

CITY OF SAN JOSE, CALIFORNIA

MOBILEHOME RENT ORDINANCE

MOBILEHOME PETITION

MOBILEHOME PETITION

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A. IDENTIFICATION

PARK NAME: _____
RENT INCREASE EFFECTIVE DATE: _____

PARK OWNER'S NAME: _____
STREET: _____
CITY: _____ STATE: _____ ZIP: _____
TELEPHONE: _____

OWNER'S REPRESENTATIVE: _____
STREET: _____
CITY: _____ STATE: _____ ZIP: _____
TELEPHONE: _____

B. HEARINGS

Section 17.22.760 provides for the hearing to commence within sixty days of filing of the petition. The hearing office may call two additional hearings, each no more than ten working days after the previous one. Hearings are held during normal business hours unless otherwise requested. You will be notified of the dates of your hearing. Because of the Ordinance requirements, rescheduling is strictly limited.

The Rental Dispute Program attempt, to the extent possible, to schedule hearing at times which are convenient to the parties. Please indicate those dates when you and/or your representative would not be available:

The hearing can be held at the park for your convenience. Are you interested in doing so?

Yes ____ No ____

INSTRUCTIONS

Information regarding the affected park residents and proposed rent increases must be provided on the attached form, Schedule A.

Please list all affected residents, their current base rent, the dollar amount by which you propose to increase the rent, the effective date of rent increase, each park space number, and whether or not each space contains a park-owned mobilehome coach.

For example:

			“X” if space contains park-owned coach [7]
Name	[1]	Jane Doe	Date of Last Increase _____ [2]
Address/Space		123 Any St., Sp. #4	Base Rent <u>\$250.0</u> [3] <input style="width: 40px; height: 20px;" type="checkbox"/>
City, State, Zip		San Jose, CA 95100	Increase <u>\$50.00</u> [4]
			Eff. Date 10-1-86 [5]
			Space # 4 [6]

- [1] The name, street address including space number, city, state, and zip code for each affected resident.
- [2] The date the last rent increase became effective.
- [3] The dollar amount if this individual’s current base rent (before any proposed increase).
- [4] The dollar amount by which you propose to increase the base rent.
- [5] The date when the proposed increase in rent will take effect.
- [6] The space number by which you, the owner, refer to the unit.
- [7] Check (“X”) the box if the individual unit (rental space) contains a park-owned mobilehome coach.

NOTE: The resident address listings will be photocopied directly onto mailing labels. Please **TYPE** the requested information carefully within the provided space. **DO NOT SUBSTITUTE OTHER FORMATS.**

SCHEDULE A
MOBILEHOME RESIDENT LSIT

NOTE: All requested information MUST BE TYPED.

“X” if space
contains
park- owned
coach)

Name
Address/Space
City, State Zip

Date of Last Incr. _____
Base Rent _____
Increase _____
Eff. Date _____
Space # _____

Name
Address/Space
City, State Zip

Date of Last Incr. _____
Base Rent _____
Increase _____
Eff. Date _____
Space # _____

Name
Address/Space
City, State Zip

Date of Last Incr. _____
Base Rent _____
Increase _____
Eff. Date _____
Space # _____

Name
Address/Space
City, State Zip

Date of Last Incr. _____
Base Rent _____
Increase _____
Eff. Date _____
Space # _____

Name
Address/Space
City, State Zip

Date of Last Incr. _____
Base Rent _____
Increase _____
Eff. Date _____
Space # _____

Name
Address/Space
City, State Zip

Date of Last Incr. _____
Base Rent _____
Increase _____
Eff. Date _____
Space # _____

Name
Address/Space
City, State Zip

Date of Last Incr. _____
Base Rent _____
Increase _____
Eff. Date _____
Space # _____

Name
Address/Space
City, State Zip

Date of Last Incr. _____
Base Rent _____
Increase _____
Eff. Date _____
Space # _____

TERMS AND CATEGORIES FOR COMPLETING OWNER'S COST WORKSHEETS

Base Year:

The base year is calendar 1985. The Ordinance provides for use of another base year in certain circumstances. (17.22. 490 Subsection B) If a different base year is used, identify the period and attach a justification.

Current Year:

The current year is previous calendar year or park fiscal year. The same fiscal year must be applied for all rent increases and be reflected in the park financial records.

I. Gross Income

1. Rents

- A. Base year rents are actual rents received in the base year.
- B. Current year rents are determined by annualizing the rents in effect as of the date of filing at 100% occupancy, adjusted for uncollected rents due to vacancy and bad debts beyond the control of the landlord (Section 17.22.530 Subsection B)

2. Laundry

Income collected from laundry facilities.

3. Utilities

Costs of gas, electricity and water paid directly to the park owner by the residents or mobilehome owners.

4. Parking

Garage or parking fees collected.

5. Other

All other income or consideration received in connection with the use or occupancy of the rental unit. Specify by type and amount received.

II. Operating Expenses

Costs of Operation and Maintenance **INCLUDES** all expenses incurred in the operations and maintenance of a rental unit, its complex and common areas.

DO NOT INCLUDE:

- 1) Mortgage principal, interest payments or other debt service.
- 2) Penalties, fees or interest assessed for violation of this Chapter or any other law.
- 3) Legal fees except those specified in Section 17.22.540, Subsection C.
- 4) Political contributions.
- 5) Depreciation of the rental units.
- 6) Any expenses reimbursed by any utility rebate, security deposit, insurance settlement, judgment for damages, settlement or any other method.

III. Capital Improvements INCLUDE the addition or replacement of any improvement within the park boundaries that has a useful life of at least five years and either 1) is necessary to maintain health and safety code compliance or 2) is provided by the park owner primarily to benefit the affected residents.

- a. The capital improvement is made at a direct cost of not less than One Hundred Dollars (\$100) per affected rental unit or at a total direct cost of not less than Five Thousand Dollars (\$5,000), whichever is lower.
- b. The costs, less any insurance proceeds or other applicable recovery, are averaged on a per basis for each rental unit actually benefitted by the improvement.
- c. The costs are amortized over a period of not less than sixty (60) months.
- d. The costs do not include any additional costs incurred for property damage or deterioration resulting from any unreasonable delay in the undertaking or completing of any repair or improvement.
- e. The costs do not include costs incurred to bring the rental unit into compliance with a provision of the San José Municipal Code or state law where the rental unit has not been in compliance from the time of its original construction or installation and such provision was in effect at the time of such construction or installation.
- f. At the end of the amortization period, the allowable monthly rent is decreased by any amount it was increased because of the application of this provision.

IV. Costs of Rehabilitation INCLUDES costs of any rehabilitation or repair work done in the park to comply with an order of the Department of Neighborhood Preservation or the Fire department or to repairs damage resulting from fire, earthquake or other natural disaster.

- a. The costs, less any insurance proceeds or other applicable recovery, are averaged on a per unit basis for each rental unit actually benefitted by the rehabilitation.
- b. The costs are amortized over a period of not less than thirty-six (36) months.
- c. The costs do not include any additional costs incurred for property damage or deterioration resulting from any unreasonable delay in the undertaking or completion of any repair or improvement.
- d. The costs do not include costs incurred to bring the rental unit into compliance with a provision of the San José Municipal Code or state law where the rental unit has not been in compliance from the time of its original construction or installation and such provision was in effect at the time of such construction or installation. The costs may include costs incurred to maintain code compliance.
- e. At the end of the amortization period, the allowable monthly rent is decreased by any amount it was increased because of the application of this provision.

SCHEDULES B, BB, & BC
ALLOCATION OF INCOME AND EXPENSES

INSTRUCTIONS

PURPOSE OF SCHEDULES

Sections 17.22.580C of the Mobilehome Rent Ordinance provides for rent increases based upon capital improvements and/or rehabilitation costs to apply only to those rental units which benefit from them. Section 17.22.580D contains a similar provision in regards to other operating expenses.

The most distinctive difference in benefits occurs when some mobile homes are owned by the residents while others are owned by the park. Schedules B, BB, and BC provide a worksheet for allocating the income and the expenses between these two classes of mobile homes.

SCHEDULE B

If Base Year is other than 1985, attach justification.

Line 1- enter the total number of mobile home spaces.

Line 2- enter the number of park owned mobile homes.

Line 3- divide line 1 by line 2. Enter the result on line 3.

Enter starting and ending dates for current year (prior calendar or fiscal year).

Line 4- enter the total number of mobile home spaces.

Line 5- enter the number of park owned mobile homes.

Line 6- divide line 4 by line 5. Enter the result on line 6.

SCHEDULE BB and BC

Schedule BB and BC allocate income and expenses. Prior to filling out this schedule be sure to read "Terms and Categories for Completing Owner's Cost Work Sheets."

Schedule BB is for income and expenses from the base year, while BC is for income and expenses for the current year. The instructions are the same for both schedules.

Colum A- enter the total income or expense for each category. (If there are no park owned mobile homes, also enter this number in Colum E, do not fill out Colum B-C and enter 0 in Colum D.)

Line 1- enter actual rents received in the base year on Schedule BB.

- determine current year rents by annualizing the rents in effect as of the date of filing at 100% occupancy, adjusted for uncollected rents due to vacancy and bad debts beyond the control of the landlord and enter number of Schedule BC.

Scheduled B, BB, BC

Lines 2-6

- enter actual base year income on Schedule BB and actual current year income on Schedule BC.

Lines 7-29

- enter actual base operating expenses on Schedule BB.
- enter actual current year operating expenses on Schedule BC.
- 7-25 lists most commonly used operating categories; use lines 26-28 to enter additional categories (please specify); do not enter items precluded by the Ordinance which are listed on Page 5 of this packets um lines 7-28 and enter total on line 29.

Lines 30-35

- enter capital improvements which meet the Ordinance requirements as outlined on Page 5 of this packet. Give a description of the improvement, its costs and its life. Costs must be amortized over a period of not less than sixty months. Determine the annual or amortized cost of the improvement by dividing the cost by the life and enter this number in Colum A of each line on which an improvement is described.

Lines 36-40

- enter rehabilitation costs which meet the Ordinance requirements as outlined on Page 6 in this packet. Give a description of the improvement, its cots and life. Rehabilitation costs must be amortized over a period of not less than thirty-six (36) months. Determine the annual cost of the improvement and enter this number in Colum A of each line on which an improvement is described.

Column B- enter the direct cost of park owned mobile homes. For example, rents from park owner mobile homes would be listed 1B while the costs of repairing the mobile homes would be listed on 9B.

Column C- enter the indirect cost of park owned mobile homes. This is determined by subtracting the direct cost (Column B) from the total cost (Column A) and multiplying by the Indirect Cost Factor. If there are only direct costs, enter N/A.

Column D- enter the cost attributable to park owned mobile homes. This is determined by adding direct costs (Column B) to indirect costs (Column C).

Column E- enter the cost attributable to resident owned mobile homes. This is determined by subtracting park owned homes (D) from the total (A).

SCHEDULE B

ALLOCATION OF INCOME AND EXPENSES

Base Year 1985

Check here and attach justification if adjusted base year is claimed. _____

1. Total Number of Spaces _____

2. Total Park Owned Mobile Homes _____

3. Indirect Applicable to Park Owned (1 ÷ 2) _____ %

Current Year (_____ to _____)

4. Total Number of Spaces _____

5. Total Park Owned Mobile Homes (4 ÷ 5) _____

6. Indirect Applicable to Park Owned _____ %

(Enter here and on Schedule BC)

**SCHEDULE BB
ALLOCATION OF INCOME AND EXPENSES
BASE YEAR**

Rental Rights and Referrals Program
Indirect Cost Factor (IF) _____
(Schedule B, Line 3)

		TOTAL	DIRECT COST (Park-Owned)	INDIRECT (A-B x IF)	PARK-OWNED B+C	RESIDENT OWNED (A-D)
		A	B	C	D	E
I.	GROSS INCOME					
	1.	Rents				
	2.	Laundry				
	3.	Utilities				
	4.	Parking				
	5.	Other (Specify _____)				
	6.	Total (Add lines 1-5)				
II.	OPERATING EXPENSES					
	7.	Accounting				
	8.	Auto and Truck Expenses				
	9.	Bldg. & Grounds Maintenance				
	10.	Dues and Subscriptions				
	11.	Employee Benefits				
	12.	Ground Lease Payments				
	13.	Insurance				
	14.	Janitorial Services				
	15.	Legal Fees				
	16.	Payroll, Gross				
	17.	Payroll Taxes				
	18.	Permits, Fees and Licenses				
	19.	Printing				
	20.	Property Management Fees				
	21.	Property Taxes				
	22.	Refuse Removal				
	23.	Supplies				
	24.	Telephones				
	25.	Utilities				
	26.					
	27.					
	28.					
	29.	Total (Add lines 7-28)				

SCHEDULE BB
ALLOCATION OF EXPENSES
BASE YEAR

Rental Rights and Referrals Program
Indirect Cost Factor (IF) _____
(Schedule B, Line 3)

III. CAPITAL IMPROVEMENTS		COST	LIFE	TOTAL	DIRECT COST	INDIRECT	PARK OWNED	RESIDENT OWNED
DESCRIPTION				(Cost ÷ Life)	(Park Owned)	(A - B x IF)	(B + C)	(A-D)
				A	B	C	D	E
	30.							
	31.							
	32.							
	33.							
	34.	Other (Specify _____)						
	35.	Total						
IV. REHABILITATION								
	36.							
	37.							
	38.							
	39.							
	40.	Total						

SCHEDULE BC
 ALLOCATION OF INCOME AND EXPENSES
 CURRENT YEAR

Rental Rights and Referrals Program
 Indirect Cost Factor (IF) _____
 (Schedule B, Line 6)

		TOTAL	DIRECT COST (Park-Owned)	INDIRECT (A-B x IF)	PARK-OWNED (B+C)	RESIDENT OWNED (A-D)
		A	B	C	D	E
I.	GROSS INCOME					
	1.	Rents				
	2.	Laundry				
	3.	Utilities				
	4.	Parking				
	5.	Other (Specify _____)				
	6.	Total (Add lines 1-5)				
II.	OPERATING EXPENSES					
	7.	Accounting				
	8.	Auto and Truck Expenses				
	9.	Bldg. & Grounds Maintenance				
	10.	Dues and Subscriptions				
	11.	Employee Benefits				
	12.	Ground Lease Payments				
	13.	Insurance				
	14.	Janitorial Services				
	15.	Legal Fees				
	16.	Payroll, Gross				
	17.	Payroll Taxes				
	18.	Permits, Fees and Licenses				
	19.	Printing				
	20.	Property Management Fees				
	21.	Property Taxes				
	22.	Refuse Removal				
	23.	Supplies				
	24.	Telephones				
	25.	Utilities				
	26.					
	27.					
	28.					
	29.	Total (Add lines 7-28)				

SCHEDULE BC
ALLOCATION OF EXPENSES
CURRENT YEAR

Rental Rights and Referrals Program
Indirect Cost Factor (IF) _____
(Schedule B, Line 6)

III.	CAPITAL IMPROVEMENTS	COST	LIFE	TOTAL (Cost ÷ Life)	DIRECT COST (Park Owned)	INDIRECT (A - B x IF)	PARK OWNED (B + C)	RESIDENT OWNED (A-D)
	DESCRIPTION			A	B	C	D	E
	30.							
	31.							
	32.							
	33.							
	34.							
	35.	Total						
IV.	REHABILITATION							
	36.							
	37.							
	38.							
	39.							
	40.	Total						

SCHEDULES CP AND CR
STATEMENT OF INCOME AND EXPENSES
INSTRUCTIONS

SCHEDULES CP and CR are intended to summarize income and expenses related to spaces with park-owned mobilehomes respectively. Information is shown for both base and current rent.

Information shown on this form is to be transferred from Schedules BB and BC.

SCHEDULE CP (Park-Owned)

I. GROSS INCOME (Lines 1-6)

1. Enter the gross income in the base year in Colum A. This information should be the same as Schedule BB, Colum D.
2. Enter the gross income in the current year in Column B. This information should be the same as Schedule BC, Colum D.

II. OPERATING EXPENSES (Lines 7-29)

1. Enter the operating expenses in the base year in Colum A. this information should be the same as Schedule BB, Colum D.
2. Enter the operating expenses in the current year in Column B. This information should be the same as Schedule BC, Colum D.

III. CAPITAL IMPROVEMENTS (Lines 30-35)

1. Enter d description of each capital improvement.
2. In Colum A, enter the base year cost (amortized) from Schedule BB, Colum D.
3. In Colum B, enter the current year cost (amortized) from Schedule BC, and Colum D.

IV. REHABILITATION (Lines 36-40)

1. Enter the description of each item.
2. In Colum A, enter the base year cost (amortized) from Schedule BB, Colum D.
3. In Colum B, enter the current year cost (amortized) from Schedule BC, and Colum D.

SCHEDULE CR (Resident-Owned)

I. GROSS INCOME (Lines 1-6)

1. Enter the gross income in the base year in Colum A. This information should be the same as Schedule BB, Colum E.
2. Enter the gross income in the current year in Column B. This information should be the same as Schedule BC, Colum E.

II. OPERATING EXPENSES (Lines 7-29)

1. Enter the operating expenses in the base year in Colum A. This information should be the same as Schedule BB, Colum E.
2. Enter the operating expenses in the current year in Column B. This information should be the same as Schedule BB, Colum E.

III. CAPITAL IMPROVEMENTS (Lines 30-35)

1. Enter a description of each capital improvement.
2. In Colum A, enter the base year cost (amortized) from Schedule BB, Colum E.
3. In Colum B, enter the current year cost (amortized) from Schedule BC, and Colum E.

IV. REHABILITATION (Lines 36-40)

1. Enter the description of each item.
2. In Colum A, enter the base year cost (amortized) from Schedule BB, Colum E.
3. In Colum B, enter the current year cost (amortized) from Schedule BC, and Colum E.

STATEMENT OF INCOME AND EXPENSES

I.	GROSS INCOME	BASE YEAR (Schedule BB, Col. D) A	CURRENT YEAR (Schedule BC, Col. D) B
1.	Rents		
2.	Laundry		
3.	Utilities		
4.	Parking		
5.	Other (Specify:)		
6.			
II.	OPERATING EXPENSES		
7.	Accounting		
8.	Auto and Truck Expenses		
9.	Building & Grounds Maintenance		
10.	Dues and Subscriptions		
11.	Employee Benefits		
12.	Ground Lease Payments		
13.	Insurance		
14.	Janitorial Services		
15.	Legal Fees		
16.	Payroll, Gross		
17.	Payroll Taxes		
18.	Permits, Fees and Licenses		
19.	Printing		
20.	Property Management Fees		
21.	Property Taxes		
22.	Refuse Removal		
23.	Supplies		
24.	Telephones		
25.	Utilities		
26.			
27.			
28.			
29.	Total		
III.	CAPITAL IMPROVEMENTS Description	A	B
30.			
31.			
32.			
33.			
34.			
35.	Total		
IV.	REHABILITATION		
35.			
36.			
37.			
38.			
39.			
40.	Total		

STATEMENT OF INCOME AND EXPENSES

I.	GROSS INCOME	BASE YEAR (Schedule BB, Col. E) A	CURRENT YEAR (Schedule BC, Col. E) B
1.	Rents		
2.	Laundry		
3.	Utilities		
4.	Parking		
5.	Other (Specify:)		
6.			
II.	OPERATING EXPENSES		
7.	Accounting		
8.	Auto and Truck Expenses		
9.	Building & Grounds Maintenance		
10.	Dues and Subscriptions		
11.	Employee Benefits		
12.	Ground Lease Payments		
13.	Insurance		
14.	Janitorial Services		
15.	Legal Fees		
16.	Payroll, Gross		
17.	Payroll Taxes		
18.	Permits, Fees and Licenses		
19.	Printing		
20.	Property Management Fees		
21.	Property Taxes		
22.	Refuse Removal		
23.	Supplies		
24.	Telephones		
25.	Utilities		
26.			
27.			
28.			
29.	Total		
III.	CAPITAL IMPROVEMENTS Description	A	B
30.			
31.			
32.			
33.			
34.			
35.	Total		
IV.	REHABILITATION		
35.			
36.			
37.			
38.			
39.			
40.	Total		

SCHEDULE DP
CALCULATION OF FAIR RETURN AND RENT INCREASE

PURPOSE

Schedule DP calculates the fair return and allowable rent increase for spaces with park-owned mobilehome.

INSTRUCTIONS

Line 1- Enter the number listed on schedule CP, line 6, column A.

Line 2- Add Schedule CP, column A, lines 29, 35, and 40. Enter the result on line 2.

Line 3- Subtract line 2 from line 1 and enter the result on line 3.

Line 4- Enter the number listed on Schedule CP, line 6, column B.

Line 5- Add the numbers listed on Schedule CP, column B, lines 29, 35, and 40. Enter the result on line 5.

*Line 6- Enter CPI at effective date of last rent increase.

*Line 7- Enter CPI at filing date of current petition.

Line 8- Calculate the increase in the CPI by subtracting line 6 from line 7 and dividing the difference by line 6.

Line 9- Enter the figure shown on line 8.

Line 10- Enter the figure shown on line 3.

Line 11- Multiply .60 by lines 9 and 10. Enter figure on line 11.

Line 12- Enter figure from line 10.

Line 13- Enter figure from line 11.

Line 14- Add lines 12 and 13. Enter result on line 14.

Line 15- Enter figure from line 14.

* This information is available from the Rental Dispute Program.

Line 16- Enter figure from line 5.

Line 17- Add lines 15 and 16. Enter result on line 17.

Line 18- Enter figure from line 17.

Line 19- Enter figure from line 4.

Line 20- Subtract line 19 from line 18. Enter result on line 20.

Line 21- Enter figure from line 20.

Line 22- Enter the number of park-owned mobilehomes.

Line 23- Divide line 21 by line 22. Divide the result by 12. Enter the final result in line 23.

MHP 100P

SCHEDULE DP
CALCLATION OF FAIR RETURN AND RENT INCREASE

I. SUMMARY OF INCOME AND EXPENSES STATEMENTS

- | | |
|--|--|
| 1. Base Year Gross Income | |
| 2. Minus: Base year Operating Expenses | |
| 3. Base Year Net Operating Income | |
| 4. Current Gross Income | |
| 5. Current Operating Expenses | |

II. INCREASE IN CPI

- | | |
|---|--|
| 6. CPI – Effective Date of Last Rent Increase | |
| 7. CPI – Filing Date of Current Petition | |
| 8. Income in CPI | |

III. CALCULATION

	<u>.60</u>	x	<u> </u>	x	<u> </u>	x	<u> </u>
	Inflation Adjustment		9. Increase in CPI		10. Base Year NOI		11. Inflation Factor
12.	<u> </u>	+	<u> </u>	=	<u> </u>		
	Base Year NOI		13. Inflation Factor		14. Fair Return		
15.	<u> </u>	+	<u> </u>	=	<u> </u>		
	Fair Return		16. Current Operating Expenses		17. Required Gross Income to Produce Fair Return		
18.	<u> </u>	-	<u> </u>	=	<u> </u>		
	Required Gross Income		19. Current Year Gross Income		20. Total Annual Rent Increase		
21.	<u> </u>	÷	<u> </u>	=	<u> </u>		
	Total Annual Rent Increase		22. No. of of Units		23. Allowable Rent Increase Per Space		

MHP 100P

SCHEDULE DR
CALCULATION OF FAIR RETURN AND RENT INCREASE

PURPOSE

Schedule DR calculates the fair return and allowable rent increase for spaces with resident-owned mobilehomes.

INSTRUCTIONS

Line 1- Enter the number listed on schedule CR, line 6, column A.

Line 2- Add Schedule CR, column A, lines 29, 35, and 40. Enter the result on line 2.

Line 3- Subtract line 2 from line 1 and enter the result on line 3.

Line 4- Enter the number listed on Schedule CR, line 6, column B.

Line 5- Add the numbers listed on Schedule CR, column B, lines 29, 35, and 40. Enter the result on line 5.

*Line 6- Enter CPI at effective date of last rent increase.

*Line 7- Enter CPI at filing date of current petition.

Line 8- Calculate the increase in the CPI by subtracting line 6 from line 7 and dividing the difference by line 6.

Line 9- Enter the figure shown on line 8.

Line 10- Enter the figure shown on line 3.

Line 11- Multiply .60 by lines 9 and 10. Enter figure on line 11.

Line 12- Enter figure from line 10.

Line 13- Enter figure from line 11.

Line 14- Add lines 12 and 13. Enter result on line 14.

Line 15- Enter figure from line 14.

* This information is available from the Rental Dispute Program.

Line 16- Enter figure from line 5.

Line 17- Add lines 15 and 16. Enter result on line 17.

Line 18- Enter figure from line 17.

Line 19- Enter figure from line 4.

Line 20- Subtract line 19 from line 18. Enter result on line 20.

Line 21- Enter figure from line 20.

Line 22- Enter the number of park-owned mobilehomes.

Line 23- Divide line 21 by line 22. Divide the result by 12. Enter the final result in line 23.

SCHEDULE DR
CALCULATION OF FAIR RETURN AND RENT INCREASE

I. SUMMARY OF INCOME AND EXPENSES STATEMENTS

- | | |
|--|--|
| 1. Base Year Gross Income | |
| 2. Minus: Base year Operating Expenses | |
| 3. Base Year Net Operating Income | |
| 4. Current Gross Income | |
| 5. Current Operating Expenses | |

II. INCREASE IN CPI

- | | |
|---|--|
| 6. CPI – Effective Date of Last Rent Increase | |
| 7. CPI – Filing Date of Current Petition | |
| 8. Income in CPI | |

III. CALCULATION

	<u>.60</u>	x	<u> </u>	x	<u> </u>	x	<u> </u>
	Inflation Adjustment		9. Increase in CPI		10. Base Year NOI		11. Inflation Factor
12.	<u> </u>	+	<u> </u>	=	<u> </u>		
	Base Year NOI		13. Inflation Factor		14. Fair Return		
15.	<u> </u>	+	<u> </u>	=	<u> </u>		
	Fair Return		16. Current Operating Expenses		17. Required Gross Income to Produce Fair Return		
18.	<u> </u>	-	<u> </u>	=	<u> </u>		
	Required Gross Income		19. Current Year Gross Income		20. Total Annual Rent Increase		
21.	<u> </u>	÷	<u> </u>	÷ 12	=	<u> </u>	
	Total Annual Rent Increase		22. No. of Units			23. Allowable Rent Increase Per Space	