submitted a 1986 Schedule C from his personal IRS Form 1040 in support of the 1986 Base Year NOI calculation. Wages claimed on that Schedule C were \$24,720. Assuming the park owner, at that time, performed some M & A functions that were unpaid (based on such minimal wages claimed), at 8% of gross reported receipts on Schedule C of \$527,134, the expected M & A expenses in 1986 would be \$42,170. Again, with more reasonable Base Year

¹² It is within the Commission's authority to distinguish between extraordinary operating expenses and what would be normal expenses. *Carson Harbor Vill., Ltd. v. City of Carson Mobilehome Park Rental Review Bd.* (1999) 70 Cal. App. 4th 281.

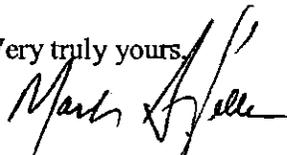
¹³ Workers' Compensation Rating Bureau of California report dated August 26, 2010 <http://www.californiahealthline.org/articles/2010/9/1/calif-workers-compensation-premiums-up-from-last-year.aspx>

expenses, there is a reduced NOI in 1986 and that in turn lowers the possible rent increase today.

7. In the owner's application, the alleged 1979 Base Year operating expenses shows Electric/Water/Sewer/Gas aggregated into "All Utilities" totaling \$13,660. For year 2009 these items add up to \$101,647, or a 644% increase that seems unusually high and should be verified.
8. The owner has asserted that there were no rent increases in years 1980-1983, but the resident's records indicate this is not true as there was an increase in 1980 by \$15 per month for the record keeper's space (a 7.9 % increase), in 1981 by \$16 per month (a 7.8 % increase) and in 1982 by \$17 per month (a 7.7 % increase). Residents have provided the City with the rent history for each and every year since August 1977. The owner's rental income needs to be so adjusted.

We have been advised that the park owner has informed some residents that he will not seek to utilize this full \$322 per space increase. Unfortunately, the City's authorization for the owner to almost double a space's rent, or raise it by \$322, has both a severe emotional and economic impact on these residents. Based on the extent of the above described omissions, serious questions, economic realities, facts and limited data submitted by the park, as the applicant with the burden of proof, the Commission should reject this application as incomplete or unjustified.

Very truly yours,

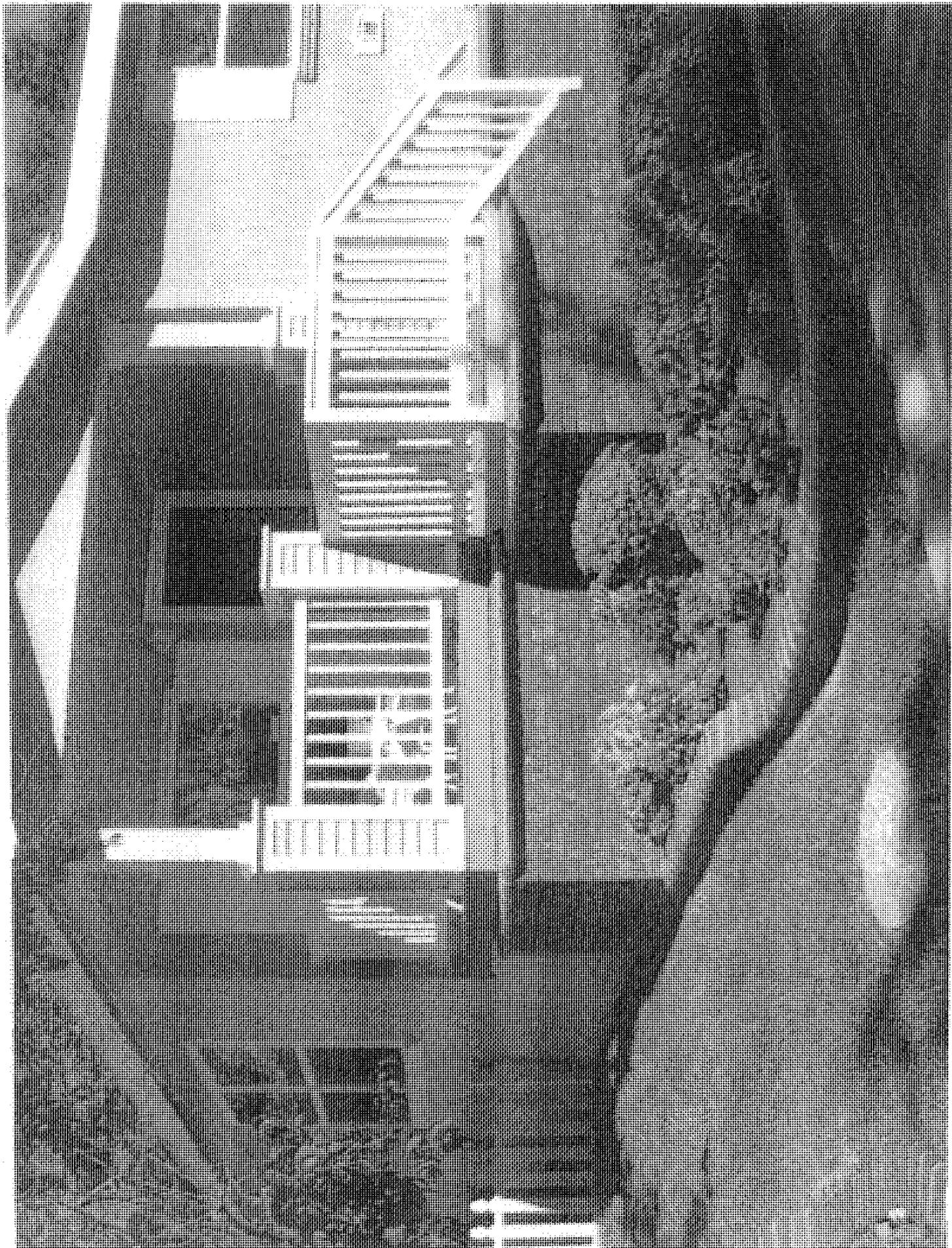


Mark G. Sellers

MGS/SB
Encls.

CC: Marilyn Aurand, Thunderbird Mobile Home Park Resident/Designated Contact Person
Karen King, Thunderbird Mobile Home Resident/Designated Contact Person
Dan Goldstein, CPA (inactive), MBA

983439.3







Jackson | DeMarco | Tidus
Peckenpaugh

A L A W C O R P O R A T I O N

October 12, 2010

Direct Dial: 805.418.1914
Email: msellers@jdtplaw.com
Reply to: Westlake Office
File No: 6570-91461

Thousand Oaks Rent Adjustment Commission
Christopher Norman, Assistant City Attorney
Russ Watson, City Staff
Thousand Oaks City Hall
2100 Thousand Oaks Boulevard
Thousand Oaks, CA 91361

**Re: Applicant A.V.M.G.H., Ltd.'s Supplemental Letter of September 22, 2010;
Continuing Omissions and Problems With Application to Increase Space
Rents at Thunderbird Oaks Mobile Home Park.**

Hearing Date: October 18, 2010.

Dear Commissioners and City Staff:

We had been provided with a copy of a supplemental filing to the pending application of A.V.M.G.H., Ltd., dated September 22, 2010, and prepared by Hart, King & Coldren the law firm representing the park owner of the Thunderbird Oaks Mobile Home Park. First, we note this filing fails to cure any of the many critical omissions and problems we have pointed out with this application as set forth in our letter of September 23, 2010.

As to the appropriate base year, Rent Adjustment Commission Resolution No. 2, Section 3.01 clearly requires that "the base year shall be 1979 *when the financial information for that year is available.*" (emphasis added). Then that same resolution, in the next Section 4, says the Commission must use the first year following 1979 for which there are records and financial information filed. For A.V.M.G.H., Ltd.'s application, no actual records have been filed or are available for the Commission's decision until those for the year 1986. There is no City regulation that permits the 1979 data to be formulated by speculation, reverse indexing or by any other form of owner estimate. When data for the year preceding the enactment of the ordinance was unavailable (generally the "base year" used), a city can use a post-enactment year as the base year. *Los Altos El Granada Investors v. City of Capitola* (2006) 139 Cal. App. 4th 629.

Irvine Office
2030 Main Street, Suite 1200
Irvine, California 92614
t 949.752.8585 f 949.752.0597

Westlake Village Office
2815 Townsgate Road, Suite 200
Westlake Village, California 91361
t 805.230.0023 f 805.230.0087

www.jdtplaw.com

CTO 02046

The park owner, in seeking a special rent increase adjustment, has the burden of producing or presenting evidence and data on the park's actual expenses and income for 1979, and also for each year thereafter for which an adjustment is sought. The park owner must produce credible evidence to a level sufficient for the Commission to conclude that the reliable presumption that the City's annual CPI adjustment has allowed this park owner a just and reasonable return on its investment, has been rebutted and is inappropriate for this situation. *TG Oceanside, L.P. v. City of Oceanside* (2007) 156 Cal. App. 4th 1355. This common sense burden is to place the responsibility for the safe keeping of records on the party who received and was in control of those records. From the day the Thousand Oaks Rent Control Ordinance was adopted, all park owners in this City knew that keeping their records for the base year 1979 would be important. If a park owner can now simply pick the records of any later year, use some reverse indexing or other manipulation, and discard the actual relevant records, there is no motivation for accuracy or the safe keeping of records.¹

Even the Thunderbird Oaks park owner's alleged 1979 "actual" rental income appears to be missing and is a fiction. Pursuant to Attachment 2 of their Application, as noted on page 4, it is just a re-listing of the 1983 monthly space rents. We surprisingly find out based on the tenant's records, there were increases in space rents between 1979 and 1983, and the park's income was not the same as in 1979 and "unchanged" in 1983.

Hart, King & Coldren cite the case of *MHC Operating Ltd. Partnership v. City of San Jose* (2003) 106 Cal. App. 4th 204 for the legal requirement that A.V.M.G.H., Ltd. must be allowed to infer and speculate on the scope, categories and types of its 1979 expenses as being the same it incurred 7 years later in 1986, with some CPI adjustments by reverse indexing. The case does not support that claim. The appellate court in MHC did not answer the underlying question of must an owner, due to some event presumably beyond its control, be absolved of its normal record keeping responsibilities and then be permitted to infer as to what might have been the base year data. The facts in that case are very different from those involved in Thunderbird Oaks situation. MHC, the park owner, bought the park in 1997 and filed for an extraordinary rent increase the very next year.² As a result of the recent purchase price setting the amount of their investment, they wanted to use 1996 as the base year. Here we have the same owner for more than 30 years, and are given no reason why these important and normal records are missing.

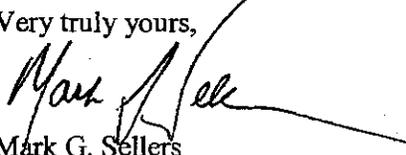
¹ We have neither an expert opinion on 1979 NOI, nor any actual bills whatsoever, e.g., from a utility company, insurance company, tax collector or others who may have such for this park as invoiced in 1979.

² In that lawsuit, the park owner applicant, MHC, was not given by the prior owner any adequate financial records for the base year.

Application of A.V.M.G.H., Ltd. - Thunderbird Oaks Mobile Home Park
Supplemental 9/22/10 Filing by Hart, King & Coldren,
October 12, 2010
Page 3

The Commission should reject this application as incomplete or deny any rent increase as unjustified.

Very truly yours,


Mark G. Sellers

MGS/sh

cc: Marilyn Aurand, Thunderbird Mobile Home Park Resident/Designated Contact Person
Karen King, Thunderbird Mobile Home Resident/Designated Contact Person
Dan Goldstein, CPA (inactive), MBA

988327.1

CTO 02048

Jackson|DeMarco|Tidus
Peckenpaugh

A L A W C O R P O R A T I O N

December 9, 2010

Direct Dial: 805.418.1914
Email: msellers@jdtplaw.com
Reply to: Westlake Office
File No: 6570-91461

VIA OVERNIGHT MAIL

Thousand Oaks Rent Adjustment Commission
Christopher Norman, Assistant City Attorney
Russ Watson, City Staff
Thousand Oaks City Hall
2100 Thousand Oaks Boulevard
Thousand Oaks, CA 91361

**Re: Applicant A.V.M.G.H., Ltd.'s Supplemental of September 22, 2010;
Problems With Application to Increase Space Rents at Thunderbird Oaks
Mobile Home Park; Mr. Ne et's Opinion;**

Hearing Date: January 10, 2011.

Dear Commissioners and City Staff:

A. *An Appraiser's Opinion on the Rental Rate for One Space, 30 Years after the Fact,
Cannot Excuse or Be a Substitute for the Owner's Missing Records.*

First, the park owner makes an unsuccessful effort to speculate as to the park's alleged income for 1979 and now, because the tenants were better at keeping records that showed he was wrong, the owner asserts all of rents actually charged must have been below market.¹ Under this guise of a Vega adjustment, the park owner is attempting to substitute an implausible opinion for the missing, but required, financial records on this park's actual total annual income and expenses for 1979. This owner is claiming that the actual and initial total rent and miscellaneous income did not produce enough "net" annual income to generate a "fair and reasonable return," due to initial below market rates. Even with a Vega adjustment request, the City should first have the actual records for the base year's (1979) total income from all of the spaces and activities in the park and the expenses to know the full actual financial picture. If this type of subjective opinion can be substituted for actual records, there is no reason to retain or to ever submit actual base year records, just have an appraiser assert a better number.

¹ Application is dated May 2010 and Mr. Neet's subsequent report is dated October 1, 2010.

Irvine Office
2030 Main Street, Suite 1200
Irvine, California 92614
t 949.752.8585 f 949.752.0597

Westlake Village Office
2815 Townsgate Road, Suite 200
Westlake Village, California 91361
t 805.230.0023 f 805.230.0087

www.jdtplaw.com

In the case of *Royal Palms v. City of Oxnard*, B201695, 2008 WL 1904012 (Cal. Ct. App. May 1, 2008),² the park owner, who has the burden of producing supportive records, did not have financial records for its base year and had a CPA, Michael McCarthy, attempt to reconstruct those financial records by relying on the base year records from another park, which the Commission rejected. The California Appellate Court held that the Rent Adjustment Commission can draw negative inferences because the park owner did not present the best available documentary proof and it can reject even uncontradicted testimony of a park owner’s expert. The Commission should reject this substitution for the actual 1979 records.

B. No “Unique and Extraordinary” Circumstances.

In order to rebut the presumption that the 1979 Net Operating Income from Thunderbird Oaks provided a “fair and reasonable return” to the park owner, that owner must show the 1979 rental rates were *significantly* below the rents for mobile home spaces in the area for parks with comparable amenities and the initial low rents were due to “unique or extraordinary” circumstances. (*Concord Communities, L.P. v. City of Concord* [2001] 91 Cal.App.4th 1407, 1411.)

We feel that what a willing new tenant coming to a vacant space in the new Thunderbird Oaks Park had agreed to pay as rent, and what this willing landlord had agreed to charge, is the best indication of the market value rent for that space. Common sense suggests an owner of a brand new park, with no rent control, would set rates at and, for next 3 years, impose rent increases to the market level. In 1976, the normal double wide lot’s rent was set at \$150, which was increased by \$20 in 1977 and by another \$20 in 1979 to \$190 per month. Mr. Neet’s opinion is inconsistent with the park’s long-term tenants’ price comparisons, observations, the difference in amenities and the actual rental rates agreed to in an open transaction. (See tenant declarations of Charles E. Sallia, Carleen H. Binkley, and Diane Vadez submitted with this letter.) Thunderbird Oaks is directly adjacent to the 101 freeway which generates noise and vehicle exhaust, and is in an urban location³ with more noise, ambient light, traffic, and other impacts not experienced in the Vallecito Park, Ventu Park Villas and Ventu Estates. (See declaration of Diane Vadez). The facts point to market rental rates for Thunderbird Oaks, in 1979, were well below the \$225 per month for the average space that Mr. Neet suggests.

In the case of *Vega v. City of W. Hollywood* (1990) 223 Cal.App.3d 1342, there were at least some factors indicating the leases were not normal transactions and the base year rent rates charged were at a level below the market. No such factors were present in the Thunderbird Oaks situation in 1979. For example, in the *Vega* case, the apartment owner, in exchange for a

² Although not a published case, it is very illustrative of how this area’s appellate court would look at what is being proposed by the park owner.

³ Even then the oldest area of community and across the street from the dilapidated Jungland site.

tenant’s services, had given an apartment to the tenant free of any rent, also had five other units in the building occupied by long-term tenants who provided maintenance and repair work so their rents were kept low, and there had been no rent increase on many units for 15 to 20 years! We simply have no reason or justification why, at Thunderbird Oaks, the owner had or would set space rents at rates below the market.

Mr. Hohn purchased the land and created a new park in 1975, so there were no long term residents in 1979, who had not had a rent increase in 10 or 15 years. There were no side deals for lower rents in exchange for services. There were no extemporaneous statements by the park owner that he was setting or keeping rents below market. Rather, the facts show the actual leases and rates were the result of arms-length normal market transactions, made in good faith. It is more likely that an owner anticipating rent control would have set rents in this new park in 1976-1979 as high as possible or above the market knowing such could become fixed and any increases later would be limited under rent control.

With absolutely no reason or basis for assuming this park owner had charged below market rates at Thunderbird Oaks, Mr. Neet’s opinion on market rental rates in 1979 is not relevant.

C. The Market Rate Was Charged In 1979.

Most amazingly, Mr. Neet, without any documentary support, concludes that since he had heard that “one” space in Thunderbird had rented for \$245 and some other for \$238 in 1979, the market rent for the 161 spaces in the park was \$225. However, in this 161 space park there are different space sizes, locations and other factors that set rates in the market place. There were 3 levels of rental rates in 1979. The lowest was for the eight (8) smaller single wide spaces, then the predominate double wide space rate (107 spaces), a premium was added for 43 spaces across from the pool/clubhouse or with an oak tree, and for 3 extra large double wide lots.⁴

What can be reasonably assumed is that the tenants’ space rents are not secrets between the tenants in any mobile home park. The enclosed declarations show no tenant was aware of a \$245 rate or anything close to that in 1979.

Mr. Neet’s conclusion is simply not a trustworthy logical leap. If an opinion is based on insufficient information or conjecture it may be disregarded. (*Biren v. Equality Emergency Medical Group, Inc.* [2002] 102 Cal.App.4th 125, 139.)

⁴ Rent Adjustment Application prepared by the park owner lists four tiers of rent that were charged in 1979. However, it lists the normal 107 double wide spaces with a rent of \$238 in 1979 that is incorrect, as the rate was actually \$190. See attached Declaration of tenant of space #150, Diane Valdez.

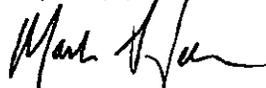
In 1976, the normal and predominant double wide lot’s rate rent was \$150, which was then increased by owner to \$190 by 1980, and was at or above the market rate.⁵

D. Best Evidence Is Actual Full Financial Records For 1986, The Base Year.

Again, without proper justification for a Vega adjustment, the Rent Adjustment Commission must disregard the owner’s expert’s opinion. The park’s actual income and expenses in 1979 plays a logical role in a Vega and maintenance of net operating income analysis. There were 161 different space locations and other factors that generated the total income for Thunderbird Oaks in 1979, not just multiplying \$225 times 161. The Thunderbird Oaks 1979 rent rates “reasonably reflect general market conditions” then in Thousand Oaks. (*Vega v. City of West Hollywood* [1990] 223 Cal.App.3d 1342, 1351). In addition, we cannot now sweep under the rug the arm’s-length tenant leasing transactions from 1976 through 1979 that set the market rate for each space in this new park. Consistent the Commission’s regulations 1986 becomes the “base year” for this applicant.

The tenants have kept their records and reasonably relied to their detriment on this park owner’s silence and not seeking any extraordinary special rent increase for 30 years. As a result, these tenants are now faced with possible life altering consequences caused by the owner’s unreasonable and unexcused delay, and ironically his failure to keep records. The Commission should disregard Mr. Neet’s opinion and deny any special rent increase for this park.

Very truly yours,



Mark G. Sellers

MGS/sb
Encls.

cc: Marilyn Aurand, Thunderbird Mobile Home Park Resident/Designated Contact Person
Karen King, Thunderbird Mobile Home Resident/Designated Contact Person
Dan Goldstein, CPA (inactive), MBA
994427.5

⁵ Thunderbird Oaks tenants Marilyn Aurand and Beverly Potter, personally reviewed the 1979 rent receipt for a double wide, corner lot (no mobile home on either side) that is the largest and most attractive lot in the Ventu Villas Mobile Home Park in Thousand Oaks that was then renting for \$169.60 per month. The 120 space Ventura Country Estates at 10685 Blackburn Road, Ventura, CA is comparable to Thunderbird Oaks with amenities of clubhouse and pool and a park located close to a freeway and County records has its median rent rate at \$165 in October of 1980. Per document called Original Rent Levels, City of Ventura.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

THOUSAND OAKS RENT ADJUSTMENT COMMISSION

**A.V.M.G.H., LTD.'S APPLICATION
TO INCREASE SPACE RENTS AT
THUNDERBIRD OAKS MOBILE
HOME PARK.**

CASE NO. _____

**DECLARATION OF CARLEEN H.
BINKLEY A TENANT IN
THUNDERBIRD OAKS MOBILE HOME
PARK**

Hearing Date: January 10, 2011.

I, Carleen H. Binkley, declare:

1. I have personal knowledge of the following facts set forth in this Declaration, and if called as a witness, I could and would competently testify thereto.

2. I am now a resident of Thunderbird Oaks Mobile Home Park located in Thousand Oaks, California (the "Park") and am a tenant under a lease.

3. My coach's address in the Park is 138 Piute Avenue, Thousand Oaks, CA 91362.

4. In December, 1976, I purchased my coach for around \$31,150.17 and my husband and I had it moved onto a space we leased in the Park.

5. My leased space is a double wide lot that is not across from the pool/clubhouse, and has no oak tree on the lot. I initial negotiated and then agreed to space rent in 1976 at \$150.00 per month.

6. Prior to entering into that lease in 1976, I looked at other parks and studied their amenities, surroundings, locations, benefits, detriments and rental rates. I observed that Thunderbird was a new park being only one (1) year old at the time and it had a number of vacant spaces.

7. Prior to entering into that lease in 1976, no representative of the Park owner or rental agent ever indicated or implied to me that we were getting any special deal or that the \$150 rental rate offered for my space was below the market rate for that space.

8. There were no arrangements or side deals to have a lower space rent in exchange

1 for our services, other consideration or acts. The Park owner was free to raise our space rent in
2 the future beyond the \$150 as such was fixed for 12 months under my lease. There was no local
3 City rent control in effect and no discussion that one was about to be adopted.

4 9. It is my understanding that there were 3-4 tiers of rent rates in 1976. These tiers of
5 rent rates were: (a) \$125.00 for a smaller single wide space, (b) \$150.00 for a double wide space,
6 (c) \$175.00 for a double wide space across from the pool/clubhouse, and (d) \$25.00 per month
7 added to the base rent for a space with an oak tree.

8 10. At that time, I also looked at vacant spaces and available coaches in the Vallecito
9 Park where the rent rates were similar to what Thunderbird offered. However, the Vallecito Park
10 had too many steps to the clubhouse for us. In 1976, Mr. Hohn's Ranch Mobile Home Park in
11 Thousand Oaks was designated an "affordable" and mostly a single wide lot park with intentional
12 below market space rents. Ranch Mobile Home Park did not have tiered rents as high as
13 \$125.00, \$150.00, and \$175.00 and as found in Thunderbird.

14 11. My 1976 lease was an arms length leasing transaction, made in good faith, with no
15 pressure on either party to agree. It is my opinion that the \$150 per month rate was competitive
16 with most other parks in the area. Based on the rental agent's statements and actions, as well as
17 my observations and evaluation the young age of this Park, its location of 101 Freeway, the
18 Park's more urban setting, type of amenities, and the location of the available spaces relative to
19 the pool, clubhouse, or oak trees, prior to leasing my space, and my research of other parks in the
20 area, I feel the \$ 150.00 space rent was the market rate for that type of specific space in the Park.

21 12. I am unaware now, and was unaware in 1976, of any reason or fact indicating the
22 \$150 per month for my space in a new partially vacant park was lower than the 1976 market rate.

23 13. Shortly after moving into the Park, the topic of space rates was discussed between
24 other tenants and myself on a number of occasions. I am unaware hearing that any space in
25 Thunderbird Park having been rented to a non-manager for a below market rate during period of
26 1976 to the end of 1979. I am unaware of any space in Thunderbird Park that had been rented
27 for as high as \$245 per month, or at any rate over \$190.00 for a standard double-wide space in
28 1979.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

14. I have been a resident of the Park continuously since 1976 and I have never heard any reason, basis or logic why the 1976 – 1979, per-rent control, Thunderbird Oaks space rent rates would have been set below the market rate for parks in the Thousand Oaks area.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 30th day of November, 2010, at Thousand Oaks, California.

Carleen Binkley
Carleen H. Binkley

1
2 **THOUSAND OAKS RENT ADJUSTMENT COMMISSION**
3

4 **A.V.M.G.H., LTD.'S APPLICATION**
5 **TO INCREASE SPACE RENTS AT**
6 **THUNDERBIRD OAKS MOBILE**
7 **HOME PARK.**

CASE NO. _____

DECLARATION OF A CHARLES E.
SALLIA A TENANT IN THUNDERBIRD
OAKS MOBILE HOME PARK

Hearing Date: January 10, 2011.

8
9
10 I, Charles E. Sallia, declare:

11 1. I have personal knowledge of the following facts set forth in this Declaration, and
12 if called as a witness, I could and would competently testify thereto.

13 2. I am now a resident of Thunderbird Oaks Mobile Home Park located in Thousand
14 Oaks, California (the "Park") and am a tenant under a lease.

15 3. My coach's address in the Park is 111 Piute Avenue, Thousand Oaks, CA 91362.

16 4. In January, 1976, we purchased our coach for around \$28, 830.24, and my wife
17 and I had it moved onto the space we leased in the Park.

18 5. My leased space is a single wide lot that is not across from the pool/clubhouse, and
19 has no oak tree on it. I initial negotiated, and then agreed to space rent in 1976 at \$125.00 per
20 month.

21 6. Prior to entering into that lease in 1976, I looked at other parks and studied their
22 amenities, surroundings, locations, benefits, detriments and rental rates. I observed that
23 Thunderbird was a new park being only one (1) year old at the time and it had a number of vacant
24 spaces.

25 7. Prior to entering into that lease in 1976, no representative of the Park owner or
26 rental agent ever indicated or implied to me that we were getting any special deal or that the \$125
27 rental rate offered for my space was below the market rate for that space. I had many
28 conversations with Andrew Hohn during my initial searching for a space. At no time, did he

1 ever state that this park was less expensive than others, or that he was offering any special or
2 reduced rate deals to new tenants. Based on my conversations with and evaluation of Mr. Hohn's
3 actions over many years, I feel he was not the kind of person who ever gave below market deals.
4 I looked at other parks and Thunderbird Oaks rent was the similar to those other parks. The
5 Vallecito Park did not offer single wide lots, only double wide lots, so we chose Thunderbird.

6 8. There were no arrangements or side deals to have a lower space rent in exchange
7 for our services, other consideration or acts. The Park owner was free to raise our space rent in
8 the future beyond the \$125 as such was fixed for 12 months under my lease. There was no local
9 City rent control in effect and no discussion that one was about to be adopted.

10 9. It is my understanding that there were 3-4 tiers of rent rates in 1976. These tiers of
11 rent rates were: (a) \$125.00 for a smaller single wide space, (b) \$150.00 for a double wide space,
12 (c) \$175.00 for a double wide space across from the pool/clubhouse, and (d) \$25.00 per month
13 added to the base rent for a space with an oak tree.

14 10. In 1976, Mr. Hohn's Ranch Mobile Home Park in Thousand Oaks was designated
15 an "affordable", but Thunderbird had no such implication or reason for below market space rents.

16 11. My 1976 lease was an arms length leasing transaction, made in good faith, with no
17 pressure on either party to agree. It is my opinion that the \$125 per month rate was competitive
18 with most other parks in the area. Based on the rental agent's statements and actions, as well as
19 my observations and evaluation the young age of this Park, its location of 101 Freeway, the
20 Park's more urban setting, type of amenities, and the location of the available spaces relative to
21 the pool, clubhouse, or oak trees, prior to leasing my space, and my research of other parks in the
22 area, I feel the \$ 125.00 space rent was the market rate for that type of specific space in the Park.

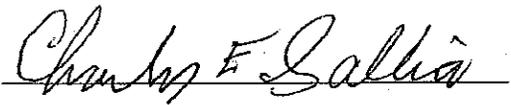
23 12. Shortly after moving into the Park, the topic of space rates was discussed between
24 other tenants and myself on a number of occasions. I am unaware hearing that any space in
25 Thunderbird Park having been rented to a non-manager for a below market rate during period of
26 1976 to the end of 1979. I am unaware of any space in Thunderbird Park that had been rented
27 for as high as \$245 per month, or at any rate over \$190.00 for a standard double-wide space in
28 1979.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

13. I have been a resident of the Park continuously since 1976 and I have never heard any reason, basis or logic why the 1976 – 1979, per-rent control, Thunderbird Oaks space rent rates would have been set below the market rate for parks in the Thousand Oaks area.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 30th day of November, 2010, at Thousand Oaks, California.



Charles E. Sallia

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

THOUSAND OAKS RENT ADJUSTMENT COMMISSION

**A.V.M.G.H., LTD.'S APPLICATION
TO INCREASE SPACE RENTS AT
THUNDERBIRD OAKS MOBILE
HOME PARK.**

CASE NO. _____

**DECLARATION OF DIANE VALDEZ A
TENANT IN THUNDERBIRD OAKS
MOBILE HOME PARK**

Hearing Date: January 10, 2011.

I, Diane Valdez, declare:

1. I have personal knowledge of the following facts set forth in this Declaration, and if called as a witness, I could and would competently testify thereto.

2. I am a resident of Thunderbird Oaks Mobile Home Park located in Thousand Oaks, California (the "Park") and am a tenant under a lease paying rent to the owner of the Park.

3. My coach's address in the Park is 2457 Thunderbird Drive, Thousand Oaks, CA 91362.

4. In August, 1976 my mother and I purchased the coach for around \$25,000 from a Golden West Mobile Home Company representative. The coach was one of their model homes in the Park. It was located on double wide space called number 150. We then negotiated the terms of and agreed on the terms of a lease of the space in the Park for \$150.00 per month and moved in.

5. My leased space is not across from the pool/clubhouse, not one of the extra large lots and has no oak tree on it.

6. Prior to entering into that lease in 1976, I researched other parks and studied their amenities, surroundings, locations, benefits, detriments and rental rates. I did not visit and look in other parks prior to purchasing the coach in Thunderbird Oaks, but I did research those parks by phone. I had a friend that lived in Camarillo Springs and another friend living in Hollywood Beach Park. Based on my phone research, and speaking with my friends, I believe the Park's

1 rents in 1976 were within the going rent rates for this area. I observed that Thunderbird Oaks was
2 a new park being only one year old at the time and it had a number of vacant spaces.

3 7. At and prior to that time I was looking for a space to rent in 1976, no
4 representative of the Park owner or any rental agent indicated or implied that we were getting any
5 special deal or the rental rate offered for my space was below the market rate.

6 8. There were no arrangements or side deals to have a lower rent in exchange for our
7 services, other consideration or acts. The Park owner was free to raise our space rent in the future
8 beyond the \$150.00. There was no City rent control in effect and no discussion that one was
9 pending or about to be adopted. I do not recall any discussion regarding a commitment by the
10 Park owner, or manager, to limit yearly rent increases at any particular amount or percentage due
11 to a fear of any pending until rent control measure. In fact, I would think the owner, if he knew
12 and anticipated a City rent control ordinance, would have set rents as high as possible knowing
13 such would be fixed and increases limited under rent control.

14 9. It is my understanding that there were 3 levels of rent rates in 1976. These levels
15 of rent rates were: (a) \$125.00 for a smaller single wide space, (b) \$150.00 for a double wide
16 space, (c) \$175.00 for a double wide space across from the pool/clubhouse, or a space with an
17 oak tree, and (d) \$175.00 for an extra large double wide lot and I believe there are only 3 such
18 extra large spaces in the Park.

19 10. In 1977 or 1978, Mr. Hohn's Ranch Mobile Home Park in Thousand Oaks was
20 designated an "affordable" lower rent or below market rent park with mostly smaller single wide
21 spaces and no pool, and no large clubhouse, and green areas as found in Thunderbird Oaks.
22 Thunderbird Oaks had no such implication, label or reason for below market space rents.

23 11. My 1976 lease was an arms length leasing transaction, made in good faith, with no
24 pressure on either party to agree. It is my opinion that the \$150 per month rate was competitive
25 with other similar parks in the area. Based on the rental agent's statements and actions, as well as
26 my observations and evaluation the young age of this Park, its location of 101 Freeway, the
27 Park's more urban setting, type of amenities, and the location of my space relative to the pool,
28 clubhouse, or oak trees, and also my research of other parks in the area, I feel the \$150.00 space

1 rent was the market rate in the area for in 1976 for that type of space.

2 12. Shortly after moving into the Park, the topic of space rates was discussed between
3 other tenants and myself on a number of occasions. I have been a resident of the Park
4 continuously since 1976. Until the Park owner's recent rent increase application, I had never
5 heard anyone state that a space in Thunderbird Oaks Park had been rented to a non-manager at a
6 below market rate during the period of 1976 to the end of 1979.

7 13. I am unaware of any space in Thunderbird Park that had been rented for as high as
8 \$245 per month, or at any rate over \$190.00 for a standard double-wide space in 1979.

9 14. I am unaware of any reason, basis or logic why in the period of 1976 to 1979,
10 without any rent control, the owner of Thunderbird Oaks would have set any space rent at a level
11 below the market rate for parks in the Thousand Oaks area.

12 15. The Park is directly adjacent to the 101 freeway which generates noise and vehicle
13 exhaust impacts, and our Park is in a more urban area with a higher density causing noise,
14 ambient lighting, traffic, and other impacts not experienced in the Vallecito Park, the Ventu Park
15 Villas and the Ventu Estates, therefore, I feel the market rates for a space in those other parks
16 would have been higher in 1979.

17 I declare under penalty of perjury under the laws of the State of California that the
18 foregoing is true and correct.

19 Executed this 6 th day of December, 2010, at Thousand Oaks, California.

20
21 
22

23 Diane Valdez
24
25
26
27
28

**Attachment 6:
Consultant Analysis dated
January 3, 2011**

**Analysis of the
THUNDERBIRD MHP
Rent Increase Application**

Dr. Kenneth K. Baar

January 3, 2011

This report was prepared at the request of the City of Thousand Oaks. The opinions expressed herein are those of the author and do not necessarily represent the views of the City Council or the City staff.

SUMMARY

Thousand Oaks is one of approximately one hundred local jurisdictions in this state which has a mobilehome space rent stabilization ordinance. Under the City's ordinance, park owners are permitted annual rent increases equal to 75% of the percentage increase in the Consumer Price Index (CPI) times the 1986 Maximum Base Rent. In addition, they may apply for additional rent adjustments based on the "just and reasonable return" standard in the ordinance. The principal purpose of this provision is to provide rent adjustments which meet constitutional fair return standards. Under judicial fair return doctrine, no single standard or single type of result is mandated. Instead, the result must be reasonable.

Under the regulations adopted pursuant to the ordinance, park owners have a right to preserve base period "net operating income." (Now commonly known as a "maintenance of net operating income" (MNOI) standard.) Under such standards park owners are entitled to rent increases which cover operating cost increases and provide for an adjustment in net operating income over a base year level based on an inflation factor. While the Thousand Oak's regulations provide for the preservation of base year net operating income, they do not specify the rate (percentage of the CPI increase) at which net operating income should be adjusted over the base year level. Indexing ratios vary from 40% to 100% under other rent stabilization ordinances in this state.

In this application, the Park Owners are requesting an increase of \$260.62 (66.1%) in monthly space rents pursuant to an MNOI analysis, on the basis that this increase is necessary to cover operating cost increases since the base year (1979) and to adjust the base year net operating income by 100% of the percentage increase in the CPI since the base year.

In this case, the application of MNOI standard raises a number of issues including:

1. What year should be used as the base year (1979 or 1986),
2. How base year operating expenses and net operating income should be calculated,
3. Whether base year rent should be adjusted upward for the purposes of an MNOI analysis and, if so, by how much.
4. The rate at which base year net operating income should be indexed.

Depending on how the foregoing factors are addressed in an MNOI analysis, varying outcomes occur pursuant to an MNOI analysis. These outcomes are summarized in the tables below, setting forth the allowable increases using alternatively 1979 and 1986 base years, with alternate treatments of allowable expenses, alternate adjustments of base rents, and alternate ratios for indexing net operating income.

While the regulations provide for an MNOI analysis, they also state that "The methods authorized herein are not exclusive. Alternate approaches may be employed by the Commission."

PROJECTIONS OF RENT REQUIRED FOR FAIR RETURN UNDER MNOI STANDARD - 1979 BASE YEAR

adjustments		actual rental income estimated		comparable rental income based on park owner		comparable rental income based on city appraisal	
		expenses projected by park owner minus reimbursed expenses	maint.&adm. expenses adjusted (Baar analysis) & reimbursed expenses excluded	expenses projected by park owner minus reimbursed expenses	maint.&adm. expenses adjusted (Baar analysis)	expenses projected by park owner minus reimbursed expenses	maint.&adm. expenses adjusted (Baar analysis)
		(1)	(2)	(3)	(4)	(5)	(6)
Base Year							
Avg. Monthly Space Rent	(a)	198	198	225	225	205	205
BASE PERIOD RENTAL INCOME	(b)=a*161*12	382536	382536	434700	434700	396060	393600
BASE PERIOD OPERATING EXPENSES	(c)	110448	134451	110448	134451	110448	134451
BASE PERIOD NET OPER. INCOME	(d) = (b-c)	272088	248085	324252	300249	285612	259149
CURRENT SPACE RENTAL INCOME	(e)	764529	764529	764529	764529	764529	764529
CURRENT OPERATING EXPENSES*	(f)	333217	333217	333217	333217	333217	333217
CURRENT NET OPER. INCOME	(g) = (e - f)	431312	431312	431312	431312	431312	431312
		100% Indexing					
100% Indexing- Pct Inc. over base yr	(h)	192.1%	192.1%	192.1%	192.1%	192.1%	192.1%
FAIR NOI (100% indexing)	(i) = d x (1+h)	794769	724656	947064	877027	834273	756974
Rent Adjust (100% indexing)	(j) = (i-g)	363457	293344	515752	445715	402961	325662
Rent Adjust/Space/Mo	(k) = (j)/(161*12)	188	152	266.95	231	209	169
		75% Indexing					
75% Indexing - Pct Inc. over base yr	(k)	144%	144%	144%	144%	144%	144%
FAIR NOI (75% indexing)	(l) = d x (1+k)	663895	605327	791175	732608	696893	632324
Rent Adjust (75% indexing)	(m) = (l - g)	232583	174015	359863	301296	265581	201012
Rent Adjust/Space/Mo	(n) = (m)/(161*12)	120	90	186	156	137	104
		50% Indexing					
50% Indexing - Pct Inc. over base yr	(p)	96%	96%	96%	96%	96%	96%
FAIR NOI (50% indexing)	(q) = d x (1+p)	533292	486247	635534	588488	559800	507932
Rent Adjust (50% indexing)	(r) = (q - g)	101980	54935	204222	157176	128488	76620
Rent Adjust/Space/Mo	(s) = (r)/(161*12)	53	28	106	81	67	40

*See Adjustments to Current Operating Expenses in Appendix B

PROJECTIONS OF RENT REQUIRED FOR FAIR RETURN UNDER MNOI STANDARD - 1986 BASE YEAR

Adjustments		unused annual increases added	unused annual increases added	comparable base year rent city appraisal	comparable base year rent city appraisal
			management & admin. expenses adjusted		management & admin. expenses adjusted
reimbursed expenses excluded from income & expenses					
Projection of Avg. Monthly Space Rent	(a)	298.00	298.00	320.00	320.00
BASE PERIOD RENTAL INCOME	(b) = a x 161 x 12	575736	575736	618240	618240
BASE PERIOD OPERATING EXPENSES	(c)	153815	207054	153815	207054
BASE PERIOD NET OPER. INCOME	(d) = (b-c)	421921	368682	464425	411186
CURRENT RENTAL INCOME	(e)	764529	764529	764529	764529
CURRENT OPERATING EXPENSES*	(f)	333217	333217	333217	333217
CURRENT NET OPER. INCOME	(g) = (e - f)	431312	431312	431312	431312
100% Indexing					
100% Indexing- Pct Inc. over base yr	(h)	0.99	0.99	0.99	0.99
FAIR NOI (100% indexing)	(i) = d x (1+h)	839623	733677	924206	818260
Rent Adjust (100% indexing)	(j) = (i-g)	408311	302365	492894	386948
Rent Adjust/Space/Mo	(k) = (j)/(161*12)	211	157	255	200
75% Indexing					
75% Indexing - Pct Inc. over base yr	(k)	0.74	0.74	0.74	0.74
FAIR NOI (75% indexing)	(l) = d x (1+k)	734143	641507	808100	715464
Rent Adjust (75% indexing)	(m) = (l - g)	302831	210195	376788	284152
Rent Adjust/Space/Mo	(n) = (m)/(161*12)	157	109	195	147
50% Indexing					
50% Indexing - Pct Inc. over base yr	(p)	0.495	0.495	0.495	0.495
FAIR NOI (50% indexing)	(q) = d x (1+p)	630772	551180	694315	614723
Rent Adjust (50% indexing)	(r) = (q - g)	199460	119868	263003	183411
Rent Adjust/Space/Mo	(s) = (r)/(161*12)	103	62	136	95

* See Adjustments of Current Operating Expenses in Appendix B

Table of Contents

I. Introduction	1
II. Thousand Oaks Mobilehome Space Rent Ordinance and Regulations	2
Standards for Rent Adjustments	
A. The Ordinance	2
B. Rent Adjustment Commission Regulations	4
III. Standards for the Determination of “Just and Reasonable Return” (Fair Return)	4
A. Judicial Guidelines	6
B. The Maintenance of Net Operating Income (MNOI) Standard	6
IV. Analysis of the Rent Increase Application Pursuant to the Ordinance	9
Commission Regulations and Constitutional Guidelines	
A. The Park Owner’s Application	10
B. Issues in the Application of a Maintenance of Net Operating Income	11
(MNOI) analysis in this Case	
C. Calculation of Rent Adjustment Pursuant to Maintenance of Net	33
Operating Income Analysis	
D. Rate of Return on Investment Analysis	40
E. Consideration of the Specific Rent Adjustment Factors in the Ordinance	40
F. “Other Relevant Factors” and a Rent Increase which is	41
“in keeping with the purposes of the ordinance” and provides a fair return	
V. Conclusion	41
Appendix A. Consumer Price Index (CPI) Table	A-1
Appendix B. Adjustments to Current Year Operating Expenses for MNOI Analysis	B-1
Appendix C. Author’s Resume and Fair Return Qualifications	C-1

The Author

The author's resume is attached as **Appendix C**. The author has a PhD in urban planning and is an attorney. He has researched and published extensively on housing policy issues.

Over the past 20 years, he has been employed as a consultant by numerous California jurisdictions for the purpose of preparing fair return analyses of rent increases applications and/or drafting regulations of mobile home park space rents. His articles on rent control have been extensively cited by appellate courts, especially in regards to fair return issues. Also, appellate courts have concluded that his opinions have provided a substantial basis for the findings of rent boards in fair return cases.

Appellate Court Opinions on Fair Return Issues Citing Articles by Kenneth Baar

Helmsley v. Borough of Fort Lee, 78 N.J. 200; 394 A.2d. 65 (1978) New Jersey Supreme Court

Fisher v. City of Berkeley, 37 Cal.3d. 644; 209 Cal.Rptr. 682 (1984) California Supreme Court; affirmed, 475 U.S. 260, 106 S.Ct. 1045, 89 L.Ed.2d. 206 (1986)

Oceanside Mobile Home Park Owners Association v. City of Oceanside, 157 Cal.App.3d. 887; 204 Cal.Rptr. 239 (1984) California Court of Appeals

Mayes v. Jackson Township, 103 N.J. 362; 511 A.2d. 589 (1986) New Jersey Supreme Court; cert. denied, 479 U.S. 1090, 107 S.Ct. 1300, 94 L.Ed. 2d. 155 (1987).

Yee v. Mobilehome Park Rental Review Board, 17 Cal. App. 4th 1097, 23 Cal.Rptr.2nd. 1 (1993) California Court of Appeals

Palomar Mobilehome Park v. City of San Marcos, 16 Cal.App.4th 481, 20 Cal.Rptr.2d. 371 (1993) California Court of Appeals

Kavanau v. Santa Monica Rent Control Board, 16 Cal.4th. 761; 66 Cal.Rptr. 2d. 672 (1997) California Supreme Court); cert. denied, __ U.S. __, 118 S.Ct. 856, 139 L.Ed. 2d. 755 (1998)

Rainbow Disposal Co., Inc. v. Mobilehome Park Rental Review Board, 64 Cal.App.4th 746, 75 Cal.Rptr. 2d. 1159 (1998) California Court of Appeals

Quinn v. Rent Control Board of Peabody, 45 Mass. App.Ct. 357, 698 N.E.2d.911 (1998) Massachusetts Court of Appeal

Berger Foundation v. City of Escondido, 127 Cal.App.4th 1 (2005) California Court of Appeal

TG Oceanside, L.P. v. City of Oceanside, 156 Cal. App.4th 1355 (2007) California Court of Appeal

Appellate Court Opinions Relying on Testimony of Kenneth Baar in Fair Return Cases

Rainbow Disposal Co., Inc. v. Mobilehome Park Rental Review Board, 64 Cal.App.4th 1159; 75 Cal.Rptr. 2d. 746 (1998) California Court of Appeal

MHC Operating Limited Partnership v. City of San Jose, 106 Cal. App.4th 204; 130 Cal.Rptr. 2d 564 (2003) California Court of Appeal

Hillsboro Properties v. Public Utilities Commission, 108 Cal.App.4th 246; 133 Cal.Rptr. 2d. 343
(2003) California Court of Appeal

Los Altos El Granada Investors v. City of Capitola, 139 Cal. App. 4th 629 (2006) California Court of
Appeal

I. Introduction

Thousand Oaks is one of approximately one hundred local jurisdictions in this state which regulates mobilehome park space rent increases. The Owner of the Thunderbird Mobile Home Park has submitted a rent adjustment petition pursuant to the Thousand Oaks Mobile Home Park Rent Stabilization Ordinance (RSO). The purpose of this report is to provide an analysis of the Park Owner's petition based on the "just and reasonable return" requirements of the RSO¹, the Rent Adjustment Commission regulations,² constitutional guidelines for a fair return, taking into consideration the theories set forth in the Park Owner's rent increase application, and the Residents' submissions in this case..

The Park contains 161 rental spaces, including 145 doublewide spaces and 16 singlewide spaces. The average monthly space rent in the park is \$394.03.³ In addition to paying space rents, the tenants pay for gas, electricity, sewer, and trash expenses, but not water expenses. The average monthly total per space for these expenses is \$130.⁴

In this application, the Park Owners are requesting an increase of \$260.62 (66.1%) in monthly space rents, on the basis that this increase is necessary to cover operating cost increases since the base year (1979) and to adjust the base year net operating income by 100% of the percentage increase in the CPI since the base year. (On June 3, 2010, an original application was submitted requesting a rent adjustment of \$322.52. On October 8, 2010, the application was modified with amended projections of base period income and the requested increase changed to \$260.62. The amended application included an appraisal of base year rents that would reflect market conditions.)

The following section of this (Section II) explains the critical provisions of the ordinance and regulations in regards to "just and reasonable return" (fair return). Section III summarizes judicial guidelines in regards to fair return and comments on maintenance of net operating income and rate of return on investment fair return standards. Section IV analyzes the rent application and the issues related to the application of a "maintenance of net operating income" (MNOI) standard in this case. Section V recaps the issues that are raised in this case.

1 Thousand Oaks Municipal Code, Chapter 25, Sec. 5-25.01-25.12, (Ordinance No. 933-NS, Sept. 1986, Readopted Ordinance No. 1254-NS, Jan. 23, 1996)

2 Resolution No RAC-2 (May 7, 1981)

3 The rent of 98 spaces is \$373.40 and the rent of 37 spaces is \$428.40. The monthly space rents in the park range from \$321.40 to \$525.40. Individual space rents are set forth in the Rent Adjustment Application [hereinafter referred to as "RAA"], pp. 3a-3h)

4 Park revenues for utilities in 2009 totaled \$251,932 $\$251,932 / (161 \text{ spaces} \times 12 \text{ months}) = \130.40 .

Totals for each utility were: Electricity-\$99,415; Gas-\$67,078; Sewer-\$49,225; Trash-\$36,214). See RAA, Attachment 10, p. 2.

II. The Thousand Oaks Mobilehome Space Rent Ordinance and Regulations - Standards for Rent Adjustments

A. The Ordinance

1. Purpose

The purpose of the Ordinance is to “safeguard tenants from excessive rent increases and at the same time provide landlords with a just and reasonable return on their rental spaces.” (Sec. 5-25.01) The accompanying finding in the Ordinance states that:

...some tenants attempt to pay requested and uncontrolled rent increases, but as a consequence, must expend less on other necessities of life. This situation has had a detrimental effect on substantial numbers of renters in the City, especially creating hardships on senior citizens on fixed incomes, and low- and moderate-income households.

2. Automatic Annual Rent Increases

From 1980 until 1986, the rents of mobilehome park spaces were regulated by ordinances which also regulated apartment rents. From July 1980 through mid-September 1983 annual rent increases of 8% were permitted,⁵ and from mid-September 1983 through-1986 annual increases of 7% were permitted.⁶

Under the current Ordinance adopted in 1986, which is only applicable to mobilehome park spaces, park owners have been permitted annual percentage rent increases equal to 75% of the percentage increase in the Consumer Price Index (CPI) times the 1986 rent, with a ceiling of 7%.⁷ From 1986 until 1996, there was a floor for allowable annual increases of 3%.⁸

3. Individual Park Rent Adjustments in Order to Obtain a “Just and Reasonable Return”

In addition to obtaining the automatic increases, park owners may petition for a rent adjustment based on a “Just and Reasonable Return” Standard. (Section 5-25.06.b (1)) The purpose of this section is to insure that Park Owners may obtain a “Just and Reasonable Return” “in the event that the maximum rent or maximum adjusted rent otherwise permitted pursuant to this chapter does not constitute a just and reasonable rent.”

5 Ord. No. 755, Sec. VI (July 1, 1980), Under a prior ordinance, which was adopted three months earlier, no rent increases were permitted except upon vacancies. (Ord. No. 747, April 22, 1980)

6 Ord. No. 838, Sec. VI.A (Aug. 23, 1983)

7 Sec. 5-25.05 (a). The Section states that the “Maximum Base Rent” may be adjusted by the “Index”, The “Index” is defined as 75% of the percentage increase in the CPI. (Sec. 5.25.02)

This type of annual increase standard is common among mobilehome park space rent stabilization ordinances. The ordinances authorize annual rent increases ranging from 50% to 100% of the percentage increase in the CPI. A majority of the ordinances limit automatic allowable annual increases to less than 100% of the percentage increase in the CPI.

8 Ord. No. 933, Sec. III.G (Sept.16, 1986 replaced by Sec. 5.-25.02 in 1996 ordinance.

The “just and reasonable return section” provides for consideration of enumerated factors and “other relevant factors,” but does not set forth a specific formula. Instead the Commission has the authority to grant increases which are “in keeping with the purposes of the Chapter.”

The section (which is common in substance to the fair return or “just and reasonable return” standards contained in numerous other mobilehome park space rent control ordinances) states:

Section 5-25.06

(b) Just and reasonable return.

(1) Commission adjustments. The Commission shall have the authority, in accordance with such guidelines as the Commission may establish, to grant increases in the rent for a rental space or spaces ... if the Commission finds that such increase is in keeping with the purposes of this chapter and that the maximum rent or maximum adjusted rent otherwise permitted pursuant to this chapter does not constitute a just and reasonable rent on the rental space or spaces. The following are factors, among other relevant factors as the Commission may determine, which may be considered in determining whether a rental space yields a just and reasonable return:

(i) Property taxes;

(ii) Reasonable operating and maintenance expenses;

(iii) The extent of capital improvements made to the common area or spaces as distinguished from ordinary repair, replacement and maintenance;

(iv) Living space, and the level of housing services;

(v) Substantial deterioration of the rental spaces other than as a result of ordinary wear and tear; and

(vi) Failure to perform ordinary repair, replacement and maintenance;

and

(vii) Financing costs on the property if such financing was obtained prior to April 1, 1980 and if it contains either a balloon payment or variable rate provision.

4. Capital Improvement Adjustments

Also, Park Owners may apply for rent adjustments to cover the amortized cost of capital improvements.⁹

The City’s staff report in this case recounts the amendments to the ordinance and regulations.¹⁰

⁹ Sec. 5-25.06 (a).

B. Rent Adjustment Commission Regulations (RAC2-1981)

The Ordinance is supplemented by Regulations. The regulations were adopted by the Rent Adjustment Commission in 1981 pursuant to the preceding rent control ordinance, which was adopted in 1980.¹¹

The regulations contain specific guidelines for “*reviewing requests by landlords for rent adjustments in order to achieve a just and reasonable return*”¹² but also direct that “*The methods authorized herein are not exclusive. Alternate approaches may be employed by the Commission.*”¹³ (underlining added).

The regulations state that the Commission “*presumes that the net operating income received up to April 1980 provided landlords with a Just and Reasonable Return . . . unless there is clear and convincing evidence to the contrary*” and set forth the principle that landlords “*should be able to maintain the same level of net operating income as they experienced in 1979.*”¹⁴ The “same level” is not defined.

The maintenance of net operating income principle is supplemented by guidelines for adjustments of “below market rentals”. One type of below market rental consists of cases in which “*the rent increases permitted by the Rent Stabilization Ordinance or the Regulations . . . could have been made, but have not been made because of the landlord’s rental policies and purposes.*”¹⁵

In such cases, a park owner may add a “Price Level Adjustment” to the 1979 net operating income which consists of all of the annual adjustments that could have been implemented pursuant to the ordinance that was in effect at the time the regulation was adopted.¹⁶

The regulations also contain guidelines for calculating net operating income and expenses.

III. Standards for the Determination of “Just and Reasonable Return” (Fair Return)

A. Judicial Guidelines

In fair return cases, “conceptual” disputes about how fair return should be measured (as well as disputes in regard to the reasonability of particular expense claims) are common. Often the disputes over how fair return should be calculated are the primary determinant of the differences among the outcomes propounded by the parties.

Determining what rent increases are required to provide a fair return (“Just and Reasonable Return”) is a complex task. In 1993, in a mobilehome park rent stabilization case, a California Court

10 Resolution No. RAC-2, May 7, 1981.

11 Resolution No. RAC-2, May 7, 1981.

12 Resolution No. RAC-2, p.1

13 Resolution No. RAC-2, Sec. 1.04 (underlining added)

14 Resolution No. RAC-2, Sec. 1.03.

15 Resolution No. RAC-2, Sec. 2.05

16 Resolution No. RAC-2, Sec. 3.04.

of Appeal noted the particular complexity of fair return issues, including the complexity of the issue of what standard should be used. It commented:

The principal question is whether the San Marcos City Council acting as the City's Mobile Home Rent Review Commission, denied this mobilehome park owner its constitutionally guaranteed fair rate of return on its investment by refusing to grant a proposed rent increase. What appears at first blush to be a simple question of substantial evidence turns out to be something considerably more complex when one realizes that the formula for determining a "fair return" is hotly debated in economic circles and has been the subject of sparse, scattered, and sometimes conflicting comment by appellate courts. In particular, only the broad outlines have been discussed in California decisions.¹⁷

The courts have not formulated a specific rule about what constitutes a "fair return" or "just and reasonable return"¹⁸ and judicial precedent in regards to fair return is conflicting. Instead, one constant judicial doctrine has been that, "[r]ent control agencies are not obliged by either the state or federal Constitution to fix rents by application of any particular method or formula. ... The method of regulating prices is immaterial so long as the result achieved is constitutionally acceptable."¹⁹

As this court has repeatedly noted, "there is no constitutionally required formula which must be utilized when government seeks to regulate the price charged for a good or service. [Citation.] . . . [A] governmental entity may choose to regulate pursuant to any fairly constructed formula even though other formulas might allow for higher prices." (Palomar Mobilehome Park Assn. v. Mobile Home Rent Review Com. (1993) 16 Cal.App.4th 481, 487, italics added; Yee v. Mobilehome Park Rental Review Bd., supra, 17 Cal.App.4th 1097 at p. 1104; San Marcos Mobilehome Park Owners' Assn. v. City of San Marcos (1987) 192 Cal.App.3d 1492, 1498.) The United States Supreme Court held: "It is not the theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry . . . is at an end." (Federal Power Com'n v. Hope Natural Gas Co. (1944) 320 U.S. 591, 602.)²⁰

The Courts have also repeatedly reiterated the principle that there is a "range" of rents that may be considered reasonable. The California Court of Appeal has commented:

There is a range of rents which can be charged, all of which could be characterized as allowing a "just and reasonable" return. (See Hutton Park Gardens v. Town Council (1975) 68 N.J. 543 [350 A.2d 1, 15] [the terms "just and reasonable" and "confiscatory" are not precise formulations]; Power Comm'n v. Pipeline Co. (1942) 315 U.S. 575, 585 [86 L.Ed. 1037, 1049, 62 S.Ct. 736, 743] [there is a zone of reasonableness which is higher than a confiscatory rate].) Thus, many decisions by rent control boards will focus on the issue of where the requested increases fall within the range of possible rents -- all of which rents would allow the owner a

¹⁷ Palomar v. City of San Marcos, 16 Cal. App. 4th 481, 484 (1993)

¹⁸ In the course of consideration of the issues the terms "fair" and "just and reasonable" have been used interchangeably. They are used interchangeably in this analysis.

¹⁹ Carson Mobilehome Park Owners Ass'n v. City of Carson, 35 Cal.3d. 184, 191 (1983).

²⁰ Rainbow Disposal Company v. City of Escondido, 64 Cal. App.4th. 1159, 1172 (1998).

return sufficiently "just and reasonable" as to not be constitutionally confiscatory.²¹

In Galland v. Clovis, the California Supreme Court held that the concept of "fair rate of return" is a legal term which refers to a "constitutional minimum", although the terminology is borrowed from finance and economics. The return must "allow Park Owner to continue to operate successfully."

Although the term "fair rate of return" borrows from the terminology of economics and finance, it is as used in this context a legal, constitutional term. It refers to a constitutional minimum within a broad zone of reasonableness. As explained above, within this broad zone, the rate regulator is balancing the interests of investors, i.e. landlords, with the interests of consumers, i.e. mobilehome owners, in order to achieve a rent level that will on the one hand maintain the affordability of the mobilehome park and on the other hand allow the landlord to continue to operate successfully. [cite omitted].²²

While the Courts have held that no specific formula is required they have held that owners must be permitted rent increases which are adequate to permit growth in net operating income.

As indicated, the regulations provide for the use of a particular type of fair return standard now known as a "maintenance of net operating income" ("MNOI") standard.²³ ("Net operating income" is equal to gross income minus operating expenses. Mortgage interest payments are not considered as an operating expense.) However, as noted, the regulations also state that "[t]he methods authorized herein are not exclusive."

The Residents' comments on the application address the issues related to the use of this standard.²⁴ However, the Residents also point to the Park Owner's return under a rate of return on investment analysis as a basis for denying any rent increase.²⁵

The following subsection states why a maintenance of net operating income (MNOI) analysis is used in this analysis and sets forth rationale for a preference for this type of standard, apart from the fact that it is authorized by the regulations.

B. The Maintenance of Net Operating Income (MNOI) Standard

Under an MNOI standard, a fair return is defined as the net operating income yielded in a base year adjusted by an inflation factor. Rather than designating a particular rate of return as fair, this approach preserves the base period yield from a property by passing through operating cost increases and adjusting the net operating income by an inflation (Consumer Price Index "CPI") factor.

In this analysis, a maintenance of net operating income (MNOI) standard is used as the measure of "fair return". Under the Rent Adjustment Commission's regulations the change in net operating income is

21 San Marcos Mobilehome Park Owners' Assn. v. City of San Marcos, 192 Cal.App.3d 1492, 1502. (1987) as cited in Rainbow Disposal Co. v. Escondido Mobilehome Rent Review Bd. (1998) 64 Cal.App.4th 1159, 1172

22 24 Cal.4th. 1003, 1026 (2001)

23 This terminology had not come into use when the standard was adopted.

24 Letter from Residents Attorney (Mark Sellers), (Sept. 23, 2010)

25 *Id.*

the measure of return, but as noted the regulations state that the “methods authorized herein are not exclusive.” (Sec. 1.04)

This author has extensively written in law review articles and law texts²⁶ and in fair return analyses for other jurisdictions about why an MNOI standard is the most appropriate standard for a fair return analysis under rent regulations.

1. Description and Rationale

The MNOI formula provides for reasonable growth in net operating income, which is the portion of rental income that provides cash flow and covers debt service. Rather than considering each owner's particular financing circumstances, it provides all owners with growth in net operating income tied to the rate of inflation (the CPI) which can cover additional debt service and/or provide additional cash flow. It becomes the investor's task to determine what investment and financing arrangements make sense in light of the growth in net operating income permitted under the MNOI standard. Under an MNOI approach regulated owners are permitted an equal rate of growth in NOI regardless of their particular purchase and financing arrangements. Therefore, allowable rent increases are tied to increases in expenses and the inflation rate (Consumer Price Index).

Because value is a function (multiple) of net operating income, MNOI standards provide for appreciation as well as growth in net operating income. This approach meets the twin objectives of “protecting” the mobilehome owners from “excessive increases” and providing park owners with a “fair return on investment.”

This type of standard is used by a significant portion of the California jurisdictions that have mobilehome space rent ordinances and has been positively commented on by California appellate courts. (See discussion below.) It is the most rationale and workable formula in the context of a rent regulation. Also, “by definition”, by defining fair return in terms of growth in net operating income, this formula addresses the constitutional requirement that growth in net operating income must be permitted. In contrast, a rate of return on investment standard (net operating income/investment) only considers the current rate of return, without any consideration of whether or not the net operating income has increased or decreased under the rent regulation.

2. Judicial Approval of the Maintenance of Net Operating Income (MNOI) Standard

The Courts have approved and commended the use of this type of the MNOI standard,²⁷ and, on numerous occasions, the Courts have held that this standard provides for constitutionally adequate rent increases. In Oceanside Mobilehome Park Owners' Ass'n v. City Oceanside (1983)²⁸ and Baker v. City of Santa Monica (1986)²⁹ California appellate courts upheld maintenance of net

26 See Baar, "Guidelines for Drafting Rent Control Laws: Lessons of a Decade", 35 Rutgers Law Review, 723, 781-817 (1983); and Baar, "Fair Return under Mobilehome Park Space Rent Controls: Conceptual and Practical Approaches", 29 Real Property Law Reporter 333 (Sept. 2006, California, C.E.B. (Continuing Education of the Bar))

27 See Baar, "Fair Return under Mobilehome Park Space Rent Controls: Conceptual and Practical Approaches", 29 Real Property Law Reporter 333 (Sept. 2006)

28 157 Cal.App.3d.887; 204 Cal.Rptr.239 (1984).

29 Baker v. City of Santa Monica, 181 Cal.App.3d. 972 (1986).

operating income standards. In Oceanside the Court found that the standard was reasonable because it allowed an owner to maintain prior levels of profit.³⁰

In 1993, a California Court of Appeal commented: "The maintenance-NOI approach has been praised by commentators for both its fairness and ease of administration."³¹

In Rainbow Disposal v. Mobilehome Park Rental Review Board, a California Court of Appeal concluded that the MNOI formula is a "fairly constructed formula" which provides a "'just and reasonable" return on ... investment," even if another formula may provide a higher return.

"A 'just and reasonable' rate of return is one high enough to encourage good management, reward efficiency, discourage the flight of capital, and enable operators to maintain their credit, and which is commensurate with returns in comparable enterprises, but which is not so high as to defeat the purpose of rent control to prevent excessive rents. [Citation.] There is a range of rents which can be charged, all of which could be characterized as allowing a 'just and reasonable' return. [Citations.] Thus, many decisions by rent control boards will focus on the issue of where the requested increases fall within the range of possible rents -- all of which rents would allow the owner a return sufficiently 'just and reasonable' as to not be constitutionally confiscatory." (San Marcos Mobilehome Park Owners' Assn. v. City of San Marcos, supra, 192 Cal.App.3d at pp. 1502-1503.)

Baar's MNOI approach adopted by the Board is a "fairly constructed formula" which provided Rainbow a sufficiently "just and reasonable" return on its investment. ... The Board was not obliged to reject Baar's MNOI analysis just because an historical cost/book value formula using Rainbow's actual cost of acquisition and a 10 percent rate of return would have yielded a higher rent increase.³²

3. Comment on Rate of Return on Investment Standards

In light of the fact that the regulations state that "the methods authorized herein are not exclusive", the following discussion comments on rate of return on investment standards which are commonly used in utility regulations, but have also been used in rent control cases. In the context of rent regulation this type of standard suffers from the failing of "circularity" in the sense it allows a park owner to set the allowable rents by setting the purchase price. Also, its application has widely varying impacts depending on whether a park was purchased recently or is held by a longterm owner, who purchased at a price that is very low by current standards.

This fallacy has been generally overlooked in rent control cases. However, federal courts in New York have concluded that the return on investment approach does not make sense in the context of land use controls and rent regulation. In a land use case, a federal circuit court of appeal noted that under the return on investment approach, the "regulated" investor can, in fact, regulate the allowable return by determining the size of the investment.

... In addition to being inconsistent with the case law, appellants' [return on investment] approach could lead to unfair results. For example, a focus on

30 157 Cal.App.3d.887, 902-905 (1984)

31 Palomar v. City of San Marcos, 157 Cal. App.3d. 481, 486 (1993)

32 64 Cal.App.4th 1159,1172, 75 Cal.Rptr. 2d. 746, 754 (1998, California Court of Appeals)

reasonable return would distinguish between property owners on the amount of their investments in similar properties (assuming an equal restriction upon the properties under the regulations) favoring those who paid more over those who paid less for their investments. Moreover in certain circumstances, appellarfts theory "would merely encourage property owners to transfer their property each time its value rose, in order to secure ... that appreciation which could otherwise be taken by the government without compensation..." [cites omitted]³³

In a subsequent case, the New York Federal District Court indicated that the same logic is applicable in the case of rent regulations.³⁴

The application of rate of return on investment standards also presents substantial problems because there is no consensus about what rate is fair or even a consensus on how to measure the investment (the "rate base").

In regards to measuring the investment (the "rate base"), in some cases, rent commissions applying a rate of return on investment standard have used a return on historic investment approach. In other cases the historic adjustment has been adjusted downward in order to reflect depreciation; but in other cases the investment has been "indexed" (adjusted upward) to reflect the "real" amount of the investment in terms of current dollars. These alternate methodologies lead to drastically differing results in cases involving longterm owners. The appellate courts have upheld all three approaches. (See e.g. Palomar Mobilehome Park Assn. v. Mobile Home Rent Review Com. (1993) [upholding the use of investment adjusted downward for depreciation]³⁵, and Cotati Alliance for Better Housing v. City of Cotati, (1983) [investment should be adjusted upward to reflect inflation since the time the property was purchased.]³⁶

The Thunderbird case does not involve a situation in which the return on investment standard is advocated by a purchaser claiming a rate of return exceeding the rate yielded by a recent purchase or an applicant who would fare better under this type of standard than under an MNOI standard. However, if the standard is used in this case, its use would provide precedent for the proposition that it should be used in other cases, when in fact, the standard suffers from the conceptual shortcomings noted above.

IV. Analysis of the Rent Increase Application Pursuant to the Ordinance, Commission Regulations, and Constitutional Guidelines

While this case does not involve challenges to the use of the MNOI standard, it raises both factual issues and conceptual issues regarding how the MNOI standard should be applied in order to provide a fair return and result in a rent adjustment "in keeping with the purposes of this

33 Park Avenue Tower Associates v. City of New York, 746 F.2d. 135, 140 (1984).

34 Rent Stabilization Association v. Dinkins, 805 F.Supp. 159, 163 (1992)

35 16 Cal.App.4th 481, 487

36 148 Cal.App.3d. 280, 289

chapter.” In this instance, the issues surrounding an MNOI rent adjustment analysis are particularly complex.

A. The Park Owner's Application

In accordance with the direction of the Regulations, the Park Owner's application relies on an MNOI standard. In addition, the Park Owner contends that “The City Code requires the Commission to follow a fixed maintenance of net operating income standard (“MNOI”) formula established by City Regulations in making its determination.”³⁷

The Park Owner submitted detailed income and expense data, for the last three full years (2007-2009), including ledgers and supplied copies of receipts for 2009 expenses.

However, the Park Owner indicated that he did not have any income and expense data for the base year under the regulations (1979) or for any of the following five years.³⁸ The first year of income and expense data provided by the Park Owner was for 1986, which consisted of a copy of the section of the 1986 tax return covering rental income and expenses from the park. The applicant also indicated that he did not have income and expense data for the four year period following 1986.

In order to calculate 1979 net operating income the Park Owner used an income projection based on an appraisal of comparable rents in 1979 and he calculated 1979 operating expenses by adjusting 1986 operating expense amounts downward by percentage change in the CPI between 1979 and 1986. Both the income and expense calculations were not based on actual data.

Using these methodologies, the Park Owner projected that operating expenses increased by from \$110,448 in the base year (1979) to \$421,046 in the current year (2009),³⁹ an increase of \$310,598 or \$160.76/mobilehome park space/month. \$146,240 of this increase, \$75.69/mobilehome park space/month, was attributed to an increase in management and administration expenses.⁴⁰

The Park Owner's justification for the \$260.62 rent increase is based on a projection of fair net operating income pursuant to an MNOI analysis which includes:

1. An estimate by the Park Owner's appraiser of a base year rent that would reflect market conditions,
- 2) an estimate of base year net operating income based on the appraiser's projection of fair base rents and the accountants projection of base period operating expenses, and
- 3) an increase in base year net operating income by 100% of the percentage increase in CPI since 1979, which the Park Owner contends is necessary to provide a fair return.

The Park Owner projected that the net operating income in 1979 was \$ 324,252 and adjusted this amount by the percentage increase in the CPI since 1979 in order to determine a fair net

37 RAA, Hart, King, & Coldren Memorandum, p. 1 (May 25, 2010)

38 RAA, Hart, King, & Coldren letter, p.2 (Aug. 26, 2010)

39 “Maintenance of Net Operating Income 2009” (prepared by Park Owner's accountant, Michael McCarthy), submission accompanying Park Owner's revised application, October 8, 2010)

40 The calculations following the prior footnote were made by this author.

operating income for 2009. The resulting fair net operating income projection is \$947,064, ⁴¹ compared to an actual net operating income of \$443,550 in 2009. The difference between these two amounts is \$503,514. $(\$974,064 - \$443,550 = \$503,514 / (161 \text{ spaces} \times 12 \text{ months}) = \$260.62 / \text{space} / \text{month}.)$

Summary of Park Owner's MNOI Fair Return Calculation
 (prepared by Baar, using amounts set forth
 by Park Owner in Rent Adjustment Application⁴²)

	Base Year (1979)	Current Year (2009)
Gross Total Income With Base Year Adjustment	\$434,700	\$864,596
Operating Expenses	110,448	421,046
Net Operating Income	324,252	443,550
Fair Net Operating Income (192% Increase over Base Year NOI of \$324,252)		974,064
Rent Increase Required (Fair NOI – Current Year NOI)		503,514
Rent Increase Required/Space/Month (Rent Increase/(161 spaces x 12 months))		\$260.62

B. Issues in Application of an MNOI Standard in this Case

In this case, there are factual and/or conceptual issues which play a significant role in determining what rents would be considered to provide a fair return under an MNOI standard. These issues include:

1. The Designation of an Appropriate Base Year,
2. Actual Base Year Rents,
3. Whether Base Period Rents Should be Adjusted Upwards for the Purposes of an MNOI Determination and, If So, By How Much,
4. The Level of Base Year Operating Expenses.

⁴¹ Source: RAA, pp.4-5.

⁴² See Tables accompanying Oct. 8, 2010 letter from Park Owner's Attorney (Boyd Hill, Hart, King, & Coldren)

(The foregoing factors in turn determine the base year net operating income which is indexed for inflation in order to determine the fair net operating income in 2009.)

5. The Rate At Which Base Year Net Operating Income Is “Indexed” In Order To Determine What Rent Yields A Fair Net Operating Income In The Current Year,

These issues are discussed the in the following sections.

1. Designation of an Appropriate Base Year

a. 1979 as a Base Year

The regulations state that

The base year shall be 1979 when the financial information for that year is available.⁴³
(underlining added)

In addition, the regulations state that in instances in which 1979 information is not available the first year for which a park owner has financial records may be used as a base year..

In the event 1979 financial information is not available and where the loss of such records can be substantiated by clear and convincing evidence, the landlord of record may substitute as a base year the first year following 1979 for which records are available.
(Resolution No. RAC-2, Section 4, underlining added)⁴⁴

As indicated, in this case, the applicant, who has owned the property since 1974 was unable to provide data on actual operating expenses and net operating income for the base year (1979) or for any year from 1976 through 1990 other than 1986. (Operating data for additional years probably would have provided information on whether the operating expenses and consequently the net operating income for 1986 was typical or an aberration.)

Since the adoption of Resolution RAC 2 in 1981, the regulations have clearly provided that the consideration of increases in expenses and income since 1979 base year would provide the basis for determining what net operating income and rent levels would be fair in the future.⁴⁵ While normally an enterprise would not maintain expense information for such a long period, it would be reasonable to expect that a prudent park owner would preserve base year income and expense records when covered by a regulation that requires such information in order to have the possibility of obtaining “just and reasonable return” rent increases based on the governing fair return standard.

Although the Park Owner does not have actual 1979 operating expense information, he contends that he has 1979 operating expense information because he has 1986 operating expense information which can be adjusted by inflation. The Park Owner states:

43 See Resolution No. RAC-2, Sec. 4.

44 In contrast, for example, the rent regulations of the City of Yucaipa state: Where scheduling of rental increases, or other calculations, require projections of income and expenses because actual data is not available, it shall be presumed that operating expenses and management expenses, exclusive of property taxes, increase at the rate of the increase in the CPI for the applicable year; and that property taxes increase at two percent (2%) per year.” Administrative Rules, Sec. 4.0003.F.

45 See Resolution No. RAC-2, Sec. 1.p.3

The applicant does have operating expense information for 1979, which information it obtained by adjusting 1986 operating expense information to account for inflation between 1979 and 1986. This method was appropriate given that there was no significant change in the operation of the Park during the period 1979-1986.⁴⁶

The outcome of the adoption of the Park owner's reasoning would be that an applicant would always be considered as having 1979 expense information when actual information was not available (if there was no significant change in the operation of the park since 1979), because the operating cost data from another year could just be adjusted downward to account to offset inflation since 1979. Under the park owner's concept of the existence of base year data, the existence or absence of actual 1979 information is of virtually no practical consequence in determining whether or not 1979 shall be used as the base year,

The foregoing factors provide rationale for the rejection of the use of 1979 as a base year in this case. At the same time, there are rationale for using 1979 as a base year and for and against the use of 1986 as the base year.

The City has complete information on space rents for 1986 which was provided by the Park Owners pursuant to the requirements of the RSO. Furthermore, the Park Owner has submitted information on 1986 operating expenses consisting of the rental income and expense schedule in Schedule E of his 1986 income tax return. Therefore, the use of 1986 as a base year meets the requirement of the regulations that it is a year for which income and operating expense information is available.

In light of the fact that 1986 was the first year for which actual operating expense information was provided, the City directed its appraiser to perform an appraisal of what rents would have reflected comparable rent conditions in Thousand Oaks if 1986 is used as the base year. However, it is year in which the comparable rents were the outcome of seven years of a combination of rent regulations and a market characterized by shortage conditions and a lack of bargaining power for mobilehome park residents.

In this case, the outcome of the use of 1986 as a base year could result in providing a much more favorable result to the Park Owner than the use of 1979 as the base year. The City's appraiser projected that base rents based on comparability with rents in other mobilehome parks in Thousand Oaks would have been \$205 in 1979 and \$320 in 1986. The rent increase of 53.6% from 1979 to 1986 is virtually the same as the percentage increase in the CPI during this period. Since MNOI standards which index base year net operating income by less than 100% of the percentage in the CPI have been upheld and property tax increases are limited to 2% per year, except when a property is sold, full CPI increases are most likely to be more than adequate to meet the requirements for constitutional fair return standards (See discussion on pp. 24-31 of this report.)

Furthermore, in this case, the 1979 fair net operating income projected in this analysis is \$248,085 while fair net operating income of \$411,186 would be projected if 1986 were used as the base year. (See tables on pp. 37 and 39). The increase in the fair NOI from 1979 to 1986 would be 66% compared with an increase of 55% in the CPI during this period. This increase would be more

46 Letter from Park Owner's Attorney, August 26, 2010, p.2.

than adequate to provide the fair net operating income that would meet constitutional standards under an MNOI standard if 1979 is used as the base year.

As noted, the absence of any financial data for 1979 or any other year from 1976 to 1990, except for 1986, was an outcome within the Park Owner's control. The purpose of the regulations is to provide for 1979, a pre-rent control period, as the base year and, as noted, the 1981 regulations provided notice that 1979 income and expense information was required in an application pursuant to the "Just and Reasonable Return" standard.⁴⁷ The realization of a benefit from the absence of actual 1979 data would not be a reasonable outcome. In order to place this discussion in perspective it should be noted that the Park Owner has never advocated the use of 1986 as a base year in order to realize such a benefit and, in fact, has vigorously contended that 1979 must be used as the base year.⁴⁸ Instead, as indicated, the problem with the use of 1979 as a base year has been created by the Park Owner's failure to retain income and expense data for that year.

While the methodology of imputing 1979 operating expenses based on 1986 operating expenses is contrary to the specific terms of the regulations, in this case a use of 1986 as a base year could undermine the purpose of the regulations to use a pre-rent control base period. This purpose should not be undercut in a situation in which the failure to provide 1979 information is attributable to the Park Owner and the Park Owner may benefit (intentionally or unintentionally) from this failure. Therefore, this report contains MNOI projections with the use of 1979 as a base year and with the use of 1986 as a base year. In light of the fact actual 1979 data is unavailable, in order to make the use of a 1979 base year reasonable the best available alternative has to be used. While the imputation of base year expenses is not authorized under Thousand Oaks regulations, it is acceptable as a reasonable method in the administration of MNOI standards in other jurisdictions and it would be more in keeping with the overall purposes of the ordinance and regulations to insure the provision of adequate growth in net operating income over the pre-rent control level.⁴⁹

47 In a 1983 article this author commented: "One shortcoming of the maintenance-of-net-operating-income standard is that greater increases can be obtained by an underestimate of base period operating expenses and corresponding overstatement of base period net operating income. Omissions of base period expenses are particularly difficult to detect. Brookline and Cambridge Rent Board staff members indicated, therefore, that they adjusted base year operating expenses which were exceptionally low." Baar, "Guidelines for Drafting Rent Control Ordinances: Lessons of a Decade," 35 Rutgers Law Review 723, 816 n.359 (1983).

In this case, retention of 1979 financial data would not be beneficial to a park owner's position under an MNOI standard if that data would have resulted in a lower base period net operating income than the use of an alternate year's data in order to impute 1979 income and expenses.

48 See letter from Park Owner's Attorney (Boyd Hill, Hart, King, & Coldren), Oct. 8, 2010, pp. 10-12.

49 This context may be contrasted to situations in which a base year following the adoption of rent control has been prescribed by the regulations and/or is based on a fair return adjustment, which is subject to the adoption of the ordinance.

2. Actual Base Year Rents

Initially, the Park Owner provided a declaration stating that rents were not increased from 1979 through 1983.

... ..during the years 1980-1983, we did not seek or obtain from the City automatic rent increases allowed by the initial version of the City's rent control ordinance. Thus, the Thunderbird Oaks rents did not increase from the Base Year of 1979 through 1983.⁵⁰

On this basis, the Park Owner projected that 1979 annual base rent for the park was the same as the 1983 rent - \$475,620,⁵¹ an amount equal to 246.80/space/month .

Subsequently, the Residents submitted documentation indicating that a parkwide rent increase was implemented in 1982 and other information on rents for several park spaces that indicated that the 1979 rents were substantially lower than the 1983 rents reported by the Park Owner.

The documentation included the following:⁵²

1. a notice from Park Owner to "All Residents" that the rent would be increased by 8% on September 1, 1981.

2. monthly rent checks from one tenant in space (# 102) indicating that the rent in 1979 was \$219 (18% below the amount of \$270 which was projected as the 1979 rent level for that space in the Park Owner's application.

3. An escrow statement indicating that the monthly rent for in 1980 for one space was - \$205, (24% below) the rent reported by the Park Owner for 1983 of \$270.

4. A rent history for one space indicating that the monthly space rent in 1979 was \$190 (20% below) the \$238 rent projected by the Park Owner.

While, the 1979 rental income information for the park is limited to rental information for a few spaces submitted by the Residents, it appears that rent levels were kept fairly uniform in the park and that 1979 rents were about 20% below the rent levels recorded in 1983..

When City staff submitted the Residents' rent history information to the Park Owner, the Park Owner did not rebut the information or submit any additional information to corroborate his original claim. Instead, the Park Owner's representative indicated that the application would be amended to include a claim that base rents should be adjusted based on a "Vega" claim (e.g. a claim that base period rents did not reflect market conditions.⁵³

50 RAA, Attachment 3 – "Bruce Hohn Declaration".

51 RAA, Attachment 2.

52 Submissions attached to email on behalf of residents, submitted on Sept. 27, 2010.

53 See letter from Park Owner's Attorney (Boyd Hill ,Hart, King, & Coldren), Oct. 8, 2010, pp. 2-3.

3. Whether Base Period Rents Should be Adjusted Upwards for the Purposes of an MNOI Determination and, If So, By How Much

a. "Vega" Adjustments

i. Conceptual Basis for a "Vega" Adjustment.

After MNOI standards became common under apartment rent control standards in the early 1980's, issues emerged about the treatment of cases in which the base year net operating income was exceptionally low. In cases where the base year net operating income was exceptionally low, without a base year adjustment, the MNOI standard would only justify an exceptionally low fair net operating income for the current year.

However, whether the base year precedes or comes after the introduction of rent regulations, the base period must provide a fair starting point rather than one involving unusually low rents.

The issue of a fair base rent for an individual property first came before the courts in a case Vega v. City of West Hollywood.⁵⁴, with a glaring example of how the MNOI standard could work in the absence of some adjustment for base year rents to accommodate for special circumstances. The facts in that case were exceptional. In that case, an elderly owner of an apartment building had basically turned over the maintenance of her property to her tenants with the offsetting accommodation of not raising their rents.

In 1983, the rents for the plaintiff's apartments ranged from \$70 to \$180 per month. The rents of several units had not been raised in 15 to 20 years and the tenants had taken over responsibility for maintaining the property. The 84 year owner and her deceased husband had constructed the units 40 years earlier.⁵⁵

In the Vega case, relying on the State Supreme Court's opinion in Birkenfeld v. Berkeley (1976), which addressed the issue of low base rents on a city-wide basis, the Court of Appeal declared that:

Rent ceilings of an indefinite duration would be confiscatory and thus unconstitutional if no adjustment mechanism existed ... for "situations in which the base rent cannot reasonably be deemed to reflect general market conditions." [citing Birkenfeld v. City of Berkeley].⁵⁶ (underlining added)

The Court held that "a property owner must be permitted, pursuant to the principles discussed in Birkenfeld v. City of Berkeley [cites omitted], to start rent calculations with a base rent similar to other comparable properties."⁵⁷

Since Vega, park owners with lower than average rents have included claims of a right to bring their rents up to market levels in rent adjustment petitions, noting the reference in Birkenfeld v. City of Berkeley to "general market conditions."

54 223 Cal.App.3d.1342; 273 Cal.R.243 (1990).

55 Id., 223 Cal.App.3d. at 1344.

56 Id, 223 Cal.App.3d. at 1349.

57 Id, 273 Cal. App.3d. at 1352.

Since Vega, the courts have reaffirmed the general principal that special circumstances are needed to justify a “Vega” adjustment. In Apartment Association of Greater Los Angeles v. Santa Monica Rent Control Board [AGLA], the Court of Appeal rejected the view that owners had a general entitlement to adjust below market rents. It ruled that:

Respondents' position that "Birkenfeld and Vega establish a constitutional standard of general application to all historically low rent properties without exception" is not supported by the opinions in those cases, and we hold that there is no general entitlement to an increase in base date rents predicated on market conditions.⁵⁸

In AGLA, the Court distinguished Birkenfeld and Vega from the case before it on the basis that "in both cases [Birkenfeld and Vega] the entitlement to an increase in the base rent depended on the existence of circumstances that prevented the base rent from reflecting market conditions."⁵⁹ In 1997, the State Supreme Court stated that: "[W]hen a rent control law establishes a 'base rent' by reference to rents on a specified date, the law should permit adjustments of that base rent for those rental units that had artificially low rents at that time."

Subsequently, a Court of Appeal held that a Park Owner was entitled to a base rent adjustment in a case far less extreme than Vega, in terms of the difference between actual rents and market rents. (Concord Communities v. City of Concord⁶⁰) The case involved a mobilehome park owner who had purchased just prior to the adoption of a rent ordinance from an owner who had not implemented significant rent increases for years. As a consequence the Park Owner was locked into the base reflecting the pattern of unusually low rent increases and at the same time incurred increased property taxes triggered by the purchase of the property.

While the base year under MNOI standard typically precedes the adoption of rent regulations, constitutional standards for fair return, as set forth in judicial doctrine, do not require that the base year must precede the adoption of rent control. (See Los Altos El Granada Investors v. City of Capitola, upholding the use of a base period eight years after the adoption of the regulation.⁶¹

ii. The Park Owner's Claim for a "Vega" Adjustment

As indicated, in this case, the Park Owner's original application did not include a “Vega” claim. Instead, after the Residents provided evidence that the base year rental income claim of \$235/space/month provided by the Park Owner was about \$35 over the actual base year rents, the Park Owner submitted a “Vega” and indicated that he did not have any evidence to rebut the resident's claim.⁶²

In this case, the existence of rationale for a Vega adjustment of 1979 may not be present.

58 24 Cal.App.4th 1730,1737.

59 Id., 24 Cal.App.4th at 1737.

60 91 Cal.App.4th 1407 (2001)

61 139 Cal.App.4th 639, modified by 140 Cal.App.4th 135c (2006)

62 The Park Owner's original claim was reported at the outset as being based on his recollection, rather than actual records.

1. In the two California appellate decisions addressing “Vega” claims, the courts held that a showing of “**unique or extraordinary circumstances**” is required, in addition to evidence of rents that did not reflect market conditions. See Vega v. City of West Hollywood and Concord Communities v. City of Concord (previously cited.) In both of those cases the extraordinary circumstances involved circumstances in which rents were not raised or only minimally raised for years preceding the adoption of the rent regulation.

In contrast, in this case, rents were not held down in the years preceding the adoption of the rent regulations. Instead, over a three year period, from 1976, when the park opened, to 1979, they increased by 32% (from \$150 to \$198). It does not appear that any “unique or extraordinary circumstances” exist in this case.

2. One of the appraisals in this case, the appraisal commissioned by the City, concludes that the difference between the actual rent levels in 1979 and the levels projected as fair by the City’s appraiser was about \$8 or 4% (\$198 actual rents versus \$205 projected market based rents.) In the case of the appraisal prepared on behalf of the Park Owner, the difference the actual rent levels and the rent levels projected to reflect market levels was about 13.5% or \$27 (\$198 actual rents versus \$225 projected market based rents). The four percent difference between actual base year rents and market rents projected in the report of the City’s appraiser not substantial compared with normal variations in a rental market which reflect market conditions and does not appear to be evidence that base period rents did not reflect market conditions.⁶³

No guideline or standard has ever been developed in regards to what degree of divergence from market or comparable rent levels in the base year in order to demonstrate that rents do not reflect market conditions, nor have measures been undertaken of what constitutes a normal divergence among rents for comparable spaces in a rental market. In the Concord Communities the City’s appraiser testified that 10% to 15% variations are substantial.⁶⁴ On the other hand, in the course of participating in fair return cases, this author has observed that differences in appraisers’ opinions about market level rents standardly vary by more than 10%. The divergence between actual base rents and market rents has usually been much greater. in the cases involving “Vega” claims that this author is aware of.

If a ten or fifteen percent difference between market or comparable rents and actual rents could be the basis for a “Vega” adjustment, a substantial portion of all park owners would be entitled to “Vega” adjustments. However, the language of the Court decisions addressing “Vega” claims and ensuing applications of “Vega” adjustments by rent boards indicates that they are a remedy for exceptional situations, rather than a mechanism for widespread adjustments of base rents.

b. Adjustments of Base Rent Based on the Rent Commission’s Guidelines

Separate from the possibility of a “Vega” adjustment based on constitutional fair return concepts, a rent ordinance may provide for a base rent adjustment or some other type of adjustment based on low rents or situations in which allowable rent increases have not been implemented.

63 This conclusion was orally confirmed by the City’s appraiser.

64 91 Cal. App. 4th 1407.

i. Adjustment of 1979 rents without the presence “Unique or Extraordinary Circumstances”

Thousand Oaks regulations provide that **“Adjusted Income for Below Market Rentals is an amount representing the difference between the actual rent collected and what the landlord could have collected if the units had been rented at their full market value”** without a requirement of showing “unique or extraordinary circumstances” (Section 2.05) In Stardust Mobile Estates, LLC v. City of San Buenaventura, a Court of Appeal held that a under base rent adjustment provision virtually identical to Section 2.05, a showing of “unique or extraordinary” circumstances is not required.⁶⁵ Therefore, if the Commission finds that there was a difference between actual rent and market rent in the base year, the Park Owner owner may be entitled to a base rent adjustment pursuant to the regulations, rather than on the “Vega” grounds that the Park Owner relies on.

ii. “Price Level Adjustment” of 1986 Rents

In addition to authorizing adjustments of base year rents, the regulations authorize base year “Price Level Adjustments” for individual parks to recover rent increases which were authorized but not imposed, after the adoption of the regulations. “Adjusted Income for Below Market Rentals is an amount representing the difference between the actual rent collected and what the landlord could have collected if the units had been rented at their full market value. Examples of below market rents may be units ...

where the increases permitted by the Rent Stabilization Ordinance or the Regulations and Guidelines of the Rent Adjustment Commission could have been made but have not been made because of the landlord rental policies and purposes.”⁶⁶

Add to the Net Operating Income for 1979, all automatic adjustments of 8%, as permitted by Section VI of the Rent Stabilization Ordinance which the landlord could have implemented, which shall be known as the Price Level Adjustment.⁶⁷

Under these provisions, all automatic rent adjustments which could have been implemented shall be added to the 1979 net operating income in order to determine what net operating income would provide a fair net operating income in the current year.

If the current year Net Operating Income is less than the 1979 Net Operating Income plus the Price Level Adjustment, the landlord is eligible for a rent increase that will allow the current year Net Operating Income to equal the 1979 Net Operating Income plus the Price Level Adjustment.⁶⁸

In this analysis, the “price level adjustment” sections are applied in a different manner than provided for in their literal terms. The reasonable interpretation of the intent of these terms is to provide owners with the right to implement rent increases which were permitted in prior years, but were not implemented at the time they were permitted.

65 147 Cal.App.4th 1170, 1183 (2007)

66 Resolution No. RAC-2, Sec.2.05.

67 Resolution No. RAC-2, Sec. 3.04.

68 Resolution No. RAC-2, Sec. 3.05

Under the literal terms of the regulation, park owners would be entitled to net operating income increases, denominated as "price level adjustment" increases equal to the rent increases that they were permitted but did not implement in prior years. However, this interpretation would require rent increases that would always exceed the rent increases that were foregone in the past. This result would occur because under the literal terms of the "price level adjustment" provision, a park owner would be permitted the combination of a price level adjustment increase equal to the foregone rent in increase order to allow net operating income to increase by an amount equal to the "Price Level Adjustment" and an additional amount necessary to cover the operating cost increases. Under this interpretation park owners would obtain a "bonus" for not implementing rent increases in the year permitted because in subsequent years they could raise the rent by an amount equal to the foregone rent increase plus an additional amount to cover operating expense increases.

In this case, complete information on rent increases is limited to the period from 1983 to 1986. During this period, the Park Owner increased rents by 10.3%, increasing the average rent in the park from \$246.43 to \$273.10. This increase compares with the total of 21% in rent increases authorized in 1984, 1985, and 1986.⁶⁹ In the four other Parks in the City, for which data is available, the rent increases approximated the full amount of the annual adjustments authorized during this three year period.

For the preceding three years (1980 to 1983) it appears that average rents increased from about \$198 to \$235, an increase of about 18%. The allowable rent increases during this period were 24% (3 x 8%). But as noted, the Park Owner did not provide any base year rent information and the Residents provided only limited information. Under these circumstances, the margin of error in the estimate of the difference between actual rent increases between 1980 and 1983 and the maximum permitted increases may be substantial relative to the six percent difference (18% versus 24%).

69 Starting in 1983, annual automatic rent increase allowances were no longer compounded. Instead, they were percentage adjustments to the 1983 allowable rent. See Ordinance No. 838-NS, Sec. IV.M. and Sec. VI.A. "Maximum Base Rent. The highest legal monthly rent which was in effect for the rental unit on July 1, 1983. Any increase subsequently effected pursuant to Section VI shall be computed using the maximum base rent." (Sec. IV.M. "... a rental unit which at any time after August 1, 1980 has not had a rent increase for a period of twelve (12) consecutive months or more, the maximum rent or maximum adjusted rent may be increased in an amount not to exceed seven percent (7%) per annum of the maximum base rent." (Sec. VI.A.)

**Comparison of Rent Increases in Thousand Oaks Mobilehome Parks
1983 - 1986**

Park	1983 Avg. Rent	1986 Avg. Rent	Pct Increase 1983-1986
Thunderbird	246.43	273.10	10.8%
Ventu Estates	241.63	292.27	20.9%
Conejo	156.60	193.18	23.4%
Elms	187.23	227.24	21.4%
Ventu Park Villa	203.86	247.15	21.2%
Vallecitos	not available	341.26	

Source of Average Rent Data: Calculations by City Staff based on rent registration reports

If the full amount of the increases authorized between 1983 and 1986 had been implemented the average rent in 1986 would have been increased to \$298. The projections of fair net operating income, in Table 3 (p. 39 of this report), include projections with a base period net operating income that incorporates this rent level. No adjustment is made for a difference between allowable rent increases and actual rent increases from 1980 through 1983. If an adjustment were made the 1986 base rent and in turn a 1986 base net operating income would be increased by 6% (\$12). In turn the current fair net operating income level would be increased by approximately \$24.

4. The Level of Base Year Operating Expenses (An Adjustment of Base Year Management and Administration Expense)

This subsection considers issue related to calculating management and administration expenses in the base year and the current year. (A subsequent section discusses increases in operating expenses since the base year.)

The regulations provide that management and administrative expenses “*must be calculated for both the base year and the current year at the same percentage of actual income.*” They also provide that their total cannot exceed 8% of income.⁷⁰

In this case, the Park Owner has reported that management and administration expenses totaled \$30,878 in 1986 and \$167,392 in 2009, an increase of 442%, compared to the CPI increase of 99% during this period. In the Park Owner’s projection of 1979 expenses, the management and administration expenses totaled \$21,152 and, therefore, these expenses increased by 691% from a 1979 base period to 2009, compared with a 192% increase in the CPI during this period. In order to place these increases in perspective relative to overall rents, the reported increase in management

70 Resolution No. RAC 2, Sec. 2.11

and administration expenses from 1986 to 2009 is equal to \$70.66/mobilehome space/month.⁷¹ In the rent increase application, the ratios of management and administration expenses to rental income were - 1979 – 4.4%, 1986 – 5.9%, 2009 – 21.9%.

**Management and Administration Expenses
Set Forth in Rent Increase Application**

Year	Mgmt & Adm. Expense	Pct. of Gross Rent
1979	21,152	4.4%
1986	30,878	5.9%
2009	167,392	21.9%

Overall operating expenses projected by the applicant for a 1979 base year equaled 23.2% of rental income (\$110,448 / \$475,620), an exceptionally low ratio by industry standards.⁷²

To the extent that expense levels are exceptionally low in the base year, the amount of a rent increase justified by the MNOI standard increases for two reasons. Firstly, the operating expense increase between the base year and the current year is increased. Second, the base year net operating income is increased, which in turns lead to a higher projection of what net operating income is required to provide a fair net operating income in the current year.

If the level of management and services remained constant between a base year and 2009, the rate of increase in these costs would be expected to be in the range of the rate of increase in the CPI, rather than the increase projected by the applicant, which was about triple the rate of increase in the CPI

Staff made several inquiries to the park owner about the comparability of management and administrative expenses in the base year and the current year. The Park Owner indicated that management expenses increased between the base year and the current year due to a combination of transfer of the performance of management services from the owners to third parties, more maintenance due to aging of the park, and increased regulation.

The level of management services changed significantly and dramatically from the base year to the current year in terms of time, services provided and complexity of services provided. In the Base Year, the applicant internalized off-site management expenses, which were relatively minimal. In the current year, increasing regulation,

⁷¹ $(\$167,392 - \$30,878) / (161 \text{ spaces} \times 12 \text{ months})$

⁷² This conclusion is based on this author's review of statement's in industry literature, appraisals, and this author's review of income and expense statements submitted in rent review cases. The industry literature generally indicates that operating expense/rental income ratios of 30% to 40% are typical.

aging infrastructure and the health of the applicant principle require significantly more costly on-site and external off-site management.⁷³

In this analysis, base year management and administration expenses are adjusted so that they are proportionate in inflation adjusted dollars to the current year management and administration expenses. Rationale for this adjustment includes the following:

1. The Park Owner has indicated that the performance of management and administration tasks have been transferred from being performed personally by the owners to being performed by third parties who were paid. To the extent this has occurred, management and administration costs should be imputed in the base year, since there was a cost in terms of owner efforts even if it was not a cost for accounting or tax purposes. Otherwise, a transformation of this type, from owner management to management compensated by the owner, would be seen as a cost increase equal to the current cost, when it should be seen as a change in how the cost was covered.

2. While the Park Owner claims that management and administration costs are increasing due to the “aging infrastructure” of the park, he has not provided any information that can be used to understand the magnitude of this factor and/or, how this factor would impact management and administration costs, as opposed to impacting maintenance costs and expenditures for capital replacements.

3. The Park Owner claims that “increasing regulation” is increasing park operating costs. Again, no detail is provided about such costs or their magnitude.

Between 1986 and the current year, rental income increased by 60%, compared to the 96% increase in the CPI.⁷⁴ In this analysis, it is assumed that management and administration costs increased by the same percentage as the CPI between the base year and the current year. This assumption is more favorable to the applicant than the assumption in the regulations that management and administration expenses were the same percentage of rental income in the base year and the current year. It is based on the view that management and administration expenses would increase at the same rate as the CPI in order to maintain the same level of services, even if rents went up at a lower rate. The result of this assumption is that in order to calculate base year management and administration expenses, current year management and administration expenses are adjusted downward by a greater amount (the CPI difference), rather than the difference in rental income. As a result, overall base year operating expenses are reduced and consequently base year net operating income is increased, relative to the outcome that would result from assuming that management and administration expenses were the same percentage of rental income in the base year and the current year.

For the purposes of this analysis it is presumed that 1986 management and administration expenses totaled \$84,117,⁷⁵ as opposed to the \$30,878 amount claimed by Park Owner and that in

73 Letter from Park Owner’s Attorney (Boyd Hill, Hart, King, & Coldren), Aug. 26, 2010 (pp. 2-3)

74 See Appendix A.

75 \$167,392 (2009 total) / 1.99 to reflect the 99% increase in the CPI from 1986 to 2009.

1979 management and administration expenses totaled \$57,621,⁷⁶ as opposed to \$21,152 amount claimed by the Park Owner.

While this analysis includes an adjustment to provide that increases in management and administration expenses are tied the percentage increase in the CPI, no adjustment is made to limit these expenses to 8% of rental income.

In this case, it appears that the use of the 8% ratio might not be the best approach for the purpose of a comparative analysis between 1986 and 2009. because it appears that management and administrative expenses might also have included some maintenance expenses as a result of overlapping functions of the owner in the base year and of employees in the current year. In 1986, payroll and payroll taxes totaled \$27,484, while maintenance expenses were \$41,460. In 2009, salary, payroll taxes, and a management fee (not present in 1986) expenses totaled \$141,658, while maintenance expenses were \$32,664. The huge increase in management expenses and unusual reduction in maintenance expenses may be attributable to differences in the categorization of these expenses for accounting purposes. Due to the extensive efforts required to consider other issues in this case, it was not possible to conduct a detailed analysis of this issue.

In any case, when base year expenses in a category are imputed on the basis of the increase in the CPI between those dates, when the current expense ratio exceeds 8%, in an MNOI analysis the “excess” over the 8% level, is largely “offset” by a corresponding upward adjustment in the base year expense ratio above the 8% level, which in turn reduces the base year net operating income. Conversely, if base year expenses in a category are reduced to an 8% level, when base year expenses are a function of the current year expenses, a corresponding reduction in the imputed base year expenses would lead to a corresponding reduction in the overall calculation of the base year expenditure level and a corresponding increase in the base year net operating income.

In this case, if current management and expense levels are limited to 8% of gross rents they would be reduced by \$98,224. However, in turn, the 1979 base period management and administration expenses would be reduced by \$34,888 and the base period net operating income would be increased by this amount. When the additional \$34,888 in base year net operating income is indexed by the CPI, if 100% indexing of NOI is provided, this amount approximately offsets the additional \$98,224 in net operating income that is attributed to the current NOI. In the cases of 50% and 75% indexing the outcomes under the MNOI approach would be \$7 to \$15 lower, if current management and administration expenses were limited to 8%.

5. The Rate At Which Base Year Net Operating Income Is “Indexed” In Order To Determine What Rent Yields A Fair Net Operating Income In The Current Year,

In this case, the rate at which net operating income is indexed over the base year level has a substantial impact on the outcome of a maintenance of net operating income (MNOI) analysis. The large impact is due to the fact that net operating income constitutes more than half of base period gross rental income and the substantial length of time and consequently the very large increase in the CPI between the base year and the current year (An increase of 192% from 1979 to 2009. and an increase of 99% from 1986 to 2009)

⁷⁶ \$167,392 (2009 total) / 2.96 to reflect the 196% increase in the CPI from 1979 to 2009.

Commonly, when MNOI standards have been applied, the analysis has been pursuant to a mobilehome space rent stabilization ordinance which sets forth the percentage of the CPI increase by which net operating income will be indexed. However, MNOI standards have also been commonly applied pursuant to ordinances which do not specify what type of fair return standard will be used and consequently do not set forth any indexing ratio to be used under an MNOI standard or set forth the principle of preserving net operating income, but do set forth the details of the standard.

The regulations adopted pursuant to the prior Thousand Oaks ordinance in 1981, which are still in effect, provide for the maintenance of net operating income, but do not provide any specification as to the rate at which net operating income shall be indexed.

Although, the argument that 100% indexing is constitutionally required been raised over and over in fair return hearings before rent boards and court cases over the past twenty years, this view has not been adopted by the Courts. While the courts have held that net operating income cannot be frozen, they also have held that growth in net operating income at 100% of the rate of increase in the CPI is not required. Instead, the courts have upheld standards which have provided for the adjustment of net operating income by 40% of the rate of increase in the CPI since the base year.

The following table sets forth indexing ratios set forth in other mobilehome park space rent stabilization ordinances.

INDEXING RATIOS
UNDER MAINTENANCE OF NET OPERATING INCOME STANDARDS
IN MOBILEHOME PARK SPACE RENT CONTROL ORDINANCES

<u>City</u>	<u>Indexing Ratio</u> (% of CPI)
<u>Mobilehome Space Rent Control Laws</u>	
Calimesa	80%
Concord	60%
Healdsburg	100%
Indio	50%
Lompoc	100%
Milpitas	50%
Morgan Hill	40%
Oceanside	40%
Oxnard	75%
Pacifica	100%
Palm Desert	50%
Palm Springs	50%
Pleasanton	100%
Riverside County	100%
Rohnert Park	60%
Salinas	75%
San Jose	85%
Santa Paula	75%
Scotts Valley	75%
Ventura	50%
Yucaipa	66% to 80%

The indexing issue has been the subject of discussion in the California appellate court opinions for over 20 years. In 1984, Fisher v. City of Berkeley, the California Supreme Court ruled that a rent regulation may not "indefinitely freeze" net operating income.

... although defendants' ordinance may properly restrict landlords' profits on their rental investments, it may not indefinitely freeze the dollar amount of those profits without causing confiscatory results.⁷⁷

While the Court did not consider the issue of what rate of growth in net operating income must be permitted, it did indicate that rent controls may "reduce" the value of property, without violating constitutional safeguards.

⁷⁷ Fisher v. City of Berkeley, 37 Cal.3d. 644, 683 (1984)

Any price-setting regulation, like most other police power regulations of property rights, has the inevitable effect of reducing the value of regulated properties. But it has long been held that such reduction in property value does not by itself render a regulation unconstitutional.⁷⁸

Furthermore, although the Court expressed disapproval of "indefinitely" freezing net operating income, it did not express any disapproval of formulas which permitted less than 100% indexing.

In Oceanside Mobilehome Park Owner's Ass'n v. City of Oceanside,⁷⁹ which was decided before Fisher, and in Baker v. City of Santa Monica,⁸⁰ which was decided two years after Fisher, California appellate courts upheld fair return standards providing for growth in NOI at 40% of the rate of increase in the CPI.

In Berger v. City of Escondido (2005) the Court of Appeal upheld a Board decision which provided for indexing net operating income by 40% of the percentage increase in the CPI and rejected a claim that indexing by 100% of the percentage increase in the CPI was constitutionally required in order to provide a fair return.

The Court ruled:

Indexing for Inflation To Protect NOI

It is not our province to specify what standard the Board should use on remand. For its instruction, however, we address Berger's contention that as a matter of law in an MNOI analysis, to account for inflation the base year NOI must be indexed by no less than 100 percent of the increase in the CPI to avoid unconstitutional confiscation over time. We are unpersuaded by Berger's position.

Berger relies on City of Berkeley,, 27 Cal.App.4th 951, in which the issue was whether the rent stabilization board abused its discretion by adopting certain regulations, including a regulation allowing full indexing of rents for inflation to protect base year NOI, without excluding debt service. (Id. at p. 964.) The court found the regulation was within the board's discretion to set rents that provide a fair return on investment to the landlord. (Id. at p. 968.) The board there presumably relied on advice from its consultants "that fully indexing for inflation, including the debt service component, is necessary because the failure to do so will inevitably lead to the slow erosion of net operating income." (Id. at p. 975.)

City of Berkeley, however, does not indicate that indexing at the 100 percent level is a constitutional mandate; that question was not before the court. The court noted, "we are not called upon to actually decide whether the Board could have legally decided to exclude debt service; we need only observe that it acted legally when it decided to include it." (City of Berkeley, ..., 27 Cal.App.4th at p. 977.)

In Yee v. Mobilehome Park Rental Review Bd., ..., 17 Cal.App.4th at page 1105, this court rejected the park owners' argument they were denied substantive due process because the Ordinance under review here does not require annual increases in rents equal to changes in the CPI. (See also Carson Mobilehome Park Owners' Assn. v. City of Carson, ..., 35 Cal.3d at p. 195 [CPI increase "might not be warranted for a

78 Id., 37 Cal.3d. at 686.

79 157 Cal. App. 3d. 887 (1984)

80 181 Cal.App.3d. 972 (1986)

particular mobilehome park if there has been a decrease in maintenance expenditures or a reduction in services provided to the tenant"].)

Here, the City's consultant, Dr. Baar, advised that 100 percent indexing is not required for the Park to achieve a fair return. A mobilehome park's operating expenses do not necessarily increase from year to year at the rate of inflation, and indeed, during the relevant time here the CPI increased 14.55 percent, but Berger's operating expenses increased only 9.4 percent. On appeal, Berger concedes that a "general increase at 100% of CPI . . . would be too much if expenses have increased at a lower rate." Moreover, as Dr. Baar explained in his report, the use of indexing ratios may satisfy the fair return criterion because park owners typically derive a return on their investment not only from income the park produces, but also from an increase in the property's value or equity over time. In other words, investors are motivated to acquire, retain and maintain mobilehome parks both for the yearly income and for appreciation in real estate.¹⁰

The Board will reconsider the issue at the new hearing, in light of the fair return standard. It is not, however, required as a matter of law to use 100 percent indexing of NOI in an MNOI approach.⁸¹

Subsequently, another Court of Appeal handed down a similar ruling, upholding a standard which provided for indexing by 50% of the percentage increase in the CPI. In Stardust v. Ventura, the court stated:

Stardust argues that the trial court erred in upholding the Rent Board's decision to use the preferred MNOI method. We disagree.

The Guidelines presume that the NOI (gross income minus operating expenses) received in the 1980 base year provided the park owner with a just and reasonable return above the required minimum on his property, unless there is clear and convincing evidence to the contrary. (Guidelines, §§ 1.03, 3.01.) The Guidelines are structured to permit continuation of a just and reasonable return on the owner's property above the required minimum by evaluating a discretionary rent increase request by the "preferred" MNOI method formula. The MNOI method permits an application for a discretionary rent increase to adjust the base year NOI by 50 percent of the increase in the CPI from the base year to the comparison year, the latest calendar year or the latest fiscal year used by the applicant for accounting purposes. Under the MNOI method, an applicant is entitled to a rent increase in the amount by which the sum of the applicant's base year NOI and the price level adjustment exceeds the applicant's comparison year NOI. A park owner may request a method other than the preferred method. However, unless clear and convincing evidence is presented by the park owner that another method is more appropriate, the Rent Board will use the preferred method. (Guidelines, § 1.05.)

The standards established by this method are similar to those approved in several cases. For example, in Oceanside Mobilehome Park Owners' Assn. v. City of Oceanside (1984) 157 Cal.App.3d 887, 903, and Rainbow Disposal Co. v. Escondido Mobilehome Rent Review Bd. (1998) 64 Cal.App.4th 1159, 1172, the courts approved 40 percent indexing. More recently, in H.N. & Frances C. Berger Foundation v. City of Escondido (2005) 127 Cal.App.4th 1, 15 (Berger), the court held that an MNOI approach does not require 100 percent indexing. Stardust correctly notes that in Fisher v. City of Berkeley (1984) 37 Cal.3d 644, 683, the court stated that the rental

81 H.N. & Francis Berger Foundation v. City of Escondido, 127 Cal. App.4th. 1, 15 (Jan. 2005)

board was required to increase rents to account for inflation. Fisher did not, however, disapprove an index for inflation at less than 100 percent of the CPI percentage increase.

Stardust also argues that the Rent Board improperly relied upon Baar's leveraging argument to support adjusting its MNOI at less than 100 percent of the CPI because Stardust owns the Park "free and clear." We disagree. The Berger court rejected an equivalent argument recently, stating, "For purposes of determining a fair return, however, a rent control board may impute an investment to a landlord who acquires a park by gift or inheritance, for instance by using the transferor's investment with any necessary adjustments. [Citation.] [Park owner] has given no convincing rationale for treating leveraged owners differently from owners privileged to acquire property without incurring any debt." (Berger, supra, 127 Cal.App.4th at p. 15, fn. 10.)

There is no general constitutional entitlement to an increase in base date rents predicated on market conditions. (Apartment Assn. of Greater L.A. v. Santa Monica Rent Control Bd. (1994) 24 Cal.App.4th 1730, 1737.) "Setting rent ceilings is essentially a legislative task, and agencies, not courts, choose which administrative formula to apply." (Galland, supra, 24 Cal.4th at p. 1022, italics added, citing Kavanau v. Santa Monica Rent Review Bd. (1997) 16 Cal.4th 761, 784 (Kavanau).) Substantial evidence supports the Rent Board's decision to use 50 percent of the CPI increase in adjusting the rent and its conclusion that Stardust failed to present clear and convincing evidence why its modified MNOI (100 percent CPI) method was more appropriate than the preferred method.⁸²

Apart from judicial precedent clearly holding that 100% indexing is not constitutionally required, it should be noted 100% indexing would clearly "override" the annual rent increase limitation in the Thousand Oak's ordinance of 75% of the percentage increase in the CPI. Assuming that operating expenses increase at the same rate as the CPI, it would be very likely that park owners would repeatedly need to file "just and reasonable" return applications in order maintain growth in net operating income at 100% of the percentage increase in the CPI.

Rationale for "indexing at less than 100% of the rate of increase in the CPI"

This section discusses the rationale for indexing NOI at less than 100% of the rate of increase in the CPI.

In the typical situation of leveraged ownership of real estate an investment may be very profitable although net operating income increases by less than the full rate of increase in the CPI. Due to leveraging, growth in equity may far exceed the rate of increase in NOI.

In order to simply explain the foregoing phenomenon the case of a simple house purchase may be used. If a person purchases a house for \$100,000 financed with an \$80,000 loan and \$20,000 cash (original equity), and if the house value increases by 20%, up to \$120,000, the homeowner's equity will double from \$20,000 to \$40,000 (the difference between the new value and the purchase loan), although the value has increased by only a fraction of this amount.

82 147 Cal. App. 4th 1170 1181-1182 (2007)

The following hypothetical is designed to illustrate the impact of indexing at 75% of the rate of increase in the CPI on a park owner's equity in a case in which the owner has financed 70% of the purchase cost. The NOI and, therefore, the value of the park increases at 75% of the rate of increase in the CPI. However, because 70% of the purchase is financed with a mortgage, the investor's equity increases by a much greater rate than the CPI. (An 83% increase in equity compared to a 50% increase in the CPI.)

Impact of 50% Indexing on Growth in Investor's Equity
Loan to Purchase Price Ratio 70%

	Base Year	Current Year	Pct. Increase
CPI	100	150	50%
NOI	420,000	525,000	25%
Property (purchase price)	6,000,000	7,500,000*	25%
Mortgage	4,200,000	4,200,000	0%
Equity (property value-mortgage)	1,800,000	3,300,000	83%

* In this hypothetical the value is computed by dividing the net operating income by a capitalization rate of 7%. Use of a different capitalization rate would not significantly impact the rate of increase in equity.

In this particular case, the long-term Park Owner may (or may not) have very little or no mortgage debt. If the park is owned free and clear, the growth in the return on the cash investment as well as the rate of growth in cash flow would be below the rate of growth in the CPI if less than 100% indexing is used.

However, the individual financing arrangements of a park owner should not impact the outcome of the issue of the appropriate rate of indexing of net operating income. Indexing is based on a theory about what is reasonable considering the overall conduct of the mobilehome park ownership industry and that the rate of growth in net operating income should be equal for all park owners and should not be dependent on the financing arrangements of the individual park owner. If the rate of indexing was tied to the cash and financed portions of investments in parks, the rate could be manipulated. Furthermore, the Courts have held that differences in allowable rents based on differences in financing arrangements have no rational basis.⁸³

⁸³ See Palomar Mobilehome Park Ass'n Mobile Home Rent Review Comm'n, 16 Cal.App.4th. 481, 488 (1993) and Westwinds Mobilehome Park v. Mobilehome Park Rental Review Bd. [Escondido], 30 Cal.App.4th 84,94 (1994)

While this discussion sets forth rationale for indexing at less than 100% of the rate of increase in the CPI, it also should be noted that there are rationale for 100% indexing principally based on the view that profits should be permitted to grow at the same rate as the CPI increases and that such growth in net operating income would not result in excessive rent increases.

The "Risk Free" Nature of Investments in Mobilehome Parks in Metropolitan Areas

A note about the unusual nature of mobilehome park investments provides some perspective on mobilehome park space rent restrictions and fair return standards. It is critical to understand that after a mobilehome park in an urban area has been constructed and occupied with mobilehomes, there is virtually no rental risk. As a practical matter, mobilehomes cannot be moved within urban areas. Instead, they are sold in place. Furthermore, as a result of zoning regulations and changes in the economics of housing over the past two decades, the supply of mobilehome park spaces is virtually frozen.

In 2001, the California Supreme Court explained:

BACKGROUND: THE MOBILEHOME OWNER / MOBILEHOME PARK OWNER RELATIONSHIP

This case concerns the application of a mobilehome rent control ordinance, and some background on the unique situation of the mobilehome owner in his or her relationship to the mobilehome park owner may be useful. "The term 'mobile home' is somewhat misleading. Mobile homes are largely immobile as a practical matter, because the cost of moving one is often a significant fraction of the value of the mobile home itself. They are generally placed permanently in parks; once in place, only about 1 in every 100 mobile homes is ever moved. [Citation.] A mobile home owner typically rents a plot of land, called a 'pad,' from the owner of a mobile home park. The park owner provides private roads within the park, common facilities such as washing machines or a swimming pool, and often utilities. The mobile home owner often invests in site-specific improvements such as a driveway, steps, walkways, porches, or landscaping. When the mobile home owner wishes to move, the mobile home is usually sold in place, and the purchaser continues to rent the pad on which the mobile home is located." (Yee v. Escondido (1992) 503 U.S. 519, 523, 112 S.Ct. 1522, 118 L.Ed.2d 153.) Thus, unlike the usual tenant, the mobilehome owner generally makes a substantial investment in the home and its appurtenances--typically a greater investment in his or her space than the mobilehome park owner. [cite omitted] The immobility of the mobilehome, the investment of the mobilehome owner, and restriction on mobilehome spaces, has sometimes led to what has been perceived as an economic imbalance of power in favor of mobilehome park owners.⁸⁴

It has been repeatedly noted in court opinions and academic reviews that the captive nature of mobilehome park tenancies, reduces the rental risk factor. For example, in one case the Florida Supreme Court commented:

⁸⁴ Galland v. Clovis, 24 Cal.4th. 1003, 1009-1010 (2001)

Where a rent increase by a park owner is a unilateral act, imposed across the board on all tenants and imposed after the initial rental agreement has been entered into, park residents have little choice but to accept the increase. They must accept it or, in many cases, sell their homes or undertake the considerable expense and burden of uprooting and moving. The "absence of meaningful choice" for these residents, who find the rent increased after their mobile homes have become affixed to the land, serves to meet the class action requirement of procedural unconscionability.⁸⁵

In 1988, a nationally prominent real estate newsletter explained that:

With today's parks having virtually no vacancies and tenants with limited options you get a base cash flow that is as predictable as the first of the month.⁸⁶

In 1994, a federal district court in California stated:

Mobile homes, despite their name, are not really mobile. Once placed in a park, few are moved. This is principally due to the cost of moving a coach which is often equal to or greater than the value of the coach itself. Also, many mobile home parks will not accept older coaches so that after a time, the coach may be rendered effectively immobile... the park owner, absent regulation, theoretically has the power to exact a premium from the tenant who, as a practical matter, cannot move the coach.⁸⁷

In regard to the supply of mobilehome park spaces and the curbs on competition, one of the largest mobilehome park ownership entities in the U.S. explained:

These are one-of-a-kind properties, much sought after by residents and investors. Only a finite number of quality, investment grade site-set housing communities exist across the country. Significant barriers to entry and strict zoning laws make it extremely difficult to develop new communities, making Equity Lifestyle's Properties even more valuable.⁸⁸

Mobilehome parks are a particularly safe investment, especially in light of the economic trends of the past few years which have been marked by drastic declines in real estate values, failures of mortgage companies, and the need to bail out banks,. While demand is weakening in other parts of the economy, continued demand for mobilehome park spaces is secured by the value of immovable of mobilehomes, which insure continued payment of the space rents and of the ability of park owners to continue to increase rents.

85 Lanca Homeowners, Inc. v. Lantana Cascade of Palm Beach, Ltd., 541 So. 2d 1121, 1124 (Fla.), cert. denied, 493 U.S. 964 (1989)

86 "Mobile Home Parks: A Profitable Niche for Partnerships", 11 Real Estate Outlook (No. 3) (1988, Warren, Gorham, and Lamont).

87 Adamson Companies v. City of Malibu, 854 F.Supp. 1476,1481 (1994, U.S.D.C. Central Dist. Cal.). Also see Baar, "The Right to Sell the 'Im'mobile Manufactured Home in Its Rent Controlled Space in the 'Im'mobile Home Park: Valid Regulation or Unconstitutional Taking?", Urban Lawyer, Vol. 24, 107-171 (Winter 1992, American Bar Ass'n)

88 www.mhchomes.com/DBMHC/MHCMain.nsf/vwPages/AboutMHCCompetitiveAd... (9/27/2007)

C. Calculation of Rent Adjustment Pursuant to Maintenance of Net Operating Income Analysis

The following discussion includes the steps undertaken in order to calculate a rent adjustment pursuant to the MNOI standard. Calculations are made for alternate base years, with alternate calculations of base year operating adjustments and alternate rates of indexing of net operating income.

1. Increases in Operating Expenses since Base Year

In a prior section management and administration expenses were discussed for the purpose of establishing a reasonable expense projection for these expenses in the base year. A portion of the justification for a rent increase under the MNOI standard is based on operating cost increases between the base year and the current year. In this section, the overall increases in operating expenses between the base year and the current year are discussed. Apart from issues related to the exceptional increases in management and administration expenses the possible issues related to increases in operating expenses from the base year to the current year do not have a substantial impact on the outcome of an MNOI analysis.

a. Property Taxes

Property taxes increased from \$26,038 in 1986 to \$43,475 in 2009, an increase of \$9.17/mobilehome space/month.⁸⁹

b. Gas and Electricity Expenses

Gas and electricity services are submetered. Gas and electricity income, utility company charges for gas and electricity, and the costs of maintaining the gas and electricity submetered systems is excluded.

c. Other Utility Expenses Passed Through to the Residents

As indicated, trash and sewer expenses are passed through to the residents.

d. Common Area Utilities

The Park Owner reported \$2,576 for common area gas and \$10,672 for common area electricity. (This amount is the equivalent of \$6.86/mobilehome space/month).

e. Management and Administration

As discussed on pp.21-24 of this report, base year management and administration expenses were adjusted. The increase in management and administration expenses from 1986 to 2009 is \$83,275 or \$43.37/mobilehome park space/month.

⁸⁹ $(\$43,375 - \$26,038) / (161 \text{ spaces} \times 12 \text{ months})$

f. Overall Increases in Operating Expenses

Taking into account the adjustments set forth in this analysis, the operating expense total in 2009 is \$329,200 compared to \$207,054 in 1986 (the base year). The increase is \$122,146 or \$63.62/space/month above the 1986 total for operating expenses.

The following table sets forth the operating expenses claimed by the Park Owner in 1979, 1986, and 2009 and the projections of these amounts that are used in this analysis. The amounts that were adjusted by this author are marked with a bold outline around the data cell.

(TABLE 1)
1979, 1986, and 2009 Operating Expenses

(Adjustments to Park Owner's Expense Amounts are marked with bold outline)

Operating Expenses	1979			1986			2009		
	application	adjusted		application	adjusted		application	adjusted	
Management and Administration	21152	57621	(a)	30878	84117	(a)	167392	167392	
Landlord Services Adj									
Operating Expenses									
Supplies	2027	2027		2959	2959		2381	2381	
Heating <i>oil utilities</i>	13660	13660		19942	19942				
Electric & gas <i>common areas</i>	within all utilities total						10672	10672	
Water/Sewer							88399	43007	(b)
Gas								2576	2576
Bldg. Services									
Other (itemize) <i>Rubbish</i>	8303	8303		12121	12121		46475	10261	(c)
Maintenance Expenses									
Security									
Ground Maintenance									
Maintenance & Repairs	28400	28400		41460	41460		21704	21704	
Paint/Décor									
TAXES AND INSURANCE									
(Itemize) <i>Property Tax</i>	22668	22668		26038	26038		43745	43745	
<i>Taxes and license</i>	2278	2278		2957	2957		6760	6760	
Insurance	9699	9699		14159	14159		14420	14420	
Miscellaneous <i>Payroll Taxes</i>	1893	1893		2764	2764		7964	7964	
SERVICE EXPENSE	368	368		537	537		8579	8579	
OTHER PAYROLL EXPENSES									
SUBTOTAL OPERATING EXPENSES	110448	146917		153815	207054		421067	339461	
exclusions in MNOI Analysis								-6223	(d)
TOTAL OPERATING EXPENSES								333238	

Increase from Base Year to Current Year	218752	182283		175385	122146
Increase from Base Year to Current Year/ Mh Space / Mo.	113.23	94.35		90.78	63.22

- a. see discussion of adjustments of management & administration expenses pp. ___ - ___
- b. Sewer Expenses reimbursed by residents
- c. Rubbish expenses reimbursed by residents \$36,214 are excluded from total of \$46,475
- d. housing allowance excluded from offsetting income & expenses & state taxes excluded

Utility Costs Transferred to Residents Since Base Year

	2009 total	am't / space
Rubbish	36214	18.74
Sewer	45392	23.49
Total	81606	42.24

333238

The following two tables, MNOI calculations are provided, along with the basis of these calculations. Table 2 uses 1979 as the base year and Table 3 uses 1986 as the base year. Each table contains projections based on indexing of base period net operating by 50%, 75%, and 100% of the percentage increase in the CPI.

Projections of Allowable Rent Adjustment under MNOI Standard Using 1979 as the Base Year

Projections with 1979 as the base year include NOI projections with:

1. 1979 rents estimated on the basis of the resident's declarations and the 1979 operating expense level claimed by Park Owner,
2. 1979 rents estimated on the basis of the Resident's Declarations and the adjustments to base year management and administration expenses projections of the Park Owner set forth in this analysis,
3. 1979 Comparable Rent Projected by the Park Owner's Appraiser and the 1979 operating expense level claimed by Park Owner,
4. 1979 Comparable Rent Projected by the Park Owner's Appraiser with the adjustments to base year management and administration expenses projections of the Park Owner set forth in this analysis,
5. 1979 Comparable Rent Projected by the City's Appraiser and the base year operating expense level claimed by Park Owner,
6. 1979 Base Year with Comparable Rent Projected by the City's Appraiser with the adjustments to base year management and administration expenses projections of the Park Owner,

(Table 2)

PROJECTIONS OF RENT REQUIRED FOR FAIR RETURN UNDER MNOI STANDARD - 1979 BASE YEAR

adjustments		actual rental income estimated		comparable rental income based on park owner		comparable rental income based on city appraisal	
		expenses projected by park owner minus reimbursed expenses	maint.&adm. expenses adjusted (Baar analysis) & reimbursed expenses excluded	expenses projected by park owner minus reimbursed expenses	maint.&adm. expenses adjusted (Baar analysis)	expenses projected by park owner minus reimbursed expenses	maint.&adm. expenses adjusted (Baar analysis)
		(1)	(2)	(3)	(4)	(5)	(6)
Base Year							
Avg. Monthly Space Rent	(a)	198	198	225	225	205	205
BASE PERIOD RENTAL INCOME	(b)=a*161*12	382536	382536	434700	434700	396060	393600
BASE PERIOD OPERATING EXPENSES	(c)	110448	134451	110448	134451	110448	134451
BASE PERIOD NET OPER. INCOME	(d) = (b-c)	272088	248085	324252	300249	285612	259149
CURRENT SPACE RENTAL INCOME	(e)	764529	764529	764529	764529	764529	764529
CURRENT OPERATING EXPENSES*	(f)	333217	333217	333217	333217	333217	333217
CURRENT NET OPER. INCOME	(g) = (e - f)	431312	431312	431312	431312	431312	431312
		100% Indexing					
100% Indexing - Pct Inc. over base yr	(h)	192.1%	192.1%	192.1%	192.1%	192.1%	192.1%
FAIR NOI (100% indexing)	(i) = d x (1+h)	794769	724656	947064	877027	834273	756974
Rent Adjust (100% indexing)	(j) = (i-g)	363457	293344	515752	445715	402961	325662
Rent Adjust/Space/Mo	(k) = (j)/(161*12)	188	152	266.95	231	209	169
		75% Indexing					
75% Indexing - Pct Inc. over base yr	(k)	144%	144%	144%	144%	144%	144%
FAIR NOI (75% indexing)	(l) = d x (1+k)	663895	605327	791175	732608	696893	632324
Rent Adjust (75% indexing)	(m) = (l - g)	232583	174015	359863	301296	265581	201012
Rent Adjust/Space/Mo	(n) = (m)/(161*12)	120	90	186	156	137	104
		50% Indexing					
50% Indexing - Pct Inc. over base yr	(p)	96%	96%	96%	96%	96%	96%
FAIR NOI (50% indexing)	(q) = d x (1+p)	533292	486247	635534	588488	559800	507932
Rent Adjust (50% indexing)	(r) = (q - g)	101980	54935	204222	157176	128488	76620
Rent Adjust/Space/Mo	(s) = (r)/(161*12)	53	28	106	81	67	40

*See Adjustments to Current Operating Expenses in Appendix B

Projections of Allowable Rent Adjustment under MNOI Standard Using 1986 as the Base Year

Projections with 1986 as the base year include:

1. 1986 Base Year with Rent if all of the allowable rent increases between 1983 and 1986 had been implemented and the 1986 operating expense level claimed by Park Owner
2. 1986 Base Year with the Rent if all of the allowable rent increases between 1983 and 1986 had been implemented and with the adjustment of base year management and administration expenses set forth in this analysis.
3. 1986 Base Year with “Vega” Adjustment of Rents Based on the City Appraisal
4. 1986 Base Year with “Vega” Adjustment of Rents Based on the City Appraisal and an adjustment of base year management and administration expenses

(Table 3)

PROJECTIONS OF RENT REQUIRED FOR FAIR RETURN UNDER MNOI STANDARD - 1986 BASE YEAR

Adjustments		unused annual increases added	unused annual increases added	comparable base year rent city appraisal	comparable base year rent city appraisal
			management & admin. expenses adjusted		management & admin. expenses adjusted
reimbursed expenses excluded from income & expenses					
Projection of Avg. Monthly Space Rent	(a)	298.00	298.00	320.00	320.00
BASE PERIOD RENTAL INCOME	(b) = a x 161 x 12	575736	575736	618240	618240
BASE PERIOD OPERATING EXPENSES	(c)	153815	207054	153815	207054
BASE PERIOD NET OPER. INCOME	(d) = (b-c)	421921	368682	464425	411186
CURRENT RENTAL INCOME	(e)	764529	764529	764529	764529
CURRENT OPERATING EXPENSES*	(f)	333217	333217	333217	333217
CURRENT NET OPER. INCOME	(g) = (e - f)	431312	431312	431312	431312
100% Indexing					
100% Indexing- Pct Inc. over base yr	(h)	0.99	0.99	0.99	0.99
FAIR NOI (100% indexing)	(i) = d x (1+h)	839623	733677	924206	818260
Rent Adjust (100% indexing)	(j) = (i-g)	408311	302365	492894	386948
Rent Adjust/Space/Mo	(k) = (j/(161*12))	211	157	255	200
75% Indexing					
75% Indexing - Pct Inc. over base yr	(k)	0.74	0.74	0.74	0.74
FAIR NOI (75% indexing)	(l) = d x (1+k)	734143	641507	808100	715464
Rent Adjust (75% indexing)	(m) = (l - g)	302831	210195	376788	284152
Rent Adjust/Space/Mo	(n) = (m/(161*12))	157	109	195	147
50% Indexing					
50% Indexing - Pct Inc. over base yr	(p)	0.495	0.495	0.495	0.495
FAIR NOI (50% indexing)	(q) = d x (1+p)	630772	551180	694315	614723
Rent Adjust (50% indexing)	(r) = (q - g)	199460	119868	263003	183411
Rent Adjust/Space/Mo	(s) = (r/(161*12))	103	62	136	95

* See Adjustments of Current Operating Expenses in Appendix B

D. Rate of Return on Investment Analysis

In this case, the Residents contend that the Park Owner is not entitled to a rent increase because the park is yielding a 25% rate of return on historical investment (\$443,550 net operating income/\$1,746,988 historical investment) and a 48% rate of return on current total assets.⁹⁰

Subject to the caveat that rate of return on investment methodologies are circular in the context of rent regulations, this section comments on the rate of return on investment analysis proposed by the Residents. While the residents propose a return on historical investment calculation, this author has used a different methodology for calculating investment in rate of return analyses. When this type of standard is used, the historical investment is indexed by the percentage increase in the CPI, in order to reflect the current value of the investment. In this case, the inflation adjusted historical investment is \$6,852,899,⁹¹ and the rate of return is 6.5% (\$443,550 net operating income/\$6,852,899 historical investment).

A 6.5% rate of return is comparable to the prevailing rates for mobilehome park investments. (In other words, the yields obtained by current purchasers of mobilehome parks in California typically are in the range of 6.5%.⁹² If management and administration expenses were adjusted downward, in accordance with the eight percent cap on these expenses in the regulations, the rate of return would be 7.9%.⁹³

While this type of fair return methodology is not recommended, it should be noted that in this particular case the circularity issues are largely obviated by the fact that the park has been under the same ownership since 1975. Therefore, the investment may be more linked to construction costs, rather than recent expectations about allowable rent increases.

E. Consideration of the Specific Factors in the Administrative Rent Adjustment Section of the Ordinance

This section considers the specific factors in Section 5.25.06 the Ordinance.

“Property taxes” and “Reasonable Operating and Maintenance Expenses”. These factors are discussed on pp. 14-20 of this Report

The other specific factors have not been raised in this case and there is no indication that they are in issue in this case. (Section 5.25.06 setting forth these factors is set forth on p. 3 of this report.)

90 Letter from Residents' Attorney (Mark Sellers), Sept. 23, 2010, p.4.

91 This amount adjusts the historical investment by the 292% increase in the CPI from 1976 to 2009 (from 56.9 to 223.2).

92 Trend reports on cap rates for mobilehome parks purchases are prepared by CoStar Comps, a major source of information on commercial real estate sales data for California appraisers. Their reports for the past five years indicate that average capitalization rates have typically been in the 6 to 7% range.

93 \$443,550 + \$98,224 (addition to base NOI due to reduction in allowable management & administration expenses) = \$541,774. \$541,774 / \$6,852,899 = 7.9%.

F. “Other Relevant Factors” and a Rent Increase which is “in keeping with the purposes of the ordinance” and provides a fair return

As noted in the beginning of this report, the ordinance authorizes the Rent Commission to authorize rent increases. The Courts have indicated that a range of rents may fall within the level that provides a fair return.

Taking these purposes into account, other factors are noted, which are commonly considered as relevant in other jurisdictions that regulate mobilehome park space rents and may be considered relevant when assessing the reasonability of rent regulations.:

1. From 1979 to 2009 average monthly space rents increased by about \$240 or by about \$8 per year on the average. (Assuming that rent histories presented by the Residents are representative, average space rents increased from about \$200 to \$393 and trash collection and sewer costs which averaged \$47.55 in 2009 were transferred to the Residents. The increase on overall space costs (rent increases + transferred utility costs) from \$198 to \$443 is an increase of 124% compares with an increase in the CPI of 192% during this period.

2. From 1986 to 2009 rents have increased by 61.7% compared to 69.3% in rent increases that have been authorized since 1986. (The overall increase in monthly rent and utility costs is about \$168. This total includes the increases in the space rents from \$273 to \$394 and the increased costs incurred by the Residents of \$47.55 tenants by virtue of the transfer of sewer and trash collection expenses.)

3. The Increase Requested by Park Owner would raise rents far above the level of the other parks in Thousand Oaks.

V. Conclusion

The City’s Rent Stabilization Ordinance provides a mechanism for Park Owners to request rent increases over and above the automatic rent adjustments authorized by the ordinance. As described in this report, one such increase is a “Just and Reasonable Return” adjustment. This adjustment is applicable in cases in which the automatic rent adjustments do not provide this return.

The City’s Rent Stabilization Regulations provide for the use of a maintenance of net operating income (MNOI) standard in determining what rent provides a “just and reasonable return.” Under the MNOI standard, a base year net operating income is adjusted by an “indexing” (CPI) factor in order to provide a fair (just and reasonable) return in the current year. The Courts have repeatedly upheld the decisions of other mobilehome park rent stabilization commissions using this type of standard in order to determine fair (just and reasonable) rents.

While the Thousand Oaks regulations provide for the use of an MNOI standard, there is no single version of the MNOI standard which is directed by the ordinance and regulations or the particular facts of this case.

In this case, a number of issues are raised in regards to the application of an MNOI standard. Here, these issues are briefly summarized.

1. The Base Year

In regards to the selection of a base year, there are rationale for and against the selection of two alternative years (1979 and 1986)

Under the regulations 1979 is the base year, unless “financial information” for that year is not available. If 1979 financial information is not available, the base year is the first year for which such information is available.

Issues:

a) Whether the Park Owner actually has 1979 financial information (the Park Owner contends that 1986 operating expense information adjusted into 1979 real dollars constitutes 1979 financial information),

b) If the Park Owner does not have 1979 financial information, should 1979 still be used as a base year notwithstanding the specific terms of regulations, if the Park Owner would profit from not having retained 1979 financial information. Regulations adopted in 1981 provided notice that 1979 financial information would be required in an MNOI application.

Use of the alternate base years provide for differing outcomes under the MNOI standard, depending on how base year rents and operating expenses are calculated for the purposes of an MNOI analysis. These outcomes are set forth in the tables at the end of this section.

(For discussion of issues related to the selection of a base year see pp. 16-20)

2. The Base Rent Level for the Purposes of an MNOI Analysis

The base rent level is a determinant of the base year net operating income, which in turn determines what net operating income is fair in the current year.

The information on actual 1979 rent levels was very limited, with an average rent level of \$198 estimated on the basis of this limited information.

Issues

a) The Courts have concluded that there is a right to an upward adjustment of base year rents which do not reflect market conditions due to “unique or extraordinary conditions.” (known as a “Vega” adjustment) The Park Owner claims the right to this type of adjustment, raising the issue of whether such an adjustment should be provided and, if so, how much should the adjustment be.

One question is whether the difference between actual 1979 rents and market rents was significant enough to constitute a situation in which these rents did not reflect market conditions. The City’s appraiser concluded that comparable market rents were \$7 higher than the estimated average rent for the Park of \$198. The Park Owner’s appraiser concluded that comparable market rents were \$27 higher. Also, there is an issue about whether “unique or extraordinary conditions” are present in this case, in light of the fact that there were substantial rent increases in the years preceding the base year.

If 1986, seven years after the introduction of rent regulations, is used as the base year, there is a substantial difference between the actual average rents, \$270, and the rent level of \$320, which the City's Appraiser concluded was comparable. A rent adjustment based on this difference would provide for a rent increase over 1979 rents which substantially exceeds the amount necessary to provide a fair return in 1986. Also, this amount substantially exceeds the amount authorized pursuant to "price level adjustment", which is the mechanism in the regulations for rent adjustments which take into account increases subsequent to the adoption of the regulations. As discussed below, the Ordinance provides for a different mechanism for adjusting base rents subsequent to the adoption of the rent regulations, entitled a "Price Level Adjustment."

b). In the alternative, the Park Owner may be entitled to a base rent adjustment be made on the basis of the "below market rental" and/or "price level adjustment" provisions of the regulations. The regulations do not require a showing of "unique or extraordinary" circumstances for these types of adjustments.

If 1979 is used as a base year and an \$7 adjustment of base rents is provided in an MNOI analysis and an additional \$14 to \$21 would be required to provide a fair return in the current year, depending on what rate base period net operating income is indexed. If an adjustment of \$27 is authorized, an additional \$53 to \$78 would be required.

The price level adjustment provides for a mechanism to implement rent increases that were authorized under the rent stabilization ordinance but were not implemented.

If 1986 is used as a base year, a Park Owner has the right to a price level adjustment on the basis of rent increases authorized but not implemented between 1983 and 1986. In this case, an additional \$28 is required to bring base 1986 rents up to the level authorized by rent increases that were not implemented, which in turn would be indexed pursuant to the MNOI analysis.

Indexing of Base Period Net Operating Income

The regulations require the preservation of base year net operating income. The Courts have held that growth in net operating income must be permitted, but have not indicating what rate of growth must be allowed and the regulations do not provide for a specific rate of indexing net operating income. The courts have upheld rent commission decisions providing for 40% indexing. Rent ordinances in other jurisdictions provide for indexing ratios ranging from 40% to 100% of the percentage increase in the CPI. Within this range, the selection of an indexing ratio is within the discretion of the Commission. The tables on pp. 37 and 39 of this report set forth the allowable rent increases using 50%, 75%, and 100% indexing ratios.

If 1979 is used as the base year the differences the required rent increases under 50% and 100% indexing standards vary by about \$100 to \$150.

If 1986 is used as the base year the differences the required rent increases under 50% and 100% indexing standards vary by 100 to \$115.

Adjustment of Base Year Management and Administration Expenses

The regulations provide that management and administrative expenses must be calculated at the same percentage of income in the base year and the current year and that they are limited to 8% of income.

In this case, base year management and administration expenses were exceptionally low, in terms of absolute amounts and in percentage terms, compared to current year management expenses. In the Park Owner's application, the following levels were reported for these expenses: 1979 - \$21,152 (4.4% of income); 1986 - \$30,787 (5.9% of income); 2009 - \$167,392 (21.9% of income). It appears that the exceptional increase in the management and administration expenses was the outcome of a transfer of this function from performance by the park owner, which was not an expense for accounting or tax purposes, to performance of these services by third parties who were compensated.

In this analysis, base year management and administration expenses are imputed to equal to the 2009 expenses adjusted into real dollar terms (adjusted by the CPI) on the basis that this approach provides the most reasonable comparison between base year and current year real costs in this category. Otherwise, the MNOI analysis may not reflect real cost increases in a reasonable manner. With this adjustment, if 1979 is base year, as result of the reduction in base period net operating income, the current fair net operating income is reduced by \$25 to \$50/space/month, depending on which base rent and indexing ratio is used. If 1986 is the base year, as result of the reduction in base period net operating income, the current fair net operating income is reduced by \$20 to \$40/space/month, depending on which base rent and indexing ratio is used. (See Tables 2 & 3)

Phase-In of a Substantial Rent Increase

One purpose of the ordinance is to "alleviate hardships" on tenants on limited incomes. Under these circumstances, if the Commission authorizes a substantial rent increase, it would be appropriate to phase-in the increase over a period of years. The cost to the Park Owner of any phase-in process could be added to the allowable rent adjustment on an amortized basis, without a significant impact on the total amount of the rent adjustment.

Additional Evidence and Comment

The analysis in this report is subject to the qualification that information and comment provided following the issuance of this report, including comment at the hearing may impact the outcome of this analysis.

Appendix A

Consumer Price Index - All Urban Consumers Original Data Value

Series Id: CUUSA421SA0, CUURA421SA0

Not Seasonally Adjusted

Area: Los Angeles-Riverside-Orange County, CA

Item: All items

Base: 1982-84=100

Period:

Years: 1975 to 2010

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
1975	51.0	51.5	52.2	52.7	53.1	53.0	53.5	53.7	54.3	54.7	55.0	55.4	53.3
1976	55.7	55.4	55.5	55.5	56.3	56.5	57.1	57.4	57.8	58.0	58.3	58.5	56.9
1977	59.2	59.7	59.8	60.2	60.4	60.8	61.1	61.1	61.5	61.5	61.9	62.4	60.8
1978	62.8	63.1	63.4	64.2	64.8	65.5	65.8	66.0	66.8	66.9	67.1	66.7	65.3
1979	67.6	68.3	69.0	70.3	71.4	72.1	72.7	73.6	74.7	75.1	75.9	77.2	72.3
1980	78.7	80.4	81.7	82.8	84.3	84.7	84.2	83.7	84.5	85.5	86.5	87.6	83.7
1981	87.8	88.5	89.1	89.9	90.5	90.7	92.1	93.0	94.5	95.2	95.3	95.5	91.9
1982	96.7	96.6	96.9	97.0	97.2	98.2	97.9	97.9	97.5	98.0	97.6	96.6	97.3
1983	96.7	97.1	97.2	98.0	98.8	99.4	99.7	99.9	100.3	100.5	100.4	100.8	99.1
1984	101.2	101.6	101.8	102.5	103.4	103.4	103.5	104.5	105.0	105.5	105.5	105.3	103.6
1985	105.9	106.3	106.5	106.9	108.0	108.1	108.8	109.6	109.6	110.4	110.0	110.4	108.4
1986	110.6	110.5	111.1	110.6	111.5	112.1	112.0	112.0	113.3	113.8	113.0	112.7	111.9
1987	113.4	114.7	115.5	116.0	116.8	116.5	116.5	117.3	118.0	118.6	118.2	118.5	116.7
1988	118.9	119.7	120.6	121.1	122.0	122.0	122.1	122.6	123.4	124.0	124.1	124.2	122.1
1989	124.6	125.5	126.2	127.2	128.3	128.7	129.0	128.9	130.1	130.0	130.0	130.6	128.3
1990	132.1	133.6	134.5	134.2	134.6	135.0	135.6	136.3	137.7	138.7	138.9	139.2	135.9
1991	140.0	139.9	139.7	140.7	140.8	140.8	141.5	141.7	142.6	142.9	143.5	143.1	141.4
1992	144.3	144.9	145.5	145.8	146.0	146.2	146.7	146.9	147.4	148.4	148.2	148.2	146.5
1993	149.2	150.0	149.8	149.9	150.1	149.7	149.8	149.9	150.2	150.9	151.6	151.9	150.3
1994	152.2	152.2	152.5	152.0	151.4	151.3	151.7	152.0	152.7	153.4	152.9	153.4	152.3
1995	154.3	154.5	154.6	154.7	155.1	154.8	154.5	154.4	154.6	155.2	154.4	154.6	154.6
1996	155.7	156.2	157.3	157.7	157.5	156.7	157.6	157.3	158.2	158.8	158.4	158.3	157.5
1997	159.1	159.2	159.8	159.9	159.5	159.4	159.5	159.7	160.5	161.1	160.7	161.2	160.0
1998	161.0	161.1	161.4	161.8	162.3	162.2	162.1	162.6	162.6	163.2	163.4	163.5	162.3
1999	164.2	164.6	165.0	166.6	166.2	165.4	165.8	166.3	167.2	167.2	167.1	167.3	166.1
2000	167.9	169.3	170.7	170.6	171.1	171.0	171.7	172.2	173.3	173.8	173.5	173.5	171.6
2001	174.2	175.4	176.2	176.6	177.5	178.9	178.3	178.4	178.8	178.3	178.1	177.1	177.3
2002	178.9	180.1	181.1	182.2	182.6	181.9	182.2	183.0	183.4	183.7	184.0	183.7	182.2
2003	185.2	186.5	188.2	187.6	186.4	186.3	186.3	186.9	188.2	187.8	187.1	187.0	187.0
2004	188.5	190.1	191.5	191.9	193.3	193.7	193.4	193.1	194.5	196.3	196.9	195.2	193.2
2005	195.4	197.4	199.2	201.1	201.5	200.7	201.4	203.1	205.8	206.9	205.6	203.9	201.8
2006	206.0	207.5	208.5	210.5	212.4	211.1	211.4	211.9	212.9	211.4	211.1	210.6	210.4
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373	217.338
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	225.008
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219
2010	224.610	224.620	225.483	225.916	226.438	225.877							

APPENDIX B

Adjustments of Current Operating Expenses for the Purposes of an MNOI analysis

trash: revenue not counted, trash expense reduced to net cost of trash after trash revenue=\$10,195
sewer: all sewer costs passed through, not counted in income or expenses
housing allowance: counted as income & expense in application, removed from both in this analysis
state taxes: not an operating expense

total expenses reported by park owner for 2009	421046
subtractions from expenses reported by park owner	
trash (portion reimbursed by residents is excluded)	36214
sewer (reimbursed by residents)	45392
housing allowance	5423
state taxes	<u>800</u>
total adjustment	87829
operating expense total for MNOI analysis	333217

Appendix C

CURRICULUM VITAE

Kenneth Kalvin Baar

Urban Planner & Attorney

2151 Stuart St. Berkeley, Ca. 94705; Tel.: (510) 525-7437

Education:

B.A., 1969, Wesleyan University, Middletown, Conn. Major: Government

J.D., 1973, Hastings College of Law, Univ. of California, San Francisco, Ca.

M.A., 1982, Urban Planning, University of California at Los Angeles

Ph.D., 1989, Urban Planning, University of California at Los Angeles
(Dissertation topic: "Explaining Crises in Rental Housing Construction: Myth and Schizophrenia in Policy Analysis")

Foreign Languages: French and Italian

Teaching:

Visiting Professor (Fulbright Scholar), Technical University, Tirana, Albania
(Introduction to urban planning) (2002-2003)

Visiting Assistant Professor, Urban Planning Department, School of Architecture, Planning, and Preservation, Columbia University, New York (1994 - 1995) (courses: planning law, introduction to housing, comparative housing)

Visiting Professor (Fulbright Scholar), Budapest University of Economic Sciences (Sept. 1991- June 1993)

Instructor, San Francisco State University, Urban Studies Program (1983-1984)

Short Courses, Series of Lectures

Polis University, Tirana, Albania, urban planning studios (two week courses, 2009 & 2010)

Netherlands Ministry of Housing (1997)

Kiev University Law School, real estate law (1992, one week course)

Technical University of Budapest, Planning Department Series of lectures Professional Extension Courses and Undergraduate Courses (1991-1992)

Projects: 1980-2010

Study of Development Impact Fees for the City of Los Angeles (in association with Economic Roundtable, Los Angeles)(2009-2010)

Study of Performance of Rental Housing Investments for the City of Los Angeles (in association with Economic Roundtable, Los Angeles)(2007-2009)

Consultant to California cities and counties on mobilehome park rent control policies, drafting of ordinances, fair return issues, and/or mobilehome ownership characteristics and market studies (1985-2010) (American Canyon, Azusa, Capitola, Carpinteria, Carson, Ceres, Chula Vista, Citrus Heights, Clovis, Cotati, Escondido, Fremont, Fresno, Healdsburg, Milpitas, Marina, Modesto, Montclair, Oceanside, Palmdale, Palm Desert, Perris, Riverbank, Rohnert Park, Salinas, San Marcos, Santa Cruz County, Santa Rosa, Santee, Simi Valley, Sonoma, Vallejo, Ventura, Visalia, Watsonville, Yucaipa)

Consultant to California cities drafting of apartment rent control ordinances and/or regulations. Oakland, Santa Monica, Cotati, East Palo Alto, (fair return regulations).

Consultant to Takoma Park, Maryland, Drafting Rent Stabilization ordinance and Rent Petition Analyst (2006-2007, 2009-2010)

Institute of Transportation and Development Policy (New York City), Study on European policies governing location of shopping malls (2001-2002)

Open Society Budapest (Soros Foundation), Study on contracting out of public services and freedom of information in Hungary, Czech Republic, Romania, and Slovakia (2000-2001)

Consultant to World Bank (Budapest office), Studies on municipal contracting out of public services, policies for the provision for the provision of district heating, and land use policies in Hungary (1998-1999)

Urban Institute, U.S. Aid for International Development (A.I.D.) funded technical assistance, Hungarian Subnational Development Project (1998 & 1999)

Consultant, Institute for Transportation and Development Policy, to East European Organizations on Transportation Policies (1997-98)

Studies for the Golden State Mobilehome Owners League on Issues Related to Mobilehome Ownership and Statewide Referendum on Mobilehome Owners Rights (1995-96)

U.S.A.I.D. funded technical assistance to Albanian Ministry of Construction (Sept. 1993- March 1994)

Consultant, East European Real Property Foundation, (U.S. A.I.D. funded), development of education and training in Hungary (July 1993)

Study of Hungarian Land Use Regulations (1992, publication and technical assistance sponsored by Urban Institute, Wash. D.C.)

Report for Hungarian Ministry of Justice, Comparison of Landlord-Tenant Law in France, United States, and Hungary (1992, funded by Urban Institute, Wash. D.C.)

Consultant, City of Santa Monica, Cal., Incentive Housing Program

Expert witness on behalf of cities in judicial and administrative proceedings on real estate fair return issues (San Francisco, Oceanside, Rancho Mirage, Cathedral City, Berkeley, and Santa Monica, California; Fort Lee, New Jersey)

Consultant, State of New Jersey Attorney General and Public Advocate, on fair return standards under state statute regulating evictions of senior citizens from condominiums

Studies of Impacts of Local Regulations on Housing Supply, Cities of Santa Monica and Fremont, Cal.

Preparation of a Guide for New Jersey Rent Control Boards on Fair Return Standards and Landlord Hardship Applications (National Housing Law Project, 1981)

Research and Writing Articles on Inequalities in Property Tax Assessments (Legal Services Corporation, Washington, D.C., 1982-83)

Consultant, Peter L. Bass & Associates, Development of Contracts with Developers under the California Coastal Conservancy Lot Consolidation Program

Expert Witness, City of San Francisco, on the impacts of city policies on apartment construction in litigation involving applicability of antitrust regulations

Project Director, survey of merchants and commercial property owners for City of Berkeley, Cal., Planning Dept.

Preparation of apartment operating cost studies for the cities of Berkeley, Santa Monica, and Cotati, California)

Consultant, Real Property Division, First Nationwide Bank on disposition of assets in operations inventory

Assistant (on contract) to Deputy City Attorney of San Jose, California on drafting of environmental and subdivision regulations

Publications

Articles

Baar, "Fair Return under Mobilehome Park Space Rent Controls: Conceptual and Practical Approaches," 29 Real Property Law Reporter 333 (Sept. 2006)

"Legislative Tools for Preserving Town Centres and Halting the Spread of Hypermarkets and Malls Outside of Cities" published in Etudes Foncieres (Land Studies) No. 102, pp. 28-34 (March-April 2003, Paris, translated into French); also published in Falu, Varos, es Regio (Village, Town, and Region), issue no. 2, pp. 11-22 (2003), (Budapest, translated into Hungarian)

"Contracting Out Local Public Services in a Transition Economy," Review of Central and Eastern European Law, Vol. 25, No. 4, 493-512, September 2000, (Leiden, Netherlands)

"Contracting Out Municipal Services: Transparency, Procurement, and Price Setting Issues", Hungarian Public Administration, Vol. 49, No. 3, May 1999 (translated into Hungarian)

"Laws Protecting Mobilehome Park Residents", Land Use and Zoning Digest Vol. 49, 3-7 (Nov. 1997, American Planning Association)

"The Anti-Apartment Movement in the U.S. and the Role of Land Use Regulations in Creating Housing Segregation", Netherlands Journal of Housing and the Built Environment, Vol. 11, no.4, 359-380 (1996)

- "La resistance au logement collectif", Etudes Foncieres, Vol. 67, 44-48, (June 1995, Paris, Association des Etudes Foncieres)
- and
- "Il Movimento Contro Gli Edifici Multifamiliari Negli Stati Uniti, Storia Urbana, Vol 66, 189-212 (1994, Milan, Italy)
- (translated versions of "The National Movement to Halt the Spread of Multi-family Housing (1890-1926)", Journal of the American Planning Association, Vol. 58, no. 1, 39-48, Dec. 1991)
- "Impacto del precio del suelo y de las normas sobre su uso en el precio y la distribucion de las viviendas en USA", La Vivienda, no. 23, 43-51 (1993, National Mortgage Bank of Spain) ["The Impact of Land Costs and Land Regulations on the Cost and Distribution of Housing in the United States"]
- "A Teruletrendezes Dilemmái a Demokratikus Piacgazdaságon", Ter es Tarsadalom, Vol.6, no. 1-2, 89-99 (1992, Budapest) ["Dilemmas of Land Use Planning in a Democracy with a Market Economy", Space and Society]
- "The Right to Sell the 'Im'mobile Manufactured Home in Its Rent Controlled Space in the 'Im'mobile Home Park: Valid Regulation or Unconstitutional Taking?", Urban Lawyer Vol. 24, 107-171 (Winter 1992, American Bar Ass'n)
- "The National Movement to Halt the Spread of Multi-family Housing (1890-1926)", Journal of the American Planning Association Vol. 58, no. 1, 39-48 (Dec. 1991)
- "El Control de Alquileres en Estados Unidos" Estudios Territoriales, Vol. 35, 183-99 (1991, Madrid) ["Rent Control in the United States"]
- "Would the Abolition of Rent Controls Restore a Free Market?", Brooklyn Law Review, Vol. 54, 1231-8 (1989)
- "A Choice of Issues" (Introduction to articles on the impact of rent controls on the property tax base), Property Tax Journal Vol. 6, no. 1, 1-6 (March 1987, International Ass'n of Assessing Officers).
- "Facts and Fallacies in the Rental Housing Market", Western City, Vol. 62, no.9, 47 (Sept. 1986, California League of Cities)
- "California Rent Controls: Rent Increase Standards and Fair Return", Real Property Law Reporter, Vol. 8, no. 5, 97-104 (July 1985, California Continuing Education of the Bar)
- "Rent Control: An Issue Marked by Heated Politics, Complex Choices and a Contradictory Legal History", Western City, Vol. 60 (June 1984)
- "Rent Controls and the Property Tax Base:The Political-Economic Relationship", Property Tax Journal Vol. 3, no. 1, 1-20 (March 1984)
- "Il Dibattito Sul Controllo Degli Affitti Negli Stati Uniti", Bolletino Daest (Sept. 1984, University of Venice) ["The Debate Over Rent Controls in the United States"]
- "Guidelines for Drafting Rent Control Laws: Lessons of a Decade", Rutgers Law Review, Vol. 35, 723-885 (1983)
- "Defining 'Fair Return' For Rent Controlled Landlords", 59 New Jersey Municipalities (no. 3) 24 (1982)

"Property Tax Assessment Discrimination Against Low-Income Neighborhoods", Urban Lawyer, Vol. 13, 333-405 (1981, American Bar Ass'n)

abridged versions:

Clearinghouse Review, Vol. 15, 467-486 (1981),

Property Tax Journal, Vol. 1, (no. 1) 1-50 (March 1982)

(Coauthors Baar and Keating) "Controlling Rent Control", 2 New Jersey Reporter (no. 4) 19-25 (October 1981)

"Land Banking and Farm Security Loans", Economic Development Law Project Report, Vol. 8, no. 4, 1978)

"Rent Control in the 1970's: The Case of the New Jersey Tenants' Movement", 28 Hastings Law Journal 631-683 (1977)

(Coauthors Pearlman and Baar) "Beyond the Uniform Relocation Act: Displacement by State and Local Government", Clearinghouse Review, Vol. 10, 329-345 (1976)

(Coauthors Baar and Keating) "The Last Stand of Economic Substantive Due Process: The Housing Emergency Requirement for Rent Control", Urban Lawyer, Vol. 7, 446-509 (1975)

Chapters in Books

Baar, "Contracting Out Municipal Services: Transparency, Procurement, and Price-Setting Issues," (ch. 15), "Land Use Regulation" (ch.21), and "Financing and Regulating District Heating (ch 26) Intergovernmental Finance in Hungary (2005, World Bank)

"Open Competition, Transparency, and Impartiality in Local Government Contracting Out of Services" (Chapter 2), Navigation to the Market Regulation and Competition in Local Utilities in Central and Eastern Europe, ed. Peteri and Horvath (2001, Local Government and Public Service Reform Initiative, Open Society Institute, Budapest)

"New Jersey's Rent Control Movement" (Chapter 10) and "Controlling "Im"Mobile Home Space Rents", (Chapter 13), ed. Keating, Tietz, & Skaburskis, Rent Control: Regulation and the Rental Housing Market (1998, Center for Urban Policy Research, Rutgers University.

Hungarian Land Use Policy in the Transition to a Market Economy with Democratic Controls", Land Tenure and Property Development in Eastern Europe (1993, Association des Etudes Foncières, Paris)

"Peacetime Municipal Rent Control Laws in the United States: Local Design Issues and Ideological Policy Debates", ed. van Vliet, Choldin, Michelson, and Popenoe, Housing and Neighborhoods, ch.15 (1987, Greenwood Press)

"Rent Control", California Residential Landlord-Tenant Practice, Chapter 9 (1986, California, Continuing Education of the Bar)

Books

Editors Baar and Pojani, Urban Planning in a Market Economy, (Tirana, Albania 2004); author of chapters: "Decentralization in Service Provision and Urban Planning - An International Perspective, Private", "Property Rights, Public Expropriations, and Public Rights to Undertake Urban Planning", "Contracting Out Public Services in Hungary - Regulatory, Contracting and Transparency Issues". Coauthor of chapters: "Urban Planning in a Democracy with a Market Economy", "Local Service Provision in Albania".

Reports

"Impacts of the Rent Stabilization Ordinance on the Outcomes of Apartment Investments" (Ch. 4) and "Rent Increase Standards: Los Angeles Rent Stabilization Ordinance (RSO) and Comparison with Ordinances in Other California Cities" (Ch. 5), Economic Study of the Rent Stabilization Ordinance and the Los Angeles Housing Market, prepared for City of Los Angeles Housing Dept, 2009)

Expert Witness (on behalf of cities):

Baker v. City of Santa Monica (1982, Los Angeles County Superior Court)

Hozz v. City and County of San Francisco, (1984, Superior Court, San Francisco County)

Segundo v. City of Rancho Mirage and Kapp v. City of Cathedral City (1985, U.S. Federal District Court, Los Angeles)

Kirkpatrick v. City of Oceanside, (1993, Superior Court, San Diego County)

440 Company v. Borough of Fort Lee, New Jersey (1996, U.S. Federal District Court, New Jersey)

Cashman v. City of Cotati, (2002, U.S. Federal District Court, Northern District California)

Kenneth Baar Qualifications – Fair Return Issues

Court Opinions Citing Discussions of Fair Return in Law Review Articles

Helmsley v. Borough of Fort Lee, 78 N.J. 200; 394 A.2d. 65 (1978) New Jersey Supreme Court

Fisher v. City of Berkeley, 37 Cal.3d. 644; 209 Cal.Rptr. 682 (1984) California Supreme Court; affirmed, 475 U.S. 260 (1986)

Oceanside Mobile Home Park Owners Association v. City of Oceanside, 157 Cal.App.3d. 887 (1984) California Court of Appeals

Mayes v. Jackson Township, 103 N.J. 362; 511 A.2d. 589 (1986) New Jersey Supreme Court; cert. denied, 479 U.S.1090 (1987).

Yee v. Mobilehome Park Rental Review Board, 17 Cal. App. 4th 1097 (1993) California Court of Appeals

Palomar Mobilehome Park v. City of San Marcos, 16 Cal.App.4th 481 (1993) California Court of Appeals

Kavanau v. Santa Monica Rent Control Board, 16 Cal.4th. 761 (1997) California Supreme Court); cert. denied, 522 U.S. 1077, 118 S.Ct. 856, 139 L.Ed. 2d. 755 (1998)

Quinn v. Rent Control Board of Peabody, 45 Mass. App.Ct. 357, 698 N.E.2d.911 (1998, Massachusetts Court of Appeal)

MHC Operating Limited Partnership v. City of San Jose, 106 Cal. App.4th (2003) California Court of Appeal

Berger Foundation v. Escondido, 127 Cal.App.4th 1 (2005) California Court of Appeal

TG Oceanside, L.P. v. City of Oceanside, 156 Cal. App.4th 1355 (2007) California Court of Appeal

Court Opinions Relying on Testimony of Kenneth Baar

Rainbow Disposal Co., Inc. v. Mobilehome Park Rental Review Board, 64 Cal.App.4th 1159 (1998) California Court of Appeal

Cashman v. City of Cotati, U.S. District Court, N.D. Cal., No. C99-03641 (Findings of Fact and Conclusions of Law, Sept. 13, 2002)(unpublished)

MHC Operating Limited Partnership v. City of San Jose, 106 Cal. App.4th 204 (2003) California Court of Appeal

Hillsboro Properties v. Public Utilities Commission, 108 Cal.App.4th 246 (2003) California Court of Appeal

Los Altos El Granada Investors v. City of Capitola, 139 Cal. App. 4th 629 (2006) California Court of Appeal

Expert Reports on Fair Return Rent Increase Applications – Prepared on Behalf of California Cities

Azusa,

Arrow Pines (2001)

Calimesa,

Ponderosa (2008)

Capitola

Castle MHP (2000)

Carpinteria,

Vista de Santa Barbara (2002)

Carson,

Carson Gardens (2003)

Park Villa (2004)

Park Granada (2004)

Vista del Loma (2006)

Laco (2007)

Carson Gardens (2007)

Colony Cove (2008)

Colony Cove (2009)

Chula Vista,

Bayscene MHP (2006)

Escondido,

Carefree Ranch (1995)

Town and Country (1995)

Westwinds (1995)

Lake Bernardo (1996)

Valley Parkway (1997)

Mobilepark West (1997)

Eastwood Meadows (1997)

Ponderosa (1997)

Casa de Amigos (1997)

Town and Country (1999)

Greencrest (1999)

Casa de Amigos (2001)

Town and Country (2002)

Town and Country (2005)

Mobilehome Park West (2006)

Palmdale,

Grecian Island (2007)

Mountain View (2007)

Salinas,

Alisal Country Estates (1997)

San Luis Obispo County,

Oak Terrace (2008)

San Marcos,

Villa Vista (2008)

Villa Vista (2010)

Rancho San Marcos (2010)

Santa Rosa,
Coddington (2003)

Vallejo,
Vallejo Mobile Estates (2002)
Tall Trees Mobilehome Park (2002)

Ventura,
Stardust (2003)

Watsonville,
Colonial Manor (1998)
Portola Heights (2001)
Meadows Manor (2008)

Yucaipa,
Wishing Well (2004)
Valley Breeze (2008)
Grandview West (2009)

**Attachment 7:
City Appraisal dated
December 23, 2010**

**SUMMARY APPRAISAL REPORT AND
APPRAISAL REVIEW**

**THUNDERBIRD OAKS MOBILE HOME CLUB
200 S. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA**

APPRAISED FOR

Christopher Norman, Esq.
Assistant City Attorney
City of Thousand Oaks
2100 Thousand Oaks Boulevard
Thousand Oaks, California 91362

DATE OF REPORT

December 22, 2010

DATE OF VALUE

Calendar Years 1979 and 1986

APPRAISED BY

Anderson & Brabant, Inc.
353 West Ninth Avenue
Escondido, California 92025

File No. 10-100

ANDERSON & BRABANT, INC.
REAL ESTATE APPRAISERS AND CONSULTANTS
353 W. NINTH AVENUE
ESCONDIDO, CALIFORNIA 92025-5032
TELEPHONE (760) 741-4146
FAX (760) 741-1049

December 22, 2010

Christopher Norman, Esq.
Assistant City Attorney
City of Thousand Oaks
2100 Thousand Oaks Boulevard
Thousand Oaks, California 91362

Dear Mr. Norman:

As requested, I have completed rental analyses of Thunderbird Oaks Mobile Home Club, a 161 space mobile home park located 200 S. Conejo School Road, Thousand Oaks, California. The objective of the analyses was to form opinions of value relating to an application for a space rent increase at the subject park and to review the appraisal of John Neet, MAI, that was submitted with the application for a rent increase. I have provided my own opinions of the rental value of spaces at Thunderbird Oaks Mobile Home Club as of the years 1979 and 1986.

It is my understanding that the appraisal report will be utilized in a hearing of the Rent Adjustment Commission of the City of Thousand Oaks. Discussions of my analyses as well as my final conclusions are included in the attached report.

This appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation. In addition, the written report has been prepared as a *Summary* report in accordance with Standards Rule 2-2(b), and an *Appraisal Review* in accordance with Standards Rule 3, adopted by the Appraisal Standards Board.

The appraisal is subject to certain assumptions and limiting conditions as set forth in the attached report.

Respectfully submitted,

ANDERSON & BRABANT, INC.



James Brabant, MAI
Certified General Real Estate Appraiser
OREA Appraiser No. AG002100

TABLE OF CONTENTS

ASSUMPTIONS AND LIMITING CONDITIONS 1

APPRAISER'S CERTIFICATE..... 4

INTRODUCTION

 Identification of the Property 5

 Purpose of Assignment 5

 Intended Use and Intended Users 5

 Extraordinary Assumptions 5

 Hypothetical Conditions 5

 Scope of Work 6

 Date of Value 6

 Date of Report..... 6

 Location Map 7

 City and Neighborhood Description 8

 Mobile Home Market..... 8

 Rent Stabilization Ordinance 9

SUBJECT PROPERTY DESCRIPTION

 Subject Property Photographs..... 10

 Mobile Home Park Site Map 12

 Subject Property Description 13

 Review of John Neet Report..... 14

ANALYSES AND CONCLUSIONS

 Methodology 17

 Comparable Mobile Home Parks..... 17

 Market Rent as of 1979 (Base Year) 18

 Rental Value as of 1986..... 21

ATTACHMENTS

 Map of Comparable Mobile Home Parks

 Qualifications of the Appraiser

 Partial List of Mobile Home Park Appraisals

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following special assumptions and limiting conditions:

1. This is a *Appraisal Review and Summary Appraisal Report* which is intended to comply with the reporting requirements set forth under Standards Rules 2-2(b) and 3 of the Uniform Standards of Professional Appraisal Practice. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' files. The information contained in this report is specific to the needs of the client and any other intended users for the intended use as stated in this report. Anderson & Brabant, Inc. is not responsible for unauthorized use of this report.
2. Information regarding the physical characteristics of the subject property was obtained from a physical inspection conducted on November 3, 2010. Information pertaining to the rents at the subject park and comparable parks was obtained from records provided by the City of Thousand Oaks.
3. This report includes an opinion of the market rent rental value as of the year 1979 as well as an opinion of rental value for the year 1986. These are both retrospective opinions that require assumptions about the condition of the subject park and comparable parks. Thunderbird Oaks Mobile Home Club and all of the comparable parks were inspected on November 3, 2010 with an additional drive-by inspection on November 4, 2010. An assumption of this report is that the condition of all of the parks, except for Conejo Mobile Home Park, was similar on the dates of value as it was on my recent inspection. Conejo Mobile Home Park is reportedly closing and several homes are being torn down and the park is not being maintained. A further assumption of this report is that the utility systems in each park were adequate as of the various dates of value.
4. As of the writing of this report certain information about the rental arrangements at Thunderbird Oaks Mobile Home Club and the comparable parks was unknown. For example, the Rent Registration records utilized for the comparative analysis do not indicate what utilities/services, i.e. water, sewer, gas, electric, and trash pickup, are included in the rent, if any. Consequently, no adjustments have been made for these factors and we have assumed that the inclusion of any utilities/services are similar at the various parks, as of the 1979 and 1986 dates of value.

This appraisal is subject to the following general assumptions and limiting conditions:

1. It is assumed that information furnished to us by our client, including maps, leases, and legal descriptions is substantially correct.
2. No responsibility is assumed for matters legal in character, nor do we render an opinion as to title. It is understood that the park owner has a fee interest in the property and leases the spaces to the residents.
3. It is assumed that the property is readily marketable, free of all liens and encumbrances except any specifically discussed herein, and under responsible ownership and management.

5. Photographs, plat and maps furnished in this appraisal are to assist the reader in visualizing the property. No survey of the property has been made, and no responsibility has been assumed in this matter.
6. Soils engineering studies have not been provided to Anderson & Brabant, Inc. It is therefore assumed that there are no hidden or unapparent conditions of the property such as hazardous or toxic wastes and/or other subsoil conditions which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which might be required to discover such factors.
7. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the properties. The appraisers' opinions of value are predicated on the assumption that there is no such material on or in the properties that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.
8. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the part to whom it is addressed without the written consent of Anderson & Brabant, Inc., and in any event, only with proper written qualification and only in its entirety.
9. Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially reference to the Appraisal Institute or the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval of Anderson & Brabant, Inc.
10. The submission of this report constitutes completion of the services authorized. It is submitted on the condition that the client will provide the appraiser customary compensation relating to any subsequent required depositions, conferences, additional preparation or testimony.
11. The opinions of value are of surface rights only and the mineral rights, if any, have been disregarded.
12. No warranty is made as to the seismic stability of the subject property.
13. It is assumed that all applicable zoning and land use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
14. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the opinions of value contained in this report are based.

15. It is assumed that the utilization of the land or improvements is within the boundaries or property lines of the properties described and that there is no encroachment or trespass unless otherwise stated in this report.

16. The Americans with Disability Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in our analysis.

APPRAISER'S CERTIFICATE

I do hereby certify that, to the best of my knowledge and belief, ...

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective future interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser signing this appraisal report has not provided any service, as an appraiser or in any other capacity, relating to the subject property within the three years immediately preceding acceptance of this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. I have made a personal inspection of the property that is the subject of this report.
11. Patricia Haskins provided significant professional assistance to the person signing this report.
12. I have not provided any service, as an appraiser or in any other capacity, relating to the subject property within the three years immediately preceding acceptance of this assignment.
13. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.



James Brabant, MAI
State Certification No. AG002100

December 22, 2010
Date

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

The subject property is Thunderbird Oaks Mobile Home Club, a 161 space mobile home park located at 200 S. Conejo School Road, Thousand Oaks, California 91362. This is a rental park that is subject to the City of Thousand Oaks Rent Stabilization Ordinance. It should be noted that the park has been called Thunderbird Oaks Mobile Home Park in some references, including the Rent Adjustment Application. However, the entrance sign reads Thunderbird Oaks Mobile Home Club and we have utilized that park name throughout this report.

Ownership

According to Rent Adjustment Application, the Applicant (park owner) is *A.V.M.G.H., Ltd.* (c/o Andrew V. Hohn).

PURPOSE OF ASSIGNMENT

The objective of this appraisal assignment is to provide opinions of value relating to an application for a space rent increase at Thunderbird Oaks Mobile Home Club. Specifically, I have reviewed a report prepared by John Neet, MAI, dated October 1, 2010, and also have provided my own opinions of the rental value of spaces at Thunderbird Oaks Mobile Home Club, compared with rents at other comparable parks in Thousand Oaks, as of the years 1979 and 1986. For the year 1979, the opinion is of market rental value and the definition of *Market Rent* may be found in the next paragraph. For the year 1986, the opinion is of rental value and the specific definition of *Rental Value* utilized for this appraisal may be found in the following paragraph.

Market rent is defined in the *Dictionary of Real Estate Appraisal* (4th ed., 2002) as “The most probable rent that a property should bring in a competitive and open market...” Prior to 1980, there was no rent control ordinance in Thousand Oaks and those “uncontrolled rents” have been utilized for the opinion of market rent. However, the other date is subsequent to the enactment of the Rent Stabilization Ordinance and the “controlled rents” have been utilized for those opinions of rental value. The term “rental Value” is undefined in the *Dictionary of Real Estate Appraisal*. For this analysis I have defined rental value as the rent indicated by comparable mobile home parks located within the City of Thousand Oaks.

INTENDED USE AND INTENDED USERS

This appraisal report has been prepared for the staff and members of the Thousand Oaks Rent Adjustment Commission of the City of Thousand Oaks to be utilized at a hearing of the Commission in connection with a proposed rent increase at Thunderbird Oaks Mobile Home Club. No responsibility is assumed for the unintended use of this report.

EXTRAORDINARY ASSUMPTIONS

See Special Assumption No. 3 on page 1 regarding the condition of the subject park and comparables as of the various dates of value.

HYPOTHETICAL CONDITIONS

None.

SCOPE OF WORK

As previously stated, the objective of this appraisal is to provide a review of the report prepared by John Neet, MAI, dated October 1, 2010, as well as to provide opinions of market rent of the spaces in Thunderbird Oaks Mobile Home Club as of 1979, and the rental value of spaces as of the year 1986. In preparing this appraisal, the following steps were taken.

- I reviewed the appraisal report of John Neet, MAI, signed on October 1, 2010.
- Inspections of the subject park, neighborhood, and comparable parks, were conducted on November 3 and 4, 2010.
- The Rent Stabilization Ordinance and Guidelines For a Just and Reasonable Return were reviewed.
- Two applications for rent increase by the park owner were reviewed. The first application was dated June 3, 2010, while the revised application was dated October 8, 2010. Rent registration records and other documents provided by the City of Thousand Oaks were reviewed.
- Rent studies were completed comparing the space rent in the subject park to comparable parks in the city of Thousand Oaks as of two different dates of value. A physical inspection of each of the comparable parks was completed.
- The final step is the preparation of the Appraisal Review and Summary Appraisal Report.

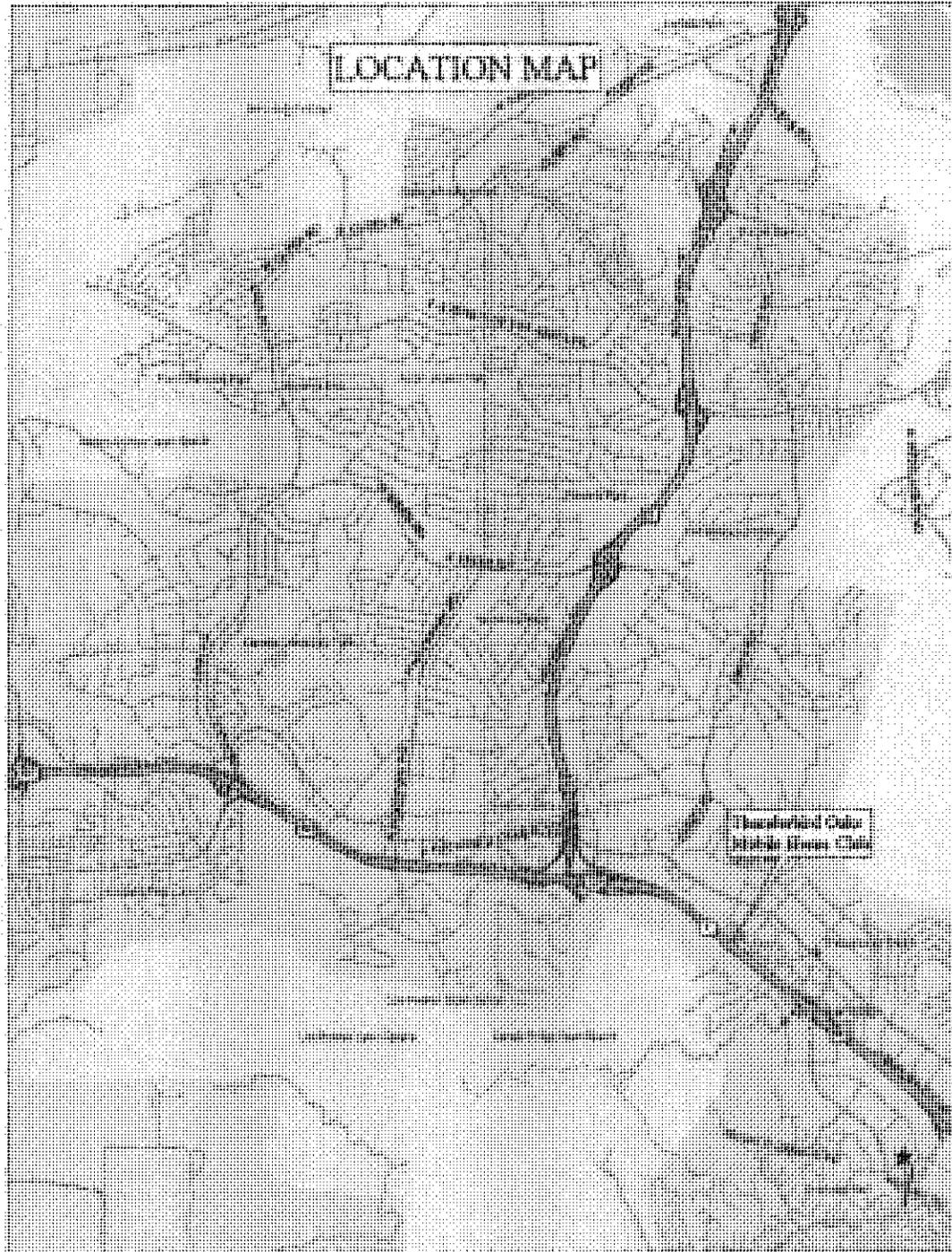
This is an *Appraisal Review and Summary Appraisal Report* as defined by USPAP. As such it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses may be found in the appraiser's files.

DATE OF VALUE

The dates of value are the years 1979 and 1986.

DATE OF REPORT

The report date is December 22, 2010.



CITY AND NEIGHBORHOOD DESCRIPTION

The City of Thousand Oaks is located in Ventura County, 12 miles inland from the Pacific Ocean. It is nestled against the Santa Monica Mountains and surrounded by more than 14,800 acres of natural publicly owned open space. This open space contains 75 miles of trails for walking, hiking, and biking. Situated in the Conejo Valley, near the southeastern edge of Ventura County and adjoining the western edge of Los Angeles County, Thousand Oaks consists of an approximately 56-square-mile area with an average elevation of 900 feet above sea level.

The city is served by U.S. Highway 101, (Ventura Freeway), as well as State Route 23. Highway 101 runs through the city generally from east to west and connects it with Los Angeles and Ventura. State Route 23 connects to the 101 near Downtown Thousand Oaks, runs north toward Moorpark and Simi Valley, and essentially divides the city in two. Thousand Oaks is also served by Thousand Oaks Transit (TOT), which provides public transportation in the form of shuttles and buses. TOT buses provide service to Thousand Oaks as well as some neighboring communities.

The City of Thousand Oaks was incorporated in 1964 and is a General Law City with a Council/Manager form of Government. Under this type of government, the City Council is the policy-making body, appointing the City Manager who is responsible for carrying out Council policy. The California Department of Finance, Demographic Research Unit, reports a January 1, 2010 population for the City of Thousand Oaks of 130,209 which is an increase of approximately 1.4 percent over the reported 2009 population.

The city's economy is based on a range of businesses, with biotechnology, electronics, automotive, aerospace, telecommunications, healthcare, and financing occupying most of Thousand Oaks' employment sector. Major corporations include Amgen, Baxter International, General Dynamics Corporation, and Verizon.

More specifically, Thunderbird Oaks Mobile Home Club is located in the eastern portion of the city of Thousand Oaks. It is on the easterly side of S. Conejo School Road, a short distance south of Thousand Oaks Boulevard. West of the subject, across Conejo School Road is the Civic Arts Plaza which includes a performing arts center, City Hall, a retail center with numerous restaurants and retailers, a small lake, and for a couple months in the winter an ice skating rink. However, the City Hall and Civic Arts Plaza were built in 1994 after the two dates of value. Various residential uses are adjacent to the north and east of the subject. Thousand Oaks Boulevard is located a short distance to the north of the subject. This is a primary commercial arterial which provides a variety of goods and services. U.S. Highway 101 is immediately south of the subject park with a full set of on and off-ramps at Hampshire Road, approximately one-half mile southeast of the subject. In addition, access to northbound State Route 23 is available via Hillcrest Drive, slightly more than one mile northwest of the subject.

MOBILE HOME MARKET

The California State Department of Finance reports that there were approximately 1,072 mobile homes in the City of Thousand Oaks, as of January 1, 2010. This equates to approximately 2.3 percent of the total housing units within the city which is lower than the 4.4 percent figure for the County as a whole.

According to the California State Department of Finance, the number of mobile homes in the city of Thousand Oaks has remained unchanged since 2000. This, of course, points to the fact there has been no new construction of mobile home parks for many years. Most existing parks in the area were built in the 1950's, 1960's and 1970's.

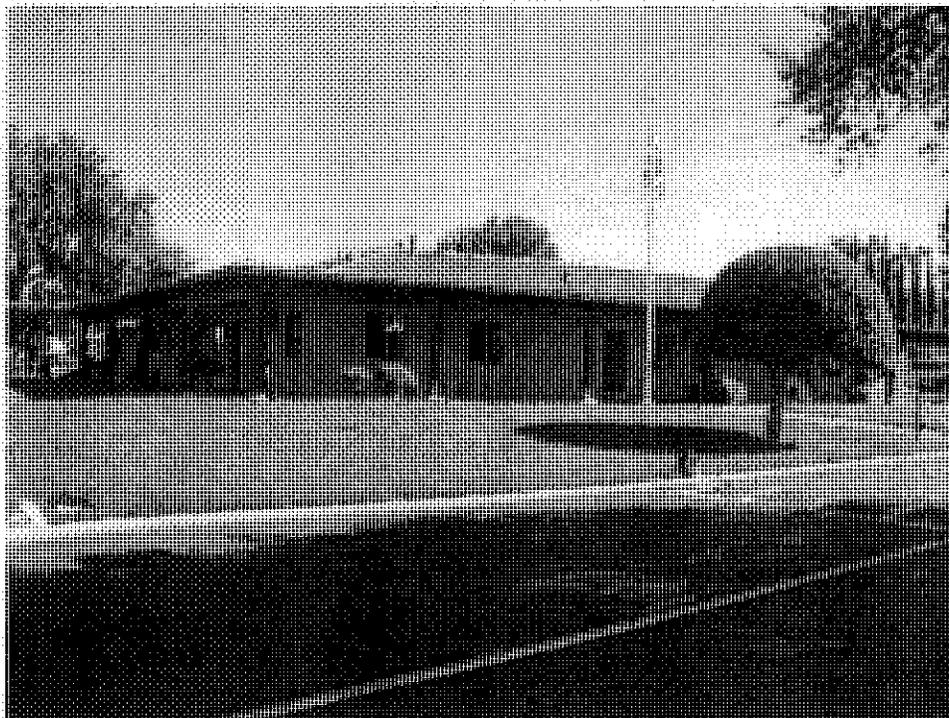
RENT STABILIZATION ORDINANCE

In April of 1980, the City of Thousand Oaks enacted the initial RENT STABILIZATION ORDINANCE OF THE CITY OF THOUSAND OAKS. This ordinance temporarily prohibited rent increases, but expired July 31, 1980. A new ordinance was enacted in July 1980, and became effective on August 1, 1980, that allowed an 8 percent annual rent increase. The ordinance was amended in May 1981 to allow automatic annual increases up to 8 percent. In August 1983, the automatic annual increase was reduced to 7 percent. In September 1986, the automatic increases were changed to 75 percent of the CPI.

SUBJECT PROPERTY PHOTOGRAPHS



Park Entrance



Clubhouse

SUBJECT PROPERTY PHOTOGRAPHS



Pool area and rear of clubhouse



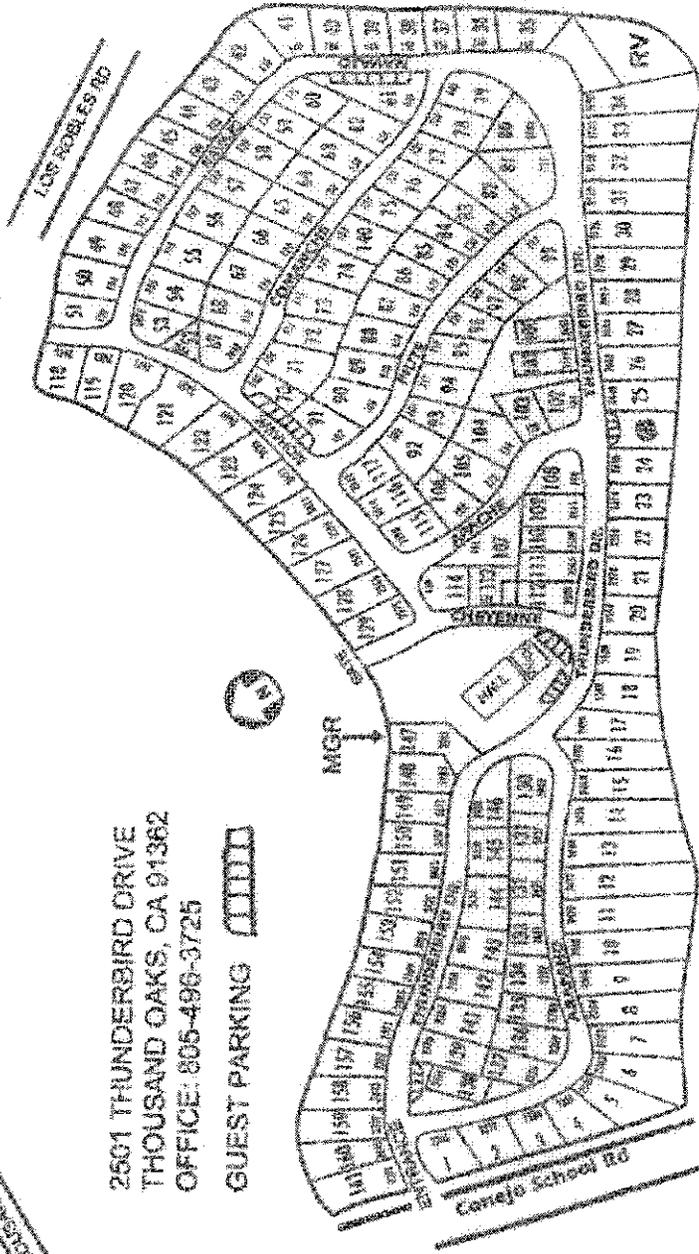
Interior Street

MOBILE HOME PARK SITE MAP

THUNDERBIRD OAKS MOBILE HOME COMMUNITY
HOUSING FOR OLDER PERSONS

2501 THUNDERBIRD DRIVE
THOUSAND OAKS, CA 91362
OFFICE: 805-496-3725

GUEST PARKING



SUBJECT PROPERTY DESCRIPTION

Park Name: Thunderbird Oaks Mobile Home Club

Address: 200 S. Conejo School Road, Thousand Oaks, California

Assessor's Parcel Number: 671-0-240-340

Owner: A.V.M.G.H., Ltd.

No. of Spaces: 161

Park Type: Age Restricted.

Size/Density: 22.23 acres / 7.24 dwelling units per acre

Topography: Fairly level

Year Built: 1975

Home Type: Mostly double-wide homes with only a few single-wide and triple-wide homes.

Views: None

Amenities: Clubhouse, pool, spa, laundry and RV storage area. There is also a greenbelt area near the clubhouse.

Occupancy: 100%

Rental Rates: The current space rents for the park range from \$321.40 to \$525.40 per month, with an overall average of \$396.81 per month. The requested rent increase is \$260.62 per space which would result in a rent range from \$582.02 to \$786.02 per month, with an overall average of \$657.50 per month.

Utilities Included: The space rent currently includes water.

Comments: This is an above-average quality park that is currently in overall good condition. There are a number of mature oak trees that add to the appeal of the property.

REVIEW OF JOHN NEET'S REPORT

On the first page of John Neet's report he writes that he was requested to provide an opinion of the market rental value of the spaces at Thunderbird Oaks Mobile Home Club, as of February 29, 1980. His opinion is that the market rent of the individual spaces, as of that date, was \$225 per month. There is no indication of what utilities were included in that rental amount. Then, on the last page (page 11) of his report, Neet opines about the market rent in 1979 (base year). He states that he found no indication from City documents that rents in 1979 were substantially different from 1980. However, he provides no evidence that the rents in 1979 were NOT lower than 1980 levels. In this regard, it is interesting to note the CPI data included as Attachment 6 to the Rent Adjustment Application dated June 3, 2010 for Thunderbird Oaks Mobile Home Club. The annual CPI for All Urban Consumers in 1979 was 72.3, while in 1980 it was 83.7, an increase of 15.8 percent. It would not seem unusual for owners of mobile home parks to increase rents during periods of inflation like this.

As further evidence of the market in 1979-80 we have reviewed various rent receipts for Space 150 in Thunderbird Oaks, dated between 1977 and 1985. The rent receipts show the base rent at Space 150 at \$170 per month for the first eight months of 1979 with an increase to \$190 per month in September 1979. This equates to an increase of approximately 11.8 percent during 1979. The next rent increase at Space 150 was one year later, in September 1980. The rent increased to \$205 per month which is an increase of approximately 7.9 percent. The assumption of Neet that rents did not increase between 1979 and 1980 appears to be unwarranted and is evidence that his conclusion of market rent as of February 29, 1980 is too high.

Neet uses a survey methodology wherein he compares the average space rents at Thunderbird Oaks Mobile Home Club with the average space rents at comparable mobile home parks in Thousand Oaks in order to form a conclusion about the market rent for Thunderbird Oaks in 1980. This is the proper methodology for an estimate of market rent. Neet obtained various historical space rental data for three parks that he utilized for comparative analysis, plus rental data from Thunderbird Oaks, for the years 1983 and 1986. Rental data was apparently available for all three of the comparable parks for 1986, but only two of the parks for 1983. No space rental data was available for either 1980 or 1979.

Although Neet makes reference to the comparable rental data for 1983 and 1986, he fails to include the actual rental data he relies on in his report. That is to say he does not include the 1986 and 1983 rental data for the comparable parks in his report. Instead, he only shows his adjusted rental amounts for the comparable parks, after he has adjusted them downward to the base year of 1980 (see page 10). Neet writes that he adjusted the rental data at the maximum increase allowed by the ordinance, which he states is 8 percent in each year prior to 1983 and 7 percent in 1984-1985. A review of the ordinance indicates that this is consistent with the maximum allowable increases as stated in the ordinance.

Utilizing average rent figures from the rent registrations provided by the City, I was able to duplicate most of Neet's rental conclusions, as of February 29, 1980. The only average rent that I was unable to duplicate by using the rent registrations was for Vallecito Mobile Estates. Neet indicated he extrapolated the rent for Vallecito from the 1986 average reported in the "Castenada" Study prepared for the Oxnard Housing Authority. I was able to duplicate his number for Vallecito by using the number reported in the "Castenda" Study. The 1986

“Castenada” Study average rent for Vallecito was \$362 which is \$18 higher than our calculated average from the 1986 rent registrations provided by the City. It is unclear why Neet used the “Castenada” Study to extrapolate the rent for Vallecito when 1986 rent registrations for this park were available from the City.

Thus, Neet’s adjusted rents for the comparable parks and Thunderbird Oaks, as of 1980, are higher than all of our adjusted estimates for the base year of 1979. However, two of the comparable parks (Ventu Park Villa and Ventu Estates) are only about \$3.00 to \$4.00 high, while his adjusted average rents for Thunderbird and Vallecito are about \$11.00 to \$12.00 high.

SUMMARY OF COMPARABLE RENTAL PARKS							
Park Name/ Address	No. Spaces	Year Built	Lot Size (Acs)	Density (DU/AC)	Park Type	Amenities/Comments	
Lakestone (Formerly Crestview) 53 North Conejo School Road Thousand Oaks	28	1940's (Approx.)	0.87	32.18	All Age	Laundry	
Conejo MHP 1200 Newbury Road Thousand Oaks	49	1956 (Approx.)	4.28	11.45	All Age	Laundry. Pool has been closed. The park owner is in the process of closing the park.	
Elms Plaza MHP 1262 Newbury Road Thousand Oaks	34	1959/1974 (Approx.)	3.82	8.9	All Age	Laundry	
Twin Palms 198 Skyline Drive Thousand Oaks	80	1957/1963 (Approx.)	5.26	15.21	All Age	Small Rec Building, pool, laundry	
Ranch MHP 2193 Los Feliz Drive Thousand Oaks	74	1977	4.79	15.45	Age Restricted	Clubhouse, laundry	
Ventu Park Villa 50 Ventu Park Road Thousand Oaks	171	1958/1965 (Approx.)	18.16	9.42	Age Restricted	Clubhouse, pool, laundry. RV storage is shared with adjacent sister park.	
Ventu Estates 26 Ventu Park Road Thousand Oaks	156	1969/1972 (Approx.)	13.88	11.24	Age Restricted	Two clubhouses; pool, spa; laundry. RV storage is shared with adjacent sister park.	
Thunderbird Oaks MH Club (Subject Property) 200 S. Conejo School Road Thousand Oaks	161	1975	22.23	7.24	Age Restricted	Clubhouse, pool, spa, laundry, RV storage	
Vallecito Mobile Estates 1251 Old Conejo Road Thousand Oaks	303	1970	80.18	3.78	Age Restricted	Gated Park. Clubhouse, pool, spa, indoor shuffleboard, RV storage	

ANALYSES AND CONCLUSIONS

METHODOLOGY

As previously stated, the objective of this appraisal assignment is to provide an opinion of the market rent of spaces at Thunderbird Oaks Mobile Home Club as of 1979 (base year) and the rental value of spaces as of 1986. The methodology involved a rent study and comparative analysis of comparable rental parks in the City of Thousand Oaks.

COMPARABLE MOBILE HOME PARKS

A summary of nine mobile home parks (including the subject park) in the City of Thousand Oaks may be found on the facing page. They are listed in the order of my opinion of the overall desirability of each park, from low to high. Brief comments about each park may be found in the following paragraphs. A market data map identifying the location of the subject park in relation to the comparable parks has been included as an Attachment.

Lakestone (formerly known as Crestview) is a 28 space all-age park located on N. Conejo School Road. County records show that the park was built prior to 1948. Park amenities consist of only onsite laundry. This is a high density park with RV's, trailers and older coaches. As of the date of this report, the park had numerous vacant spaces. The current space rent includes water, sewer and trash with park residents responsible for the payment of all other utilities.

Conejo Mobile Home Park was constructed in approximately 1956. It is a 49 space all-age park located on Newbury Road, just south of Highway 101. This medium density park consists of all single-wide homes. Park amenities consist of onsite laundry. There is also a pool that has been closed due to the park owner's intent to close the mobile home park. The park is not being maintained and there were several homes being torn down on the date of my inspection. This park also has a number of vacant spaces. The current space rent includes water, sewer and trash with park residents responsible for the payment of all other utilities.

Elms Plaza Mobile Home Park is a 34 space all-age park located next to Conejo Mobile Home Park on Newbury Road, just south of Highway 101. The park was originally developed in approximately 1959 with 24 spaces with another 10 spaces added about 1974. This medium density all-age park has a mixture of single-wide and double-wide homes. Park amenities consist of only onsite laundry. The current space rent includes water with the park residents responsible all other utilities.

Twin Palms Mobile Home Park is an 80 space all-age park located on N. Skyline Drive. The park was originally developed in approximately 1957 with additional spaces added around 1963. This is a high density park with mostly double-wide homes and approximately 15 single-wide homes. Park amenities consist of a small recreation building, a pool and two laundry facilities. The current space rent includes water, sewer and trash with park residents responsible for the payment of all other utilities.

Ranch Mobile Home Park is a 74 space age-restricted park that was originally constructed in 1977. The park is located in a primarily residential neighborhood on Los Feliz Drive. This high density park features mostly single wide homes with a few double wide homes and has a small clubhouse with a patio area. Onsite laundry is available. The current space rent includes water and trash with park residents responsible for the payment of all other utilities.

Ventu Park Villa is a 171 space age-restricted park located on S. Ventu Park Road. The park is abutted to the north by its sister park, Ventu Estates. Both parks have common ownership and management. The park was reportedly developed in 1958 with additional spaces added about 1965. The park features a mixture of double-wide and triple wide homes with some single-wides. Park amenities include a clubhouse, pool and onsite laundry. Recreational vehicle storage is shared with Ventu Estates. The current space rent includes water and basic cable (channels 2 – 13) with park residents responsible for the payment of all other utilities.

Ventu Estates is a 156 space age-restricted park located on S. Ventu Park Road, just north of its sister park, Ventu Park Villa. The majority of the park was reportedly developed in 1969 with additional spaces added about 1972. The park features all double-wide homes. Park amenities include two clubhouses, a pool, spa and onsite laundry. Recreational vehicle storage is shared with Ventu Park Villa. The current space rent includes water and basic cable (channels 2 – 13) with park residents responsible for the payment of all other utilities.

Thunderbird Oaks Mobile Home Club is a 161 space age-restricted park that was constructed in approximately 1975. The park is located off S. Conejo School Road, immediately north of Highway 101. This medium density park features mostly double-wide homes with only a few single-wide and triple-wide homes. Park amenities include a clubhouse, pool, spa, onsite laundry and RV storage area. There is also a greenbelt area near the clubhouse. The current space rent includes water with park residents responsible for the payment of all other utilities.

Vallecito Mobile Estates consists of 303 spaces and was constructed about 1970. This age-restricted park is located along Old Conejo Road just south of Highway 101 in a more rural setting than the other parks. This gated park features a large clubhouse, pool, spa, indoor shuffleboard, laundry and RV storage area. This medium density park features mostly double-wide homes with a few single-wide and triple-wide homes. As of the date of this report, park residents were responsible for the payment of all utilities.

MARKET RENT AS OF 1979 (BASE YEAR)

Space rental data for parks in Thousand Oaks was only available for Ranch Mobile Home Park for the base year of 1979. Space rental data was not available for the other eight parks in Thousand Oaks for 1979. However, some data was available for the years 1983 and 1986 which is summarized on the following page.

Thunderbird Oaks Mobile Home Club, Thousand Oaks

SUMMARY OF COMPARABLE RENTAL DATA FOR 1983 & 1986						
Park Name/ Address	No. Spaces	Year Built	1983 Rents		1986 Rents	
			Range Monthly Space Rent	Overall Avg. Monthly Space Rent	Range Monthly Space Rent	Overall Avg. Monthly Space Rent
Lakestone (Formerly Crestview) 53 North Conejo School Road Thousand Oaks	28	1940's (Approx.)	---	---	\$80 - \$171	\$139
Conejo MHP 1200 Newbury Road Thousand Oaks	49	1956 (Approx.)	\$157 (All)	\$157	\$192 - \$210	\$197
Elms Plaza MHP 1262 Newbury Road Thousand Oaks	34	1959/1974 (Approx.)	\$180 - \$208	\$187	\$218 - \$252	\$227
Twin Palms 198 Skyline Drive Thousand Oaks	80	1957/1963 (Approx.)	---	---	\$173 - \$230	\$198
Ranch MHP 2193 Los Feliz Drive Thousand Oaks	74	1977	\$115 - \$125	\$119	\$123 - \$134	\$127
Ventu Park Villa 50 Ventu Park Road Thousand Oaks	171	1969 (Approx.)	\$192 - \$234	\$204	\$232 - \$285	\$247
Ventu Estates 26 Ventu Park Road Thousand Oaks	156	1969/1972 (Approx.)	\$185 - \$263	\$242	\$223 - \$318	\$292
Thunderbird Oaks MH Club (Subject Property) 200 S. Conejo School Road Thousand Oaks	161	1975	\$207 - \$301*	\$246*	\$232 - \$338*	\$277*
Vallecito Mobile Estates 1251 Old Conejo Road Thousand Oaks	303	1970	---	---	\$307 - \$393	\$344

* Calculated from rent registration records.

In order to conduct a comparative analysis for the base year of 1979, it is necessary to adjust the rental data we do have for the closest two years of 1983 and 1986. When the rent stabilization ordinance was enacted in April of 1980, space rents in mobile home parks were temporarily frozen, but only for about four months until August 1, 1980. Prior to the original enactment, there was no rent control ordinance, and subsequent to August 1, 1980, rents were allowed to be increased a maximum of 8 percent, until August 1983 when the maximum annual increase was reduced to 7 percent, until September 1986, when automatic increases were changed to 75 percent of the CPI. Consequently, for almost all of the period from 1979 to 1983, space rents were allowed to be increased. Although there is no rental data to show exactly how much rents were being increased during this four year period, there is rental data for the years 1983 and 1986 and we can measure those increases.

The following table shows the available rental data for 1986 and 1983. We have data for both dates from six of the parks, including the subject. In addition, we have actual rents for Ranch Mobile Home Park for the base year 1979. After analyzing the 1986 and 1983 data I have made estimates of the adjusted 1979 rent for the other five parks. From that data I have been able to provide an opinion of the market rent of Thunderbird Oaks Mobile Home Club in the base year of 1979.

SUMMARY OF COMPARABLE RENTAL DATA FOR 1979 (Adjusted from 1986 and 1983)					
Park Name/ Address	No. Spaces	Year Built	1986 Rents	1983 Rents	1979 Adjusted Rents
			Overall Avg. Monthly Space Rent	Overall Avg. Monthly Space Rent	Overall Avg. Monthly Space Rent
Lakestone (Formerly Crestview) 53 North Conejo School Road Thousand Oaks	28	1940's (Approx.)	\$139	---	---
Conejo MHP 1200 Newbury Road Thousand Oaks	49	1956 (Approx.)	\$197	\$157	\$122
Elms Plaza MHP 1262 Newbury Road Thousand Oaks	34	1959/1974 (Approx.)	\$227	\$187	\$145
Twin Palms 198 Skyline Drive Thousand Oaks	80	1957/1963 (Approx.)	\$198	---	---
Ranch MHP 2193 Los Feliz Drive Thousand Oaks	74	1977	\$127	\$119	\$119***
Ventu Park Villa 50 Ventu Park Road Thousand Oaks	171	1969 (Approx.)	\$247	\$204	\$159
Ventu Estates 26 Ventu Park Road Thousand Oaks	156	1969/1972 (Approx.)	\$292	\$242	\$188
Thunderbird Oaks MH Club (Subject Property) 200 S. Conejo School Road Thousand Oaks	161	1975	\$277*	\$246*	183**
Vallecito Mobile Estates 1251 Old Conejo Road Thousand Oaks	303	1970	\$344	---	\$221

* Calculated from rent registration records.

** Adjusted rent based on rent increases documented in historic records

*** Based on actual rents in 1979.

For the three year period from 1983 to 1986, the average rent at Conejo increased from \$157 to \$197 which is an overall increase of 25 percent or an average annual (compounded) increase of 7.9 percent for the three years. Elms Plaza increased from \$187 to \$227 which is an overall increase of 21 percent or an average annual increase of 6.7 percent. Ranch Mobile Home park increased from \$119 to \$127 which is an overall increase of 6.7 percent or an average annual increase of 2.2 percent. Ventu Park Villa increased from \$204 to \$247 which is an overall increase of 21 percent or an average annual increase of 6.6 percent. Ventu Estates increased from \$242 to \$292 which is an overall increase of 21 percent or an average annual increase of 6.5 percent. Thunderbird increased from \$246 to \$277 which is an overall increase of 13 percent or an average annual increase of 4.0 percent.

The two lowest annual increases of the six parks were from Ranch Mobile Home Park at 2.2 percent and Thunderbird at 4.0 percent. Both of these parks are owned by the same party and currently have Rent Adjustment Applications pending with the City of Thousand Oaks. For this analysis we have disregarded the trends at these two parks and focused on the trends at the other four parks. The other four parks are more tightly grouped from 6.5 percent to 7.9 percent, with three parks clustered between 6.5 and 6.7 percent. This would easily support an average annual increase of about 6.5 to 7.0 percent for the three years between 1983 and 1986. This same level of increase has then been utilized to adjust the rents at these four parks back to the base year of 1979. We have also used this same level of increase to adjust the average rent at Vallecito Mobile Estates from 1986 back to 1979.

Based on the park owner's application, the space rent at Thunderbird Oaks Mobile Home Club in 1983 reportedly ranged from \$207 to \$301 with an average of \$246 per month. The rent application indicates that the 1983 space rents at Thunderbird Oaks were unchanged from the 1979 rents. However, according to the City, some of the park residents have provided rent receipts that show rents were increased between 1979 and 1983. Unfortunately, the City does not have a complete accounting of the 1979 space rents in the park. We have calculated an adjusted 1979 rent of \$183 for the subject park based on rent increases documented in historic records. The actual average rent for Ranch Mobile Home Park was reportedly \$119 for the 1979 base year. As previously mentioned, the rents at these two parks have been disregarded for this analysis.

The adjusted 1979 rents at the five other parks (Conejo, Elms Plaza, Ventu Park Villa, Ventu Estates and Vallecito) range from \$122 per month to \$221 per month. Based on the analysis of the adjusted rents, and the relative desirability of the various parks, the indicated rent at Thunderbird Oaks Mobile Home Club would be above \$188 per month but below \$221 per month. Therefore, it is my opinion that the market rent of spaces in Thunderbird Oaks Mobile Home Club, in the base year of 1979, was an average of \$205 per month. This reflects an increase of \$22 over the adjusted 1979 average rent.

RENTAL VALUE AS OF 1986

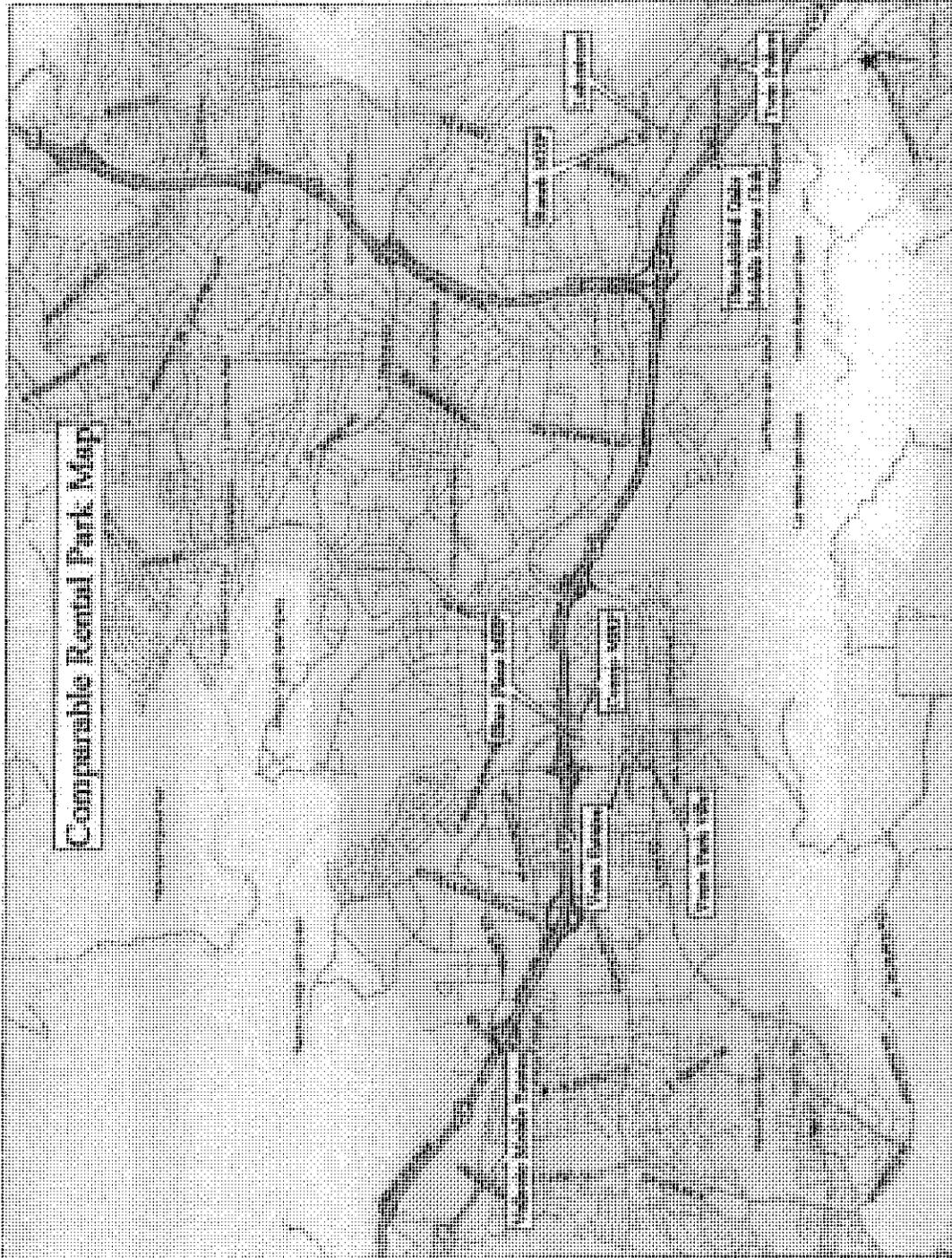
Rental data was available for Thunderbird Oaks Mobile Home Club, and all eight of the other parks for the year 1986. Actually, the data was obtained from rent registrations as of October 1, 1988.

SUMMARY OF COMPARABLE RENTAL DATA FOR 1986				
Park Name/ Address	No. Spaces	Year Built	1986 Rents	
			Range Monthly Space Rent	Overall Avg. Monthly Space Rent
Lakestone (Formerly Crestview) 53 North Conejo School Road Thousand Oaks	28	1940's (Approx.)	\$80 - \$171	\$139
Conejo MHP 1200 Newbury Road Thousand Oaks	49	1956 (Approx.)	\$192 - \$210	\$197
Elms Plaza MHP 1262 Newbury Road Thousand Oaks	34	1959/1974 (Approx.)	\$218 - \$252	\$227
Twin Palms 198 Skyline Drive Thousand Oaks	80	1957/1963 (Approx.)	\$173 - \$230	\$198
Ranch MHP 2193 Los Feliz Drive Thousand Oaks	74	1977	\$123 - \$134	\$127
Ventu Park Villa 50 Ventu Park Road Thousand Oaks	171	1969 (Approx.)	\$232 - \$285	\$247
Ventu Estates 26 Ventu Park Road Thousand Oaks	156	1969/1972 (Approx.)	\$223 - \$318	\$292
Thunderbird Oaks MH Club (Subject Property) 200 S. Conejo School Road Thousand Oaks	161	1975	\$232 - \$338*	\$277*
Vallecito Mobile Estates 1251 Old Conejo Road Thousand Oaks	303	1970	\$307 - \$393	\$344

* Calculated from rent registration records.

The average monthly rent in 1986 for the eight parks utilized in this analysis ranged from \$127 to \$344 per month. In terms of desirability, I have ranked Thousand Oaks Mobile Home Club between Ventu Estates and Vallecito Mobile Estates. As previously discussed, Both Ranch Mobile Home Park and Thunderbird Oaks (the subject park) are owned by the same party and currently have Rent Adjustment Applications pending with the City of Thousand Oaks. Both of these parks have average rents that are not in line with the other parks. We have disregarded the rents at these parks in our analysis. It is apparent from the data that rents at Twin Palms have not increased as much as most of the other parks, as the rent of \$198 per month is almost identical to Conejo and lower than Elms Plaza. Both of these are comparatively inferior parks. Consequently, it is my opinion that the indicated rental value should be higher than \$292 per month, but lower than \$344 per month. Therefore, it is my opinion that the rental value of spaces at Thunderbird Oaks, as of the year 1986, was \$320 per month, which reflects an increase of \$43 over the actual 1986 average rent.

Attachments



QUALIFICATIONS OF THE APPRAISER

James Brabant, MAI
Anderson & Brabant, Inc.
353 W. Ninth Avenue
Escondido, CA 92025
(760) 741-4146 Ext. 312

I. Resident of San Diego County since 1977

II. **Educational Background:**

A. University of Southern California, B.S. degree in Real Estate — 1960

B. School of Theology at Claremont, Master of Theology — 1966

C. Professional Education Completed:

1. Appraisal Institute

a. "Basic Appraisal Principles, Methods and Techniques" — Course I-A

b. "Capitalization Theory and Techniques" — Course I-B

c. "Urban Properties" — Course II

d. "Investment Analysis" — Course IV

e. "Standards of Professional Practice"

f. "Litigation Valuation"

g. Special Applications of Appraisal Analysis Course 301

2. Lincoln Graduate Center

a. Manufactured Housing Appraisal Course 669

3. Continuing Education (Partial List):

San Diego Economic Forecasts, 2/05, 2/07, 2/08, 2/09

USPAP Course, 9/04, 5/06, 4/08, 3/10

Eminent Domain Case Update, 10/95, 3/97, 10/07, 4/10

Business Practice and Ethics, 6/07

San Diego Apartment & Housing Seminar, 10/98, 5/07

Appraiser as Expert Witness, 12/06

Deal and Development Analysis – Downtown S.D., 9/05

Litigation Seminar, 11/04, 11/07

Appraising Manufactured Housing, 1/04

Economic and Real Estate Forum, 09/02

Gramm-Leach-Bliley Act, 10/01

Condemnation on Trial (Participant), 5/00

Attorneys, Appraisers & Real Estate; 9/98

Damages, Diminution & Mitigation; 8/98

Appraisal of Partial Interests; 6/98

Mitigation Land Update & Valuation Issues, 4/97

Federal & State Laws & Regulations Workshop, 9/95

Fair Lending, 12/94

Partial Acquisition, 9/94

Qualifications of the Appraiser — James Brabant, MAI

Page Two

III. **Professional Affiliations:**

- A. Member, Appraisal Institute, MAI (1985 President, San Diego Chapter)
- B. Realtor Member, North County Association of Realtors
- C. Member, International Right of Way Association
- D. Real Estate Brokers License, State of California
- E. Teaching Credential, State of California, Community College Level
- F. Certified General Real Estate Appraiser (AG002100)
Office of Real Estate Appraisers, State of California

IV. **Appraisal Experience:**

- Co-Owner — Anderson & Brabant, Inc., Since 1979
- Co-Owner — Robert M. Dodd & Associates, Inc., 1977 - 1979
- Appraisal Manager — California First Bank, Huntington Beach, California, 1974 - 1977
- Staff Appraiser — California First Bank, San Diego, California, 1972 - 1974
- Staff Appraiser — O. W. Cotton Co., San Diego, California, 1970 - 1972
- Staff Appraiser — Davis Brabant, MAI, Huntington Park, California, 1960 - 1962

V. **Teaching Experience:**

- Southwestern College, Chula Vista, California, "Real Estate Appraisal"

VI. **Expert Witness:**

- Superior Court, San Diego, Los Angeles, Riverside, and San Bernardino Counties
- Rent Control Hearings: Oceanside, Escondido, Ventura, Concord, Yucaipa, Carpinteria, Palmdale, San Marcos, Carson
- Various Arbitration Hearings
- Assessment Appeals Board, Riverside County, San Diego County and Orange County
- Federal Bankruptcy Court, San Diego County & Santa Barbara County
- United States District Court – Northern District of California

VII. **Types of Appraisals:**

- | | |
|-----------------------------|---|
| Residential Property: | Single-family residence, condominiums, apartments, subdivisions, existing and proposed |
| Commercial Property: | Office buildings, shopping centers, office condominiums, etc., existing and proposed |
| Industrial Property: | Single/multi-tenant, business parks, etc., existing and proposed |
| Vacant Land: | Industrial, commercial, residential, and rural |
| Agricultural: | Ranches, avocado and citrus groves, etc. |
| Special Purpose Appraisals: | Leasehold estates, possessory interest, historical appraisals, etc. |
| Mobile Home Parks: | For a variety of purposes including rent hearings, park closure, park conversions, failure to maintain litigation, etc. |

VIII. Partial List of Appraisal Clients:

Banks

Bank of America
Bank of New York
City National Bank
Downey Savings
Fidelity Federal Bank
First Interstate Bank
First Pacific National Bank
Flagship Federal Savings
Great Western Bank
Industrial Bank of Japan
Palomar Savings & Loan
Redlands Federal Bank
Union Bank of California
Wells Fargo Bank

Government Agencies and Municipalities

California Department of
Transportation/Caltrans
Carlsbad Municipal Water District
City of Carlsbad
City of Chula Vista
City of Colton
City of Concord
City of Escondido
City of Laguna Beach
City of La Mesa
City of Salinas
City of San Bernardino
City of San Diego
City of San Marcos
City of Vista
City of Yucaipa
County of San Diego
Fallbrook Public Utility District
Metropolitan Water District
Oceanside Unified School District
Pacific Telephone
Poway Municipal Water District
Ramona Unified School District
SANDAG (San Diego Assoc. of Govts.)
San Diego County Water Authority
San Diego Unified Port District
San Marcos Unified School District
U.S. Depart. of the Interior
 Bureau of Indian Affairs
U.S. Department of Justice

Law Firms

Asaro, Keagy, Freeland. & McKinley
Best, Best & Krieger
Daley & Heft
Endeman, Lincoln, Turek & Heater
Foley, Lardner, Weissburg & Aronson
Fulbright & Jaworski
Gray, Cary, Ware & Freidenrich
Higgs, Fletcher & Mack
Latham & Watkins
Lounsbery, Ferguson, Altona & Peak
Luce, Forward, Hamilton & Scripps
McDonald & Allen
McInnis, Fitzgerald, Rees, Sharkey & McIntyre
O'Melveny & Meyers
Post, Kirby, Noonan & Sweat
Procopio, Cory, Hargreaves & Savitch
Rutan & Tucker
Singer, Richard
Sullivan Wertz McDade & Wallace
Tatro & Zamoyski
Thorsnes Bartolotta & McGuire
Worden Williams, APC

Title Companies

Chicago Title
Fidelity National Title Insurance
First American Title
St. Paul Title
Title Insurance & Trust

Others

Avco Community Developers
Coldwell Banker
Dixieline Lumber
Golden Eagle Insurance
National Steel & Shipbuilding Co.
Northern San Diego County Hospital District
Prudential Insurance Corp.
Rosenow, Spevacek, Group
San Diego Gas & Electric Co.
San Luis Rey Downs (Vessels)
Steeffel, Levitt & Weiss
Tellwright-Campbell, Inc.
Transamerica Relocation Service
Vedder Park Management

PARTIAL LIST OF MOBILE HOME AND MOBILE HOME PARK APPRAISALS

Rent Studies

Calimesa, California	Ponderosa Mobile Home Park
Carlsbad, California	Rancho Carlsbad
Carson, California	Colony Cove
Chula Vista, California	Brentwood Mobile Home Park
Concord, California	Brookview Park
	Concord Mobile Home Park
	Vista Del Monte Trailer & Mobile Home Park
	Town & Country Mobile Village
	The Trees
El Cajon, California	Rancho Laguna Mobile Home Park
Escondido, California	Escondido Mobile Park West
	Town & Country Mobile Home Park
	Valley Parkway Mobile Home Park
Hollister, California	Mission Oak Mobile Home Park
La Mesa, California	La Mesa Terrace
Malibu, California	Paradise Cove
Modesto, California	Modesto Mobile Home Park
Oceanside, California	Laguna Vista Mobile Home Park
Pacific Palisades, California	Palisades Bowl
Rocklin, California	Sierra Lakes Adult Mobile Home Community
Salinas, California	Alisal Country Estates
San Marcos, California	El Dorado Mobile Home Park
	San Marcos Mobile Estates
Thousand Oaks, California	Ranch Mobile Home Park
	Thunderbird Oaks

Mobile Home Park Conversions

Capitola, California	Surf and Sand Mobile Home Park
Carlsbad, California	Rancho Carlsbad
Carson, California	Carson Harbor Village
Colton, California	Rancho Mediterranean
Escondido, California	Champagne Village (formerly Lawrence Welk Village)
Fallbrook, California	Rancho Monserate
Lakeside, California	Lake Jennings Mobile Home Park
Palm Desert	Indian Springs Mobile Home Park
Palm Springs, California	El Dorado Mobile Home Park
Paso Robles, California	Rancho Paso Mobile Home Park
Vista, California	Vista Cascade
Woodland Hills, California	Mountain View Estates

Mobile Home Park Subdivisions

Thousand Palms, California
Vista, California

Ivey Ranch
Vista Del Mar
Shadowridge Crossing

For Possible Acquisition

Colton, California

Lake Cadena Mobile Home Park
Reche Canyon Mobile Home Park

El Cajon, California
Montclair, California

Glenview Mobile Home Park
Villa Montclair
Hacienda

San Bernardino, California

Glen Aire
Friendly Village
Pacific Palms
Ninth Street
Royal Coach
Rancho Meridian
Meridian Terrace
Sequoia Plaza
Orangewood

San Marcos, California

Palomar Estates East Mobile Home Park
Palomar Estates West Mobile Home Park
Rancheros Mobile Home Park
San Marcos View Estates
Twin Oaks Valley
Villa Vista
Sycamore Creek

Vista, California

Estate Purposes

Camarillo, California
Cathedral City, California
Chino, California
La Habra, California
Lakeside, California
Modesto, California
Newbury Park, California
Rancho Cucamonga, CA
Riverside, California
San Juan Capistrano, CA
San Pedro, California
Scotts Valley, California
Simi, California
Temecula, California
Ventura, California

Camarillo Mobile Home Park
Royal Palms Mobile Home Park
Pembroke Downs Mobile Home Park
Friendly Village La Habra
Lakefront Mobile Home Park
Friendly Village-Modesto
Vallecito Mobile Home Park
Alta Laguna Mobile Estates
Rancho Caballero Mobile Home Park
Rancho Alipaz Mobile Home Park
Palos Verdes Shores Mobile Home Park
Whispering Pines Mobile Home Park
Friendly Village Simi Mobile Home Park
Heritage Mobile Home
Colony Mobile Home Park
Lemonwood Mobile Home Park

Estate Purposes (Continued)

Victorville, California
West Covina, California
Tempe, Arizona

Victor Villa Mobile Home Park
Friendly Village West Covina
Tempe Cascade Mobile Estates

Litigation Purposes

Agua Dolce, California
Anaheim, California
Apple Valley, California
Barstow, California
Bloomington, California
Brea, California
Canoga Park, California
Carlsbad, California
Carson, California

Castaic, California
Ceres, California
Colton, California
Cotati, California

Cypress, California
Dana Point, California
Desert Hot Springs, California
East Palo Alto, California
Grand Terrace, California
Grass Valley, California
Hollister, California
Huntington Beach, California

Laguna Beach, California
Lodi, California
Long Beach, California

Malibu, California
Manteca, California
Modesto, California
Napa, California
Oceanside, California
Palm Springs, California
Pedley, California
Pomona, California
Poway, California
Sacramento, California
San Rafael, California
Santa Barbara, California

Hacienda Vasquez
Western Skies Mobile Home Park
Rancho de Las Brisas
Chateau Barstow
Cedar Village Mobile Home Park
Hollydale Mobile Home Park
Mountain View Estates
Rancho Carlsbad
Avalon Carson Mobile Estates
Bel Abby Mobile Home Park
Paradise Ranch Mobile Home Park
Colony Park Estates
Lake Cadena Mobile Home Park
Countryside Mobile Park Estates
Ramble Creek Mobile Park
Sierra Mobile Home Park
Lincoln Center Mobile Home Park
Beachwood Mobile Home Park
Healing Waters Mobile Home Park
Palo Mobile Estates
Terrace Pines Mobile Home Park
Mountain Air Mobile Home Park
Mission Oaks Mobile Home Park
Huntington Mobile Estates
Huntington Shorecliffs
Laguna Terrace Mobile Home Park
Villa Cerezos Mobile Home Park
Belmont Shores Mobile Home Park
Friendly Village Mobile Home Park
Villa Park
Paradise Cove
Islander Mobilehome Park
Pinewood Meadows
Wine Country MHP
El Camino 76 Mobile Estates
Western Village Mobile Home Park
Santiago Mobile Home Park
Mission Boulevard
Poway Royal Mobile Home Estates
Regency Mobile Home Park
Contempo Marin
Nomad Mobile Home Park

Litigation Purposes (Continued)

Santa Cruz, California
San Juan Capistrano, California
Santa Monica, California
Santee, California

Stanton, California
Van Nuys, California
Windsor, California

De Anza Santa Cruz
Capistrano Terrace Mobile Home Park
Village Trailer Park
Highlands Mobile Home Park
Meadowbrook Mobile Home Park
Katella Mobile Home Park
Park Royale
Royal Manor Mobile Home Park
Windsorland Mobile Home Park

Park Closure

Laguna Beach, California
San Diego, California

Treasure Island Mobile Home Park
DeAnza Bayside

Rent Control Hearings

Carpinteria, California
Escondido, California
San Juan Capistrano, California
Yucaipa, California
Calimesa, California

Ventura, California
Oceanside, California
San Marcos, California
Concord, California
Palmdale, California

Other Purposes

Banning, California
Capitola, California
Chula Vista, California
El Cajon, California
Escondido, California

Palm Desert, California
Riverside, California
San Clemente, California

Santee, California

Spring Valley, California
Warner Springs, California

Linda Vista Mobile Home Park
Castle Mobile Home Park
Brentwood Mobile Home Park
Heart O' The Hills Mobile Home Park
Moonglow Mobile Home Park
Greencrest Mobile Home Park
Ponderosa
Canyon Crest Mobile Home Park
Palm Desert Mobile Estates
Rancho Riverside Mobile Home Park
Palm Beach Park
Capistrano Shores Mobile Home Park
Meadowbrook Mobile Estates
(Partial Acquisition)
Bomita Hills
Warner Springs Mobile Home Park
(formerly Agape Village)

Attachment 8: Rent Data Provided by the tenants

September 21, 2010

Hand Delivered

Russ Watson
Community Development Department
City of Thousand Oaks
City Hall
2100 Thousand Oaks Boulevard
Thousand Oaks, CA 91361

Re: Response to Your Letter of September 2, 2010 for Information on Past Rent and Operations of Thunderbird Oaks Mobile Home Park; Application of A. V. M. G. H. Ltd. to Increase All Space Rents at Thunderbird Oaks Mobile Home Park by \$322.52.

Rent Adjustment Commission Hearing Date: October 5, 2010.

Dear Mr. Watson:

First, we are all quite distressed at this application that seeks to almost double many of our resident's space rents. An assertion that the owner is not making enough money is surprising when one considers the present economy where many people are not making what they used to and an evaluation of the changes in the CPI over the last decade that indicate minor inflationary pressure with last year in the negative at -.8%. Based on this background, the absence of any new capital improvement in the park, the lower level of park management, and the lack of any observable owner investment back into this park, we do not see any basis for space rent increases.

I have discussed your letter to me dated September 2, 2010 with various long term residents of Thunderbird Oaks Mobile Home Park who keep good records. The following is what I had already observed or learned from those tenants.

1. You asked for "any information on rent trends in the park prior to the adoption of the rent stabilization ordinance in 1980."

Space rents increased in the park in 1977 - For the resident record keeper's space by \$20 per month (a 13.3% increase); in 1979 again by \$20 per month or a 11.8% increase. There was no rent increase in 1978, however, we note the owner has asserted there were no rent increases in years 1980-1983, but our records indicate

that is not true as there was an increase in 1980 by \$15 per month or a 7.9 % increase, in 1981 by \$16 per month or a 7.8 % increase, and in 1982 by \$17 per month or a 7.7 % increase. See attached "Rent Increase History".

2. You asked for "an explanation of whether all, or a portion of, sewer, trash or water expenses are passed through to the residents."

Residents pay sewer (\$25.60 per space per month) and garbage/trash (\$21.45 per space per month) as separate utility charges on their monthly statement (see attached Statement and Notice re sewer rate). Residents do not pay for water. Residents began paying for sewer in August, 1999 and for garbage/trash in January, 2009 (dates confirmed in attached "Rent Increase History").

3. You asked "was there a change between 1986 and 2009 in the amount of utility services (e.g. water, trash, sewer) which are paid for by the park ownership (without reimbursement by the residents) and the services that are reimbursed by the residents?"

Yes. In 1986 residents did not pay separately for sewer and garbage/trash. Those costs were previously incorporated into their space rent. Residents began paying for sewer, as a separate monthly utility charge, in August, 1999. Residents began paying for garbage/trash, as a separate monthly utility charge, in January, 2009. Residents do not pay separately for water, which cost is incorporated into their space rent.

4. You asked "were there repair and maintenance activities that occurred in the park in 2007, 2008, and 2009 which would have made expenses substantially different for those years? "

No. There has been only minimal repair and maintenance activity in the park in the years 2007, 2008 and 2009. The interior of the clubhouse may have been partially repainted once or twice in 30 years, but nothing recently. The interior of the clubhouse is now dirty and has not been maintained. The clubhouse and its kitchen are not cleaned on a regular basis and such has not been well maintained. The mural on the back wall has not been refurbished and is dirty with water streaks from prior roof leaks. The pool and jacuzzi have never been resurfaced nor the tiles regouted.

Absolutely no increase any observable maintenance services to park during that time.

5. You asked "were the management services provided at the park substantially different in 1986 than in 2009?"

In 1986, Andrew Hohn employed 1 man and woman couple as the main on-site Managers and another couple as the Assistant Managers. Each couple was provided with subsidized coach space rent/housing and utilities, and also paid a separate salary. Both men in the couples also provided maintenance services in the park. Alfredo Gomez was employed as a "maintenance man." Both women in the Manager and Assistant Manager couples worked in the on-site park office. The park was run well like an association at what we assume was a lower cost (over that of Suburban Park Management, a northern California property management company that must fly people in, who stay in hotels, get a per diem costs and the company needs a profit and to cover its overhead). Prior to this company becoming involved, the park was better managed, with repairs and maintenance done in a timely manner, and the on-site managers, who experienced living there, kept on top of things. Now there is delay and interference with any park needs or the on-site management.

In 2009, Suburban Park Management was hired, which is a small northern California management company where we are informed the park owner's daughter works. As a result, that company (or the owner) decided to continue with 1 employed on-site manager, 1 full-time maintenance man (perhaps for both Thousand Oaks parks), and 1 part-time maintenance man. The on-site manager receives a salary and is provided with subsidized coach space rent/housing and utilities. The after hours answering service was discontinued. Street repairs by an outside professional company were dropped and are now performed by only the full-time maintenance man (who now also must read all meters and do other work). Unfortunately, Suburban Park Management will not allow the on-site manager to make any decision without prior approval from Gretchen Carter, the Suburban Park Management representative. Thus, maintenance, a response, services and repairs have been impeded, delayed or even abandoned because there is often no follow through by this far away company to problems brought to their attention.

Russ Watson
Community Development Department
City of Thousand Oaks
September 21, 2010
Page 4

We get this extraordinary rent increase request, but no one can think of any new park benefit, amenity, or increase in management response or service. What we recall are costing steps like the park owner removing the hard line telephone at pool, preventing emergency 911 calls in case of an accident.

Due to the problems and inconsistencies in the application, we are working with a CPA, Mr. Goldstein, and our recently hired legal counsel, in preparing a formal opposition letter to this requested rent increase, which we hope to file with the City this week. If you need any more information, please let me know.

Very truly yours,



Marilyn Aurand

MA/am
Enclosures

cc: Karen King, Thunderbird Oaks Mobile Home Park Resident and Rent Adjustment
Committee Member
Mark Sellers, Esq., Jackson, DeMarco, Tidus & Peckenpaugh
Daniel Goldstein, CPA

Rent Increase History

Space Occupancy: 150 Date: 8/11/1976

Base Rent: \$150.00 per month (Water, Sewer, Trash included)

DATE	RENT INCREASE \$	NEW MONTHLY RENT	% actual Increase	REMARKS
8/1/1977	20.00	170.00	13.3	No increase in 1978
9/1/1979	20.00	190.00	11.8	
9/1/1980	15.00	205.00	7.9	
9/1/1981	16.00	221.00	7.8	
9/1/1982	17.00	238.00	7.7	No increase 1983/1984
1/1/1985	17.00	255.00	7.2	Note: now effective Jan. 1
1/1/1986	12.00	267.00	4.7	No increase 1987
1/1/1988	10.00	277.00	3.7	
1/1/1989	9.00	286.00	3.2	
1/1/1990	10.00	296.00	3.5	
1/1/1991	8.00	304.00	2.7	
1/1/1992	8.00	312.00	2.6	
1/1/1993	8.00	320.00	2.6	
1/1/1994	8.00	328.00	2.5	
1/1/1995	4.00	332.00	1.2	
1/1/1996	3.00	335.00	0.9	
1/1/1997	3.00	338.00	0.9	
1/1/1998	3.00	341.00	0.9	
1/1/1999	2.00	343.00	0.6	
8/1/1999	--	325.40		*See Note Below
1/1/2000	5.00	330.40	1.5	
1/1/2001	7.00	337.40	2.1	
1/1/2002	6.00	343.40	1.8	
1/1/2003	6.00	349.40	1.7	

1/1/2004	8.00	357.40	2.3	
1/1/2005	4.00	361.40	1.1	
1/1/2006	8.00	369.40	2.2	
1/1/2007	9.00	378.40	2.4	
1/1/2008	7.00	385.40	1.9	
1/1/2009	7.00	373.40	1.8	**See Note Below
8/1/2010	—	373.40		***See Note Below

* Rent reduced by \$17.60(Sewer Cost passed on \$20.65)

** Rent reduced by \$19.00 (Trash Cost passed on)

*** No Rent increase effective 1/1/2010 – Current Cost: Sewer \$25.60
Trash \$21.45

NOTE: Rent increases under rent control were based on 1986 Rent of \$267.00 X 75% of CPI

Thunderbird Oaks
 200 S. Conejo School Road
 Thousand Oaks, CA 91362
 805-496-3725
 FAX 805-495-9975

Statement

Billing Period	Statement Date
8/1/10 - 8/31/10	7/26/10

Property	Unit	Type	Ass.
TOAKS	26	LOT	1086

TO:

Karen King
 2662 Thunderbird Dr #26
 Thousand Oaks, CA 91362

Previous Balance	Current Charges	Current Credits	Balance Due
0.00	564.92	0.00	564.92

Least Payment	Amount Enclosed
7/2/10 4029 \$560.24	\$564.92



PLEASE RETURN TOP PORTION WITH YOUR REMITTANCE

DATE	TRANSACTION DESCRIPTION	AMOUNT
	Previous Balance	0.00
08/01/10	Sewer	25.60
08/01/10	Garbage	21.45
08/01/10	Rent Charge	471.40
08/01/10	Electric Charge Readings Current: 07/15/10 - 8954 Previous: 06/15/10 - 8709 Usage: 245	32.12
08/01/10	Gas Charge Readings Current: 07/15/10 - 937 Previous: 06/15/10 - 926 Usage: 11	14.35
BALANCE DUE		564.92

SCE Electric Sched. D
 30 Days in Cycle 417 kWh Baseline
 T1 Del 245 @ 0.04548 \$11.14
 T2 Del 0 @ 0.06539 \$0.00
 T3 Del 0 @ 0.15861 \$0.00
 T4 Del 0 @ 0.19361 \$0.00
 T5 Del 0 @ 0.22881 \$0.00
 T1 DWR 58 @ 0.03763 23.796% \$2.18
 T2 DWR 0 @ 0.03763 \$0.00
 T3 DWR 0 @ 0.03763 \$0.00
 T4 DWR 0 @ 0.03763 \$0.00
 T5 DWR 0 @ 0.03763 \$0.00
 T1 SCE 187 @ 0.09564 \$17.88
 T2 SCE 0 @ 0.09564 \$0.00
 T3 SCE 0 @ 0.09564 \$0.00
 T4 SCE 0 @ 0.09564 \$0.00
 T5 SCE 0 @ 0.09564 \$0.00
 Customer Charge 30 @ 0.029 \$0.87
 State Tax Reim 245 @ 0.00022 \$0.05
 Utility User Tax \$0.00
 Total \$32.12

Gas
 Consumption 926 - 937 = 11 Therms
 Usage
 Tier 1: 11.275 @ 0.75179 \$8.48
 Tier 2: 0 @ 0.99179 \$0.00
 Cust Charge 30 days @ 0.064 \$4.93
 Subtotal \$13.41
 Public Purpose Surcharge \$0.72
 PUC Fee \$0.01
 Inspection Fee \$0.21
 Total \$14.35

Paid 8/1/10 Check # 4037 \$564.92

COMMENTS
 All bills due by 5:00pm on the sixth. Qualifying low-income residents may be eligible for discounts on monthly gas and electric bills through the CARE or FERA program. To obtain information or applications, please contact: Southern California Gas Company at 1-800-427-2200 and Southern California Edison at 1-800-447-6620. ***Billing company: Suburban Park Management, 621A Quinan Street, Pinole, CA 94564, (510) 741-9500.***



THUNDERBIRD OAKS

MOBILE HOME PARK

2501 THUNDERBIRD DRIVE
THOUSAND OAKS, CA 91362

805-496-3725

NOTICE

JULY 1, 2007

TO ALL THUNDERBIRD OAKS RESIDENTS:

EFFECTIVE SEPTEMBER 1, 2007 THE SEWER RATE WILL
CHANGE TO \$25.60 PER MONTH. THIS IS AN INCREASE OF
\$3.75.

SINCERELY,

CHUCK & PAT HOSTMYER
COMMUNITY MANAGERS

7-1-77	150	5057	507	22.85	0739	51/55	10.16	4-22-77	182.71	Valdez	
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG. END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME
TO											
RENTAL		ELECTRICITY			GAS			PLEASE PAY THIS AMOUNT			

#150

OTHER CHARGES		AMOUNTS
A	PETS	
B	STORAGE	
C	EXTRA PERSON(S)	

STATEMENT CONTROL NO.
OF CHARGES 2392

9-0-1923	182.71	150	2392	7/4/77	0					
BANK TRANSIT NO.	CHECKS OR CASH	SPACE NO.	CONTROL NO.	DATE OF RECEIPT	BALANCE DUE					
	AMOUNT RECEIVED									

THUNDERBIRD OAKS
MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91360
(805) 495-2255

RECEIPT

IF CASH IS ENCIRCLED INDICATES CASH RETURNED

THUNDERBIRD OAKS
MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91360
(805) 495-2255

FOR EXACT AMOUNT

2392

Thank You!

RECEIVED BY:

W. Cummings

NOT VALID UNLESS SIGNED BY AUTHORIZED PERSON.

8-1-77	170	5057	584	25.87	0739	39/54	7.87	6-23-77	203.16	VALDEZ	
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG. END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME
TO											
RENTAL		ELECTRICITY			GAS			PLEASE PAY THIS AMOUNT			

#150

OTHER CHARGES		AMOUNTS
A	PETS	
B	STORAGE	
C	EXTRA PERSON(S)	

STATEMENT CONTROL NO.
OF CHARGES 2551

9-0-1923	203.16	150	2551	8/5/77	0					
BANK TRANSIT NO.	CHECKS OR CASH	SPACE NO.	CONTROL NO.	DATE OF RECEIPT	BALANCE DUE					
	AMOUNT RECEIVED									

THUNDERBIRD OAKS
MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91360
(805) 495-2255

RECEIPT

IF CASH IS ENCIRCLED INDICATES CASH RETURNED

THUNDERBIRD OAKS
MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91360
(805) 495-2255

FOR EXACT AMOUNT

2551

Thank You!

RECEIVED BY:

Ellen Pida

NOT VALID UNLESS SIGNED BY AUTHORIZED PERSON.

8-1-79	170.10	9328	713	32	95	2536	3 1/3	9.90	6-18-79	*	212.85	VALDEZ
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG.-END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME	
TO												

RENTAL	ELECTRICITY	GAS	OTHER CHARGES	AMOUNTS
150			A PETS	
			B STORAGE	
			C EXTRA PERSON(S)	
			D CABLE T.V.	

STATEMENT CONTROL NO. OF CHARGES No 7213

THUNDERBIRD OAKS MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91360
(805) 495-2255

16-4	212.85	150	7213	8/6	0						
BANK TRANSIT NO.	CHECKS OR CASH	SPACE NO.	CONTROL NO.	DATE OF RECEIPT	BALANCE DUE						
	AMOUNT RECEIVED										

RECEIPT

No 7213

THUNDERBIRD OAKS MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91360
(805) 495-2255

FOR EXACT AMOUNT

Thank You!

RECEIVED BY: *Jeanne Hunter*
NOT VALID UNLESS SIGNED BY AUTHORIZED PERSON.

9-1-79	190.00	9104	776	36	68	2536	3 1/3	9.90	7-18-78	*	236.55	VALDEZ
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG.-END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME	
TO												

RENTAL	ELECTRICITY	GAS	OTHER CHARGES	AMOUNTS
150			A PETS	
			B STORAGE	
			C EXTRA PERSON(S)	
			D CABLE T.V.	

STATEMENT CONTROL NO. OF CHARGES No 737

THUNDERBIRD OAKS MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91360
(805) 495-2255

16-4	236.55	150	7375	9/5/79	0						
BANK TRANSIT NO.	CHECKS OR CASH	SPACE NO.	CONTROL NO.	DATE OF RECEIPT	BALANCE DUE						
	AMOUNT RECEIVED										

RECEIPT

No 7375

THUNDERBIRD OAKS MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91360
(805) 495-2255

FOR EXACT AMOUNT

Thank You!

RECEIVED BY: *Jeanne Hunter*
NOT VALID UNLESS SIGNED BY AUTHORIZED PERSON.

7-20	196	4972 3782	490	3487	3325	30 30	1129	6-17 7-17		23536	Valley
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG.-END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME
TO											
RENTAL		ELECTRICITY			GAS			PLEASE PAY THIS AMOUNT			

150						* OTHER CHARGES		AMOUNTS	
A PETS									
B STORAGE									
C EXTRA PERSON(S)									
D									
E									
F									
G									
H									
I									
J									
K									
L									
M									
N									
O									
P									
Q									
R									
S									
T									
U									
V									
W									
X									
Y									
Z									
AA									
AB									
AC									
AD									
AE									
AF									
AG									
AH									
AI									
AJ									
AK									
AL									
AM									
AN									
AO									
AP									
AQ									
AR									
AS									
AT									
AU									
AV									
AW									
AX									
AY									
AZ									
BA									
BB									
BC									
BD									
BE									
BF									
BG									
BH									
BI									
BJ									
BK									
BL									
BM									
BN									
BO									
BP									
BQ									
BR									
BS									
BT									
BU									
BV									
BW									
BX									
BY									
BZ									
CA									
CB									
CC									
CD									
CE									
CF									
CG									
CH									
CI									
CJ									
CK									
CL									
CM									
CN									
CO									
CP									
CQ									
CR									
CS									
CT									
CU									
CV									
CW									
CX									
CY									
CZ									
DA									
DB									
DC									
DD									
DE									
DF									
DG									
DH									
DI									
DJ									
DK									
DL									
DM									
DN									
DO									
DP									
DQ									
DR									
DS									
DT									
DU									
DV									
DW									
DX									
DY									
DZ									
EA									
EB									
EC									
ED									
EE									
EF									
EG									
EH									
EI									
EJ									
EK									
EL									
EM									
EN									
EO									
EP									
EQ									
ER									
ES									
ET									
EU									
EV									
EW									
EX									
EY									
EZ									
FA									
FB									
FC									
FD									
FE									
FF									
FG									
FH									
FI									
FJ									
FK									
FL									
FM									
FN									
FO									
FP									
FQ									
FR									
FS									
FT									
FU									
FV									
FW									
FX									
FY									
FZ									
GA									
GB									
GC									
GD									
GE									
GF									
GG									
GH									
GI									
GJ									
GK									
GL									
GM									
GN									
GO									
GP									
GQ									
GR									
GS									
GT									
GU									
GV									
GW									
GX									
GY									
GZ									
HA									
HB									
HC									
HD									
HE									
HF									
HG									
HH									
HI									
HJ									
HK									
HL									
HM									
HN									
HO									
HP									
HQ									
HR									
HS									
HT									
HU									
HV									
HW									
HX									
HY									
HZ									
IA									
IB									
IC									
ID									
IE									
IF									
IG									
IH									
II									
IJ									
IK									
IL									
IM									
IN									
IO									
IP									
IQ									
IR									
IS									
IT									
IU									
IV									
IW									
IX									
IY									
IZ									
JA									
JB									
JC									
JD									
JE									
JF									
JG									
JH									
JI									
JJ									
JK									
JL									
JM									
JN									
JO									
JP									
JQ									
JR									
JS									
JT									
JU									
JV									
JW									
JX									
JY									
JZ									
KA									
KB									
KC									
KD									
KE									
KF									
KG									
KH									
KI									
KJ									
KK									
KL									
KM									
KN									
KO									
KP									
KQ									
KR									
KS									
KT									
KU									
KV									
KW									
KX									
KY									
KZ									
LA									
LB									
LC									
LD									
LE									
LF									
LG									
LH									
LI									
LJ									
LK									
LL									
LM									
LN									
LO									
LP									
LQ									
LR									
LS									
LT									
LU									
LV									
LW									
LX									
LY									
LZ									
MA									
MB									
MC									
MD									
ME									
MF									
MG									
MH									
MI									
MJ									
MK									
ML									
MM									
MN									
MO									
MP									
MQ									
MR									
MS									
MT									
MU									

8-81	205	0477	917	58 89	4130	58	10 91	6-15		274 80	VALDEZ
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG.-END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME
RENTAL		ELECTRICITY			GAS			PLEASE PAY THIS AMOUNT			

STATEMENT OF CHARGES CONTROL NO. 8668

* OTHER CHARGES						AMOUNTS					
A PETS											
B STORAGE											
C EXTRA PERSON(S)											
16-4	274 80	150	8668	8/5/81							
BANK TRANSIT NO.	CHECKS OR CASH	SPACE NO.	CONTROL NO.	DATE OF RECEIPT	BALANCE DUE	AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS
	AMOUNT RECEIVED										

THUNDERBIRD OAKS MOBILEHOME CLUB
 200 SO. CONEJO SCHOOL ROAD
 THOUSAND OAKS, CALIFORNIA 91360
 (805) 495-2255

RECEIPT

IF CASH IS ENCIRCLED INDICATES CASH RETURNED

No 8668

THUNDERBIRD OAKS MOBILEHOME CLUB
 200 SO. CONEJO SCHOOL ROAD
 THOUSAND OAKS, CALIFORNIA 91360
 (805) 495-2255

FOR EXACT AMOUNT

Thank You!

RECEIVED BY: *[Signature]*
 NOT VALID UNLESS SIGNED BY AUTHORIZED PERSON.

9-81	221 00	1469	432	28 82	4147	27	10 86	7-15		260 88	Valdes
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG.-END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME
RENTAL		ELECTRICITY			GAS			PLEASE PAY THIS AMOUNT			

STATEMENT OF CHARGES CONTROL NO. 10743

* OTHER CHARGES						AMOUNTS					
A PETS											
B STORAGE											
C EXTRA PERSON(S)											
16-4	260 88	150	10743	9/4/81							
BANK TRANSIT NO.	CHECKS OR CASH	SPACE NO.	CONTROL NO.	DATE OF RECEIPT	BALANCE DUE	AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS	AMOUNTS
	AMOUNT RECEIVED										

THUNDERBIRD OAKS MOBILEHOME CLUB
 200 SO. CONEJO SCHOOL ROAD
 THOUSAND OAKS, CALIFORNIA 91362
 (805) 496-3725

RECEIPT

IF CASH IS ENCIRCLED INDICATES CASH RETURNED

No 10743

THUNDERBIRD OAKS MOBILEHOME CLUB
 200 SO. CONEJO SCHOOL ROAD
 THOUSAND OAKS, CALIFORNIA 91362
 (805) 496-3725

FOR EXACT AMOUNT

Thank You!

RECEIVED BY: *[Signature]*
 NOT VALID UNLESS SIGNED BY AUTHORIZED PERSON.

8-1-82	236.84	5114	88	5.27	4743	21/62	1057	6-17			236.84	Waldey
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG.-END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME	
TO												
RENTAL		ELECTRICITY		GAS			PLEASE PAY THIS AMOUNT					

OTHER CHARGES	AMOUNTS
A PETS	
B STORAGE	
C EXTRA PERSON[S]	
D CABLE T.V.	

STATEMENT CONTROL NO. OF CHARGES 10184

#150
1.067

THUNDERBIRD OAKS MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91362
(805) 496-3725

16-4	236.84	150	10184	8/5/82		
BANK TRANSIT NO.	CHECKS OR CASH	SPACE NO.	CONTROL NO.	DATE OF RECEIPT	BALANCE DUE	YES
	AMOUNT RECEIVED					

RECEIPT

IF CASH IS ENCIRCLED INDICATES CASH RETURNED

No 10184

THUNDERBIRD OAKS MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91362
(805) 496-3725

FOR EXACT AMOUNT

Thank You!

RECEIVED BY: B. Lynn
NOT VALID UNLESS SIGNED BY AUTHORIZED PERSON.

7-1-82	317.91	5362	792	68.29	4943	34/37	1762	7-1			317.91	Waldey
FROM	AMOUNT	METER ENDING & BEG.	KW USED	AMOUNT	METER ENDING & BEG.	CU. FT. USED	AMOUNT	METER READ. DATES BEG.-END.	TOTAL OTHER CHARGES	TOTAL DUE	NAME	
TO												
RENTAL		ELECTRICITY		GAS			PLEASE PAY THIS AMOUNT					

OTHER CHARGES	AMOUNTS
A PETS	
B STORAGE	
C EXTRA PERSON[S]	
D CABLE T.V.	

STATEMENT CONTROL NO. OF CHARGES 10346

#150
1.075

THUNDERBIRD OAKS MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91362
(805) 496-3725

16-4	317.91	150	10346	7/4/82		
BANK TRANSIT NO.	CHECKS OR CASH	SPACE NO.	CONTROL NO.	DATE OF RECEIPT	BALANCE DUE	YES
	AMOUNT RECEIVED					

RECEIPT

IF CASH IS ENCIRCLED INDICATES CASH RETURNED

No 10346

THUNDERBIRD OAKS MOBILEHOME CLUB
200 SO. CONEJO SCHOOL ROAD
THOUSAND OAKS, CALIFORNIA 91362
(805) 496-3725

FOR EXACT AMOUNT

Thank You!

RECEIVED BY: B. Lynn
NOT VALID UNLESS SIGNED BY AUTHORIZED PERSON.

**LOT RENT HISTORY FOR DOROTHY DEAN
UNIT 102 IN THE THUNDERBIRD OAKS MOBILE HOME PARK
1978 THROUGH 1984**

Dorothy Dean
124 Apache Avenue
Thousand Oaks, California

CITY OF THOUSAND OAKS
2010 SEP 27 AM 10: 21
COMMUNITY DEVELOPMENT

Unit 102 in the Thunderbird Oaks Mobile Home Park

Marilyn Aurand (Chair) and Karen King (Co-Chair) of the Thunderbird Oaks Mobile Home Park Committee to Oppose the Owners' Rent Adjustment Application believe that the rent checks from Dorothy Dean (Unit 102) cited herein disprove the owners' statement that her monthly rent in 1979 was \$270 (Attachment "2" to the owners' Rent Adjustment Application) and prove that there had to be a series of annual rent increases from 1978 through 1982 to bring her 1978 monthly rent of \$195 to \$270 in 1983 (Attachment "3" to the owners' Rent Adjustment Application). Checks will be made available upon request.

Dorothy and Paul Dean moved into the Thunderbird Oaks Mobile Home Park in January of 1978. They paid for their coach on January 9, 1978 (check number 414 attached hereto) and paid a moving company to transport their belongings on January 13, 1978 (check number 417 attached hereto).

Dorothy told Karen King on September 23, 2010 that she and her husband paid \$195 a month for their lot rent in 1978. A review of her rent checks for 1978 would confirm this (see attached "1978 Rent/Utility Checks" table). The amounts in the "Total Amount" column for these rent checks range from \$214.75 to \$246.51. These total amounts include payment for both lot rent and utilities. If \$195 is deducted from the amount of each 1978 rent check you obtain a monthly payment amount for utilities that is reasonable for the cost of gas and electric usage in 1978.

It must be noted that the amount cited in each rent check referenced herein, from 1978 through 1982, also includes payment for monthly utility usage, specifically gas and electricity.

Per Dorothy's conversation with Karen on September 23rd, in 1979 the Dean's lot rent increased by \$4 because their corner location was considered a "premium lot". For reasons discussed below, I believe that their 1979 rent was also increased by an additional \$20 a month as indicated in the "Rent Increase History" provided by Diane Valdez and given to the City of Thousand Oaks as part of Marilyn Aurand's letter to Russ Watson dated September 21, 2010. Therefore, I believe that the Dean's lot rent in 1979 was \$219.

Attachment "2" to the owners' Rent Adjustment Application dated May 27, 2010 ("Application") indicates that rent for Unit 102 was \$270 in 1979. A review of the Dean's rent checks for 1979 would indicate that this is an incorrect number. The amounts in the "Total Amounts" column in the attached "1979 Rent/Utility Checks" table range from \$224.91 to \$276.49. Again, these total amounts include both monthly lot rent payment and payment for utility usage. Therefore, the Dean's lot rent could not have been \$270 in 1979.

In order for the Dean's lot rent to increase from \$195 in 1978 to \$270 in 1983 as stated in the Application, there had to be a series of annual rent adjustments. The "Rent Increase History" from Diane Valdez documents this and a review of the Dean's rent checks from 1978 through 1982 shows that the total amounts increased year over year. By using the "Rent Increase History", and adding \$1 to the increase amounts from 1979 through 1981 (because Dorothy Dean has always paid a higher rent amount than Diane Valdez as shown in the Application), I was able to approximate an annual rent increase for Dorothy Dean that brings her monthly lot rent to \$270 in 1982 (see attached "1978 to 1982 Approximate Annual Rent Increases for Dorothy Dean - Unit 102"). We agree that park rents did not increase in 1983 and 1984, thus the Dean's rent for those years would also have been \$270.00.

PAUL DEAN
DOROTHY DEAN
2058 HOOD DRIVE 495-5008
THOUSAND OAKS, CALIF. 91360

NUMBER

417

90-2829
1222

PAY TO THE
ORDER OF

Reverend Martin Luther King, Jr. \$185 ⁶³/₁₀₀
One Hundred Eighty Five and 63/100 DOLLARS

THOUSAND OAKS BRANCH
INDEPENDENCE BANK
3366 EAST THOUSAND OAKS BLVD.
THOUSAND OAKS, CALIF. 91320

MEMO

Dorothy Dean

⑆ 1222 2829 623 092577 ⑆

⑆000018563⑆

DEALERS CHECK PRINTERS LOG

1-5122
PAUL DEAN
DOROTHY DEAN
2058 HOOD DRIVE 495-5008
THOUSAND OAKS, CALIF. 91360

NUMBER

414

90-2829
1222

PAY TO THE
ORDER OF

Hawaii's Trailer Sales \$43,999 ⁴⁵/₁₀₀
Forty Three Thousand Nine Hundred Ninety Nine and 45/100 DOLLARS

THOUSAND OAKS BRANCH
INDEPENDENCE BANK
3366 EAST THOUSAND OAKS BLVD.
THOUSAND OAKS, CALIF. 91320

MEMO

Paul Dean

⑆ 1222 2829 623 092577 ⑆

⑆0004399945⑆

1977 Hawaiian News Market Home

**1978 TO 1982 APPROXIMATE ANNUAL RENT INCREASES FOR DOROTHY DEAN
UNIT 102**

	RENT	INCREASE FOR FOLLOWING YEAR
1978	\$195.00	\$24.00 (\$4 for corner lot; \$20 per Diane Valdez "Rent Increase History")
1979	\$219.00	\$16.00 (\$15.00 per Diane Valdez "Rent Increase History" plus \$1*)
1980	\$235.00	\$17.00 (\$16 per Diane Valdez "Rent Increase History" plus \$1)
1981	\$252.00	\$18.00 (\$17 per Diane Valdez "Rent Increase History" plus \$1)
1982	\$270.00**	

* Dorothy Dean pays a higher rent than Diane Valdez as indicated in various sections of the owners' Rent Adjustment Application. \$1 has been added to the "Rent Increase History" provided by Diane Valdez (which lists her rent increases from 1977 to 2009). This additional \$1 adjusts the rent increase to account for the higher rent paid by Dorothy Dean. This \$1 adjustment in the "Rent Increase History" amount from Diane Valdez for the years 1979, 1980, and 1981 demonstrates how Dorothy Dean's rent could increase from \$219 in 1979 to \$270 in 1982.

** Rent amount shown for Unit 102 in Attachment "3" to the owners' Rent Adjustment Application.

Rent Increase History

Space Occupancy: 150 Date: 8/11/1976
 Base Rent: \$150.00 per month (Water, Sewer, Trash included)

DATE	RENT INCREASE \$	NEW MONTHLY RENT	% actual Increase	REMARKS
8/1/1977	20.00	170.00	13.3	No increase in 1978
9/1/1979	20.00	190.00	11.8	
9/1/1980	15.00	205.00	7.9	
9/1/1981	16.00	221.00	7.8	
9/1/1982	17.00	238.00	7.7	No increase 1983/1984
1/1/1985	17.00	255.00	7.2	Note: now effective Jan. 1
1/1/1986	12.00	267.00	4.7	No increase 1987
1/1/1988	10.00	277.00	3.7	
1/1/1989	9.00	286.00	3.2	
1/1/1990	10.00	296.00	3.5	
1/1/1991	8.00	304.00	2.7	
1/1/1992	8.00	312.00	2.6	
1/1/1993	8.00	320.00	2.6	
1/1/1994	8.00	328.00	2.5	
1/1/1995	4.00	332.00	1.2	
1/1/1996	3.00	335.00	0.9	
1/1/1997	3.00	338.00	0.9	
1/1/1998	3.00	341.00	0.9	
1/1/1999	2.00	343.00	0.6	
8/1/1999	—	325.40		*See Note Below
1/1/2000	5.00	330.40	1.5	
1/1/2001	7.00	337.40	2.1	
1/1/2002	6.00	343.40	1.8	
1/1/2003	6.00	349.40	1.7	

1/1/2004	8.00	357.40	2.3	
1/1/2005	4.00	361.40	1.1	
1/1/2006	8.00	369.40	2.2	
1/1/2007	9.00	378.40	2.4	
1/1/2008	7.00	385.40	1.9	
1/1/2009	7.00	373.40	1.8	**See Note Below
8/1/2010	—	373.40		***See Note Below

* Rent reduced by \$17.60(Sewer Cost passed on \$20.65)

** Rent reduced by \$19.00 (Trash Cost passed on)

*** No Rent increase effective 1/1/2010 – Current Cost: Sewer \$25.60
Trash \$21.45

NOTE: Rent increases under rent control were based on 1986 Rent of \$267.00 X 75% of CPI

Thunderbird Oaks Mobile Home Park
1978 Rent/Utility Checks
 Unit 102

Dorothy Dean
 124 Apache Avenue
 Thousand Oaks, California

Monthly Rent - \$195 (Per Tenant)

	RENT	UTILITIES	TOTAL AMOUNT
JANUARY	\$195.00*		
FEBRUARY	\$195.00	\$19.75	\$214.75**
MARCH	\$195.00	\$43.12	\$238.12
APRIL	\$195.00	\$30.34	\$225.34
MAY	\$195.00	\$35.54	\$230.54
JUNE	\$195.00	\$42.28	\$237.28
JULY	\$195.00	\$44.80	\$239.80
AUGUST	\$195.00	\$44.67	\$239.67
SEPTEMBER	\$195.00	\$47.47	\$242.47
OCTOBER	\$195.00	\$40.73	\$235.73
NOVEMBER	\$195.00	\$50.79	\$245.79
DECEMBER	\$195.00	\$51.51	\$246.51

* Dorothy and Paul Dean moved into the mobile home park in January, 1978.

** Checks provided upon request.

Thunderbird Oaks Mobile Home Park
1979 Rent/Utility Checks
 Unit 102

Dorothy Dean
 124 Apache Avenue
 Thousand Oaks, California

Monthly Rent - \$219 (\$24 - \$4 Increase for Corner Lot Per
 Tenant; \$20 Annual Rent Increase Per Diane Valdez "Rent
 Increase History")

	RENT	UTILITIES	TOTAL AMOUNT
JANUARY	\$219.00	\$31.53	\$250.53*
FEBRUARY	\$219.00	\$39.69	\$258.69
MARCH	\$219.00	\$37.84	\$256.84
APRIL	\$219.00	\$51.50	\$270.50
MAY	\$219.00	\$5.91	\$224.91
JUNE	\$219.00	\$14.06	\$233.06
JULY	\$219.00	\$21.70	\$240.70
AUGUST	\$219.00	\$25.87	\$244.87
SEPTEMBER	\$219.00	\$47.19	\$266.19
OCTOBER	\$219.00	\$57.49	\$276.49
NOVEMBER	\$219.00	\$38.48	\$257.48
DECEMBER	\$219.00	\$49.30	\$268.30

*Checks provided upon request.

Thunderbird Oaks Mobile Home Park
1980 Rent/Utility Checks
 Unit 102

Dorothy Dean
 124 Apache Avenue
 Thousand Oaks, California

Monthly Rent - \$235 (\$16 - \$15 Annual Rent Increase Per
 Diane Valdez "Rent Increase History"; \$1 Added to
 Account for the Higher Rent Paid by Dorothy Dean)

	RENT	UTILITIES	TOTAL AMOUNT
JANUARY	\$235.00	\$38.72	\$273.72*
FEBRUARY	\$235.00	\$45.14	\$280.14
MARCH	\$235.00	\$48.19	\$283.19
APRIL	\$235.00	\$31.63	\$266.63
MAY	\$235.00	\$49.28	\$284.28
JUNE	\$235.00	\$26.75	\$261.75
JULY	\$235.00	\$38.20	\$273.20
AUGUST	\$235.00	\$37.80	\$272.80
SEPTEMBER	\$235.00	\$80.75	\$315.75
OCTOBER	\$235.00	\$61.98	\$296.98
NOVEMBER	\$235.00	\$62.13	\$297.13
DECEMBER	\$235.00	\$47.78	\$282.78

*Checks provided upon request.

Thunderbird Oaks Mobile Home Park
1981 Rent/Utility Checks
 Unit 102

Dorothy Dean
 124 Apache Avenue
 Thousand Oaks, California

Monthly Rent - \$252 (\$17 - \$16 Annual Rent Increase Per
 Diane Valdez "Rent Increase History; \$1 Added to Account
 for the Higher Rent Paid by Dorothy Dean)

	RENT	UTILITIES	TOTAL AMOUNT
JANUARY	\$252.00	\$51.22	\$303.22*
FEBRUARY	\$252.00	\$34.09	\$286.09
MARCH	\$252.00	\$52.54	\$304.54
APRIL	\$252.00	\$30.13	\$282.13
MAY	\$252.00	\$44.70	\$296.70
JUNE	\$252.00	\$33.11	\$285.11
JULY	\$252.00	\$43.71	\$295.71
AUGUST	\$252.00	\$52.65	\$304.65
SEPTEMBER	\$252.00	\$57.96	\$309.96
OCTOBER	\$252.00	\$56.13	\$308.13
NOVEMBER	\$252.00	\$48.26	\$300.26
DECEMBER	\$252.00	\$60.88	\$312.88

*Checks provided upon request.

Thunderbird Oaks Mobile Home Park
1982 Rent/Utility Checks
Unit 102

Dorothy Dean
 124 Apache Avenue
 Thousand Oaks, California

Monthly Rent - \$270 (\$18 - \$17 Annual Rent Increase Per
 Diane Valdez "Rent Increase History"; \$1 Added to
 Account for the Higher Rent Paid by Dorothy Dean)

	RENT	UTILITIES	TOTAL AMOUNT
JANUARY	\$270.00*	\$44.30	\$314.30**
FEBRUARY	\$270.00	\$69.59	\$339.59
MARCH	\$270.00	\$69.50	\$339.50
APRIL	\$270.00	\$46.47	\$316.47
MAY	\$270.00	\$62.69	\$332.69
JUNE	\$270.00	\$35.37	\$305.37
JULY	\$270.00	\$52.16	\$322.16
AUGUST	\$270.00	\$12.47	\$282.47
SEPTEMBER	\$270.00	\$76.46	\$346.46
OCTOBER	\$270.00	\$68.60	\$338.60
NOVEMBER	\$270.00	\$66.59	\$336.59
DECEMBER	\$270.00	\$60.15	\$330.15

* Rent amount shown for Unit 102 in Attachment "3" to the owner's Rent Adjustment Application.

** Checks provided upon request.

ATTACHED:

CITY OF THOUSAND OAKS
2010 SEP 27 AM 10: 21
COMMUNITY DEVELOPMENT

The attached notice addressed "TO ALL RESIDENTS OF THUNDERBIRD OAKS MOBILEHOME CLUB" regarding a rent increase of 8% effective September 1, 1981 was sent on June 26, 1981 to all park residents.

This notice was signed by "Andrew V. Hohn, Owner".

The owners' "Rent Adjustment Application" dated May 27, 2010, submitted to the City of Thousand Oaks, states that there were no lot rent increases during the period 1979 to 1983. The attached notice refutes that claim and proves that the owners increased lot rents in 1981.

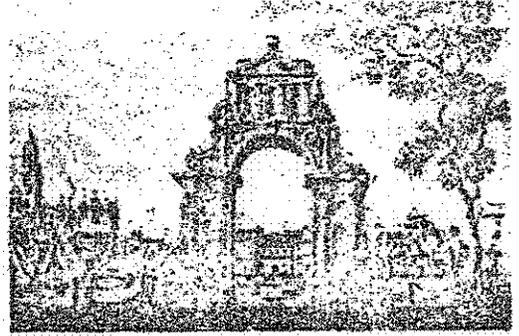
The amount is consistent with the Rent Increase History chart that we supplied to Russ Watson on September 21, 2010 which states the rent was increased in 1981 to \$221.00.

THUNDERBIRD OAKS

MOBILEHOME CLUB

200 S. CONEJO SCHOOL RD. THOUSAND OAKS, CA., 91360

805 / ~~495-1111~~ 496-3725



A Monument to the Majesty of The Oaks

28 June 1981

\$221.00

82 Bushby

TO ALL RESIDENTS OF THUNDERBIRD OAKS MOBILEHOME CLUB

Effective 1 September 1981, your monthly rent will be increased by eight percent (8%). The attached rental agreement reflects this change.

The rental agreement covers a period of one year, 1 September 1981 to 31 August 1982. If you do not sign the rental agreement, your tenancy will be on a month to month basis at the increased eight percent (8%) rate. Upon signing a rental agreement, please return it to the Park's office and it will be countersigned by management and a copy given to you for your records.

There are no changes to the Park's Rules and Regulations.

Joe W. Horton
Joe W. Horton - Manager

Andrew V. Hohn
Andrew V. Hohn, Owner

Attached:

- (1) Rental Agreement
- (2) Park Rules & Regulations
- (3) California Civil Code Provisions,
Mobilehome Residency Law
effective January 1, 1981

ATTACHED:

**Escrow document dated September 22, 1976 for:
Rental Agreement – 1981**

CITY OF THOUSAND OAKS
2010 SEP 27 AM 10: 21
COMMUNITY DEVELOPMENT

**Robert and Carleen Binkley
138 Piute Ave. Space 82
Thousand Oaks, CA 91362**

Robert and Carleen Binkley bought their coach in 1976. Their escrow document (attached) does not indicate what the space rent was at the time of purchase. The Rent Increase History chart provided to Russ Watson indicates that the 1976 rents were increased by \$20. 1977 rents are shown to be \$170. Therefore, one can deduce that the 1976 rents were \$150.00.

Attached is a Rental Agreement dated July 1, 1981 between Carleen Binkley and Thunderbird Oaks Mobile Home Club showing an increase in lot rent to \$221.00 per month effective as of September 1, 1981.

The owners' "Rent Adjustment Application" dated May 27, 2010 and filed with the City of Thousand Oaks (the "Application") states that in 1985 "Space 82" was paying \$238.00 per month in lot rent.

The Application states that there were no lot rent increases in 1983 and 1984.

However, the difference between the 1985 lot rent of \$238 cited in the Application and the 1981 lot rent of \$221 would indicate that there was an additional rent increase in 1982. That rent increase would have been \$17 which is consistent with the Rent Increase History chart.

82

THUNDERBIRD OAKS MOBILHOME CLUB

200 South Conejo School Road
Thousand Oaks, California 91362
(805) 496-3725

RENTAL AGREEMENT AND PARK
RULES AND REGULATIONS

THIS AGREEMENT is entered into this 1 day of July, 1981, by and between Carlson Buckley (hereinafter referred to as "Tenant"), and THUNDERBIRD OAKS MOBILHOME CLUB (hereinafter referred to as "Management").

1. This agreement establishes the right of Tenant to use Lot No. 82, located at 138 Route Thousand Oaks, California 91362, for a period of twelve (12) months commencing 1 September 1981 and terminating 31 August 1982. Tenant may use said Lot for the sole purpose of maintaining and occupying a mobilhome and site improvements for human habitation, including the use of the services and facilities of the mobilhome park as set forth below. If Tenant holds over, the term of this Agreement set forth above, such holding shall be construed to be a tenancy only from month to month.

2. During the term of this Agreement, Tenant shall pay rent for said Lot on the first day of each month, in advance commencing September 1, 1981, in the amount of Two Hundred Twenty Dollars (\$221.00)

Rents received later than the fifth day of any month shall bear a late charge of \$5.00.

3. During the term of this Agreement, Management shall provide the following services to said Lot: water, sewer and trash pick-up. All facilities and park recreational areas shall be maintained by Management, for the sole use of Tenants and their guests.

4. Additional utilities that are provided said Lot include natural gas, electricity, telephone and cable television service. Telephone and cable television service shall be charged directly to Tenant by the cable television and telephone

company. Management shall meter and charge Tenant for natural gas and electricity monthly. Said charges shall constitute additional rent and be due at the same time as the rent specified in Paragraph 2., above.

5. During the term of this Agreement, the mobilehome on said Lot shall be occupied for residential purposes, only, by Carlean Binkley and for no other purpose or by any other persons.

6. Tenant may not either voluntarily or by operation of law, assign this Agreement or any rights given Tenant hereunder, nor may Tenant sublet the use of said Lot or any portion thereof without the prior written consent of Management. Any such attempted assignment or subletting shall be void and constitute a material breach of this Agreement. Manager may charge a reasonable fee for consenting to any such assignment or subletting.

7. Tenant shall forthwith repair at his sole cost and expense, any and all damage resulting from the act or negligence of Tenant, his employees, servants, or invitees, and hold Management free and harmless from any such damage. If Tenant fails to make any such repairs after reasonable notice to Tenant; Management may make such repairs on behalf of Tenant, and all sums so expended shall be due Management by Tenant upon demand as additional rent.

8. Management shall not be liable to Tenant nor his agents or invitees, except as provided for by law, for (a) loss or injury to person or property by reason of any failure to keep the park in repair, (b) any loss or damage resulting from the bursting, stoppage, or leaking of utility lines, waste lines, or piping or plumbing lines or fixtures of any nature, (c) for loss or injury to person or property caused by explosion, fire, theft or (d) any loss or injury to person or property caused by or resulting from the act or neglect of Tenant, other tenants, or other persons upon the park premises.

9. Attached hereto is a copy of the Mobilehome Park Residency Law, being California Civil Code Sections 798, et. seq. Tenant hereby acknowledges receipt of a copy of same, which is incorporated herein by this reference.

10. The Rules and Regulations set forth at the end of this Agreement are a part hereof. Tenant agrees to abide by such Rules and Regulations as amended from time to time, for

himself and for all persons upon the park premises with his consent. The Rules and Regulations, standards of maintenance of physical improvements in the park, together with services (including utilities), equipment and physical improvements within the park may be changed from time to time as provided by the Mobilehome Park Residency Law.

11. Management shall, upon reasonable notice and written request, meet with one or more Tenants or a duly designated agent of a group of Tenants, with respect to the following matters:

- a. Amendment to park Rules and Regulations.
- b. Standards for maintenance of physical improvements in the park.
- c. Addition, alteration or deletion of service, equipment or physical improvements.

12. In accordance with the requirements of Civil Code Sections 798.17 and 798.27, the following information is provided:

a. The zoning under which the park operates is: a conditional use permit

b. The date of expiration or renewal of any conditional use or other permits required to operate the park subject to expiration of renewal is: _____

c. The duration of any lease of the park or any portion thereof, in which the management is a lessee is: Park is not subject to any lease

If a change occurs concerning the zoning permit under which the park operates, or a lease in which the Management is a lessee, all Tenants will be given written notice of any such change within thirty (30) days thereof.

13. The Management shall have a right of entry upon the land upon which a mobilehome is situated for maintenance of utilities and the protection of the mobilehome park at any reasonable time, but not in a manner or at a time which would interfere with the occupant's quiet enjoyment. The Management may enter a mobilehome without the prior written consent of the occupant in the case of an emergency or when the occupant has abandoned the mobilehome.

14. This Agreement at the sole option of the Management may be declared forfeited and/or the tenancy may be terminated and/or Tenant's right to possession terminated in accordance with the provisions of the Mobilehome Park Residency Law and other applicable law. Any such rights granted the Management due to any amendments, deletions, or modifications of the Mobilehome Park Residency Law and other applicable law may be enforced by the Management.

15. Tenant understands that this Agreement will remain in effect and Tenant will be liable to pay rent as set forth in this Agreement whether or not the Tenant occupies the space or maintains a mobilehome at the space for the term of this Agreement.

16. The Management may at its option in order to upgrade the quality of the park, require the removal of mobilehomes from the premises upon their sale to a third party, in accordance with the provisions of the Mobilehome Park Residency Law and other applicable law. Any rights granted the Management due to amendments, deletions, or modifications of the Mobilehome Park Residency Law and other applicable law may be enforced by the Management.

17. Tenant may sell his mobilehome at any time pursuant to the rights and obligations of Tenant and Management under state law. Tenant must, however, immediately notify the Management in writing of Tenant's intent to sell his mobilehome. If the prospective buyer of the mobilehome intends for the mobilehome to remain in the park, or for the buyer to reside in the park, said buyer must: (1) complete an Application for tenancy; (2) be accepted by Management; (3) execute a rental agreement or other agreement for occupancy of the premises; and (4) execute and deliver to Management a copy of the park's then effective Rules and Regulations. These same requirements for completion of an application, approval by Management and the execution of documents shall also apply before any person other than the ones listed above shall be permitted to become a Tenant or resident of the park. The rental and other agreements and Rules and Regulations signed by the new Tenant or resident may be different in their terms and provisions than this Agreement and the other agreements and Rules and Regulations now in effect.

18. Time is of the essence of this Agreement.

19. Each provision of this Agreement is separate, distinct and individually enforceable. In the event any provision is declared to be unlawful or unenforceable, the validity of all other provisions shall not be affected.

20. By signing this Agreement, Tenant has acknowledged that Tenant has carefully inspected the space to be rented and all the park's facilities and has found them to be in every respect as represented by Management to the Tenant, either orally or in writing, and to the extent that they are not exactly as represented, either orally or in writing, accepts them as they are.

21. The prevailing party in any action, shall be entitled to recover all expenses which may be incurred, including reasonable attorney's fees, by reason of any breach of this Agreement.

22. Neither the acceptance by Management of any installment of rent after its due date nor the waiver by Management of any other breach by Tenant of this Agreement shall constitute a waiver by Management of any further default on the part of Tenant.

23. Upon vacation of the demised premises Tenant shall furnish written notice to Management of the address to which Tenant is moving. All refunds to which Tenant is entitled under this Agreement shall be mailed to such address.

24. This Agreement contains the entire agreement between Management and Tenant relating to said Lot and the park. No representation which is not incorporated herein shall be binding upon Management, and all representations which have been made are incorporated herein or, if not so incorporated, shall be deemed to have been waived by Tenant. All preliminary negotiations between the parties are merged into and superceded by, the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first written above.

MANAGEMENT:

THUNDERBIRD OAKS
MOBILEHOME CLUB

By: James W. Horton
7-1-81

TENANT:

Carleen Binkley

EXHIBIT ONE - ATTACHMENT TO PURCHASE ORDER DATED 9-22-74

MOBILE HOME INFORMATION TO ESCROW

1. THE NAME OF THE SELLER IS: Principal Mobile Home Sales, Inc.
ADDRESS: 5011 Dolly Drive, Knoxville, TN 37912 PHONE: 423-4963

2. THE NAME OF THE BUYER IS: Robert A. Miller, Linda Miller
ADDRESS: 306 N. Grand Street, Memphis, TN 38102 PHONE: 913-888-2188
Apartment #111

3. THE NAME OF THE ESCROW AGENT IS: Commercial & Business National Bank
ADDRESS: 200 Kentucky Drive, Knoxville PHONE: 423-6222

4. THE DESCRIPTION OF THE MOBILE HOME BEING SOLD TO THE BUYER IS:
Make: Lindco Serial: 24804 Series: 411
IF FACTORY ORDER, STATE MODEL & 651 SIZE: 34x60
ANY OTHER DATA NECESSARY TO IDENTIFY MOBILE HOME, IF ANY:
None

5. THE INITIAL DEPOSIT INTO THIS ESCROW CAN ONLY BE ONE OF THE FOLLOWING: CASH, CASHIER'S CHECK, PERSONAL CHECK OR TITLE TO MOBILE HOME OR VEHICLE TRADED IN. THE REMAINING DEPOSITS TO THIS ESCROW MUST BE CASH, CASHIER'S CHECK, APPROVED LOAN INSTRUMENTS, BANK DRAFT OR DEDUCT FROM SELLER.

6. THE MOBILE HOME WILL BE DELIVERED TO THE FOLLOWING ADDRESS:

NAME OF MOBILE HOME PARK IF APPLICABLE: Trinidad
None STATE: MO IF APPLICABLE: St

THE BUYER GRANTS SELLER THE RIGHT TO ENTER UNMANNED PREMISES TO DELIVER, PERFORM WORK OR REMOVE MATERIALS, GOODS AND PERSONNEL.

7. CONDITIONS UNDER WHICH THE MOBILE HOME WILL BE DELIVERED:
THE MOBILE HOME WILL BE DELIVERED APPROXIMATELY FIVE (5) WORKING DAYS AFTER THE FULL PRICE SPECIFIED IN THE PURCHASE ORDER FOR THE MOBILE HOME HAS BEEN DEPOSITED INTO THE ESCROW. THE DELIVERY OF THE MOBILE HOME SHALL NOT COMMENCE UNTIL THE ESCROW HAS BEEN FULLY FUNDED BY BUYER.

8. WHEN THE MOBILE HOME HAS PASSED INSPECTION, PURSUANT TO SECTIONS 110613 AND 110614 OF THE HEALTH AND SAFETY CODE, ALL FUNDS HELD IN THIS ESCROW WILL BE IMMEDIATELY PAID TO THE SELLER, Gold Coast Mobile Home Sales, Inc.

IF AN INSPECTION IS NOT REQUIRED AS A CONDITION OF THIS ESCROW, ALL FUNDS HELD IN THIS ESCROW WILL BE IMMEDIATELY PAID TO THE SELLER, NA

UPON ENTERING INTO ESCROW & DELIVERY RECEIPT SIGNED BY THE BUYER OR DESIGNATED PERSON NA

9. ONE HUNDRED TWENTY (120) DAYS FROM THE DATE OF SALE OF THE MOBILE HOME, SHOULD IT NOT BE DELIVERED TO THE DATE PRESCRIBED IN THE ESCROW INSTRUCTIONS, THE ESCROW SHALL TERMINATE. SUCH TIME MAY BE EXTENDED FOR THIRTY (30) DAY PERIODS BY MUTUAL AGREEMENT OF THE SELLER AND THE BUYER WITH SUCH AGREEMENT BE EVIDENCED IN WRITING AND DELIVERED INTO ESCROW. TERMINATION OF ESCROW, PURSUANT TO THIS SUBSECTION, SHALL RESULT IN FULL REFUND TO THE BUYER OF ANY CASH OR CASH EQUIVALENTS PREVIOUSLY DEPOSITED INTO ESCROW FOR CONSIDERATION OF THE MOBILE HOME IN THE SAME FORM AS DEPOSITED BY THE SELLER.

10. SHOULD THE BUYER DESIRE TO TERMINATE THE ESCROW ON A FACTORY COUNTERMOBILE HOME, PRIOR TO THE MOBILE HOME STARTING INTO PRODUCTION, THE FULL AMOUNT OF THE ESCROW SHALL BE RETURNED.

11. IF A FACTORY COUNTER MOBILE HOME IS TO BE FINANCED, ALL LOAN COMMITMENTS SHALL BE APPROVED AND MADE IN WRITING INTO ESCROW BEFORE THE MOBILE HOME IS DELIVERED FOR FACTORY USE. THE FULL AMOUNT DUE TO BE LOANED TO BUYER SHALL BE A MAXIMUM OF \$20,000. 30 DAYS WILL BE ALLOWED FOR CREDIT APPROVAL. IF BUYER SHOULD FAIL TO SECURE PROPER LOAN, ALL FUNDS DEPOSITED INTO ESCROW WILL BE RETURNED TO THE BUYER.

12. IF THE SELLER IS UNABLE TO DELIVER THE MOBILE HOME DESCRIBED IN THE ESCROW, THE FULL AMOUNT DEPOSITED INTO ESCROW WILL BE REFUNDED TO THE BUYER AND THE SELLER WILL PAY THE ESCROW FEE.

13. THE ESCROW FEE IS THE RESPONSIBILITY OF THE BUYER, EXCEPT IN CONDITION NUMBER TWELVE (12). THE ESCROW FEE MUST BE PAID BY CASH OR CHECK DEPOSITED INTO ESCROW, SEPERATE AND APART FROM ANY OTHER ITEMS DEPOSITED INTO ESCROW, WITH THIS LETTER.

14. THE TOTAL ESCROW FEE WILL BE \$ 2500

15. IT IS UNDERSTOOD BY BOTH THE BUYER AND THE SELLER THAT THERE ARE NO OTHER CONDITIONS OF THE ESCROW, EITHER VERBAL OR WRITTEN.

SELLER Gold Coast Mobile Home Sales, Inc.

ADDRESS 1919 Daily Drive, Camarillo, CA 93010

By Frank Davis

BUYER Ken Binkley

Carole Binkley
ADDRESS 30613 Sand Trap Dr. Agoura CA 91301

DATE 9-22-76

DOWNPAYMENT RECEIVED \$ 1000 100 147

BALANCE OF DOWNPAYMENT DUE \$ 20,125 31,125 12,145

ATTACHED:

Escrow document dated November 7, 1980, for:

CITY OF THOUSAND OAKS

2010 SEP 27 AM 10: 21

COMMUNITY DEVELOPMENT

Dorothy and John Fox
2599 Mohawk Ave. Space 126
Thousand Oaks, CA 91362

John and Dorothy Fox bought their home in 1980. Their escrow document shows that their rent was \$205.00 per month. The owners' "Rent Adjustment Application" dated May 27, 2010 to the City of Thousand Oaks (the "Application") states that in 1985 Space 126 was paying \$238.00 per month for lot rent.

The owners have stated that there were no lot rent increases in 1983 and 1984. However, if the information in the Application cited above is correct, Space 126 had to receive a lot rent increase in 1981 and 1982, totally \$33.00, in order for the lot rent to be \$238.00 in 1985. The amount of \$33.00 is consistent with the Rent Increase History chart that was supplied to Russ Watson on September 21, 2010 which shows that the tenants received a rent increase of \$16.00 in 1981 and \$17.00 in 1982.

Bridgestone Escrow Corporation
 of Thousand Oaks

792 E. Thousand Oaks Blvd. Thousand Oaks, CA 91360 (213) 889-4911 (805) 497-9471

copy

STATEMENT OF ESCROW NO. 2778

JOHN S. FOX & DOROTHY A. FOX

DOCUMENTS RECORDED 11/7/80

PROPERTY OR SALES INFORMATION				CHARGES	CREDITS
PROPERTY: 2599 Mohand, Thousand Oaks				\$ 57,000.00	
LOCATION OR SALES INFORMATION					
Location outside of Escrow					
Location					
First Trust Deed in Favor of					
Second Trust Deed in Favor of					
PAYMENTS MADE AS OF					
Payments for one-half year \$	From	To			
Ins. Prem. \$	From	To			
Interest on \$ @	From	To			
Escrow Fee \$ 205.00 mo.	From 11/7	To 12/1	167.50		
Documentary Transfer Tax			1,914.00		
Recording Fee			6.00		
COMMISSION PAID TO					
PROPERTY OF TITLE INSURANCE					
Escrow Fee					
Documentary Transfer Tax					
Recording Deed					
Recording Trust Deed					
Recording Reconveyance					
Fire Insurance					
Service					
Conveyance Fee					
Fees Paid					
CLOSING FEE				50.00	
Recording Deed					
Recording Trust Deed					
Loan Tie-in Fee					
CAPITAL OF ENCUMBRANCE PAID TO					
Interest @ %	From	To			
Prepayment charges					
Beneficiary's Fee					
NEW LOAN CHARGES					
Credit Report					
Interest @ %	From	To			

Attachment 9:
Merged RAC-2 and RAC-5
(not adopted)

**MERGED RESOLUTION NO. RAC-2 and RAC-5*
(not formally adopted)**

**A RESOLUTION OF THE THOUSAND OAKS RENT
ADJUSTMENT COMMISSION ESTABLISHING
GUIDELINES IN ORDER TO DETERMINE A "JUST
AND REASONABLE RETURN"**

WHEREAS, the City Council of the City of Thousand Oaks has adopted Ordinance No. 755-NS regulating rents for residential housing in the City of Thousand Oaks: and

WHEREAS, that Ordinance established a RENT ADJUSTMENT COMMISSION to administer specified portion of said Ordinance; and

WHEREAS, the Commission is empowered by Section VI B to establish such Guidelines as the Commission may desire in order to grant increases in rent in order to insure that landlords achieve a Just and Reasonable Return on rental of their rental units.

NOW, THEREFORE, THE RENT ADJUSTMENT COMMISSION OF THE CITY OF THOUSAND OAKS DOES RESOLVE AS FOLLOWS:

1. The following Guidelines are established in order to enable the Commission to review requests by landlords for rent adjustments in order to achieve a Just and Reasonable Return on their rental units:

**THE JUST AND REASONABLE RETURN GUIDELINES
RENT ADJUSTMENT COMMISSION
CITY OF THOUSAND OAKS**

Sec. 1. GUIDELINES TO BE USED BY RENT ADJUSTMENT COMMISSION FOR DETERMINING A JUST AND REASONABLE RETURN (ORDINANCE NO. 755-NS, SECTION VI)

Sec. 1.01. The Rent Stabilization Ordinance, as amended, and Regulations and Guidelines promulgated by the Rent Adjustment Commission contain a number of provisions which normally assure a Just and Reasonable Return on rental units subject to the Ordinance. These provisions include:

- a. Automatic rent increases.
- b. Exemption of luxury apartment units and smaller units.
- c. Pass through of capital improvement costs.
- d. Pass through of rehabilitation work costs.
- e. Vacancy Decontrol. (*Subsection (e) added by RAC-5*)*

Sec. 1.02. The Rent Stabilization Ordinance authorizes the Rent Adjustment Commission to grant rent increases when the maximum rent or the maximum adjusted rent does not constitute a Just and Reasonable Return in accordance with such Guidelines as the Rent Adjustment Commission may establish.

Sec. 1.03. The Commission presumes that the net operating income received up to April, 1980 provided landlords with a Just and Reasonable Return on their rental units, unless there is clear and convincing evidence to the contrary. In most cases, the automatic increases allowed by the Ordinance and the property tax savings resulting from Proposition 13 provide sufficient additional operating income to landlords to maintain the same net operating income they experienced in 1979. However, in some cases landlords may have incurred reasonable operating expenses which exceed the rent increases allowed by the Ordinance and the tax savings resulting from Proposition 13. Therefore, landlords who have had such reasonable increased operating expenses should be able to maintain the same level of net operating income as they experienced in 1979 by requesting a rent adjustment pursuant to these

Guidelines.

Sec. 1.04. The method authorized herein is the approached preferred by the Commission, however, it is not exclusive. Applicants or tenants may propose the use of alternative approaches, but must fully explain, in writing, the methodology and the reasons supporting the use of the methodology and why the alternate approach is more appropriate than the method authorized herein. The proponent of an alternate approach must also provide information and documentation adequate to employ the suggested alternate approach. The methodology and documentation shall be provided with the application, sufficiently before the date set for hearing, so that the matter may be reviewed by the Commission staff. Failure to so provide that information shall be grounds for rejection of its use, or continuation of the hearing, at the Commission's discretion. The use of such approach as suggested by the applicant or tenant shall be at the discretion of the Commission.

*(This section amended by RAC-5)**

Sec. 1.04 A. The Commission promulgates these guidelines to assist them in determining whether the maximum adjusted rents under the Rent Stabilization Ordinance is permitting landlords to achieve a just and reasonable return on their rental units and is not intended to keep rents at the constitutional minimum. This approach has, and any proposed alternate approach should have, the ability to accurately and reliably make a determination as to when a rent adjustment is needed in as prompt and efficient a manner as possible with the least cost to the applicant and the least likelihood of delay, manipulation, or error.

*(This section added by RAC-5)**

Sec. 2. DETERMINATION OF THE NET OPERATING INCOME

Net Operating Income is determined by subtracting the annual Operating Expenses from the Gross Total Income.

Sec. 2.01. Gross Total Income is determined by adding the following:

- a. Rental Unit Income
- b. Garage and Parking Income
- c. Stores and Offices Incomes
- d. Adjusted Income for Below Market Rentals
- e. Miscellaneous Income

Sec. 2.02. Actual Rental Unit Income is the total annual income received from all the dwelling units in the rental complex.

Sec. 2.03. Garage and Parking Income is additional income received for parking services in the garage or parking spaces on the grounds of the rental complex.

Sec. 2.04. Stores and Offices Income is the total annual income received from any stores or offices located within the rental complex.

Sec. 2.05. Adjusted Income for Below Market Rentals is an amount representing the difference between the actual rent collected and what the landlord could have collected if the units had been rented at their full market value. Examples of below market rents may be units occupied by the landlord or the landlord's family, the unit of a resident manager, or any unit where the rent increases permitted by the Rent Stabilization Ordinance or the Regulations and Guidelines of the Rent Adjustment Commission could have been made, but have not been made because of the landlord's rental policies and purposes.

Sec. 2.06. Miscellaneous Income is determined by adding all actual revenues received from such sources as maid service, gas and electricity sold to tenants, commissions from telephones, laundry and vending machines, signs on the building or property of the rental complex, air conditioning charges, special

charges for the use of amenities, income from oil, gas, or other minerals on the rental complex property, location use payments by motion picture or television production companies, special rentals for occasional use of recreation rooms or other common areas, any interest derived from tenant money held as security deposits, and any other income derived from the operations of the rental complex.

Sec. 2.07. Vacancies in both the base year, as that term is defined in Sec. 3 below, and the year for which the application is made are not calculated. However, in cases where the Commission finds unusual vacancy patterns, the Commission will have the discretion to adjust the Gross Total Income as for example where vacancies have been the result of a landlord withholding rental units from the market.

Sec. 2.08. Operating Expenses are determined by adding the following:

- a. Management and Administrative Expenses
- b. Adjustment for landlord performed services
- c. Operating Expenses for:
 1. Supplies
 2. Heating Expenses
 3. Electricity
 4. Water and Sewer
 5. Gas
 6. Building Services
 7. Other Operating Expenses
- d. Maintenance Expenses including:
 1. Security
 2. Grounds Maintenance
 3. Maintenance and Repairs
 4. Painting and Decorating
- e. Taxes and Insurance Expenses including:

1. Real Estate Taxes
 2. Other Taxes, Fees and Permits
 3. Insurance
- f. Service Expenses
 - g. Other Payroll Expenses

Sec. 2.09. In determining operating expenses, all debt service expense, depreciation, and expenses for which a landlord has been reimbursed must be excluded.

Sec. 2.10. Management and Administrative Expenses shall include and be determined as follows:

- a. Wages, salaries and benefits for management, administrative and other personnel, including agency fees for administrative services.
- b. Advertising rental units but excluding any advertising for the sale of condominiums or for the sale of the rental complex as a whole.
- c. Auditing and accounting expenses.
- d. Office expenses; telephone expenses.
- e. Legal expenses - These expenses must be reasonable and in line with industry standards as per Sec. 2.17. This term shall not include fees incurred in selling or attempting to sell or convert the rental complex to another use or subdividing the rental complex. It shall also not include fees incurred in litigation involving rent control where such an inclusion would have the effect of "awarding" legal fees to the applicant or otherwise be inappropriate.
- f. Application expenses - Expenses for making an application for rent adjustment may be included as an expense in the year paid. This term may include reasonable legal and accounting

expenses for making application but shall not include filing fees.

- g. Professional property management fees, dues and licenses, except that if the landlord owns more than one rental complex, such expenses must be apportioned among the rental complexes owned.

*(This section amended by RAC-5)**

Sec. 2.11. An Adjustment for Management and Administrative Expenses shall be allowed where the landlord performs management or administrative functions or self-labor in operating and/or maintaining the property. In addition to the actual Management and Administrative Expenses listed in Sec. 2.10 above, where the landlord performs such services, the landlord may calculate an expense figure representing the value of such unpaid management and administrative services. However, the total cost of Management and Administrative Expenses including the foregoing adjusted expense cannot exceed 8% of the Actual Rental Income as described in Sec. 2.02 above, and where the landlord has performed substantially similar services in both the base year and the current year, the foregoing adjusted expenses must be calculated for both the base year and the current year at the same percentage of actual rental income. When the landlord performs different services in the base year and the current year, an adjustment will be allowed for such differences to the extent the landlord shall document the amount of such differences.

Sec. 2.12. Operating Expenses include:

- a. Supplies including janitorial services, light bulbs, uniforms for employees, etc.
- b. Heating Expenses include coal or oil used for heating the building.
- c. Electricity Expense include all landlord paid electricity for both rental units and common areas.
- d. Water and Sewer Expenses include all landlord paid expenses for the rental complex.

- e. Gas includes all gas charges paid by the landlord for both rental units and common areas.
- f. Building Services include expenses for window washing, lobby directory, exterminating, rubbish removal, TV antenna service.
- g. Other Operating Expenses include any other expenses which do not fit some other category. Expenses listed under this category must be explained.

Sec. 2.13. Maintenance Expenses include:

- a. Security Expense such as wages of any security personnel, contracted security expenses, door guards, and the operating cost of security equipment.
- b. Grounds Maintenance Expenses include wages of groundskeepers, gardeners, external building lighting, sidewalk and parking lot maintenance costs.
- c. Maintenance and Repairs include all general maintenance or repair both inside and outside the building, painting of the exterior, elevator maintenance, plumbing and electrical services, fire protection and smoke detector services, plastering and masonry repair, carpentry, heating repair, roofing and buck pointing. However, Capital Improvements are not eligible expenses. Landlords who did work which constitutes Capital Improvements in the base year must capitalize such expenses on the basis of a five year (60 month) amortization and charge only one/fifth of the total expenses in the year such an expense incurred and for the next successive four years until fully amortized. Capital Improvements performed or paid for in the current year must be amortized pursuant to Sec. VII (A) of the Rent Stabilization Ordinance.

The installation of separate utility meters is not an eligible expense within these guidelines. (*Subsection 2.13 (c) amended by RAC-5*)*

- d. Painting and Decorating include all costs including wages materials, and contracted labor painting and decorating the interior of the building, including the cost of paint, wallpaper, brushes, wall washing, and minor replacement costs related to floor coverings, draperies and light fixtures. Capital Improvement replacements of floor covering or draperies must be amortized as in subsection c above.

Sec. 2.14. Taxes and Insurance include:

- a. Real Estate Taxes including all local or state taxes as well as noncapitalized assessments.
- b. Other Taxes, Fees and Permits such as personal property taxes applicable to the building, franchise and business taxes, sign permit fees, etc.
- c. Insurance including all one-year charges for fire, liability, theft, boiler explosion, rent fidelity bonds, and all insurance premiums except those paid to FHA for mortgage insurance or employee benefit plans. Whenever a premium is multi-year, it must be prorated to all applicable years.

Sec. 2.15. Service Expenses include the amount of the cost of maintaining recreational amenities such as saunas, gymnasiums, billiard rooms, pools, jacuzzis and tennis courts. Such costs include payroll, contractual services, materials and supplies and minor noncapitalized equipment replacement. Improvements qualifying as Capital Improvements must be amortized as described in Sec. 2.13(c) above.

Sec. 2.16. Other Payroll Expenses include any payroll expenses not included in any of the categories previously listed, such as janitors, maids, elevator operators, telephone switchboard operators, and rental agents.

Sec. 2.17. Operating expenses must be reasonable. Whenever a particular

expense exceeds normal industry standards in the base year or in the current year for which the application for a rent increase is made, the Rent Adjustment Commission shall determine whether the expense is reasonable. In cases where the Rent Adjustment Commission determines that a particular expense is unreasonable, the Rent Adjustment Commission shall adjust the expense to reflect the normal industry range for that year. The Rent Adjustment Commission shall indicate the reason for such an adjustment in the determination.

Sec. 3. DETERMINATION OF ELIGIBILITY FOR RENT INCREASES PURSUANT TO THE 1979 BASE YEAR FORMULA

Sec. 3.01. The base year shall be 1979 when the financial information for that year is available.

Sec. 3.02. Determine the 1979 Net Operating Income.

Sec. 3.03. Determine the current year Net Operating Income in accordance with the provisions of Sec. 2-2.17 (i.e. the latest calendar year or the latest fiscal year used by the landlord for accounting purposes).

Sec. 3.04. Add to the Net Operating Income for 1979, all automatic adjustments of 8%, as permitted by Section VI of the Rent Stabilization Ordinance which the landlord could have implemented, which shall be known as the Price Level Adjustment.

Sec. 3.05. The Net Operating Income for the current year is compared to the 1979 Net Operating Income plus the Price Level Adjustment:

- a. If the current year Net Operating Income is larger than the 1979 Net Operating Income plus the Price Level Adjustment, the landlord is ineligible for a Just and Reasonable rent increase based on this formula.

- b. If the current year Net Operating Income is less than the 1979 Net Operating Income plus the Price level Adjustment, the landlord is eligible for a rent increase that will allow the current year Net Operating Income to equal the 1979 Net Operating Income plus the Price Level Adjustment.

Sec. 3.06. Landlords who did not own the rental property in 1979 shall use the 1979 Net Operating Income of the landlord of record in 1979 if the financial information is available.

Sec. 3.07. A determination of eligibility for a rent adjustment under this Resolution shall be conducted on the basis of the comparison of two (2) full years of data. The use of a base year other than calendar year 1979 shall only occur upon the showing of good cause as shall be determined within the discretion of the Rent Adjustment Commission. Good cause shall include, but shall not be limited to a showing that calendar year 1979 was not representative of net operating income produced by the complex; that income and/or expenses, where usually high or low during that period, in that 1979 was otherwise aberrational.

*(This section added by RAC-5)**

Sec. 4. DETERMINATION OF ELIGIBILITY FOR RENT INCREASES WHEN
1979 NET OPERATING INCOME AND EXPENSE INFORMATION IS
NOT AVAILABLE

In the event that the 1979 financial information is not available, and where the loss of such records can be substantiated by clear and convincing evidence, the landlord of record in 1979 may substitute as a base year the first year following 1979 for which records are available.

Sec. 4.01. In the case of a new landlord who did not own the rental property in 1979 and where 1979 records are not available from the previous landlord, the

present landlord may, when the unavailability of the 1979 records can be substantiated by clear and convincing evidence, substitute as a base year the first year following 1979 for which the previous landlord's records are available.

Sec. 4.02. In the event that no financial records are available from a previous landlord, the current landlord is eligible for a Just and Reasonable rent increase only when the landlord has two complete years of operating income and expenses. The first year Net Operating Income for such landlords will be the base year.

Sec. 4.03. Whenever permitted by the Price Level Adjustment factor, a Price Level Adjustment may be made to the base year Net Operating Income.

Sec. 4.04. The current year Net Operating Income is subtracted from the base year Net Operating Income plus the Price Level Adjustment.

Sec. 4.05. If the current year Net Operating Income is larger than the base year Net Operating Income plus the Price Level Adjustment, the landlord is ineligible for a Just and Reasonable rent increase based on this formula.

Sec. 4.06. If the current year Net Operating Income is less than the base year Net Operating Income plus the Price Level Adjustment, the landlord is eligible for a rent increase that will allow the current year Net Operating Income to equal the 1979 Net Operating Income plus the Price Level Adjustment.

Sec. 5. EXCEPTION FOR CIRCUMSTANCES WHERE A LANDLORD IS
 SUFFERING A NET OPERATING LOSS

To ensure that no landlord suffers a net operating loss because of the provisions of the Rent Stabilization Ordinance, the Rent Adjustment Commission shall grant a rent increase sufficient for a landlord to reach a breakeven point in the current year for which the application is made. All the criteria contained in Sections 2-2.17 shall be followed.

Sec. 6. DETERMINATION OF THE RENT INCREASE FOR EACH INDIVIDUAL RENTAL UNIT

The rental increase permitted by using one of the following listed formula is determined:

- a. The 1979 Base Year (Sections 3-3.05).
- b. When the 1979 Base Year Data is not available (Sections 4-4.04).
- c. The Net Operating Loss Circumstance (Sec. 5).

Sec. 6.01. The dollar amount that the total rent can be raised according to one of the above 3 formulas is divided by the Gross Total Income for the current year for which the application is made. The result of this calculation is the percentage individual rents can be raised.

Sec. 6.02. The percentage obtained by the calculation in Sec. 6.01 above is multiplied by the legal rent in effect in each rental unit for which a Just and Reasonable rent increase has been requested. The result of these calculations is the dollar amount the rent can be raised in each rental unit. The legal rent used in these calculations is the current rent at the time of the application, provided this rent does not exceed the amount permitted by the Rent Stabilization Ordinance and any Regulation or Guidelines issued by the Rent Adjustment Commission.

Sec. 6.03. SPECIAL NOTICE - No rent increase granted pursuant to the above shall be construed to permit landlords to raise their rents in violation of any terms or provisions of a written lease.

Sec. 7. PROCEDURES FOR LANDLORDS APPLYING FOR A JUST AND REASONABLE RENT INCREASE

Landlords should carefully examine these Guidelines and the Rent

Stabilization Ordinance (specifically, Section VII (C) of the Ordinance). The procedures and conditions covering eligibility are described therein. *(Preamble to section 7 amended by RAC-5)**

Sec. 7.01. Before a landlord may increase rents on the basis of the Just and Reasonable Guidelines, the landlord must first obtain the written approval of the Commission.

Sec. 7.02. The landlord may request written permission by completing an application and mailing it to the City of Thousand Oaks at the address listed on the application. The application form is titled "Application Form, 'JUST AND REASONABLE' RENT INCREASE."

Sec. 7.03. The landlord may not notice nor collect any rent increase based on a just and reasonable return application until such time as the Commission approves the request. Such increase may not go into effect until after compliance with statutory notice requirements.

*(This section amended by RAC-5)**

Sec. 7.04. In no case will the Commission authorize a rent increase beyond the amount requested by the landlord in the application unless the Commission finds that such an increase is warranted due to adjustments which must be made to the landlord's figures or calculations pursuant to the Ordinance, these guidelines, or pursuant to Commission policy.

*(This section amended by RAC-5)**

Sec. 7.05. In the event that an application lacks the required documents or that there are major errors in the mathematical computations showing the individual rent increases, the application will be returned to the landlord with an explanation as to why the application cannot be accepted.

Sec. 7.06. If an application is returned by the Commission or by Commission

staff because of an error or missing documents, the landlord may resubmit the application without an additional filing fee after correcting the error or obtaining the necessary documents.

*(This section amended by RAC-5)**

Sec. 7.07. The Commission staff shall determine when an application is complete. This determination shall be made within five (5) working days of the filing of the application unless the application indicates on its face that it is not yet complete. Notice that an application is complete will be given in writing to the applicant and the hearing date will be set within forty-five (45) days of the date that the application is determined to be complete. The applicant can appeal staff's determination as to whether an application is complete to the Commission by filing a letter of appeal with the City Manager. A determination with written findings in support thereof will be made by the Commission within seventy (70) days of the date the application is determined to be complete.

*(This section amended by RAC-5)**

Sec. 7.08. Whenever a Just and Reasonable rent increase application lacks complete documentation and/or required information, the case may be suspended prior to the hearing for a 30-day period commencing upon the date of mailing the notification to the landlord of the documentation and/or information needed. If at the end of this 30-day period the requested information has not been supplied, the time periods stated in the Rent Stabilization Ordinance will continue to run and a hearing will be scheduled.

Sec. 7.09. Photocopies of all relevant documents must be attached to the application to consider it complete and must be legible and of a size and quality suitable for reproduction. Materials attached to the application will not be returned to the landlord. However, the landlord must, upon request by the Commission, show the Commission the original document from which the photocopy was made.

*(This section amended by RAC-5)**

* * * * *

PASSED AND ADOPTED this 7th day of May, 1981. (*Date of RAC-2*)

Frank Millar, Chairman

RENT ADJUSTMENT COMMISSION

ATTEST:

Suzanne Ota, Clerk of the Commission

James Longtin,
Attorney for the Commission

APPROVED AS TO ADMINISTRATION:

Grant R. Brimhall,
Secretary of the Commission

**Resolution No. RAC-5: An Amendment to Resolution No. RAC-2 of the Thousand Oaks Rent Adjustment Commission Establishing Guidelines in Order to Determine a "Just and Reasonable Return" (undated Resolution)*

h:\common\housing & redevelopment\rent control\rac resos ords & staff reports\resolutions\rac-2withrac-5(draft).docx

PowerPoint

Rent Adjustment Commission January 10, 2011

**Thunderbird Oaks Mobile Home Park
Rent Adjustment Application**

**Case No. RAA 2010-01
Public Hearing**

**Presented by: Chris Norman, Assistant City Attorney
Ken Baar, Ph.D.
James Brabant, MAI**



Presentation – Overview Background

- Mobile Home Park Overview
- Rent Stabilization Program (RSP)
- Thunderbird Oaks Overview
- Legal Background
- Applicant Request

Presentation – Overview Analysis

- MNOI Standard
- MNOI Analysis
- Rent Adjustment Calculations
- Conclusion/Recommendation

3

Background Mobile Home Park Overview

- Nine Mobile Home Parks
 - five senior
 - four family
- 1,058 total spaces (865 senior, 193 family)
 - One MHP closing
 - One MHP converting to for sale lots
- Two other parks have filed Rent Adjustment Requests

4

Background Rent Stabilization Program

- 1980: Initially adopted as interim Ordinance (747 NS)
- 1980 – 1996: Extended or amended provisions
- 1996: Permanently Codified (1254-NS)

5

Background Rent Stabilization Program (cont.)

Rent Stabilization Program Purpose:

“ ... safeguard tenants from excessive rent increases but at the same time provide landlords with a just and reasonable [return] from their rental units.”

6

Background Rent Stabilization Program (cont.)

- Types of Authorized Rent Increases
 - Automatic Annual Rent Increase Rate (75% CPI times 1986 rent level)
 - Just and Reasonable Return
 - Capital Improvement and Refurbishment

7

Background Rent Stabilization Program (cont.)

- Guidelines
 - RAC adopted two Resolutions (RAC-2 & RAC-5) to implement RSP "Just & Reasonable Return" (Attachment #9)
 - Maintenance of Net Operating Income (MNOI) is the prescribed method
 - RAC can consider other methods

8

Background Thunderbird Oaks

- Located at 200 S. Conejo School Road
- 1974 – Mobile Home Park with 161 spaces approved by City
- 1976 – Mobile Home Park is initially occupied

9

Legal Basis for Just and Reasonable Return

- 5th Amendment of US Constitution provides Park Owner protection from regulations that would constitute a "taking"
- "Rent Control" regulations must provide for "Just and Reasonable Return" requests
- No constitutionally prescribed method for determining fair return

10

Background Application Submittal

- June 2010 – Park Owner submitted initial application requesting a rental increase of **\$322.52** per space per month
- July 2010 – Application found to be incomplete
- August 2010 – Additional information provided and application accepted as complete

11

Background Application Submittal (cont.)

- October 2010 – Park Owner resubmitted application
 - Requested "Vega" Adjustment
 - Modified Rent Increase Request to **\$260.52** per space per month
 - This application was treated as a new submittal by the City
 - Processing Timeline based on Oct submittal

12

Applicant's Request

	<u>Per Space/ Per Month</u>
Requested Increase	\$260.62
Current Average Rent	<u>\$394.03</u>
Requested Average Rent	\$654.65

13

Evaluation of Rent Adjustment Application

- Experts retained by City:
 - Dr. Kenneth Baar: Field of Mobile Home Rent Stabilization Fair Return Analyses
 - James Brabant, MAI, MHP Appraiser
- Baar prepared report that analyzes application material, provides basis and methodology for determining what constitutes a "Just & Reasonable" Return

14

Consultant's Report

- Two Types of Methodologies Presented:
 - Maintenance of Net Operation Income Standard (MNOI)
 - Return on Investment
 - Presented as an alternative method
 - Not the recommended method

15

Key Terms

Net Operating Income (NOI) = Gross Operating Income - Operating Expenses (excludes debt service)

Maintenance of Net Operating Income = NOI adjusted by an inflation factor in order to provide a fair NOI in current year

Base Year = year used to compare NOI to current year NOI. Presumes NOI received during base year provides "Just and Reasonable" return

16

Key Terms (cont.)

Vega Adjustment = Adjustment to base year rent to provide fair rent reflecting market conditions

Consumer Price Index or CPI = Measure of inflation measured by the cost to purchase a "basket" of goods

Fair Market Rents = Non-restricted rents

Price Level Adjustment = Adjustment to rent to allow all authorized automatic increases not taken

17

Significant Steps in MNOI Formula

- Determination of Base Year
- Determination of Base Year Rent (adjustment if necessary)
- Determination of Base Year Operating Expenses (adjustment if necessary)
- Indexing base year Net Operating Income for Inflation

18

Determine Appropriate Base Year

- 1979 Base Year
 - Guidelines stipulate 1979 if documentation available; data for 1979 not provided
 - Guidelines provide that first year for which complete data is available as an alternate base year to 1979
 - 1986 is the first year income and expense data is available

19

Determine Appropriate Base Year (cont.)

- 1986 Base Year
 - First year complete income and expense data provided
 - Other Considerations

20

Adjustment of Base Year (1979) Rent

- Applicant requested adjustment to Base Year Rents ("Vega" Adjustment)
- Vega is appropriate when base year rents are below market and exceptional circumstances exist
- Applicant's appraisal concluded fair market value for 1979 base year was \$225 per space per month
- City's appraisal concluded fair market value for 1979 base year was \$205 per space per month

21

Adjustment of Base Year (1979) Rent (cont.)

- Rent data provided by some of the tenants indicated actual average rent of \$198
- Difference between actual rent (\$198) and City appraisal's estimate of fair market value (\$205)
 - Considered market variance
 - No exceptional circumstance to warrant Vega Adjustment
 - Guideline adjustment

22

Adjustment of Base Year (1986) Rent

- Average rent in 1986 was \$277 space/month
- Guidelines authorize "Price Level Adjustment" of base year rent where rent increases could have been taken but were not
- Between 1983-1986, rent increases of only 10% when 21% was authorized
- If full rent increase had been implemented 1986 average rent would have been \$298 space/month

23

Determination and Adjustment of Base Year Operating Expenses

- Guidelines - base year and current year expenses be calculated at same % of operating income
 - Management and administrative expenses
 - Adjustment to base year expenses warranted
 - Both 1979 & 1986 expenses as a % of income were substantially lower than current year
 - Other expenses do not require an adjustment

24

Rate of Indexing for Inflation

- Rationale for indexing at less than 100%
 - Courts have upheld indexing at rates between 40%-100%
 - Low Risk Nature of Mobile Home Parks
 - Attractive return because of leveraging appreciation

25

Steps to Consider in Rendering a Decision

- MNOI standard
- Appropriate Base Year 1979 or 1986
- Adjustment to Base Year Income and Expenses
 - Management Expenses Equalized
- Rate of Indexing
- "Phase-in" of increase

26

ALTERNATIVE MONTHLY SPACE RENT CALCULATIONS OVER AND ABOVE EXISTING SPACE RENT				
MNOI Formulas using 1979 as the Base Year				
Alternative	Description	Monthly Rental Increase By Assumed Inflation Index		
		50%	75%	100%
79-1	Park Owner's Request	\$99	\$180	\$261
79-2	Park Owner's Request w/Adjustment to Expenses	\$75	\$150	\$224
79-3	Rental Income Based on Tenant Info. Using Park Owner Expense Data	\$48	\$ 116	\$ 184
79-4	Rental Income Based on Tenant Info. w/Adjustments to Expenses	\$ 24	\$ 86	\$ 147
79-5	Rental Income Based on City's Appraisal Using Park Owner Expense Data	\$62	\$133	\$204
79-6	Rental Income Based on City's Appraisal w/Adjustment Expenses	\$35	\$100	\$164

ALTERNATIVE MONTHLY SPACE RENT CALCULATIONS OVER AND ABOVE EXISTING SPACE RENT				
Formulas using 1986 as the Base Year				
Alternative	Description	Monthly Rental Increase By Assumed Inflation Index		
		50%	75%	100%
86-1	Base Year (1986) Rental Income With RAC-2 Price Level Adjustment using Park Owner Expense Data	\$106	\$160	\$215
86-2	Base Year (1986) Rental Income With RAC-2 with Price Level Adjustment w/ Adjustment to Expenses	\$65	\$112	\$160
86-3	Base Year (1986) Rent based on City Appraisal	\$134	\$193	\$253
86-4	Base Year (1986) Rent based on City Appraisal w/ Adjustment to Expenses	\$93	\$145	\$198

Conclusions

- 1986 is appropriate base year given lack of data for 1979
- "Price Level Adjustment" to 1986 Base Rent is warranted
- Adjustments to Management and Admin expenses appropriate
- Indexing at 50% of CPI provides Fair ("Just and Reasonable") Return
- "Vega" Adjustment to 1979 Base Rent not warranted

29

Recommendation

- Approve a Rent Adjustment of \$65.00 per space, per month above existing rents
 - Rent increase to be phased in over a 2-year period
 - Not to exceed \$32.50 per space per month
- Initial increase to be 90 days from date formal notice served (after final approval)
- Subsequent increase minimum of 12 months from date of prior increase

30

Supplemental Material Meeting – January 10, 2011

Rent Adjustment Commission

SUPPLEMENTAL PACKET

**Meeting of
January 10, 2011**

Applicant's PowerPoint presentation

RECEIVED AT RENT ADJUSTMENT MTG
MEETING OF 1/10/11
FROM: Bob Colquhoun
ITEM #: 7A Rent Application

THUNDERBIRD OAKS MOBILEHOME PARK RENT ADJUSTMENT APPLICATION

For a Constitutional Just and Reasonable Return

REQUESTED RENT INCREASE

- Current Year Average Rent \$396.72
- Requested Increase \$260.62
- New Average Rent \$656.34 (effective May 1, 2011)

PARK OWNER STATEMENT

“As long as the Park Owner is treated fairly and can implement its rent increase without further delay, the Park Owner commits that no existing long term tenant in good standing will be forced from the Park by reason of the rent increase and an inability to pay all or any portion of the rent increase.”

CONSTITUTIONAL REQUIREMENT OF JUST AND REASONABLE RETURN

- Limits City's police power to impose price controls on rent
- Rate of return on property must be high enough to encourage good management, adequate maintenance, reward efficiency, discourage flight of capital from rental mobilehome parks, and enable operators to maintain and support their credit (See *Concord Communities v. City of Concord*)
- Both "Due Process" and "Just and Reasonable Return" constitutional principles may require higher rents

MAINTENANCE OF NET OPERATING INCOME FORMULA

- MNOI is the formula adopted by the City to determine whether a property under rent control is receiving a just and reasonable return. (City Code, Section 5-25.06 (b).)
- The MNOI formula presumes that the owner's net operating income before the time rent control began provided a just and reasonable return.
- The MNOI formula allows the owner to recoup increases in ongoing operating expenses, including those caused by inflation and expenses in obtaining just and reasonable rents. (See *Kavanau v. Santa Monica Rent Control Board.*)

MNOI IS THE PRESUMED STANDARD

- The Commission must presume that the MNOI formula provides owners with a just and reasonable return.
- The MNOI formula must be used unless there is clear and convincing evidence that it does not provide owners with a just and reasonable return. (City Resolution RAC-2, Section 1.03.)

NO OTHER METHODOLOGY REQUESTED BY OWNER OR TENANTS

- “The methods authorized herein are not exclusive. Alternative approaches may be employed by the Commission. Applicants or tenants may propose the use of such approaches, but must fully explain, in writing, the methodology and the reasons supporting use of the methodology, and must provide information and documentation adequate to use the suggested approach. The methodology and documentation shall be provided with the application, or sufficiently before the date set for the hearing, so that the matter may be reviewed by the Commission staff.” (City Resolution RAC-2, Section 1.03)

MNOI STEP ONE—DETERMINE BASE YEAR

- The Commission must presume that 1979 is the Base Year unless the owner can substantiate by clear and convincing evidence that 1979 financial information is not available and that records for 1979 are lost.
- Where financial information for 1979 is available, 1979 must be used as the Base Year. (See RAC-2, Section 3.0; *Los Altos El Granada Investors v. City of Capitola*) To the extent any information is missing, the RAC must allow the Park to estimate. (*MHC Operating Limited Partnership v. City of San Jose*)
- Financial information for 1979 can be easily determined from official Govt. records.

ONLY THE OWNER CAN SUBSTITUTE A DIFFERENT BASE
YEAR BUT THE OWNER IS NOT REQUIRED TO DO SO

- “In the event that the 1979 financial information is not available, and where the loss of such records can be substantiated by clear and convincing evidence, the landlord of record in 1979 may substitute as a base year the first year following 1979 for which records are available.”

THE MNOI FORMULA IS BASED ON PRE-RENT CONTROL FAIR MARKET ASSUMPTIONS

- “In general, the maintenance of net operating income formula is based on pre-rent control, fair market assumptions.” (*MHC Operating Limited Partnership v. City of San Jose* (2003) 106 Cal.App.4th 204, 223)
- The Commission presumes that the net operating income received up to April, 1980 provided landlords with a Just and Reasonable Return on their rental units, unless there is clear and convincing evidence to the contrary.” (RAC-2, Section 1.03)

THE COMMISSION CANNOT SUBSTITUTE A POST-RENT
CONTROL BASE YEAR NOT SPECIFIED IN THE ORDINANCE

- “That is particularly true in this case, since the alternate year MHC proposes--1996--clearly postdates rent control.” (*MHC Operating Limited Partnership v. City of San Jose* (2003) 106 Cal.App.4th 204, 223)
- “Finally, we uphold the hearing officer's decision to reject the ‘suggestion that an alternative base year could be substituted for 1985.’ To the extent the decision rests on her interpretation of the Ordinance, it must be ‘given considerable deference and must be upheld absent evidence the interpretation lacks a reasonable foundation.’” (*Id.*)

**THE CITY ORDINANCE CLEARLY IDENTIFIES
"MAXIMUM RENT" AS THE STARTING POINT FOR DETERMINING
A JUST AND REASONABLE RETURN**

- “The Commission shall have the authority, in accordance with such guidelines as the Commission may establish, to grant increases in the rent for a rental space or spaces located in the same mobilehome park, upon receipt of an application for adjustment filed by the landlord and after notice and hearing, if the Commission finds that such increase is in keeping with the purposes of this Chapter and that the maximum rent or maximum adjusted rent otherwise permitted pursuant to this Chapter does not constitute a just and reasonable rent on the rental space or spaces.” (City Code, Section 5-25.06 (b) (1))

THE CITY ORDINANCE DEFINES "MAXIMUM RENT" FOR
PURPOSES OF CALCULATING JUST AND REASONABLE RETURN
AS THE HIGHEST RENT RECEIVED IN THE 1979 BASE YEAR

- "Maximum rent" the highest legal monthly rate of rent which was in effect for the rental space during any portion of the month of June 1980. If a rental space is not rented during said month, then it shall be the highest legal monthly rate of the rent in effect between June 1, 1979 and May 31, 1980." (City Code, Section 5-25.02 (k))

CPI ADJUSTMENT FROM LATER YEAR EXPENSES IS AN ACCEPTED METHOD TO DETERMINE BASE YEAR EXPENSES

- “With respect to expenses, Dr. Baar testified that 1986 real estate tax data is available from the tax collector’s office, he also opined that prior ground lease expenses could be extrapolated by using current data and adjusting for inflation. Given the available information concerning expenses, Dr. Baar concluded that about eighty percent of it you can estimate pretty precisely.” (*MHC Operating Limited Partnership v. City of San Jose* (2003) 106 Cal.App.4th 204, 225)
- Dr. Baar in the MHC case championed extrapolating 1996 expense data using backwards CPI adjustments to a 1986 base year

CONCLUSIONS RE 1979 AS BASE YEAR

- The City's Ordinance requires use of 1979 as the Base Year
- The Park Owner has not exercised its option to Seek to Use Another Base Year
- A 1986 Base Year would not be based on pre-rent control fair market assumptions and thus would be unconstitutional
- There is no clear and convincing evidence that another method is better
- The California Court of Appeal has held, based on Dr. Baar's testimony, that Base Year expenses can be estimated by doing backwards CPI adjustments from expenses up to 10 years later

MNOI STEP TWO—ADJUST BELOW MARKET BASE YEAR RENTS

- Base Year rents must be adjusted to market rent. There is no significant threshold required for a *Vega* adjustment. (See *Birkenfeld v. City of Berkeley*; *Concord Communities, L.P. v. City of Concord*; RAC-2, Section 2.05)
- Estimated Thunderbird Oaks Base Year rents were below market as both the City Brabant appraisal and the Owner's Neet appraisal demonstrate.

THE DIFFERENCE BETWEEN ACTUAL AND MARKET BASE YEAR RENTS IS SIGNIFICANT

- Baar's estimation of average actual base year rent is \$198; the Neet appraisal of market base year rent is \$225 (our application request); if the Brabant appraisal for \$205 market base year rent were CPI adjusted from 1979 to 1980 as required by the City Ordinance and Regulations, then market base year rent is \$237
- Thus, Park Owner's "Vega adjustment" request favors the tenants

THE CITY'S 1986 MARKET RENT APPRAISAL ILLUSTRATES THE SIGNIFICANT DIFFERENCE BETWEEN MARKET AND ACTUAL RENTS

- The City's market rent appraisal for 1986 demonstrates that there was an even greater disparity between market rents and actual rents for Thunderbird as of 1986
- The actual rent in 1986 was \$277 and the market rent was \$320, a \$43 difference, which equates to a significant 15% below market rent, if the owner had used 1986 as the base year

THE NEET APPRAISAL APPROPRIATELY DETERMINES COMPARABLE MARKET RENT JUST PRIOR TO RENT CONTROL

- The Neet Appraisal of Thunderbird Oaks market rent at \$225 per space as of February 1980 complies with the City Ordinance and Regulations by determining the highest market pre-rent control rent for Thunderbird Oaks, given that the Park raised rents annually in September
- The Brabant Appraisal of Thunderbird Oaks market rent at \$205 per space is based on 1979 comparable rents, which Mr. Brabant noted were raised annually in September of every year. Therefore, if the Brabant appraisal were adjusted for the 15.8% rate of inflation during 1979, then Brabant's appraisal for the highest pre-rent control rent in 1980 would be \$237, higher than the Neet appraisal at \$225

MNOI STEP THREE—DETERMINE BASE YEAR MNOI

- Base Year Gross Total Income determined by Appraisal rental value times number of spaces times 12 months. (Attachments 1, 2, 3, 5) [\$434,700]

- Base Year Operating Expenses determined [by inflation adjusting Operating Expenses from 1986 tax return back to 1979.] (Attachments 1, 3) [\$110,448]

- Subtract Base Year Operating Expenses from Base Year Gross Total Income. (RAC-2, Sections 2 & 3.02) [\$324,252]

**NO ADJUSTMENT TO BASE YEAR
INCOME OR EXPENSES ALLOWED OR REQUIRED**

- “Determine the 1979 Net Operating Income.” (City Resolution No. RAC-2, Section 3.02)

Distinguish for current year NOI:

- “Determine the current year Net Operating Income in accordance with the provisions of Sec. 2-2.17” (City Resolution No. RAC-2, Section 3.03)

THE PROVISIONS OF SECTION 2.11 OF RAC-2 DO NOT APPLY IF THE OWNER DOES NOT SEEK AN ADJUSTMENT

- Section 2.11 of RAC-2 applies only if the Owner seeks a current year adjustment for management and administrative expenses to account for uncompensated owner management and administration.
- Section 2.11 of RAC-2 contains no mandatory language requiring the Owner to make an adjustment for uncompensated management and administrative expenses either for the current or base year and contains no mandatory language requiring an 8% cap if the Owner does not seek such an adjustment. “the landlord may calculate an expense figure”
- A requirement for a mandatory adjustment or an 8% management and administrative cap would be contrary to express purpose of the MNOI formula for a just and reasonable return to recoup increases in ongoing operating expenses, including those caused by inflation. (See *Kavanau v. Santa Monica Rent Control Board.*)

BASE YEAR NET OPERATING INCOME

\$434,700	Base Year Market Rental Value
<u>-\$110,44</u>	<u>Base Year Expenses</u>
\$324,252	Base Year NOI

**STEP FOUR—DETERMINE
INFLATION ADJUSTED VALUE OF BASE YEAR NOI**

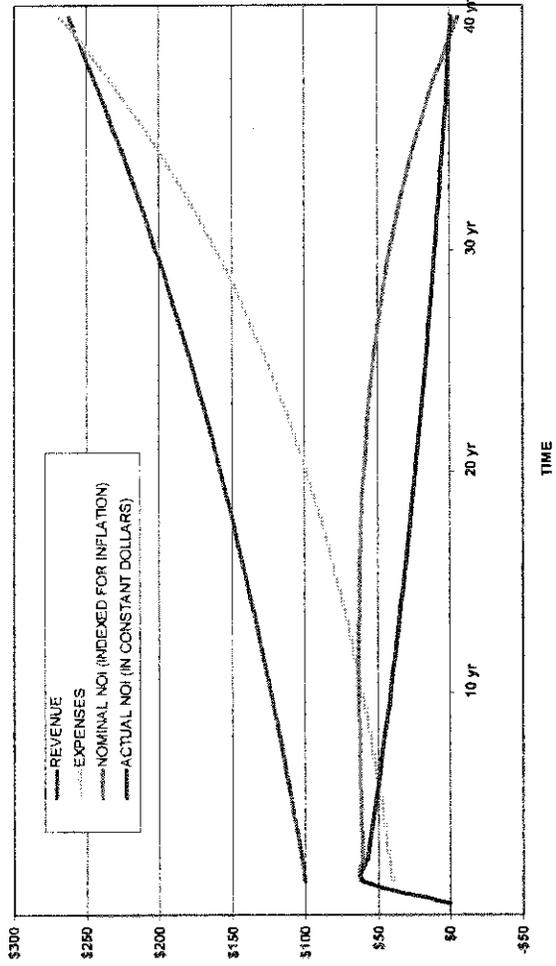
- Base Year NOI must be adjusted to present value to account for inflation. (RAC-2, Section 3.04; *Kavanau v. Santa Monica Rent Control Board*)
- The City requires a Consumer Price Index inflation adjustment (City Application Form, Page 5, Line 31)
- 192.1 % change in Consumer Price Index from 1979 to 2010 (Attachment 6)

THERE MUST BE A FULL CPI ADJUSTMENT TO BASE YEAR CPI

- The City Ordinance does not specify a CPI adjustment to Base Year NOI of less than 100%
- All California cases in which a CPI adjustment to Base Year NOI of less than 100% was applied were cases where the Ordinance specified that amount
- The City Ordinance (Section 5-25.02 (g)) already provides for 75% of CPI automatic increase in rent, so a lesser CPI adjustment under the MNOI formula to account for increased costs and inflation under the constitutional just and reasonable return requirement would be meaningless
- A fifty percent CPI adjustment to Base Year NOI would provide a significantly diminishing return

DIMINISHING RETURN UNDER 50% CPI ADJUSTMENT

RENTAL INCOME INDEXED BY 50% OF CPI



THE USE OF A DIFFERENT FORMULA TO JUSTIFY APPLICATION OF A 50% CPI ADJUSTMENT IS IMPROPER

- The Baar Report uses a Return on Investment approach to apply a 50% CPI adjustment to Base Year NOI, a
- The City regulation requirements for use of an alternative (non-MNOI) approach have not been met. (See RAC-2, Section 1.04)
- Baar admits in the Ranch report that neither the Ordinance nor the Regulations authorize the Return on Investment approach (RJN)
- Baar admits in the Ranch report that the Return on Investment approach disfavors longer term owners with low investments, such as the Owner here (RJN)

PRESENT VALUE OF BASE YEAR NOI

\$324,252	Base Year NOI
x <u>2.921</u>	<u>CPI Increase</u>
\$947,064	Adjusted Base Year NOI
	(Comparison Year "Target" NOI)

STEP FIVE--DETERMINE CURRENT YEAR NOI

\$864,596	Actual Comparison Year Income
<u>-\$421,046</u>	<u>Actual Comparison Year Expenses</u>
\$443,550	Current Year NOI

STEP SIX—DETERMINE ANY SHORTFALL IN CURRENT NOI

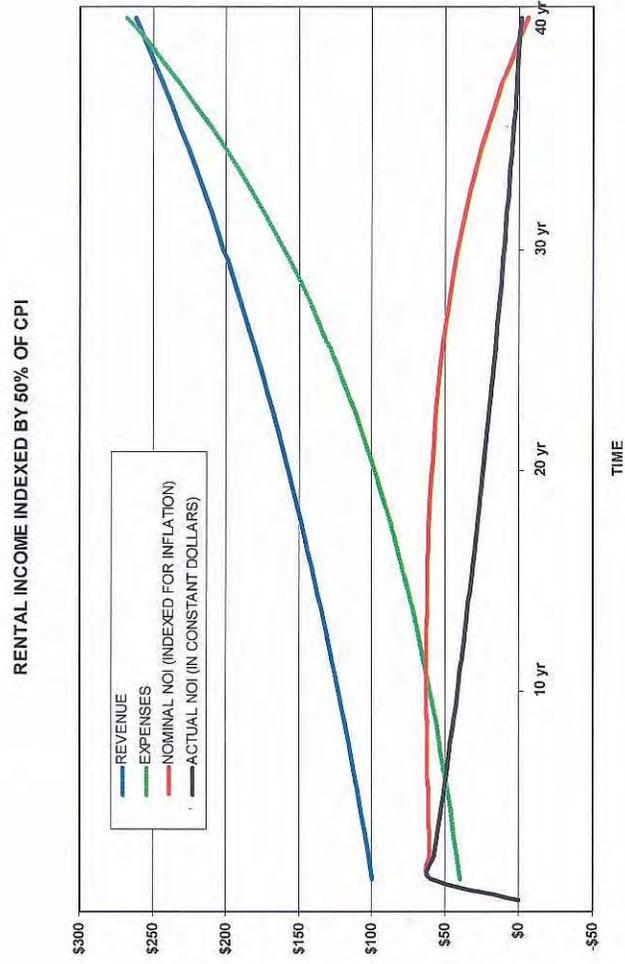
- If Base Year NOI is more than current NOI, then in order to maintain Base Year NOI, current rent must be increased by the difference (RAC-2, Section 3.05)

\$947,064	Inflation Adjusted Base Year NOI
-\$443,550	Current NOI
\$503,514	Shortfall

STEP 7—DETERMINE AMOUNT OF RENT INCREASE

- Apply annual NOI shortfall in equal amount to each unit. (City Application Form, Calculation 4)
- Divide the amount of the annual shortfall by the number of rental spaces: \$503,514 divided by 161 equals \$3,127.41
- Divide the annual per space rent increase by twelve months to get the monthly rent increase per space: \$3,127.41 divided by 12 equals \$260.62

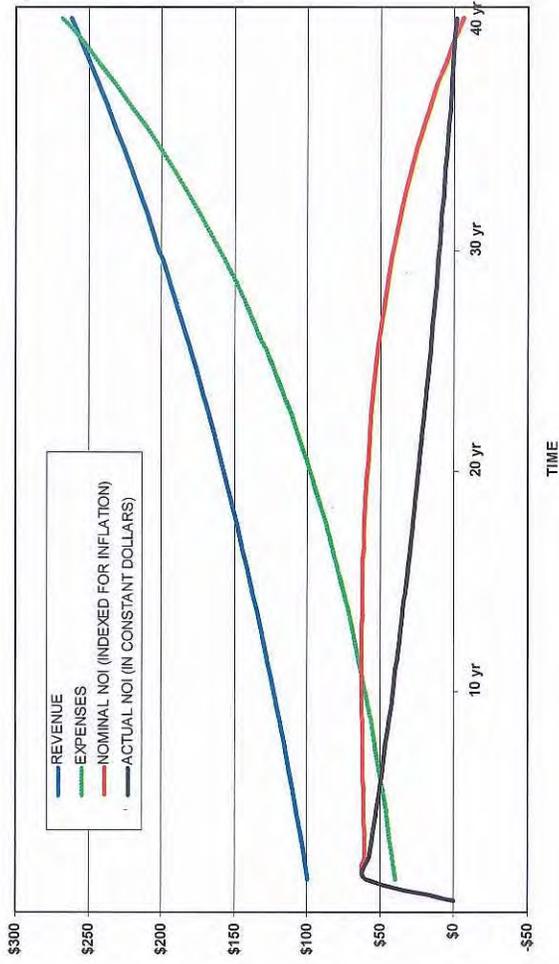
DIMINISHING RETURN UNDER 50% CPI ADJUSTMENT





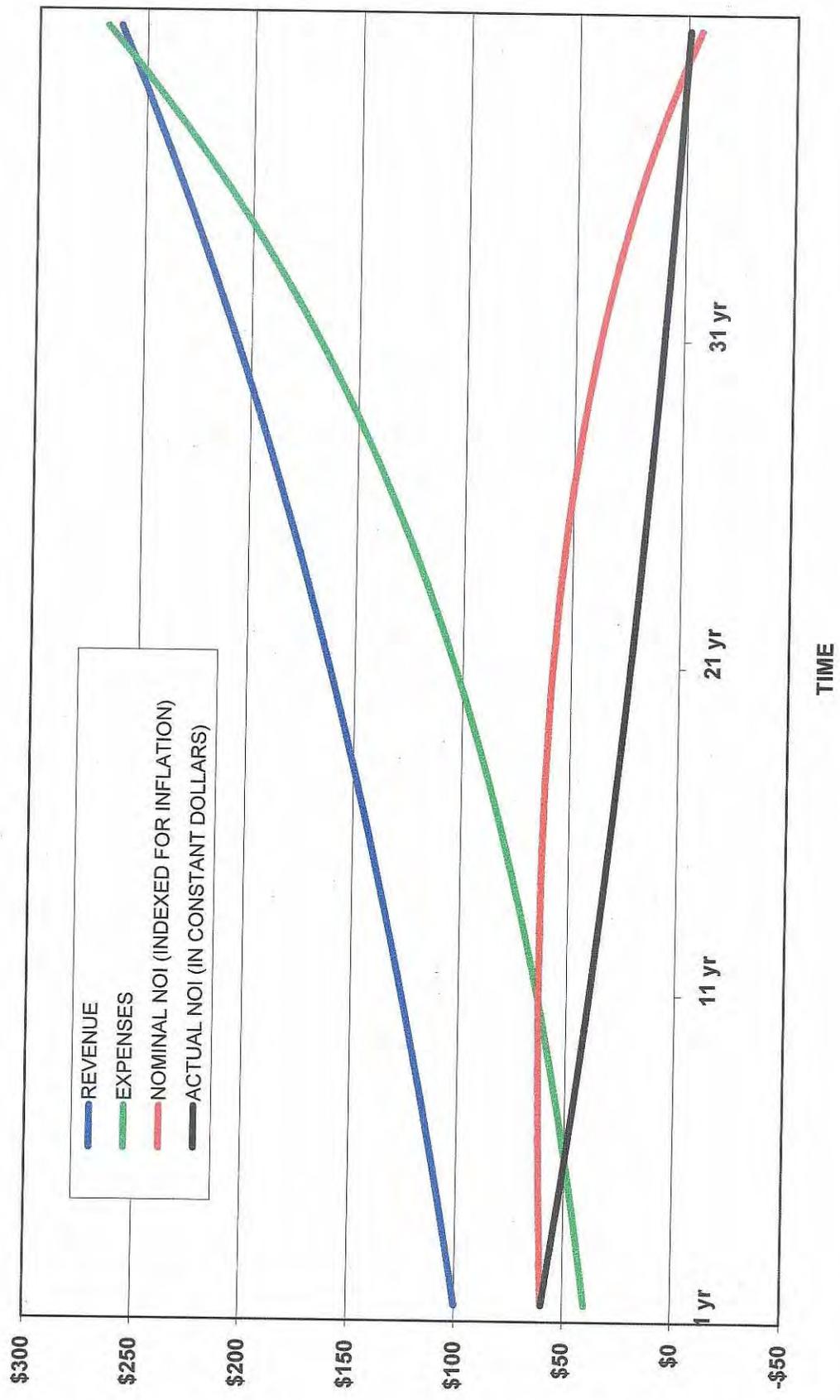
DIMINISHING RETURN UNDER 50% CPI ADJUSTMENT

RENTAL INCOME INDEXED BY 50% OF CPI

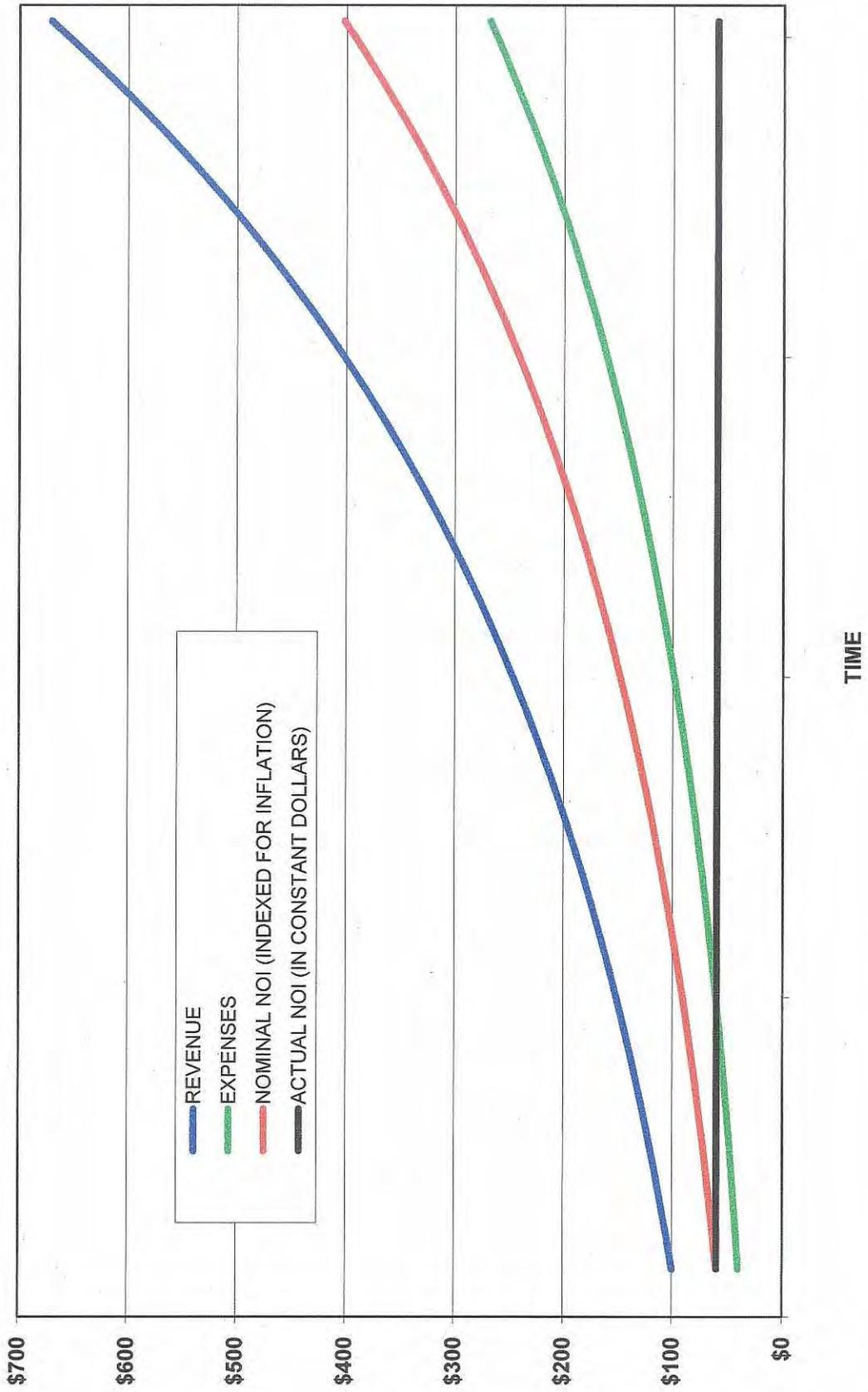


RECEIVED AT RENT ADJUSTMENT MTG
 MEETING OF 1-10-11
 FROM: Mr. Mike McCarthy
 ITEM #: 7A Thunderbolt
Cuba

RENTAL INCOME INDEXED BY 50% OF CPI



RENTAL INCOME INDEXED BY 100% OF CPI



In the general U.S. economy, 100% of CPI is the standard:

47.8 million Social Security recipients

4.1 million retired military and Federal civil service retirees

22.4 million food stamp recipients

26.7 million children in the school lunch program

Real estate leases in the private sector use CPI accelerators

Royalty payments for patents, intellectual property, etc.

Alimony

Child Support

Adjustments to metrics used for Federal, state, and local taxes

What if the value of a property goes down 10%?

	Base Year	Current Yr	% Increase
CPI	100.00	150.00	50%
NOI	\$ 420,000	\$ 525,000	25%
Property Value	\$ 6,000,000	\$ 5,400,000	-10%
Mortgage	\$ 4,200,000	\$ 4,200,000	0%
Equity	\$ 1,800,000	\$ 1,200,000	-33%

In this case if the owner receives 50% of CPI and his property value falls 10%, his equity is reduced by 33%. *The model does not hold in a falling value environment.*

Letter to Thunderbird Oaks
tenant dated
October 1, 2008

THUNDERBIRD OAKS

200 S. CONEJO SCHOOL ROAD

MAILING ADDRESS:

2501 THUNDERBIRD DRIVE
THOUSAND OAKS, CA 91362
(805) 496-3725

RECEIVED AT RENT ADJUSTMENT MTG
MEETING OF <u>January 10, 2011</u>
FROM: <u>Robert Golden</u>
ITEM #: <u>7A Thunderbird</u>

October 1, 2008

To: All Residents

Subject: RENT ADJUSTMENT

SPACE # _____

Please be advised that this is your (90-day notice) of RENT ADJUSTMENT AND SEPERATION OF GARBAGE CHARGE FROM RENT. As required by the California Civil Code, article 4, section 798.30 and the City of Thousand Oaks Rent Stabilization Ordinance 5-25-02

Your Rent adjustment will be based on your BASE RENT times 2.5. Your Current rent has been reduced by \$19.00 for Garbage; it will be a separate charge On your monthly rent statement.

Your new RENT ON JANUARY 1, 2009 WILL BE \$ _____

Sincerely:
Richard & Betty Faulkner
Patricia Hostmyer

Declaration of Marilyn Aurant, tenant

RECEIVED AT RENT ADJUSTMENT MTG
MEETING OF 1/10/11
FROM: Mark Johnson
ITEM #: #1

THOUSAND OAKS RENT ADJUSTMENT COMMISSION

A.V.M.G.H., LTD.'S APPLICATION
TO INCREASE SPACE RENTS AT
THUNDERBIRD OAKS MOBILE
HOME PARK.

DECLARATION OF MARILYN
AURAND, A TENANT IN
THUNDERBIRD OAKS MOBILE HOME
PARK.

Hearing Date: January 10, 2011.

I, Marilyn Aurand, declare:

1. I have personal knowledge of the following facts set forth in this Declaration, and if called as a witness, I could and would competently testify thereto.
2. Since 2009 I have been a resident of and tenant in Thunderbird Oaks Mobile Home Park located in Thousand Oaks, California (the "Park"). At the time of my initial leasing of a vacant space in the Park, I was told by park owner representatives that my rate of \$473.40 per month was the fair market rental rate of a double wide space in the Park at that time.
3. My coach's address in the Park is 108 Navajo Way, Thousand Oaks, CA.
4. In July of 2009, I purchased a new coach from a dealer for \$160,000 and had it moved onto this vacant space in the Park.
5. I know most of the tenants in the Park and conducted a survey of 151 of the tenants in the Park to formulate an indication of the aggregate tenant investment buying in their mobile coach homes, interior upgrades and remodeling of the coaches, for their yards, carports, patios and hardscape improvements on their spaces in the Park. As a result of that survey, which is attached as Exhibit A, I have calculated the aggregate tenant investment in the mobile coaches, interior remodeling, and yard upgrades in the Park, for all spaces, to be in excess of \$14,141,017. In addition, I have estimated that each tenant pays between \$173 and \$2,650 per year in personal property taxes.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 10th day of January, 2011, at Westlake Village, California.


Marilyn Aurand

EXHIBIT A

DOUBLE/ SINGLE WIDE	YEAR HOME PURCHASED	PURCHASE PRICE OF COACH ON LOT	IMPROVEMENTS BY TENANT TO COACH AND LOT	TOTAL INVESTMENT BY TENANT	NEW HOME VACANT SPACE*	OLD COACH REMOVED NEW HOME*
D	2001	\$134,000.00	\$5,300.00	\$139,300.00		
D	1989	\$84,706.30	\$16,855.00	\$101,561.30		
D	1989	\$74,500.00	\$25,036.00	\$99,536.00		
D	2003	\$116,000.00	\$4,400.00	\$120,400.00		
D	2005	\$243,000.00	\$5,250.00	\$250,250.00	YES	
D	1985	\$54,000.00	\$14,000.00	\$68,000.00		
D	1989	\$55,000.00	\$5,700.00	\$60,700.00		
D	2010	\$100,000.00	\$13,700.00	\$113,700.00		
D	1996	\$58,000.00	\$26,489.00	\$84,489.00		
D	2005	\$179,000.00	\$7,500.00	\$186,500.00		
D	2001	\$91,000.00	\$5,275.00	\$96,275.00		
D	2009	\$120,000.00	\$31,800.00	\$151,800.00		
D		\$0.00	\$0.00	\$0.00		
D	1988	\$58,000.00	\$21,600.00	\$79,600.00		
D	1996	\$35,000.00	\$16,500.00	\$51,500.00		
D	2003	\$125,155.00	\$13,200.00	\$138,353.00		
D	2006	\$90,000.00	\$10,445.00	\$100,445.00		
D	2000	\$60,000.00	\$10,000.00	\$70,000.00		
D	2008	\$125,000.00	\$27,388.00	\$152,388.00		
D	1998	\$25,000.00	\$20,000.00	\$45,000.00		
D	2010	\$50,000.00	\$1,000.00	\$51,000.00		
D	2007	\$235,152.00	\$19,300.00	\$254,452.00		YES
D	1986	\$80,000.00	\$22,175.00	\$92,175.00		
D	1991	\$57,000.00	\$15,000.00	\$72,000.00		
D		\$0.00	\$0.00	\$0.00		
D	1997	\$47,347.73	\$4,000.00	\$51,347.73		
D	1978	\$27,000.00	\$4,600.00	\$31,600.00	YES	
D	1978	\$43,000.00	\$7,100.00	\$50,100.00		
D	1976	\$25,000.00	\$14,000.00	\$39,000.00	YES	
D		\$0.00	\$0.00	\$0.00		
D	1998	\$50,000.00	\$19,500.00	\$69,500.00		
D	2004	\$150,000.00	\$19,000.00	\$169,000.00		YES
D	2003	\$125,000.00	\$23,000.00	\$148,000.00		
D		\$0.00	\$0.00	\$0.00		
D		\$0.00	\$0.00	\$0.00		
D	1976	\$40,250.00	\$27,500.00	\$67,750.00	YES	
D	1995	\$36,950.00	\$70,000.00	\$106,950.00		
D		\$0.00	\$0.00	\$0.00		
D	1985	\$57,000.00	\$24,400.00	\$81,400.00		
D	2009	\$174,285.00	\$17,587.00	\$191,872.00		YES
D	2010	\$105,000.00	\$0.00	\$105,000.00		
D	2004	\$185,000.00	\$23,500.00	\$209,500.00		
D	2003	\$120,000.00	\$36,000.00	\$156,000.00		
D	2009	\$160,000.00	\$7,700.00	\$167,700.00		YES
D	2002	\$125,000.00	\$36,860.00	\$161,860.00		
D	2003	\$185,000.00	\$55,836.00	\$240,836.00		
D	2002	\$95,000.00	\$40,000.00	\$135,000.00		
D	2003	\$135,000.00	\$60,000.00	\$195,000.00		
D		\$0.00	\$0.00	\$0.00		

DOUBLE/ SINGLE WIDE	YEAR HOME PURCHASED	PURCHASE PRICE OF COACH ON LOT	IMPROVEMENTS BY TENANT TO COACH AND LOT	TOTAL INVESTMENT BY TENANT	NEW HOME VACANT SPACE*	OLD COACH REMOVED NEW HOME*
D	2001	\$87,000.00	\$90,000.00	\$177,000.00		
D	2009	\$212,000.00	\$0.00	\$212,000.00		YES
D	1993	\$55,000.00	\$20,000.00	\$75,000.00		
D	2010	\$140,000.00	\$24,988.00	\$134,988.00		
D	1999	\$69,500.00	\$10,200.00	\$79,700.00		
D		\$0.00	\$0.00	\$0.00		
D	1992	\$63,000.00	\$24,575.00	\$87,575.00		
D	1997	\$56,000.00	\$30,000.00	\$86,000.00		
D	2010	\$102,000.00	\$151,500.00	\$253,500.00		
D	1976	\$27,039.53	\$4,200.00	\$31,239.53	YES	
D		\$0.00	\$0.00	\$0.00		
D		\$0.00	\$0.00	\$0.00		
D		\$0.00	\$0.00	\$0.00		
D	2005	\$172,000.00	\$18,500.00	\$190,500.00		
D		\$0.00	\$0.00	\$0.00		
D		\$0.00	\$0.00	\$0.00		
D	1998	\$67,000.00	\$37,000.00	\$104,000.00		
D	2006	\$147,000.00	\$2,500.00	\$149,500.00		
D		\$0.00	\$0.00	\$0.00		
D	2000	\$69,000.00	\$29,500.00	\$88,500.00		
D	1997	\$35,000.00	\$29,200.00	\$64,200.00		
D	?	\$135,000.00	\$110,000.00	\$245,000.00		
D	2003	\$165,000.00	\$25,300.00	\$180,300.00		
D		\$0.00	\$0.00	\$0.00		
D	1976	\$30,150.17	\$60,000.00	\$90,150.17	YES	
D	2005	\$164,000.00	\$30,000.00	\$194,000.00		
D	2007	\$250,000.00	\$7,500.00	\$257,500.00		YES
D	2007	\$120,000.00	\$44,000.00	\$164,000.00		
D	2004	\$89,000.00	\$41,300.00	\$130,300.00		
D	1999	\$55,500.00	\$75,400.00	\$130,900.00		
D	2008	\$165,000.00	\$4,500.00	\$169,500.00		YES
D	2007	\$275,000.00	\$3,000.00	\$278,000.00		
D		\$70,000.00	\$5,400.00	\$75,400.00		
D		\$0.00	\$0.00	\$0.00		
D	1990	\$86,000.00	\$27,500.00	\$113,500.00		
S	1976	\$28,830.24	\$12,800.00	\$41,430.24	YES	
D	?	\$0.00	\$500.00	\$500.00		
D	1998	\$70,000.00	\$26,000.00	\$96,000.00		
D	2001	\$74,500.00	\$60,000.00	\$134,500.00		
D	?	\$124,000.00	\$0.00	\$124,000.00		
D		\$0.00	\$0.00	\$0.00		
D	1980	\$56,000.00	\$35,000.00	\$91,000.00		
D	2008	\$124,000.00	\$0.00	\$124,000.00		
D	1978	\$42,000.00	\$18,000.00	\$60,000.00	YES	
D	1995	\$54,000.00	\$15,000.00	\$69,000.00		
D	1990	\$78,000.00	\$32,000.00	\$110,000.00		
D	2005	\$198,000.00	\$14,000.00	\$212,000.00		
S	2003	\$100,000.00	\$9,700.00	\$109,700.00		
D	1976	\$17,000.00	\$1,000.00	\$18,000.00	YES	
D	1988	\$37,000.00	\$82,000.00	\$119,000.00		
S	?	\$16,500.00	\$12,000.00	\$28,500.00		

DOUBLE/ SINGLE WIDE	YEAR HOME PURCHASED	PURCHASE PRICE OF COACH ON LOT	IMPROVEMENTS BY TENANT TO COACH AND LOT	TOTAL INVESTMENT BY TENANT	NEW HOME VACANT SPACE*	OLD COACH REMOVED NEW HOME*
S		\$0.00	\$0.00	\$0.00		
D	2004	\$134,500.00	\$790.00	\$135,290.00		YES
D	2008	\$152,000.00	\$45,000.00	\$197,000.00		
D	1986	\$60,000.00	\$28,722.00	\$88,722.00		
D		\$0.00	\$0.00	\$0.00		
D	2003	\$95,000.00	\$50,000.00	\$145,000.00		
D	2010	\$104,000.00	\$60,000.00	\$164,000.00		
D		\$0.00	\$0.00	\$0.00		
D	2004	\$122,000.00	\$31,000.00	\$153,000.00		
S	2008	\$70,000.00	\$50,000.00	\$120,000.00		
D		\$0.00	\$0.00	\$0.00		
D	1999	\$89,000.00	\$23,000.00	\$112,000.00		
D	1986	\$69,000.00	\$9,410.00	\$78,410.00		
D		\$0.00	\$0.00	\$0.00		
D	1995	\$78,000.00	\$35,000.00	\$113,000.00		
D	2007	\$235,600.00	\$6,500.00	\$242,100.00	YES	
D	1980	\$66,040.75	\$10,000.00	\$76,040.75		
D	2001	\$89,000.00	\$26,539.16	\$115,539.16		
D	1995	\$79,500.00	\$19,600.00	\$99,100.00		
D	2010	\$160,000.00	\$21,000.00	\$181,000.00		
D	2001	\$78,251.39	\$7,000.00	\$85,251.39		
D	2010	\$70,000.00	\$20,000.00	\$90,000.00		
D	1999	\$50,000.00	\$25,800.00	\$75,800.00		
D	1990	\$80,000.00	\$12,000.00	\$92,000.00		
D	2007	\$183,129.00	\$3,800.00	\$186,929.00		
D	1992	\$75,000.00	\$10,000.00	\$85,000.00		
D		\$0.00	\$0.00	\$0.00		
D	2001	\$75,000.00	\$19,750.00	\$94,750.00		
D	1992	\$59,000.00	\$25,500.00	\$84,500.00		
D	1976	\$27,000.00	\$35,900.00	\$62,900.00	YES	
D	2002	\$80,000.00	\$34,183.05	\$114,183.05		
D	2002	\$109,407.00	\$5,562.50	\$114,969.50		
D	1988	\$60,000.00	\$35,000.00	\$95,000.00		
D	2007	\$245,000.00	\$5,000.00	\$250,000.00		YES
D		\$0.00	\$0.00	\$0.00		
D	1976	\$25,000.00	\$138,000.00	\$163,000.00	YES	
D		\$0.00	\$0.00	\$0.00		
D	1995	\$49,700.00	\$82,500.00	\$132,200.00		
D	2001	\$65,500.00	\$21,300.00	\$86,800.00		
D		\$0.00	\$0.00	\$0.00		
D	2000	\$70,000.00	\$46,500.00	\$116,500.00		
D	1995	\$60,000.00	\$4,100.00	\$64,100.00		
D		\$0.00	\$0.00	\$0.00		
D	Deceased	\$0.00	\$0.00	\$0.00		
D	2001	\$0.00	\$0.00	\$0.00		
D		\$0.00	\$0.00	\$0.00		
D	2001	\$52,000.00	\$24,212.00	\$76,212.00		
AGGREGATE TOTAL			\$11,111,992.11	\$3,029,025.71	\$14,141,017.82	

Letter by Dan Goldstein

RECEIVED AT RENT ADJUSTMENT MTG
MEETING OF <u>1-10-11</u>
FROM: <u>Mark Bellars</u>
ITEM #: <u>TA Thunderbird</u>
<u>#2</u> <u>Oaks</u>

TO: THOUSAND OAKS RENT ADJUSTMENT COMMISSION

A.V.M.G.H., LTD.'S APPLICATION TO
INCREASE SPACE RENTS AT
THUNDERBIRD OAKS MOBILE
HOME PARK.

Hearing Date: January 10, 2011

**COMMISSION MUST USE SAME PERCENTAGES FOR M& A EXPENSES IN
BASE YEAR AND CURRENT YEAR – RESULTING IN A \$30 INCREASE**

By: Dan Goldstein¹

Mr. Baar correctly states the City regulations provide that management and administration (M&A) expenses “must be calculated for both the base year and the current year at the same percentage of actual income.” (at p. 21 of his report; and at p. 578 of booklet). He then notes under RAC Resolution No 2 Sec 2.11 that “total cost of M&A expenses cannot exceed 8% of Actual Rental Income”.

However, Mr. Baar does not implement this cap on the 1986 Base Year and 2009 Current Year because he speculates the “huge increase in management expenses and unusual reduction in maintenance expenses *may be* attributable to differences in the categorization of these expenses for accounting purposes. Due to the extensive efforts required to consider other issues in this case, it was not possible to conduct a detailed analysis of this issue.”

- a. Since the City has accepted the categorization of the other numbers provided by the Owner at their face value, there is no reason to re-categorize just this one number that represents fully 50% of Total 2009 Operating Expenses (refer to Table I on page 35 of Baar’s report).

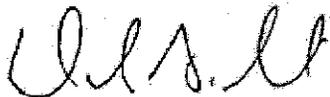
¹ 23 years of financial and accounting experience; CPA (presently inactive); formerly with Ernst & Young; MBA from UCLA. Performed extensive auditing, accounting and financial analysis at numerous companies and clients. Currently CFO of a 2010 Inc. 1000 company based in Camarillo. Served on City of Thousand Oaks Investment Review Committee.

USE SAME PERCENTAGES FOR M& A EXPENSES – RESULTING IN A \$30 INCREASE

Page 1 of 2

- b. Owner has the onus of proper expense support and categorization. If City feels the numbers are not reliable, the application as submitted should be rejected.
- c. Rent Adjustment Commission should have relied upon Park Owner's numbers and apply the City's mandatory 8% cap on the M & A expenses as required by RAC Res No. 2 - that results in:
 - i. Reducing Current Year 2009 M&A expenses from \$167,392 to 8% of Current Year Rental Income (\$764,529), or **\$61,162**, and,
 - ii. Increase Base Year 1986 M&A expenses from \$30,878 to 8% of Base Year 1986 Rental Income (\$575,736), or **\$46,059**.
- d. Mr. Baar instead did not use the same percentage by leaving Current Year M&A expenses at \$167,392 and imputing a Base Year 1986 M&A expenses by applying a 99% CPI Factor, resulting in imputed M&A expenses of \$84,117. The problem with this approach is:
 - i. Imputed Base Year 1986 M&A expenses become **14.6%** of Base Year 1986 Rental Income of \$575,736
 - ii. Whereas Current Year M&A expenses are **21.9%** of Current Year Rental Income. This obviously understates Base Year 1986 M&A expenses and as a result, inappropriately decreases Base Year NOI resulting in a higher than appropriate Rent Adjustment.
 - iii. The correct methods are to use: (1) 21.9% as the basis for imputing Base Year 1986 and for the Current Year M&A expenses; or (2) the RAC Res No. 2 mandated limit of 8% on both.

* BOTTOM LINE: With 21.9% of Rental Income in 1986, the revised 1986 M&A expense would be \$126,086, which in turn would increase 1986 Operating Expenses to \$249,023 and decrease 1986 NOI to \$326,713. ***The authorized rent adjustment for the Commission under the recommended scenario 86-2 would be reduced to a \$30 per month increase. With the 8% CAP in both, the resulting rent increase would be \$37 per month. SEE ATTACHED SHEET FOR DETAILED CALCULATIONS***



Dan Goldstein

Dated: January 10, 2011

USE SAME PERCENTAGES FOR M& A EXPENSES – RESULTING IN A \$30 INCREASE

Page 2 of 2

Table 1 Excerpt (Page 35 of Baar Report)

1986 and 2009 Operating Expenses

Adjusted to Reflect Using 21.9% in 1986 Base Year and 8% in Base Year and Current Year

Operating Expenses	Adjusted by Baar		Using 2009's 21.9%		Using RAC 8%	
	1986	2009	1986	2009	1986	2009
M&A	84117	167392	126086	167392	46059	61162
Supplies	2959	2381	2959	2381	2959	2381
All utilities	19942	56255	19942	56255	19942	56255
Other - Rubbish	12121	10261	12121	10261	12121	10261
Maintenance & Repairs	41460	21704	41460	21704	41460	21704
Property Tax	26038	43745	26038	43745	26038	43745
Taxes and licenses	2957	6760	2957	6760	2957	6760
Insurance	14159	14420	14159	14420	14159	14420
Payroll taxes	2764	7964	2764	7964	2764	7964
Service expense	537	8579	537	8579	537	8579
Exclusions	0	-6223	0	-6223	0	-6223
Total Operating Expenses	207054	333238	249023	333238	168996	227008

Table 3 Excerpt (Page 39 of Baar Report)

Projections of Rent Required for Fair Return Under MNOI Standard - 1986 Base Year

Scenario 2: Unused Annual Increases Added and M&A Expenses Adjusted

Adjusted to Reflect Using 21.9% in Base Year and 8% in Base Year/Current Year

	As Is	At 21.9% M&A	8% M&A
Base Period Rental Income	575736	575736	575736
Base Period Operating Expenses	207054	249023	168996
Base Period NOI	368682	326713	406740
Current Year Rental Income	764529	764529	764529
Current Year Operating Expenses	333217	333217	227008
Current Year NOI	431312	431312	537521
FAIR NOI (50% Indexing)	551180	488436	608076
Rent Adjust (50% Indexing)	119868	57124	70555
Rent Adjust/Space/Mo	62	30	37

Public Speaker Cards and Written Statement Cards

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 2

Date: 1/15/11

Name: Melanie E. McLinn City of Residence: Thousand Oaks

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

~~Comments~~

In Favor of: _____ Opposed to: _____ Other: Equal weight

Comments: CAH was my friend and I do not want to see her
signature be in the public record

Pursuant to C.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please call Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date: 1/15/11

Name: Mark Sellers City of Residence: T.O.

Address: Repeating Forest
(Optional) Street City State Zip

E-Mail Address (Optional): msellers@jdtph.com Telephone (Optional): _____

~~Comments~~

In Favor of: _____ Opposed to: Other: _____

Comments: _____

Pursuant to C.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please call Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No: 7

Date: 1/10/11

Name: Mary Jo Aucard City of Residence: Thousand Oaks

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

~~Comments~~

In Favor of: _____ Opposed to: X Other: _____

Comments: _____

Pursuant to C.A. 5-54001.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 10/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No: 7

Date: 1/10/11

Name: Beverly Potter City of Residence: TO

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

~~Comments~~

In Favor of: _____ Opposed to: X Other: _____

Comments: _____

Pursuant to C.A. 5-54001.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 10/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 1

Date: 01/13/11

Name: Janet Day City of Residence: Thousand Oaks
Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____



In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Pursuant to G.C. § 54050.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 1

Date: 01/10/11

Name: Karen Day City of Residence: Thousand Oaks
Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____



In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Pursuant to G.C. § 54050.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 1

Date: 0-10-11

Name: Dorothy Fox City of Residence: T. O.

Address: 1579 Windward Lane
(Optional) Street City State Zip

E-Mail Address (Optional) Telephone (Optional)



In Favor of: _____ Opposed to: Other: _____

Comments:

Pursuant to C.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date: 1/10/11

Name: Pat Heck Kathner City of Residence: T. O.

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional) Telephone (Optional)



In Favor of: _____ Opposed to: _____ Other: _____

Comments:

Pursuant to C.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 1

Date: 2/1/11

Name: Max Le P. MAU City of Residence: OJA

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____



In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Permitted to S.C. 54952.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please call Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date: 1/10/11

Name: Chris Lov City of Residence: MCALLEN, TEXAS

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____



In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Permitted to S.C. 54952.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please call Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No: 7

Date: 1/19/11

Name: Carol Fredericks City of Residence: TO

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

pursuant to G.C. 5 54953.2, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 10/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No: 7

Date: 1/19/11

Name: Jane Seaman City of Residence: 1000 Oaks

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

pursuant to G.C. 5 54953.2, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 10/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date: 1/10/11

Name: MARY LAFFERTY City of Residence: T. OAKS

Address: 2657 MONROE AVE #121 T.O. CA 91321
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____



In Favor of: _____ Opposed to: Other: _____

Comments: _____

Pursuant to P.C. 5 54951.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please call Community Development Staff - Ext. 11209

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date: 11-10-11

Name: KAREN WILSON McNEIL City of Residence: TO

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____



In Favor of: _____ Opposed to: Other: _____

Comments: Wanted to see if more reasonable but
outcome of should be - 0

Pursuant to P.C. 5 54951.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please call Community Development Staff - Ext. 11209

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No: 7

Date: 1/10/11

Name: Flora Poshnus City of Residence: Thousand Oaks

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional) _____ Telephone (Optional) _____



In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No: 7

Date: 1/10/11

Name: Cody Anderson City of Residence: T.O.

Address: 105 _____
(Optional) Street City State Zip

E-Mail Address (Optional) _____ Telephone (Optional) _____



In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date 1/19/11

Name: IAN GULJETEV City of Residence: THOUSAND OAKS

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Pursuant to G.C. § 54653.1, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note that card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date 1/19/11

Name: LUTIAH CORNIEA City of Residence: T OAKS

Address: 2396 ARAPAHO WAY apt. #7 T OAKS CA 91320
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Pursuant to G.C. § 54653.1, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note that card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date: 11/14/11

Name: Robert K. ... City of Residence: NO

Address: 106 P. ...
(Optional) Street City State Zip

E-Mail Address (Optional): ... Telephone (Optional): ...



In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Response to C.C. 5 54954.1 use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 7

Date: 11/14/11

Name: Eric Brown City of Residence: YEA

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____



In Favor of: _____ Opposed to: X Other: _____

Comments: Agreeing because of ...

Response to C.C. 5 54954.1 use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. _____

Date: 1/10/09

Name: Andy Peterson City of Residence: TO

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: Other: _____

Comments: Just in case

Permitted by C.C. 5-54003.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please call Community Development Staff, Ext. 61700.

City of Thousand Oaks
Rent Adjustment Commission
Public Speaker Card

Agenda Item No. 1

Date: 1/10/09

Name: Sam McCrever City of Residence: TO

Address: 2435 Sunnyside Way #102 TO CA 91362
(Optional) Street City State Zip

E-Mail Address (Optional): smc@suncoast.com Telephone (Optional): 818-300-9210

In Favor of: _____ Opposed to: _____ Other: NOT IN FAVOR

Comments: _____

Permitted by C.C. 5-54003.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please call Community Development Staff, Ext. 61700.

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7

Date: 1/10/11

Name: ERIC HEREM City of Residence: NEWBURY PARK
Address: 74 LA PALMA N. PARK
(Optional) Street "VALLECITO" MOBILE HOME PARK State Zip
E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: X Other: _____

Comments: I'M IN SUPPORT OF "THUNDERBIRD" RESIDENTS
WE NEED TO MAINTAIN AFFORDABLE
HOUSING! WE NEED THE LOW RENTS.

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7

Date: Jan 10, 2011
~~2010~~

Name: PATRICK GEOGHEGAN City of Residence: Thousand Oaks
Address: 2152 SKINNER CT, Unit 1 TH CA 91362
(Optional) Street City State Zip
E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: ✓ Other: _____

Comments: I am vigorously opposed to rent increase for
senior citizens - who are on fixed incomes

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7

Date: 01-10-11

Name: Virginia Boyert City of Residence: T.O.
Address: 119 Comanche Ave T.O. Ca 91362
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: Other: _____

Comments: I would not have put so much money into
My home had I known the management
would accept sale under "rent control" and then use

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

what ever means to escalate rent - so dishonest

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7

Date: 01-10-11

Name: Dorothy Jorgens City of Residence: _____
Address: _____ N P _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: _____ Other: _____

Comments: We need the existing available housing which
is Vallejo rated #1 in the State of Calif. for
forty years.

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7

Date: 1-10-11

Name: JUNE PRIMICH City of Residence: T.O.
Address: 2597 THUNDERBIRD TO CA 91362
(Optional) Street City State Zip

E-Mail Address (Optional): JANIGATEAM@YAHOO.COM Telephone (Optional): 805-379-3041
(DAUGHTER)

In Favor of: _____ Opposed to: X Other: _____

Comments: RAISING THE SPACE RENT AS HIGH AS
THEY TALKING ABOUT - BEING ON S.S. WILL
MAKE IT IMPOSSIBLE TO STAY IN MY HOME

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7

Date: 01-10-11

Name: C. Sheldon City of Residence: N.P.K.
Address: 1106 Madonna
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: X Other: _____

Comments: On behalf of persons in T. Oaks
of limited means - their value as
important as the others. We have done

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

our work + time

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7A

Date: Jan. 10, 2011

Name: RICHARD SERINO City of Residence: Yes
Address: 169 COLT LANE THOUSAND OAKS CA 91361
(Optional) Street City State Zip
E-Mail Address (Optional): SEVENSERINO@VERIZON.NET Telephone (Optional): 805 496-7118

In Favor of: _____ Opposed to: Other: _____

Comments: NO ADDITIONAL RENT INCREASE ABOVE
RENT CONTROL.

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7

Date: 01-10-11

Name: Joni Agnew City of Residence: Thousand Oaks
Address: Thunderbird Oaks Mobile Home Park
(Optional) Street City State Zip
E-Mail Address (Optional): _____ Telephone (Optional): _____

In Favor of: _____ Opposed to: _____ Other: _____

Comments: opposed to the rent increase. I have limited
income. my home is convenient and don't
want to move

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: _____

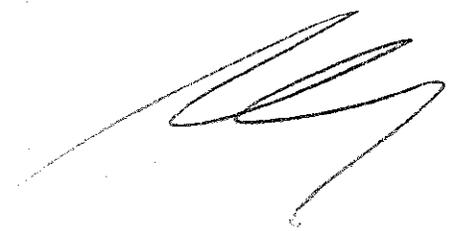
Date: 1-10-11

Name: MARGARET RIGGS City of Residence: T.O.
Address: 2184 PAVO COURT T.O. CA 91302
(Optional) Street City State Zip
E-Mail Address (Optional): _____ Telephone (Optional): 805 495-5346

In Favor of: _____ Opposed to: Other: _____

Comments: what ever the reason the owner did not increase
the rent in the past does NOT make it "just" to
raise the rent again 70% OVER

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09



possible reasons

1. Mortgage must in existence
2. fix reasons
3. profit was steady at a maximum otherwise profit

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: _____

Date: 1/10/11

Name: Lynn Sweeney City of Residence: 1000 Oaks
Address: 2588 James Crt 1000 Oaks CA 91362
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): (805) 496-8326

Thunderbird MHP

In Favor of: _____ Opposed to: Amount of rent increase Other: _____

Comments: Amount of rent increase of inhabitants

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

City of Thousand Oaks
Rent Adjustment Commission
Written Comment Card

Agenda Item No.: 7

Date: 1/10/11

Name: Karen King City of Residence: Thousand Oaks

Address: _____
(Optional) Street City State Zip

E-Mail Address (Optional): _____ Telephone (Optional): _____



In Favor of: _____ Opposed to: _____ Other: _____

Comments: _____

Pursuant to G.C. § 54953.3, use of this card is voluntary and not a requirement for attendance or participation in this meeting. Please note this card is considered a public record. For further assistance, please see Community Development Staff. Rev. 11/09

My name is Karen King and I live at 2662 Thunderbird Drive in the Thunderbird Oaks Mobile Home Park. I put a new home in the park in February of 2007.

Regarding the park owner's requested rent increase, I believe that NO increase should be granted. On page 40 of the Baar Report it indicates that Mr. Hohn is currently realizing a 6.5% return on his investment. The report states further: "A 6.5% rate of return is comparable to the prevailing rates for mobile home park investments. In other words, the yields obtained by current purchasers of mobile home parks in California typically are in the range of 6.5%." This statement is supported by trend reports on cap rates for mobile home park purchases over the past five years prepared by CoStar Comps. CoStar Comps is a major source of information on commercial real estate sales data for California appraisers. Therefore, I believe that Mr. Hohn is currently receiving an adequate and appropriate rate of return on his investment and NO lot rent increase is warranted.

Mr. Hohn is an experienced business man who owns 5 parks. His silence for 30 years with respect to adjusting lot rents and his not applying for any adjustments indicates that he was satisfied with his rate of return. His silence also established a course of conduct that tenants came to rely upon with regard to their lot rent increases. I relied on his silence to mean that I did not have to make arrangements for meeting a rent increase beyond the automatic annual increase. His silence was misleading and a 30 year catch up is unfair to us tenants.

Mr. Hohn is getting a "just and reasonable" return on his investment. Please do the just and reasonable thing for the Thunderbird Oaks Mobile Home Park tenants and deny this requested rent increase.

D. Rate of Return on Investment Analysis

In this case, the Residents contend that the Park Owner is not entitled to a rent increase because the park is yielding a 25% rate of return on historical investment (\$443,550 net operating income/\$1,746,988 historical investment) and a 48% rate of return on current total assets.⁹⁰

Subject to the caveat that rate of return on investment methodologies are circular in the context of rent regulations, this section comments on the rate of return on investment analysis proposed by the Residents. While the residents propose a return on historical investment calculation, this author has used a different methodology for calculating investment in rate of return analyses. When this type of standard is used, the historical investment is indexed by the percentage increase in the CPI, in order to reflect the current value of the investment. In this case, the inflation adjusted historical investment is \$6,852,899,⁹¹ and the rate of return is 6.5% (\$443,550 net operating income/\$6,852,899 historical investment).

A 6.5% rate of return is comparable to the prevailing rates for mobilehome park investments. (In other words, the yields obtained by current purchasers of mobilehome parks in California typically are in the range of 6.5%.⁹² If management and administration expenses were adjusted downward, in accordance with the eight percent cap on these expenses in the regulations, the rate of return would be 7.9%.⁹³

While this type of fair return methodology is not recommended, it should be noted that in this particular case the circularity issues are largely obviated by the fact that the park has been under the same ownership since 1975. Therefore, the investment may be more linked to construction costs, rather than recent expectations about allowable rent increases.

E. Consideration of the Specific Factors in the Administrative Rent Adjustment Section of the Ordinance

This section considers the specific factors in Section 5.25.06 the Ordinance.

“Property taxes” and “Reasonable Operating and Maintenance Expenses”. These factors are discussed on pp. 14-20 of this Report.

The other specific factors have not been raised in this case and there is no indication that they are in issue in this case. (Section 5.25.06 setting forth these factors is set forth on p. 3 of this report.)

90 Letter from Residents' Attorney (Mark Sellers), Sept. 23, 2010, p.4.

91 This amount adjusts the historical investment by the 292% increase in the CPI from 1976 to 2009 (from 56.9 to 223.2).

92 Trend reports on cap rates for mobilehome parks purchases are prepared by CoStar Comps, a major source of information on commercial real estate sales data for California appraisers. Their reports for the past five years indicate that average capitalization rates have typically been in the 6 to 7% range.

93 $\$443,550 + \$98,224$ (addition to base NOI due to reduction in allowable management & administration expenses) = $\$541,774$. $\$541,774 / \$6,852,899 = 7.9\%$.

Minutes

Meeting – January 10, 2011

**MINUTES OF THE
RENT ADJUSTMENT COMMISSION
CITY OF THOUSAND OAKS**

MEETING OF JANUARY 10, 2011

Call to Order:

The meeting of the Rent Adjustment Commission was called to order by Chair Wertheimer at 6:09 p.m. in the Council Chambers, 2100 Thousand Oaks Boulevard, Thousand Oaks, California.

Roll Call:

Commissioners Present: Chairman Wertheimer; Vice Chair Sheldon; Commissioner Feldman; Commissioner Ferruzza, and Commissioner Silacci present. Also present was Alternate Commissioner Schutz.

Staff Members Present:

Community Development Director Prescott	Deputy Finance Director Wilson
Assistant City Attorney Hehir	Assistant City Attorney Norman
Housing Manager Watson	Sr. Recording Secretary Vaudreuil
Senior Planner Hatcher	Administrative Clerk II Diegel
Assistant Analyst Oshita	

Written Comments / Announcements / Continuances: None

Minutes: December 6, 2010

Motion by Commissioner Mohr Feldman passed (5-0) to approve Minutes of December 6, 2010 Special Meeting, corrected to reflect Alternate Commissioner Schutz absent December 6, 2010.

Department Reports:

Resolution Setting Policy For Questions During Public Hearings.

Motion by Silacci passed (5-0) to adopt resolution RAC 07-2011 setting standard time of 15 minutes for owner's, tenant's or City staff member's representative to question or cross-examine witnesses, consultants and/or experts relied upon by another participant in the hearing process.

Public Hearing:

Chairman Wertheimer made remarks concerning hearing procedures.

Senior Recording Secretary Vaudreuil announced Case and Opened Public Hearing.

Case: Thunderbird Oaks Mobile Home Park Rent Adjustment Application (RA-2010-01)

Location: 200 S. Conejo School Road

Applicant: A.V.M.G.H., Limited

Request: Rent increase in amount of \$322.52 per month, per space, to achieve a Just and Reasonable Return.

Assistant City Attorney Christopher Norman presented the staff report including a PowerPoint presentation.

Ken Baar, (City Consultant).

Speakers:

Robert Coldren, (Hart, King & Coldren, Santa Ana) attorney representing applicant, showed a PowerPoint presentation.

Mark Sellers, (Jackson/DeMarco/Tidus/Peckenpaugh, Westlake Village) attorney representing Thunderbird Oaks Mobile Home Park residents. Submitted two handouts.

John Neet, applicant's real estate appraiser.

Michael McCarthy, applicant's CPA.

The Commission recessed at 8:48 p.m. and reconvened at 9:13 p.m.

Public Comments:

Marilyn Aurand, Thousand Oaks

Beverly Potter, Thousand Oaks

Joy Freck, Thousand Oaks

Marge Hagy, Thousand Oaks

Janet Day, Thousand Oaks

Karen King, Thousand Oaks

Robert Russell, Thousand Oaks

Flavio Fiumerodo, Thousand Oaks
Dorothy Fox, Thousand Oaks
Pat Heckathorr, Thousand Oaks
Merle Pitman, Ojai
Chris Lev, Thousand Oaks
Carol Fredericks, Thousand Oaks
June Leman, Thousand Oaks
Daryl Lafferty, Thousand Oaks
Karen Haskin, Thousand Oaks
Gloria Prehmus, Thousand Oaks
Cody Anderson, Thousand Oaks
Dan Goldstein, Thousand Oaks
Wilma Conner, Thousand Oaks
Bob Ricker, Newbury Park
Edie Brown, Ventura
Scott Tufts, Thousand Oaks
Frank Lussier, Thousand Oaks
Betty Pitman, Ojai
Robin Mcowen, Thousand Oaks
Joan Edwards, Westlake Village

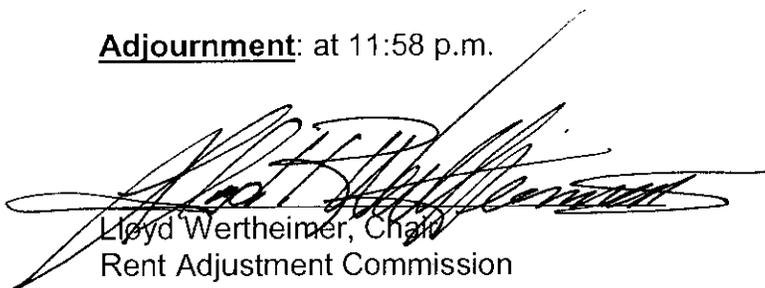
Written Comment Cards: 11 cards received in opposition.

Chair Wertheimer closed the public testimony portion of the public hearing.

Motion by Silacci passed (5-0) to continue the hearing on a closed hearing basis to 6:00 p.m. on January 18, 2011 for deliberations.

Commission Comments: None

Adjournment: at 11:58 p.m.



Lloyd Wertheimer, Chair
Rent Adjustment Commission

28 Jan 2011
Date Approved

**Notice of Continuance of
Public Hearing to
January 18, 2011**



City of Thousand Oaks

Community Development Department

Rent Adjustment Commission

NOTICE OF CONTINUANCE - PUBLIC HEARING:

Rent Adjustment Application for Thunderbird Oaks Mobile Home Park (RA 2010-01);
Location: 200 S. Conejo School Road; Applicant: A.V.M.G.H. Limited.

Notice is hereby given that the Rent Adjustment Commission of the City of Thousand Oaks, at their Special Meeting of January 10, 2011, continued said Public Hearing to **January 18, 2011**. Said continuance was passed by the following vote:

Ayes: Chairman Wertheimer, Commissioners Ferruzza, Mohr Feldman, Sheldon,
and Silacci

Noes: None

Absent: None

Handwritten signature of Lilia Vaudreuil in cursive script.

Lilia Vaudreuil, Recording Secretary

January 11, 2011

I, Lilia Vaudreuil, declare as follows:

That I am the Recording Secretary for the Rent Adjustment Commission of the City of Thousand Oaks. The public hearing scheduled at the Special Meeting of the Rent Adjustment Commission of the City of Thousand Oaks was held, but not completed on January 10, 2011. Since said public hearing was not completed, it was continued to January 18, 2011. I further declare that on January 11, 2011 at the hour of 11:00 a.m. a copy of said notice was posted at a conspicuous place near the door at which said meeting was held.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 11, 2011, at Thousand Oaks, California.

Handwritten signature of Lilia Vaudreuil in cursive script.

Lilia Vaudreuil, Recording Secretary

Post: Council Chambers Door, CAP Entry

File: Packet File

CDD:430-45/rw/h:/Common/Housing & Redevelopment/Rent Control/RAC/RAC 2011 Meetings/Continued RAC PH
Thunderbird Oaks 1-10-11

2100 Thousand Oaks Boulevard • Thousand Oaks, California 91362-2903 • (805) 449-2151 • FAX (805) 449-2150



Printed on Recycled Paper

CTO 02301

Rent Adjustment Commission Meeting – January 18, 2011

Agenda

Meeting – January 18, 2011

AGENDA

RENT ADJUSTMENT COMMISSION CITY OF THOUSAND OAKS, CALIFORNIA

Council Chambers

2100 Thousand Oaks Boulevard, Thousand Oaks, California 91362
(805) 449-2323
<http://www.toaks.org>

SPECIAL MEETING

January 18, 2011

6:00 P.M.

COMMISSIONERS:

Lloyd Wertheimer, Chair
Maxwell Sheldon, Vice-Chair
Brenda Mohr Feldman
Beatrice Ferruzza
Mike Silacci

ALTERNATE COMMISSIONERS:

Alyce Klussman
Cathy Schutz

John C. Prescott, AICP, Community Development Director
Patrick Hehir, Assistant City Attorney
Russ Watson, Housing and Redevelopment Manager

RENT ADJUSTMENT COMMISSION MEETINGS ARE SCHEDULED AS NEEDED TO CONSIDER A SPECIFIC MATTER RELATED TO RENT ADJUSTMENT APPLICATION PURSUANT TO TOMC (TITLE 5, CHAPTER 25 MOBILE HOME RENT STABILIZATION)

Americans with Disabilities Act (ADA): In compliance with the ADA, if you need special assistance to participate in this meeting or other services in conjunction with this meeting, please contact the Building Division, (805) 449-2500. Assisted listening devices are available at this meeting. Ask the Recording Secretary if you desire to use this device. Upon request, the agenda and documents in this agenda packet can be made available in appropriate alternative formats to persons with a disability. Notification at least 48 hours prior to the meeting or time when services are needed will assist City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Agenda Availability: The Rent Adjustment Commission Agenda is posted at the entry to the Civic Arts Plaza/City Hall, 2100 E. Thousand Oaks Boulevard, Thousand Oaks [main posting location pursuant to the Brown Act, G.C. 54954.2(a)]. Rent Adjustment Commission Agenda Packets are available for review at the City Clerk Department (2nd level), and Community Development Department, public counter (1st level), 2100 E. Thousand Oaks Boulevard, Thousand Oaks and available on City Web Page.

CITY OF THOUSAND OAKS
RENT ADJUSTMENT COMMISSION AGENDA
JANUARY 18, 2011

Supplemental Information: Any agenda related information received and distributed to the Rent Adjustment Commission after the Agenda Packet is printed is included in Supplemental Packets. Supplemental Packets are produced as needed, and typically would be distributed on the Friday preceding the Rent Adjustment Commission meeting and/or on Monday at the meeting. The Friday Supplemental Packet is available for public review in the City Clerk Department, and Community Development Department, 2100 E. Thousand Oaks Boulevard, during normal business hours (main posting location pursuant to the Brown Act, G.C. 54957.5(2)). Both the Friday and Monday Supplemental Packets (if required) are available for public review at the City Rent Adjustment Commission Meeting and will be posted on the City Web Page.

Public Input: Any person who wishes to speak regarding an item on the regular agenda or on a subject within the Rent Adjustment Commission's jurisdiction during "Public Comments" is requested to file a "Public Speaker" card with RAC staff secretary before that portion of the Agenda is called. Any person who wishes to speak on a specific agenda item is requested to file a "Public Speaker" card before the specific item is called. Any person who wishes to speak on a Public Hearing is requested to file a "Public Speaker" card before the Hearing is called. Persons addressing the Rent Adjustment Commission are requested to state their name and city of residence for the record. Any supporting materials should be submitted to the Recording Secretary before addressing the Commission. The time each person will be allowed to speak on a public hearing item will depend on the number of speaker cards received. The time allotted to each person will be announced by the Chairperson before comments are received by the Commission.

Special Meeting Public Input: Only issues listed on a special meeting agenda may be addressed pursuant to the Brown Act.

Judicial Review: Any legal action by an applicant seeking to obtain a judicial review of the Rent Adjustment Commission decision on a Hearing or issue listed on this Agenda may be subject to the 90-day filing period, of and governed by, Code of Civil Procedure Section 1094.6. Also refer to TOMC Section 1-4.05.

CITY OF THOUSAND OAKS
RENT ADJUSTMENT COMMISSION AGENDA
JANUARY 18, 2011

1. **CALL TO ORDER:** 6:00 P.M.
2. **PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:** Commissioners **Feldman, Ferruzza, Silacci**, Vice-Chair **Sheldon**, and Chair **Wertheimer**. Alternate Commissioners **Klussman, Schutz**.
4. **WRITTEN COMMENTS / ANNOUNCEMENTS / CONTINUANCES:**
5. **APPROVAL OF MINUTES:** January 10, 2011 – Special Meeting - Thunderbird Oaks Mobile Home Park Rent Adjustment Application Hearing (RAA-2010-01)
6. **DEPARTMENT REPORTS:** NONE
7. **PUBLIC HEARING (Continued from January 10, 2011):**
 - A. **(Public Hearing Closed on January 10, 2011)**

CASE:	Thunderbird Oaks Mobile Home Park Rent Adjustment Application (RAA-2010-01)
LOCATION:	200 S. Conejo School Road
APPLICANT:	A.V.M.G.H., Limited
REQUEST:	Rent Increase in amount of \$260.62 per month, per space, to achieve a Just and Reasonable Return.
RECOMMENDATION:	Adopt Resolution granting a “Just and Reasonable Return” rent increase for Thunderbird Oaks Mobile Home Park in an amount not to exceed \$62.00 per space per month, and that the increase be phased over a two-year period in an amount not to exceed \$31.00 per month, per space, each year, with the date of the initial increase to be 90 days from the date formal notice of such increase is provided to the tenants, and the date of each subsequent increase shall be not sooner than 365 days from the date of the prior increase.
8. **PUBLIC COMMENTS:**
9. **COMMISSION COMMENTS:**
10. **ADJOURNMENT:**

Supplemental Material Meeting – January 18, 2011

Rent Adjustment Commission

SUPPLEMENTAL PACKET

**Meeting of
January 18, 2011**

Draft RAC Resolution

RESOLUTION NO. RAC 08-2011

**A RESOLUTION OF THE RENT ADJUSTMENT
COMMISSION OF THE CITY OF THOUSAND OAKS
APPROVING A JUST AND REASONABLE RETURN
RENT INCREASE FOR THE THUNDERBIRD OAKS
MOBILE HOME PARK.**

WHEREAS, on June 4, 2010, an application was filed on behalf of the Thunderbird Oaks Mobile Home Park ("Park") by the owner AVMGH Limited ("Park Owner") under §5-25.06(b) of the Mobile Home Rent Stabilization Ordinance ("Ordinance") requesting a rent increase of \$322.52 per space, per month; and

WHEREAS, on August 6, 2010, City staff deemed the application complete; and

WHEREAS, on August 16, 2010, City staff mailed notice to each mobile home owner or current resident of the Park that (1) a Just and Reasonable application had been filed, (2) the amount of the requested rent adjustment, (3) the date (originally October 5, 2010), time and place of the public hearing, and (4) where information regarding the application could be obtained; and

WHEREAS, on October 8, 2010, the Park Owner submitted an amended application requesting a "Vega" adjustment to the base year. The Vega adjustment was supported by an appraisal prepared by John Neet. The amended application requested a rent increase of \$260.62 per space, per month, and superseded the prior application.

WHEREAS, as a result of the amended application, on October 21, 2010, notice of the new hearing date was mailed to each mobile home owner or current resident of the Park; and

WHEREAS, on January 10, 2011, a public hearing was held before the Thousand Oaks Rent Adjustment Commission to consider the amended application. Evidence and testimony was submitted by City staff, the applicant, a representative of some of the tenants of Thunderbird Mobile Home Park, and the public. The public comment portion of the hearing was closed, and the matter was continued for deliberation and decision to January 18, 2011.

NOW, THEREFORE, BE IT RESOLVED by the Thousand Oaks Rent Adjustment Commission ("Commission") as follows:

SECTION 1. Findings.

Based upon substantial evidence taken from testimony received at the hearing, both oral and written, the Commission makes the following findings:

A. The Application. The amended application with the Vega adjustment submitted by the Park Owner on October 8, 2010, was a substantial modification to the original application submitted on June 4, 2010, and therefore served as a submittal of a new application for purposes of compliance with any time frames required under the Ordinance.

B. Background regarding Thunderbird Mobile Home Park

1. The Park is subject to the City's Ordinance.
2. The current average monthly space rent in the Park is \$394.03. In addition to paying space rents, the tenants pay for gas, electricity, sewer, and trash expenses, but not water expenses. The average total utility cost for the residents of the Park is \$130 per month per space.

C. Provisions in the Ordinance and Regulations Governing Rent Increases

1. The Park Owner may apply for a rent adjustment based on the "just and reasonable return" standard in the Ordinance. The principal purpose of this provision is to provide rent adjustments which meet constitutional fair return standards.

2. The Commission has promulgated and adopted detailed guidelines ("Guidelines") pursuant to the Ordinance implementing the "just and reasonable return" standard. These Guidelines are contained in resolutions RAC-2 and RAC-5.

3. The Guidelines favor a maintenance of net operating income standard ("MNOI standard") for applications seeking "just and reasonable return." However, the Guidelines allow the Commission to consider other approaches.

4. The Park Owner has requested a rent adjustment based on the MNOI standard.

5. The Commission finds that the MNOI standard is the best methodology for considering the Park Owner's application and meets the constitutional fair return standard.

D. Expert Analysis of MNOI standard. The City retained an expert on fair return issues, Dr. Kenneth Baar, to prepare a fair return analysis (Attachment #6 to Staff Report, pages 551-613) Based on Dr. Baar's resume (Staff Report, pages 605-613), the Commission finds that Dr. Baar has the requisite expertise to render opinions regarding what rents in this case provide a fair return to the Park Owner.

E. Analysis under the MNOI standard. In order to perform a MNOI analysis a number of determinations must be made, including:

- The applicable base year.
- The amount of the base year rent,
- The amount of the base year operating expenses,
- The inflation adjustment factor applied to the base year net operating income in order to determine what net operating income is a fair net operating income in the current year,

1. Designation of the Base Year.

a. The Guidelines state that the base year shall be 1979 when the financial information for that year is available, and when 1979 information is not available the first year for which a park owner has financial records may be used as a base year. (RAC-2, Secs. 3 and 4.)

b. The Guidelines also vest in the Commission the discretion to consider a base year other than 1979 for good cause. (RAC-5, Sec. 3.07)

c. The Park Owner has owned the property since 1974. Since the adoption of Resolution RAC-2 in 1981, the regulations have clearly provided that the consideration of increases in expenses and income since the 1979 base year would provide the basis for determining what net operating income and rent levels would be fair in the future.

d. The Park Owner was unable to provide data on actual operating expenses and net operating income for the base year (1979) or for any year from 1976 through 1990 other than 1986.

e. Although Dr. Baar concluded that there were rationales in support of the use of 1979 as the base year, notwithstanding the Park Owner's lack of 1979 data, the Commission is persuaded that as a policy the Guidelines should be adhered to the extent such adherence provide results that are in keeping with the intent of the Ordinance and Guidelines.

f. The Commission concludes that there is good cause to use 1986 as the base year since the Guidelines stipulate that base year should have actual income and expense data for purposes of comparison.

2. Base Year Rental Income

a. The Guidelines authorize base year "Price Level Adjustments" for individual parks to recover rent increases which were authorized but not imposed by the park owner. "Adjusted Income for Below Market Rentals" is an amount representing the difference between the actual rent collected and what the landlord could have collected if the units had been rented at their full market value, including "...where the increases permitted by the Rent Stabilization Ordinance or the Regulations and Guidelines of the Rent Adjustment Commission could have been made but have not been made because of the landlord rental policies and purposes." (RAC-2, Sec. 2.05)

b. All automatic rent adjustments which could have been implemented shall be added to the 1979 net operating income in order to determine what net operating income would provide a fair net operating income in the current year. (RAC-2 Sec. 3.05)

c. The Commission finds that the reasonable interpretation of the intent of these terms is to provide owners with the right to implement rent increases which were permitted in prior years, but were not implemented at the time they were permitted.

d. In this case, complete information on rent increases was limited to the period from 1983 to 1986.

e. From 1983 through 1986, the Park Owner increased rents by 10.3%, increasing the average rent in the park from \$246.43 to \$273.10. This increase compares with the total of 21% in rent increases authorized in 1984, 1985, and 1986. This difference provides the basis for a "Price Level Adjustment."

f. For the preceding three years (1980 to 1983) average rents increased from about \$198 to \$235, an increase of about 18%. The allowable rent increases during this period were 24% (3 x 8%). However, the Park Owner did not provide any base year rent information and the residents of the Park provided information for only a few spaces. The error in the estimate of the difference between actual rent increases between 1980 and 1983 and the maximum permitted increases may be substantial relative to the six percent difference (18% versus 24%). Under these circumstances, a "price level adjustment" for this period is not justified.

g. For the purposes of the MNOI analysis the 1986 base year rent is adjusted from \$273 to \$298 per space per month, resulting in an adjusted annual park rental income of \$575,736 (Staff Report, Attachment # 6 at pg. 597)

h. The Commission finds that the Price Level Adjustment above adequately provides the Park Owner an approximation of market rents for 1986.

3. Base Year Operating Expenses

a. The Guidelines provide that management and administrative expenses “must be calculated for both the base year and the current year at the same percentage of actual income” and the total management and administrative expenses cannot exceed 8% of income. (RAC-2, Sec. 2.11)

b. In this case, the Park Owner reported that 1986 management and administration expenses totaled \$30,878; 5.9%% of rental income, and in 2009 management and administration expenses totaled \$167,392; 21.9% of rental income.

**Management and Administration Expenses
Set Forth in Rent Increase Application**

Year		Mgmt & Adm. Expense	Pct. of Gross Rent
1986		30,878	5.9%
2009		167,392	21.9%

c. For the period 1986 to 2009, the Park Owner projected an increase of 442% in administration and management expenses, compared to the CPI increase of 99% during this period.

d. The Park Owner has indicated that the performance of management and administration tasks have been transferred from being performed personally by the owners to being performed by third parties who were paid.

e. For the reasons set forth in Dr. Baar’s written analysis (Staff Report, Attachment #6 at pg 580), the Park Owner did not present convincing evidence that a higher level of effort and expenditure was required in order to perform management and administration in 2009 compared to 1986.

f. Consequently, the transfer from owner management to management compensated by the owner is a change in how the cost is covered from an accounting perspective, and not a cost increase equal to the current cost.

g. Management and administrative expenses should be imputed to the base year in order to avoid exceptionally low expenses in the base year, which would result in an unjustified overstatement of the NOI for the base year.

h. The Commission concludes that it is not reasonable to use the 8% management and expense cap in RAC-2, Sec. 2.11 for the reasons stated in Dr. Baar's report (Staff Report, Attachment #6 at pg. 581.)

i. In calculating the amount of the imputed management and administrative expense for 1986, it is reasonable to assume that management and administration costs increased by the same percentage as the CPI between the base year and the current year in order to maintain the same level of service. This assumption is more favorable to the Park Owner than the assumption in the Guidelines that management and administration expenses were the same percentage of rental income in the base year and the current year. It is based on the view that management and administration expenses would increase at the same rate as the CPI in order to maintain the same level of services, even if rents went up at a lower rate. The result of this assumption is that in order to calculate base year management and administration expenses, current year management and administration expenses are adjusted downward by a greater amount (the CPI difference), rather than the difference in rental income. As a result, overall base year operating expenses are reduced and consequently base year net operating income is increased, relative to the outcome that would result from assuming that management and administration expenses were the same percentage of rental income in the base year and the current year.

j. The Commission finds that 1986 management and administration expenses as imputed totaled \$84,117, as opposed to the \$30,878 amount claimed by Park Owner. The basis for this computation is set forth in footnote 75 of Dr. Baar's report (Staff Report, Attachment #6 at pg. 580), which is adopted and incorporated into this resolution by reference.

k. For the purposes of the MNOI analysis, the Commission finds that the total 1986 base year operating expenses are projected to be \$207,054. The basis for this computation is set forth in Table 1 of Dr. Baar's report (Staff Report, Attachment #6 at pg 592), which is adopted and incorporated into this resolution by reference.

3. An Inflation Adjustment of Base Period Net Operating Income

a. Under the Section 5-25.06(b)(1) of the Ordinance, the Commission has the authority to grant individual park rent adjustments if the rent "otherwise permitted" does not provide for a just and reasonable rent.

b. California courts have upheld maintenance of net operating income standards which provide for indexing net operating income at 40% and 50% of the percentage increase in the CPI since the base year.

c. Contrary to the Park Owner's expert, who contends that NOI would eventually become zero unless a 100% indexing were used, by definition, the MNOI standard provides that rent increases must be authorized to cover all cost increases and provide a higher net operating income than the base period net operating income. Therefore, it is a logical impossibility that NOI could ever be zero.

d. The Guidelines do not provide a rate of indexing for the MNOI standard.

e. The Commission adopts the findings in Dr. Baar's report (Staff Report, Attachment #6 at pages 586-589) that the returns from a park investment may be attractive when net operating income increases at less than the full rate of increase in the CPI. Growth in net operating income provides the Park Owner with appreciation in valuation as well growth in income in an investment that typically is low-risk with a steady and consistent income stream.

f. The Commission concludes that indexing the net operating income by 50% of the percentage increase in the CPI provides a "just and reasonable return" to the Park Owner.

SECTION 2. Authorized Rent Increase.

A. The Park Owner is entitled to a rent increase of \$62 per space per month in order to obtain a just and reasonable return based on the findings in SECTION 1 above. The bases for this calculation are set forth Table 3 of Dr. Baar's report (Staff Report, Attachment #6 at pg. 597) and in the table below.

MNOI Fair Return Calculation

	Base Year (1986)	Current Year (2009)
Rental Income (excluding reimbursed utilities) With Base Year Rent Adjustment pursuant to MNOI analysis	\$575,736	\$764,529
Operating Expenses adjusted pursuant to MNOI analysis	\$207,054	\$333,217
Net Operating Income	\$368,882	431,312
Fair Net Operating Income (50% CPI Index) (49.5% Increase over Base Year NOI)		\$551,180

Rent Increase Required <i>(Fair NOI – Actual Current Year NOI)</i>		\$119,868
Rent Increase Required PerSpace Per Month <i>(Parkwide Rent Increase/(161 spaces x 12 months)</i>		\$62

B. This increase in rents shall be phased over a 2-year period in an amount not to exceed \$31.00 per space per month, with the date of the initial increase to be 90 days from the date of formal notice of such increase is provided to the tenants, and the date of the subsequent increase shall be not sooner than 365 days from the date of the initial increase.

PASSED AND ADOPTED this

**THOUSAND OAKS RENT
ADJUSTMENT COMMISSION**

Lloyd Wortheimer
Chair

ATTEST:

Recording Secretary

APPROVED AS TO FORM:

Patrick Hehir, Assistant City Attorney

Alternative Rent Adjustment Calculation Charts

a. Formulas using 1979 as the Base Year

Alternative	Description	Monthly Rental Increase By Assumed Inflation Index					
		50%		75%		100%	
79-1	Rental Income based on Park Owner's Appraisal and Expenses as Projected by Park Owner with no adjustments to Income or Expenses. (Applicant's Request)	\$99	\$106	\$180	\$186	\$261	\$267
79-2	Rental Income based on Park Owner's Appraisal with Consultant's Adjustment to Maintenance and Administration Expenses	\$75	\$81	\$150	\$156	\$224	\$231
79-3	Rental Income Adjusted based on Tenant Documentation and Using Expenses Projected by the Applicant.	\$48	\$53	\$116	\$120	\$184	\$188
79-4	Rental Income Adjusted based on Tenant Documentation and Using Consultant's Adjustments to Maintenance and Administrative expenses	\$24	\$28	\$86	\$90	\$147	\$152
79-5	Rental Income based on City's Appraisal and Expenses as Projected by Park Owner with no adjustments to Income or Expenses	\$62	\$67	\$133	\$137	\$204	\$209
79-6	Rental Income based on City's Appraisal with Consultant's Adjustment to Maintenance and Administration Expenses	\$35	\$40	\$100	\$104	\$164	\$169

a. Formulas using 1986 as the Base Year

Alternative	Description	Monthly Rental Increase By Assumed Inflation Index					
		50%		75%		100%	
86-1	Base Year (1986) Rental Income With RAC-2 Price Level Adjustment and Expenses Projected By Applicant	\$106	\$103	\$160	\$156	\$215	\$211
86-2	Base Year (1986) Rental Income With RAC-2 with Price Level Adjustment and With Consultant's Adjustment to Maintenance and Administrative Expenses	\$65	\$62	\$112	\$109	\$160	\$157
86-3	Comparable Base Year Rent based on City Appraisal	\$134	\$136	\$193	\$195	\$253	\$255
86-4	Comparable Base Year Rent based on City Appraisal With Consultant's Adjustment to Maintenance and Administrative Expenses	\$93	\$95	\$145	\$147	\$198	\$200

Minutes

Meeting – January 18, 2011

**MINUTES OF THE
RENT ADJUSTMENT COMMISSION
CITY OF THOUSAND OAKS**

MEETING OF JANUARY 18, 2011

Call to Order:

The meeting of the Rent Adjustment Commission was called to order by Chair Wertheimer at 6:07 p.m. in the Council Chambers, 2100 Thousand Oaks Boulevard, Thousand Oaks, California.

Roll Call:

Commissioners Present: Chairman Wertheimer; Vice Chair Sheldon; Commissioner Feldman; Commissioner Ferruzza, and Commissioner Silacci present. Also present was Alternate Commissioners Klussman and Schutz absent.

Staff Members Present:

Community Development Director Prescott	Assistant City Attorney Norman
Assistant City Attorney Hehir	Sr. Recording Secretary Vaudreuil
Housing Manager Watson	Assistant Analyst Oshita

Written Comments / Announcements / Continuances:

Supplemental Packet material – Received.

Minutes: January 10, 2011

Motion by Commissioner Silacci passed (5-0) to approve Minutes of January 10, 2011 Special Meeting.

Department Reports: None

Public Hearing: (Continued from January 10, 2011)

Chairman Wertheimer made remarks concerning hearing procedures.

Senior Recording Secretary Vaudreuil announced the Case.

Case: Thunderbird Oaks Mobile Home Park Rent Adjustment Application (RA-2010-01)

Location: 200 S. Conejo School Road

Applicant: A.V.M.G.H., Limited

Request: Rent increase in amount of \$260.62 per month, per space, to achieve a Just and Reasonable Return.

Assistant City Attorney Norman summarized the documents provided in the Supplemental Packet including a draft resolution stating appropriate and necessary findings implementing staff's recommendation as presented to the Commission in the staff report dated January 10, 2011 and two errata sheets correcting a table provided on page 15 of staff report. The corrected table revised staff's recommendation from \$65.00 per month per space increase, reduced to \$62.00 per month per space increase.

Assistant City Attorney Hehir commented on the Commission's next step regarding their deliberation on the case and recommended Commission consider determining consensus among the Commission regarding key elements of deliberations.

Chairman Wertheimer asked each Commissioner their thoughts or opinions for each element summarized by Mr. Hehir. The Commission discussed various points, ultimately reaching majority consensus for each of the six areas outlined. Commission consensus was in substantial concurrence with staff's recommendation as provided in the staff report as amended.

Assistant City Attorney Hehir referenced the draft resolution provided by staff in the Supplemental Packet, noting that the resolution provides all appropriate and required findings to adopt the staff recommendation.

The draft resolution was reviewed by the Commissioners, and the Commissioners asked any remaining questions or concerns relating to considering adopting the resolution.

Motion by Commissioner Mohr Feldman to adopt Resolution RAC 08-2011 was passed (5-0).

Community Development Director Prescott summarized the 14-day appeal procedure once the resolution is signed and delivered to applicant.

Public Comments: None

Commission Comments:

Commissioner Mohr Feldman asked that two informational memos be made available to the public. Assistant City Attorney noted that these documents are available to anyone who requests a copy.

Director Prescott reiterated appeal time-line (14 days) noting that the resolution would be fully signed by January 19, 2011 and mailed to the applicant and Thunderbird Oaks Mobile Home Park residents.

Adjournment: at 7:20 p.m. to January 24, 2011 at 4 p.m.



Lloyd Wertheimer, Chair
Rent Adjustment Commission

24 Jan 2011
Date Approved

**Adopted
RAC Resolution 08-2011**

RESOLUTION NO. RAC 08-2011

**A RESOLUTION OF THE RENT ADJUSTMENT
COMMISSION OF THE CITY OF THOUSAND OAKS
APPROVING A JUST AND REASONABLE RETURN
RENT INCREASE FOR THE THUNDERBIRD OAKS
MOBILE HOME PARK.**

WHEREAS, on June 4, 2010, an application was filed on behalf of the Thunderbird Oaks Mobile Home Park ("Park") by the owner AVMGH Limited ("Park Owner") under §5-25.06(b) of the Mobile Home Rent Stabilization Ordinance ("Ordinance") requesting a rent increase of \$322.52 per space, per month; and

WHEREAS, on August 6, 2010, City staff deemed the application complete; and

WHEREAS, on August 16, 2010, City staff mailed notice to each mobile home owner or current resident of the Park that (1) a Just and Reasonable application had been filed, (2) the amount of the requested rent adjustment, (3) the date (originally October 5, 2010), time and place of the public hearing, and (4) where information regarding the application could be obtained; and

WHEREAS, on October 8, 2010, the Park Owner submitted an amended application requesting a "Vega" adjustment to the base year. The Vega adjustment was supported by an appraisal prepared by John Neet. The amended application requested a rent increase of \$260.62 per space, per month, and superseded the prior application.

WHEREAS, as a result of the amended application, on October 21, 2010, notice of the new hearing date was mailed to each mobile home owner or current resident of the Park; and

WHEREAS, on January 10, 2011, a public hearing was held before the Thousand Oaks Rent Adjustment Commission to consider the amended application. Evidence and testimony was submitted by City staff, the applicant, a representative of some of the tenants of Thunderbird Mobile Home Park, and the public. The public comment portion of the hearing was closed, and the matter was continued for deliberation and decision to January 18, 2011.

NOW, THEREFORE, BE IT RESOLVED by the Thousand Oaks Rent Adjustment Commission ("Commission") as follows:

SECTION 1. Findings.

Based upon substantial evidence taken from testimony received at the hearing, both oral and written, the Commission makes the following findings:

A. The Application. The amended application with the Vega adjustment submitted by the Park Owner on October 8, 2010, was a substantial modification to the original application submitted on June 4, 2010, and therefore served as a submittal of a new application for purposes of compliance with any time frames required under the Ordinance.

B. Background regarding Thunderbird Mobile Home Park

1. The Park is subject to the City's Ordinance.
2. The current average monthly space rent in the Park is \$394.03. In addition to paying space rents, the tenants pay for gas, electricity, sewer, and trash expenses, but not water expenses. The average total utility cost for the residents of the Park is \$130 per month per space.

C. Provisions in the Ordinance and Regulations Governing Rent Increases

1. The Park Owner may apply for a rent adjustment based on the "just and reasonable return" standard in the Ordinance. The principal purpose of this provision is to provide rent adjustments which meet constitutional fair return standards.

2. The Commission has promulgated and adopted detailed guidelines ("Guidelines") pursuant to the Ordinance implementing the "just and reasonable return" standard. These Guidelines are contained in resolutions RAC-2 and RAC-5.

3. The Guidelines favor a maintenance of net operating income standard ("MNOI standard") for applications seeking "just and reasonable return." However, the Guidelines allow the Commission to consider other approaches.

4. The Park Owner has requested a rent adjustment based on the MNOI standard.

5. The Commission finds that the MNOI standard is the best methodology for considering the Park Owner's application and meets the constitutional fair return standard.

D. Expert Analysis of MNOI standard. The City retained an expert on fair return issues, Dr. Kenneth Baar, to prepare a fair return analysis (Attachment #6 to Staff Report, pages 551-613) Based on Dr. Baar's resume (Staff Report, pages 605-613), the Commission finds that Dr. Baar has the requisite expertise to render opinions regarding what rents in this case provide a fair return to the Park Owner.

E. Analysis under the MNOI standard. In order to perform a MNOI analysis a number of determinations must be made, including:

- The applicable base year.
- The amount of the base year rent,
- The amount of the base year operating expenses,
- The inflation adjustment factor applied to the base year net operating income in order to determine what net operating income is a fair net operating income in the current year,

1. Designation of the Base Year.

a. The Guidelines state that the base year shall be 1979 when the financial information for that year is available, and when 1979 information is not available the first year for which a park owner has financial records may be used as a base year. (RAC-2, Secs. 3 and 4.)

b. The Guidelines also vest in the Commission the discretion to consider a base year other than 1979 for good cause. (RAC-5, Sec. 3.07)

c. The Park Owner has owned the property since 1974. Since the adoption of Resolution RAC-2 in 1981, the regulations have clearly provided that the consideration of increases in expenses and income since the 1979 base year would provide the basis for determining what net operating income and rent levels would be fair in the future.

d. The Park Owner was unable to provide data on actual operating expenses and net operating income for the base year (1979) or for any year from 1976 through 1990 other than 1986.

e. Although Dr. Baar concluded that there were rationales in support of the use of 1979 as the base year, notwithstanding the Park Owner's lack of 1979 data, the Commission is persuaded that as a policy the Guidelines should be adhered to the extent such adherence provide results that are in keeping with the intent of the Ordinance and Guidelines.

f. The Commission concludes that there is good cause to use 1986 as the base year since the Guidelines stipulate that base year should have actual income and expense data for purposes of comparison.

2. Base Year Rental Income

a. The Guidelines authorize base year "Price Level Adjustments" for individual parks to recover rent increases which were authorized but not imposed by the park owner. "Adjusted Income for Below Market Rentals" is an amount representing the difference between the actual rent collected and what the landlord could have collected if the units had been rented at their full market value, including "...where the increases permitted by the Rent Stabilization Ordinance or the Regulations and Guidelines of the Rent Adjustment Commission could have been made but have not been made because of the landlord rental policies and purposes." (RAC-2, Sec. 2.05)

b. All automatic rent adjustments which could have been implemented shall be added to the 1979 net operating income in order to determine what net operating income would provide a fair net operating income in the current year. (RAC-2 Sec. 3.05)

c. The Commission finds that the reasonable interpretation of the intent of these terms is to provide owners with the right to implement rent increases which were permitted in prior years, but were not implemented at the time they were permitted.

d. In this case, complete information on rent increases was limited to the period from 1983 to 1986.

e. From 1983 through 1986, the Park Owner increased rents by 10.3%, increasing the average rent in the park from \$246.43 to \$273.10. This increase compares with the total of 21% in rent increases authorized in 1984, 1985, and 1986. This difference provides the basis for a "Price Level Adjustment."

f. For the preceding three years (1980 to 1983) average rents increased from about \$198 to \$235, an increase of about 18%. The allowable rent increases during this period were 24% (3 x 8%). However, the Park Owner did not provide any base year rent information and the residents of the Park provided information for only a few spaces. The error in the estimate of the difference between actual rent increases between 1980 and 1983 and the maximum permitted increases may be substantial relative to the six percent difference (18% versus 24%). Under these circumstances, a "price level adjustment" for this period is not justified.

g. For the purposes of the MNOI analysis the 1986 base year rent is adjusted from \$273 to \$298 per space per month, resulting in an adjusted annual park rental income of \$575,736 (Staff Report, Attachment # 6 at pg. 597)

h. The Commission finds that the Price Level Adjustment above adequately provides the Park Owner an approximation of market rents for 1986.

3. Base Year Operating Expenses

a. The Guidelines provide that management and administrative expenses "must be calculated for both the base year and the current year at the same percentage of actual income" and the total management and administrative expenses cannot exceed 8% of income. (RAC-2, Sec. 2.11)

b. In this case, the Park Owner reported that 1986 management and administration expenses totaled \$30,878; 5.9%% of rental income, and in 2009 management and administration expenses totaled \$167,392; 21.9% of rental income.

**Management and Administration Expenses
Set Forth in Rent Increase Application**

Year		Mgmt & Adm. Expense	Pct. of Gross Rent
1986		30,878	5.9%
2009		167,392	21.9%

c. For the period 1986 to 2009, the Park Owner projected an increase of 442% in administration and management expenses, compared to the CPI increase of 99% during this period.

d. The Park Owner has indicated that the performance of management and administration tasks have been transferred from being performed personally by the owners to being performed by third parties who were paid.

e. For the reasons set forth in Dr. Baar's written analysis (Staff Report, Attachment #6 at pg 580), the Park Owner did not present convincing evidence that a higher level of effort and expenditure was required in order to perform management and administration in 2009 compared to 1986.

f. Consequently, the transfer from owner management to management compensated by the owner is a change in how the cost is covered from an accounting perspective, and not a cost increase equal to the current cost.

g. Management and administrative expenses should be imputed to the base year in order to avoid exceptionally low expenses in the base year, which would result in an unjustified overstatement of the NOI for the base year.

h. The Commission concludes that it is not reasonable to use the 8% management and expense cap in RAC-2, Sec. 2.11 for the reasons stated in Dr. Baar's report (Staff Report, Attachment #6 at pg. 581.)

i. In calculating the amount of the imputed management and administrative expense for 1986, it is reasonable to assume that management and administration costs increased by the same percentage as the CPI between the base year and the current year in order to maintain the same level of service. This assumption is more favorable to the Park Owner than the assumption in the Guidelines that management and administration expenses were the same percentage of rental income in the base year and the current year. It is based on the view that management and administration expenses would increase at the same rate as the CPI in order to maintain the same level of services, even if rents went up at a lower rate. The result of this assumption is that in order to calculate base year management and administration expenses, current year management and administration expenses are adjusted downward by a greater amount (the CPI difference), rather than the difference in rental income. As a result, overall base year operating expenses are reduced and consequently base year net operating income is increased, relative to the outcome that would result from assuming that management and administration expenses were the same percentage of rental income in the base year and the current year.

j. The Commission finds that 1986 management and administration expenses as imputed totaled \$84,117, as opposed to the \$30,878 amount claimed by Park Owner. The basis for this computation is set forth in footnote 75 of Dr. Baar's report (Staff Report, Attachment #6 at pg. 580), which is adopted and incorporated into this resolution by reference.

k. For the purposes of the MNOI analysis, the Commission finds that the total 1986 base year operating expenses are projected to be \$207,054. The basis for this computation is set forth in Table 1 of Dr. Baar's report (Staff Report, Attachment #6 at pg 592), which is adopted and incorporated into this resolution by reference.

3. An Inflation Adjustment of Base Period Net Operating Income

a. Under the Section 5-25.06(b)(1) of the Ordinance, the Commission has the authority to grant individual park rent adjustments if the rent "otherwise permitted" does not provide for a just and reasonable rent.

b. California courts have upheld maintenance of net operating income standards which provide for indexing net operating income at 40% and 50% of the percentage increase in the CPI since the base year.

c. Contrary to the Park Owner's expert, who contends that NOI would eventually become zero unless a 100% indexing were used, by definition, the MNOI standard provides that rent increases must be authorized to cover all cost increases and provide a higher net operating income than the base period net operating income. Therefore, it is a logical impossibility that NOI could ever be zero.

d. The Guidelines do not provide a rate of indexing for the MNOI standard.

e. The Commission adopts the findings in Dr. Baar's report (Staff Report, Attachment #6 at pages 586-589) that the returns from a park investment may be attractive when net operating income increases at less than the full rate of increase in the CPI. Growth in net operating income provides the Park Owner with appreciation in valuation as well growth in income in an investment that typically is low-risk with a steady and consistent income stream.

f. The Commission concludes that indexing the net operating income by 50% of the percentage increase in the CPI provides a "just and reasonable return" to the Park Owner.

SECTION 2. Authorized Rent Increase.

A. The Park Owner is entitled to a rent increase of \$62 per space per month in order to obtain a just and reasonable return based on the findings in SECTION 1 above. The bases for this calculation are set forth Table 3 of Dr. Baar's report (Staff Report, Attachment #6 at pg. 597) and in the table below.

MNOI Fair Return Calculation

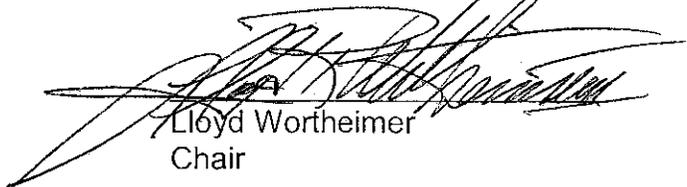
	Base Year (1986)	Current Year (2009)
Rental Income (excluding reimbursed utilities) With Base Year Rent Adjustment pursuant to MNOI analysis	\$575,736	\$764,529
Operating Expenses adjusted pursuant to MNOI analysis	\$207,054	\$333,217
Net Operating Income	\$368,882	431,312
Fair Net Operating Income (50% CPI Index) (49.5% Increase over Base Year NOI)		\$551,180

Rent Increase Required <i>(Fair NOI – Actual Current Year NOI)</i>		\$119,868
Rent Increase Required PerSpace Per Month <i>(Parkwide Rent Increase/(161 spaces x 12 months)</i>		\$62

B. This increase in rents shall be phased over a 2-year period in an amount not to exceed \$31.00 per space per month, with the date of the initial increase to be 90 days from the date of formal notice of such increase is provided to the tenants, and the date of the subsequent increase shall be not sooner than 365 days from the date of the initial increase.

PASSED AND ADOPTED this 18th day of January, 2011.

**THOUSAND OAKS RENT
ADJUSTMENT COMMISSION**



Lloyd Wortheimer
Chair

ATTEST:



Recording Secretary

APPROVED AS TO FORM:



Patrick Hehir, Assistant City Attorney