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5 Attorney for PARK MANAGEMENT OF NOMAD VILLAGE MOBILE HOME PARK
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9 ARBITRATION PROCEEDINGS UNDER THE SANTA BARBARA COUNTY
10 MOBILEHOME RENT CONTROL ORDINANCE
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14 IN RE NOMAD VILLAGE MOBILE HOME PARK)
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PARK MANAGEMENT'S
COMMENT ON
ARBITRATION AWARD

Arbitration before the
Honorable David W. Long,
Judge of the Superior Court (Ret.)

Respondent PARK MANAGEMENT OF NOMAD VILLAGE MOBILE HOME PARK
("Park Management") respectfully submits this Park Management's Comment on the Arbitration
Award for consideration by the Arbitrator. Park Management appreciates the thorough Award
prepared by the Arbitrator, which obviously as noted on p. 15, lines 7-8, involved far in excess of
the 2 hours provided for in the Rules of Hearing, and will be of great assistance to the Parties in
clearly defining their respective rights and responsibilities relating to the rent increases at issue.

1 **Automatic CPI Rent Increase**

2 Following the Notice of Rent increase, at the meet and confer, the Homeowners asserted
3 that the CPI index used by Park Management should have been 2.3 instead of 2.4. Park
4 Management agreed, and it was this revised lower amount that was billed to the homeowners
5 commencing July 1, 2016. This change was referenced at the Arbitration Hearing (RTI pp. 82-
6 83), however, the Parties did not provide at the Arbitration Hearing the resulting number (at 75%
7 of CPI) of 1.725% instead of 1.8% as noticed. As the Arbitration Award notes, the homeowners
8 did not present any number different than Park Management's CPI number. However, that was
9 likely because Park Management had agreed with their number at the meet and confer and
10 implemented their number when the rent increase went into effect. It did not occur to Park
11 Management in preparing the post-arbitration briefing (nor did it apparently occur to the
12 homeowners) that the Arbitrator would need the revised number for the preparation of the
13 Arbitration Award. The revised CPI increase number that Park Management is seeking through
14 its Permanent Rent Increase is 1.725%, effective July 1, 2016 (which can be derived by
15 multiplying .75 by 2.3%, both of which are in evidence, supra.)

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17 **Fees and Costs of Current Litigation**

18 The Arbitration Award contains a minor typographical error on p. 15, line 6, in the
19 attorney fees, listing \$91,155.00, instead of \$97,155.00, as accurately set forth on page 13, line 7.
20 (The total of \$102,054.55 listed on page 15, line 7 is consistent with the correct figure).

21 The expert fees of \$25,745.28 are inclusive of the expert's costs of \$1,432.78, so these
22 should not be added; see page 15, line 8. The total amount sought for expert expenses is
23 \$25,745.28. (The expert's statement is somewhat confusing in its format in this regard; Park
24 Management should have clarified this when it was submitted.) Accordingly, the total for fees
25 and costs with this corrected figure would be \$127,799.83.

26 The Award raises a timing issue that the Parties had not addressed in their briefing. The
27 Ordinance, § 11A-8 provides that upon Park Management noticing a rent increase, which it may
28 do only once a year, and which must be at least 90 days in advance of the effective date of any

1 rent increase (Civil Code § 798.30), Park Management may start collecting the rent increase
2 upon its effective date; if and when the homeowners petition for arbitration, Park Management
3 may to continue collect the rent increase, subject to an arbitration award, which sets rent as of the
4 effective date in the notice of rent increase (§11A-5(1)). For the fees of the current litigation,
5 Park Management estimated the costs of \$110,000, based upon the attorney and expert fees
6 awarded in the 2011 Arbitration, and calculated the Rent Increase as being \$12.14, as per the
7 Notice of Rent Increase, Exhibit 2, see copy attached for reference. Park Management paid a
8 \$110,000 retainer upon the homeowners filing its Petition for Arbitration (Exhibit 8). Pursuant
9 to the Ordinance and Park Management's Rent Increase Notice (Exhibits 1 & 2), Park
10 Management started collecting the \$12.14 rent increase starting July 1, 2016.

11 As the Arbitration Award notes, this \$110,000 was an estimated amount. The actual
12 amount of costs incurred by Park Management and approved by the Arbitrator cannot be known
13 until after the Arbitration has occurred and concluded. The manner in which this Award was
14 handled is entirely consistent with the testimony of the homeowners' expert witness, Dr. Baar, in
15 the 2011 Arbitration. (Exhibit 16.) The Mobilehome Residency Law requires a 90-day notice of
16 rent increase (§ 798.30) and the Ordinance provides that the Arbitrator may not award a greater
17 rent increase than is noticed by Park Management (§ 11A-5(j)). Accordingly, if the Arbitrator
18 finds appropriate, Park Management proposes that the rent increase of \$12.14 be allowed
19 retroactive to July 1, 2016 for the \$110,000, for 7 years at 9%, with the difference of \$17,799.83
20 to be collected over 7 years at 9%, \$1.96 per month per space, for seven years commencing at
21 least 90 days after Park Management gives notice of such rent increase.

22 23 **Conclusion**

24 Park Management's understanding is that there will be a final notice of decision served
25 by the Clerk stating the time for seeking review provided for in Rule 18, which states:

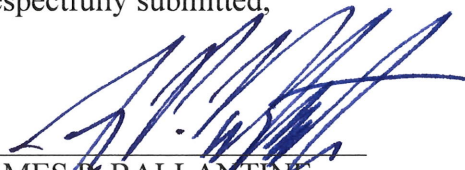
26 The Arbitrator shall prepare the written decision which shall include a statement of the
27 issues, the findings of facts on which the decision is based, and the rent schedule
28 imposed. The decision shall be supported by a preponderance of the evidence and shall

1 state the time for seeking review by the Board of Supervisors and judicial review as
2 provided in Section 1094.6 of the Code of Civil Procedure. The decision shall be signed
3 by the Arbitrator and filed as a public record with the Clerk no later than thirty (30) days
4 following the hearing. The Clerk shall serve a copy of the decision on each party, or
5 through such party's attorney or, if there is none, through the party's representative.

6 (Section 18, paragraph 2)

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8 Dated: June 23, 2017

Respectfully submitted,

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11 JAMES P. BALLANTINE
12 Attorney for Park Management
13 LAZY LANDING MHP, LLC;
14 WATERHOUSE MANAGEMENT, INC.
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DECLARATION OF SERVICE BY E-MAIL & U.S. MAIL

I, LISA M. PAIK, declare:

I am, and was at the time of the service hereinafter mentioned, over the age of 18 years and not a party to the within action. My business address is 329 East Anapamu Street, Santa Barbara, California 93101, and I am a resident of Santa Barbara County, California.

On June 23, 2017, I served the foregoing document described as PARK MANAGEMENT'S COMMENT ON ARBITRATION AWARD on the interested parties in this action by e-mailing as follows and by placing a true and correct copy thereof enclosed in a sealed envelope addressed as follows:

Judge David W. Long (Ret.)
Creative Dispute Resolution
3155 Old Conejo Road — Box 7
Thousand Oaks, CA 91320
e-mail: SL@cdrmediation.com

Lindse Davis
Nomad Village Homeowners Representative
4280 Calle Real, Space 133
Santa Barbara, California 93110
e-mail: LindseD@aol.cm

Don Grady
County of Santa Barbara, Real Property Division
Courthouse East Wing, Second Floor
1105 Santa Barbara Street
Santa Barbara, CA 93101
e-mail: dgrady@countyofsb.org

I caused such document to be e-mailed to the above e-mail addresses, and I caused such document to be mailed in a sealed envelope, by first-class mail, postage fully prepaid. I am readily familiar with the firm's business practices with respect to the collection and the processing of correspondence, pleadings, and other notices for mailing with the United States Postal Service. In accordance with that practice, it would be deposited with the United States Postal Service on that same day with postage thereon fully prepaid at Santa Barbara, California in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 23, 2017, at Santa Barbara, California.