

**VOTER'S PAMPHLET**  
**MEASURES, ANALYSES AND ARGUMENTS**

(whichever is applicable to your ballot)  
Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

**COUNTY OF SANTA CRUZ**

**N** Additional One and One-Half Percent (1½%) Transient Occupancy Tax Rate. To protect the quality of life in Santa Cruz County by limiting further cuts to police, fire, emergency services, health services, parks and recreation, economic development, job creation, and other essential county services; shall Santa Cruz County be authorized to levy an additional tax of one and one-half of one percent in the Transient Occupancy Tax on people staying at lodging facilities in the unincorporated areas of the county?

**FULL TEXT OF BALLOT MEASURE N**

**Chapter 4.24 Transient Occupancy Tax**

**4.24.030 Imposition-Amount.**

For the privilege of occupancy in any transient occupancy facility, such transient is subject to and shall pay a tax in the amount of eleven percent of the rent charged. Such tax constitutes a debt owed by the transient to the County which is extinguished only by payment to the operator or to the County. The transient shall pay the tax to the operator of the transient occupancy facility at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the transient occupancy facility. If for any reason the tax due is not paid to the operator of the transient occupancy facility, the Tax Administrator may require that such tax shall be paid directly to the Tax Administrator.

**IMPARTIAL ANALYSIS BY COUNTY COUNSEL**  
**MEASURE N**

If approved by a majority of those voting upon it, this measure will amend the section of the Santa Cruz County Code which sets the rate of the "transient occupancy tax" and will increase it from the current rate of 9-1/2% to a new rate of 11%.

State law authorizes adoption of a transient occupancy tax, also referred to as a "TOT." This tax is applied to the rent charged at hotels, inns, tourist homes or houses, motels and private campgrounds located in the unincorporated area of Santa Cruz County ("the County"), for stays up to 30 days. Exclusions of certain ownership interests and properties from application of the TOT are set out in both State law and the County Code.

Proceeds of the TOT at the new rate, if approved, will be deposited into the County's general fund which is available for general governmental purposes as directed by the County Board of Supervisors; it is not designated for specific programs or purposes. Because the general fund pays for services available to all County residents, voters who live within a city in the County are entitled to vote upon this measure even though it will not apply to lodgings within their city. Each city in the County has its own TOT that is only applied to lodging within that city.

A "yes" vote on Measure N is to approve the increase in the rate of the transient occupancy tax.

A "no" vote on Measure N is against an increase in the rate of the transient occupancy tax.

DANA McRAE  
COUNTY COUNSEL

**FISCAL IMPACT STATEMENT BY COUNTY AUDITOR**  
**MEASURE N**

Measure N applies only to lodging facilities in the unincorporated area of the County. It proposes to increase the transient occupancy tax, also known as the hotel tax, on renters of lodging facilities in the unincorporated area by 1½% of the room rate, increasing it from the current 9½% of the room rate to 11% of the room rate.

The transient occupancy tax is imposed upon renters of a room in a hotel, motel, inn, bed and breakfast, vacation rental house or other lodging establishment when rented for 30 days or less. The tax is collected by the lodging operator and then remitted to the County Treasurer-Tax Collector. Since the tax is imposed primarily upon visitors, it does not impose a local tax burden on residents of the County of Santa Cruz.

The transient occupancy tax in the unincorporated area of the County generated an annual average of \$4.0 million since 2005 for the County general fund, with a low of \$3.5 million during fiscal year 2009-10, and a high of \$4.6 million during fiscal years 2007-08 and 2011-12. Revenue from the transient occupancy tax is the County's third largest discretionary tax source, following property tax and retail sales tax.

If passed, the additional 1½% transient occupancy tax would generate between \$525,000 and \$725,000 of additional revenues to the County's general fund to be used for general public purposes such as public safety, law and justice, health services or recreation.

MARY JO WALKER, CPA  
Auditor-Controller  
County of Santa Cruz

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**ARGUMENT IN FAVOR OF MEASURE N**

Measure N is a proactive effort to support critical services in our county without increasing your taxes. Measure N will protect the quality of life for residents by limiting cuts to police, fire, emergency services, health services, parks, and economic development efforts.

All of the money raised by Measure N will be used for critical local programs affected by the downturn in the economy. As a local measure, the State cannot take these funds. All of the money raised will be spent in our county and will help keep jobs and services that support local residents.

Measure N is a win-win proposition for Santa Cruz County residents. Visitors pay the transient occupancy tax (TOT) when they stay in county lodging facilities. This new money will not come out of county taxpayers' pockets. With a low 1.5% increase, these funds help ensure that basic services are available for everyone.

Measure N only raises the TOT in the unincorporated area but provides benefits for the entire county. A similar measure is on the ballot in the City of Santa Cruz for lodging establishments there, and those funds will only be used in the City. Although there are two measures, the rate at lodging establishments will be the same in both jurisdictions and nobody will be charged twice. City of Santa Cruz residents need to vote YES on both measures in order to support services throughout the county.

County leaders worked with the Santa Cruz County Hospitality and Lodging Association and Conference and Visitors Council to place Measure N on the ballot and we enthusiastically endorse this measure.

Our county is proving that business, government, and community-based organizations can work together to continue to make Santa Cruz a wonderful place to live and an outstanding destination for visitors. We ask that you join us and vote YES on Measure N.

s/ Jim Maggio  
General Manager, Seascape Resort

s/ Ellen Pirie  
County Supervisor

s/ Karen Delaney  
Community Volunteer

**NO ARGUMENT AGAINST MEASURE N WAS FILED.**

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**CITY OF WATSONVILLE**

**R** Shall the City impose upon and collect a rent control fee from persons occupying a space in a mobile home park to partly reimburse the City for the cost of defending challenges to its mobile home rent control ordinance and allow a person occupying space in a mobile home park to recover attorney's fees as additional damages from a person who demands or receives rent in excess of that allowed by the Mobile Home Rent Control Ordinance?

**FULL TEXT OF BALLOT MEASURE R**

**FORM OF ORDINANCE BY THE VOTERS OF THE CITY OF WATSONVILLE AMENDING CHAPTER 3 (MOBILE HOME PARK RENT STABILIZATION) OF TITLE 11 (MOBILE HOMES AND PARKS) OF THE WATSONVILLE MUNICIPAL CODE BY AMENDING ARTICLE 3 (SURCHARGES) AND ADDING A NEW ARTICLE 8 (EXCESSIVE RENTS AND PAYMENTS)**

**Amends Resolution Numbers 1018-96 (CM) and 1152-02 (CM)**

**THE PEOPLE OF THE CITY OF WATSONVILLE, CALIFORNIA, DO HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1. ENACTMENT.**

Chapter 3 (Mobile Home Park Rent Stabilization) of Title 11 (Mobile Homes and Parks) of the Watsonville Municipal Code is hereby amended by amending Article 3 (Surcharges) and adding a new Article 8 (Excessive Rents and Payments).

Article 3 (Surcharges) of Chapter 3 (Mobile Home Park Rent Stabilization) of Title 11 (Mobile Homes and Parks) of the Watsonville Municipal Code is hereby amended by adding Sections 11-3.325 through 11-3.329 to read in words and figures as follows:

**ARTICLE 3. Surcharges**

**Sec. 11-3.325 Rent control fee.**

"Rent Control Preservation Fee," "Rent Control Fee" or "Fee," as used in Sections 11-3.325 to 11-3.329, means a charge upon persons occupying a space within a "Mobile Home Park," as defined in Section 11-1.03 of the Watsonville Municipal Code, for the privilege granted by this Chapter of receiving the specific rent stabilization benefits conferred by this Chapter.

**Sec. 11-3.326 Collection.**

The Rent Control Fee is to be paid to the City monthly, collected from the Homeowners by the Park Owner with the monthly rent, prorated if necessary, from every occupied mobile home space except those spaces that are excluded from paying the Fee under subsection 11-3.327. This Fee shall be deemed a debt owed by the Homeowner to the City. Any such Fee that has been collected by a Park owner, which has not been paid over to the City, shall be deemed a debt owed to the City. Park owners are not required to pay the Fee to the City for spaces occupied by Homeowners who fail to pay the fee to the Park owner and failure to pay the Fee shall not be grounds for a Mobile Home Park rule violation or grounds for eviction under Civil Code Section 798.56 (a) or (e). Any person owing money to the City under the provisions of this chapter shall be liable to an action brought in the name of the City of Watsonville for the recovery of such amount.

**Sec. 11-3.327 Excluded spaces.**

Only Homeowners occupying spaces that receive the specific rent stabilization privileges granted and benefits conferred by this Chapter shall be assessed this Rent Control Fee. Persons occupying spaces that are excluded from the rent stabilization privileges granted and benefits conferred by this Chapter, either through state law or otherwise, shall not be charged this Rent Control Fee.

**Sec. 11-3.328 Purpose and limitation on use.**

The purpose of the Fee is to partly reimburse the City for the reasonable costs of conferring the benefits and privileges provided by this Chapter to the benefit of the

mobile home owners who are collectively paying the Fee. These costs shall be strictly limited to, the costs defending the rent control provisions of this Chapter from litigation challenging them; the costs of defending the administrative decisions of the City that would preserve the application of the rent control provisions of this Chapter to Mobile Home Parks sought to be converted to subdivided lots or other uses that would result in the loss of the rent stabilization benefits and privileges conferred by this Chapter; and providing grants to mobile home park homeowners' associations, or legal service

providers, to partly cover the costs of providing the legal services necessary for enforcing their rights in administrative proceedings under this Chapter. All monies collected by the City through this Rent Control Fee.

**Sec. 11-3.329 Amount of the fee.**

For the first year of implementation, the Fee shall be set in the amount of \$5.00 per month as soon after the effective date of the implementing ordinance as is practicable. The Fee shall be increased automatically each year by the amount of the increase of the Consumer Price Index.

Chapter 3 (Mobile Home Park Rent Stabilization) of Title 11 (Mobile Homes and Parks) of the Watsonville Municipal Code is hereby amended by adding Article 8 (Excessive Rents and Payments) to read in words and figures as follows:

**ARTICLE 8. Excessive Rents and Payments**

**Sec. 11-3.800 Excessive rents or demands therefor.**

It shall be unlawful for a park owner to demand, accept, receive, or retain any rent in excess of the amounts authorized by this Chapter.

**Sec. 11-3.810 Excessive rents- Civil penalties and attorney's fees recovery.**

(a) If any person is found to have demanded, accepted, received or retained any payment of rent in excess of the maximum rent allowed by this chapter, such person shall be liable to the mobile home owner or mobile home tenant from whom such payment was demanded, accepted, received, or retained for damages as determined by a court of competent jurisdiction.

(b) In the event a mobile home owner or mobile home tenant is the prevailing party in a civil action against a person found to have demanded, accepted, received or retained any payment of rent described in subsection (a) of this section, such mobile home owner or mobile home tenant, in addition to damages as determined by the court pursuant to subsection A of this section, may, in the discretion of the court, be awarded an amount not to exceed five hundred dollars or three times the damages determined by the court pursuant to subsection (a) of this section, whichever is greater and they shall also be awarded their reasonable attorneys' fees and costs. For the purposes of this subsection, a mobile home owner or mobile home tenant shall be deemed to be a prevailing party if the judgment is rendered in such mobile home owner's or mobile home tenant's favor or if the litigation is dismissed in such mobile home owner's or mobile home tenant's favor prior to final judgment, unless the parties otherwise agree in the settlement or compromise.

**SECTION 2. PUBLICATION.**

This ordinance shall be published in the Watsonville Register-Pajaronian and/or Santa Cruz Sentinel in compliance with the provisions of the Charter of the City of Watsonville.

**SECTION 3. SEVERABILITY.**

If any provision of these Sections or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provision or applications of the Article which can be given effect without the invalid provision or application, and to this end the provision of these Sections are severable.

**SECTION 4. EFFECTIVE DATE.**

This Ordinance shall be in force and take effect ten (10) days after the City Council declares the vote of the November 6, 2012, Presidential General Election pursuant to California Election Code Section 9217.

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**IMPARTIAL ANALYSIS BY CITY ATTORNEY**  
**MEASURE R**

Watsonville voters adopted a Mobile Home Rent Stabilization Ordinance at the November 1996 election. Mobile Home owners now propose to impose a monthly charge upon themselves to be used by the City to help pay to defend the cost to defend legal challenges to the Ordinance. The cities of Goleta, Fremont, Santa Cruz and Capitola, among others have incurred extraordinary legal expense in recent years when sued by persons challenging the legal validity of their ordinances. In each case the city won the lawsuit but spent hundreds of thousands of dollars in legal fees. The effect has been to make it too expensive for cities to have mobile home rent control. This measure is intended to help solve that problem. This measure helps defray legal expenses by collecting a \$5.00 Rent Control Fee for every occupied mobile home space except a space where a park owner owns a mobile home.

This charge would only be imposed on spaces in a mobile home park subject to rent control. This measure does not apply to those living in homes or apartments. There are approximately 985 rent controlled mobile home spaces in the City of Watsonville so the annual amount expected to be available for defense costs is about \$59,100.00 (985 spaces x \$5.00/space/month x 12 months). The amounts collected may only be used to pay for the costs of defending the rent control provisions of the Watsonville Mobile Home Rent Stabilization Ordinance from lawsuits and administrative proceedings challenging them.

Under existing law it is difficult for individual tenants in mobile home parks to recover excessive rent charged them for occupying space in a mobile home park. This is because the cost of obtaining legal assistance often exceeds the recovery.

This measure would also allow a mobile home park tenant to recover attorney's fees as additional damages if the tenant claims a park owner demanded, accepted, received or retained rent more than allowed by the Watsonville Mobile Home Rent Stabilization Ordinance and wins his or her case in court. This measure would in such cases also allow a court discretion to award the tenant three times actual damages, not to exceed \$500.00.

**ARGUMENT IN FAVOR OF MEASURE R**

The City of Watsonville has a **Mobile Home Rent Stabilization Ordinance** approved by Watsonville voters in 1996. Because this measure was originally approved by voters, any changes to the same must also be approved by the voters.

The Rent Stabilization Ordinance has created improved living conditions for the residents of mobile home parks since park owners must have rent increases pre approved by the City after a financial analysis. This gives the residents ample notice and the ability to question claims that may be contained in the analysis.

Throughout the State, Rent Stabilization Ordinances continue to be under attack and Cities must spend precious General Fund resources defending these ordinances in court. In Watsonville, mobile home residents have approached the City and indicated that they are interested in paying \$5 per month in order to help pay to defend legal challenges to this ordinance. Residents understand that this ordinance protects them and their families, and they would like to continue seeing it enforced.

- Only mobile home residents will be subject to paying this fee.
- This measure does not penalize a resident for failing to pay the \$5.
- This measure will raise approximately \$59,000 per year for legal costs.

This measure will also allow a mobile home park tenant to recover attorney's fees under certain circumstances. The court would have discretion to award damages, not to exceed \$500.00.

**Mobile home residents urge the Watsonville community to help them by voting YES on this measure.**

s/ Frederick A. Martinez\*  
Portola Heights Mobile Park

s/ Jose Luis Rocha  
Green Valley Village

s/ Bruce Nichols

s/ Margaret "Marged" McNeeley\*  
Green Valley Village Mobile Home Park

s/ William Neighbors  
Mobile Home Resident

\*Signing on behalf of the organization listed below the name.

**NO ARGUMENT AGAINST MEASURE R WAS FILED.**