

Nomad Village Arbitration

County of Santa Barbara

Community Services Department

Division of Housing and Community Development

Board of Supervisors

May 15, 2012



Nomad Village Mobile Home Park

- 150 units
- 2004: Board took action on two issues:
 - Meet and Confer
 - Consumer Price Index Formula
- Park Management changed in 2008



Summary for “Mobile Home Rent Control Rules for Hearings”

- Chapter 11A-Mobilehome Rent Control establishes an arbitration process for rent control disputes within the unincorporated area
- Arbitration on the NOMAD Village Mobilehome Park conducted in September 2011 and Opinion and Award rendered by arbitrator
- Homeowners and Mobilehome Park Management filed petition alleging prejudicial abuse of discretion by the arbitrator
- Consider the Petitions for Review of the arbitrator’s December 20, 2011 Opinion and Award.



Recommended Actions by the Board of Supervisors:

- Abuse of Discretion
- For every award under petition:
 - Find that the arbitrator did not abuse his discretion and affirm the arbitrator's Opinion and Award.

OR

- Find that the arbitrator abused his discretion and:
 - Reverse the arbitrator's decision OR
 - Make a new decision without remand OR
 - Remand the case to the arbitrator for reconsideration



Arbitrator's Opinion and Award:

- The Arbitrator requested and received argument on the following questions:
 - (1) **“Was [Park Management’s] notice of increase dated January 26, 2011, demanding a percentage increase of 2.59% of the current base rent and an additional \$161 per space effective May 1, 2011...appropriate”**
 - (2) **“If not, what is the appropriate amount of the increase?”**
- The Arbitrator made 14 awards, of which 10 are under petition for review



Arbitrator's Opinion and Award Under Petition:

#2 The Homeowners do not have to pay the additional 10% increase in ground rents.

- Homeowners' Position: **Agree**
- Mobile Home Park Management's Position: **Disagree**

Attachment N-Opinion and Award, Page 11
Attachment F- Exhibit H and I



Arbitrator's Opinion and Award Under Petition:

#3 The Homeowners are to pay the Park Owners for all real property taxes assessed by the County.

- Homeowners' Position: **Disagree**
- Mobile Home Park Management's Position: **Agree**

Attachment N-Opinion and Award, Page 11 and 12
Attachment F- Exhibit G



Arbitrator's Opinion and Award Under Petition:

#4 All granted temporary increases are to be amortized at 9% for seven (7) years.

- Homeowners' Position: **Disagree**
- Mobile Home Park Management's Position: **Agree**

Attachment N-Opinion and Award, Page 12



Arbitrator's Opinion and Award Under Petition:

#5 The Homeowners are to pay the \$320,000 for various capital improvements. If any of these monies are not spent on eligible items within six months from the date of this award, the residual amounts are to be returned to the Homeowners.

- Homeowners' Position: **Disagree**
- Mobile Home Park Management's Position: **Agree**

Attachment N-Opinion and Award, Pages 12- 13



Arbitrator's Opinion and Award Under Petition:

#6 The Homeowners are to pay \$25,000 for professional fees associated with the capital improvements.

- Homeowners' Position: **Disagree**
- Mobile Home Park Management's Position: **Agree**

Attachment N-Opinion and Award, Page 13
Attachment F- Exhibits K and Q



Arbitrator's Opinion and Award Under Petition:

#7 The Homeowners are to pay \$40,000 for the Architectural & Engineering fees associated with the capital improvements.

- Homeowners' Position: **Disagree**
- Mobile Home Park Management's Position: **Agree**

Attachment N-Opinion and Award, Page 13



Arbitrator's Opinion and Award Under Petition:

#8 The Homeowners are to pay \$130,531 for the supplemental tax increase payments already paid by the Mobilehome Park Owner.

- Homeowners' Position: **Disagree**
- Mobile Home Park Management's Position: **Agree**

Attachment N-Opinion and Award, Page 13



Arbitrator's Opinion and Award Under Petition:

#9 The Homeowners do not need to pay for the uncompensated increases associated with the increased lease payments.

- Homeowners' Position: **Agree**
- Mobile Home Park Management's Position: **Disagree**

Attachment N-Opinion and Award, Page 14



Arbitrator's Opinion and Award Under Petition:

#11 The Homeowners are to pay \$110,000 for legal fees associated with the challenge to the rent increase.

- Homeowners' Position: **Disagree**
- Mobile Home Park Management's Position: **Agree**

Attachment N-Opinion and Award, Page 14
Attachment F- Exhibits R and S



Arbitrator's Opinion and Award Under Petition:

#12 The Permanent Increase is to be \$25.59 and the Temporary Increase \$67.09 as supported by the Respondent's Exhibit T.

- Homeowners' Position: **Disagree**
- Mobile Home Park Management's Position: **Agree**

Attachment N-Opinion and Award, Page 15

Attachment F- Exhibit T



Recommended Actions by the Board of Supervisors:

- Find that the arbitrator did not abuse his discretion and affirm the arbitrator's Opinion and Award.

OR

- Find that the arbitrator abused his discretion and:
 - Reverse the arbitrator's decision OR
 - Make a new decision without remand OR
 - Remand the case to the arbitrator for reconsideration
- Per Rule 23, render final decision within 30 judicial days (hearing of June 19 as needed)
- Determine review of the Opinion and Award is not the approval of a project under CEQA

