



Mobile Home Rent Control Ordinance Petition for Review of Arbitration

Del Cielo Mobile Estates Mobile Home Park

General Services Department

Real Property Division



Background

- Del Cielo Mobile Estates Mobile Home Park
 - Unincorporated area near Santa Maria
 - 185 Units
- Park Management notified Homeowners of a rent increase pursuant to County Code 11A
- Homeowners submitted a Petition for Arbitration to the Clerk of the Ordinance (Real Property Division Manager)

Arbitration



- Held January 21, 2026, in the Board of Supervisors Hearing room in Santa Maria
- Both parties submitted briefs to the arbitrator prior to the arbitration
- Both parties submitted various exhibits of evidence and information into the record as well as had witness testimony

Arbitration

- Parties agreed that the ordinance requires a minimum increase of \$17.67 per unit per month based upon the formula in the ordinance
- Arbitrator requested and received arguments on where on the range of dollar amounts between the allowed minimum and the requested \$39.16 per month should the increase lie.
- Both parties submitted closing briefs and responses
- Hearing closed on March 13, 2026

Arbitration Award

- Arbitrator rendered a final decision on March 31, 2026
- Decision included separate findings and decision on multiple issues
 - Disallowed several costs
 - Adjusted several others
- Final allowed increase of \$24.02 per unit per month
 - \$6.45 more than the minimum, but
 - \$15.14 less than Management's request



Petition for Review

- Park Management asks that the Board should grant the Petition, reverse or modify the Award as appropriate, and remand the matter for further proceedings consistent with the Ordinance and governing law
- Item #1: “Management is not entitled to any increase over the minimum amount to achieve a fair rate of return.”
- Item #2: “The \$20,000 broker commission: non-allowable”

Homeowners' Response



- The Homeowners provided a response to Park Management's Petition requesting that the Board deny the Petition, affirm the Award, and refuse to remand the matter for further proceedings.
- Any further review should be submitted to a court pursuant to Code of Civil Procedure sections 1094.5 and 1094.6

Review Items



- Item #1: “Management is not entitled to any increase over the minimum amount to achieve a fair rate of return.”
 - Section 11A-5(i)(1) states “The arbitrator shall have no discretion to award additional amounts as a just and reasonable return on investment.”
 - Park Management raises constitutional concerns regarding just and reasonable return, but does conclude “The Award adhered to the framework imposed by the Ordinance[.]”
 - The Arbitrator correctly noted any constitutional challenge to Chapter 11A was outside his role as an arbitrator.

Review Items



- Item #2: “The \$20,000 broker commission: non-allowable”
 - Park Management challenges the Arbitrator's disallowance of a Broker’s Commission as a prejudicial abuse of discretion.
 - Arguing the ordinance “covers expenses tied to the purchase itself”
 - The ordinance allows “expenses incidental to the purchase of the park...”, but the
 - Arbitrator concluded an increase under section (i)(3) of the ordinance was not appropriate and that the obligation to pay the broker’s commission was incurred prior to purchase and did not meet the legal definition of “incidental”



Recommended Actions

- Find the Arbitrator did not abuse his discretion and affirm the Award made under County Code Section 11A-5(i)(1) related to a just and reasonable return on investment (Item #1) as supported in the findings
- Find the Arbitrator did not abuse his discretion and affirm the Award made under 11A-5(i)(3) determining the \$20,000 broker commission (Item #2) is not able to be passed through to tenants as supported in the findings
- Determine that the Board's review of the Arbitrator's Final Award is exempt from environmental review by the California Environmental Quality Act (CEQA) Guidelines Section 15301, No Possibility of Significant Effect.