

CITY OF SAN JOSE, CALIFORNIA

MOBILEHOME RENT ORDINANCE

MOBILEHOME PETITION

October, 1986

MOBILEHOME PETITION

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MOBILEHOME PETITION

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 officer 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's requirements, rescheduling is strictly limited.

The Rental Dispute Program attempts, to the extent possible, to schedule hearings 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 \_\_\_

MOBILEHOME RESIDENT LIST  
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 the rent increase, each park space number, and whether or not each space contains a park-owned mobile-home coach.

For example:

				("X" if space contains park-owned coach)
	[1]	Jane Doe 123 Any St., Sp. #4 San Jose, CA 95100	Date of Last Incr. <u>10-1-85</u> [2]	[7]
Name			Base Rent <u>\$250.00</u> [3]	<input type="checkbox"/>
Address/Space			Increase <u>\$50.00</u> [4]	
City, State, Zip			Eff. Date <u>10-1-86</u> [5]	
			Space # <u>4</u> [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 of 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 LIST

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 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 a 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 unit 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 completion 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 Jose 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 repair 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 Jose 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, &amp; BC

## ALLOCATION OF INCOME AND EXPENSES

## INSTRUCTIONS

PURPOSE OF SCHEDULES

Sections 17.22.580C of the Mobile Home 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.

SCHEDULES BB AND BC

Schedules 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.

Column A - enter the total income or expense for each category. (If there are no park owned mobile homes, also enter this number in Column E, do not fill out Columns B - C and enter 0 in Column 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 on Schedule 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 year 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 packet; sum 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 cost and 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 Column 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 cost 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 Column 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 owned mobile homes would be listed on 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 Spaces \_\_\_\_\_
- 2. Total Park Owned Mobile Homes \_\_\_\_\_
- 3. Indirect Applicable to Park Owned (1 ÷ 2)  
(Enter here and on Schedule BB) \_\_\_\_\_ %

Current Year ( \_\_\_\_\_ to \_\_\_\_\_ )

- 4. Total Number 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

	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			N/A		
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

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

SCHEDULE BC

ALLOCATION OF INCOME AND EXPENSES

CURRENT YEAR

	TOTAL	DIRECT COST (Park-Owned)	INDIRECT (A-BX 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)					

RENTAL DISPUTE PROGRAM  
 Indirect Cost Factor (IF)  
 (Schedule B, Line 6)

SCHEDULE BC

ALLOCATION OF EXPENSES

CURRENT YEAR

III. CAPITAL IMPROVEMENTS	DESCRIPTION	COST	LIFE	CURRENT YEAR				
				TOTAL (Cost ÷ Life) A	DIRECT COST (Park Owned) B	INDIRECT (A - B x IF) C	PARK OWNED (B + C) D	RESIDENT OWNED (A - 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 and resident-owned mobilehomes respectively. Information is shown for both base and current year.

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

II. OPERATING EXPENSES (Lines 7-29)

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

III. CAPITAL IMPROVEMENTS (Lines 30-35)

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

IV. REHABILITATION (Lines 36-40)

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



SCHEDULE CR (Resident-Owned)

I. GROSS INCOME (Lines 1-6)

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

II. OPERATING EXPENSES (Lines 7-29)

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

III. CAPITAL IMPROVEMENTS (Lines 30-35)

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

IV. REHABILITATION (Lines 36-40)

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

SCHEDULE CP  
STATEMENT OF INCOME AND EXPENSES

	BASE YEAR	CURRENT YEAR
	(Schedule BB, Col. D)	(Schedule BC, Col. D)
I. GROSS INCOME		
	A	B
1. Rents	_____	_____
2. Laundry	_____	_____
3. Utilities	_____	_____
4. Parking	_____	_____
5. Other (Specify: _____)	_____	_____
6. Total	_____	_____
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		
36. _____	_____	_____
37. _____	_____	_____
38. _____	_____	_____
39. _____	_____	_____
40. TOTAL	_____	_____



SCHEDULE DP  
CALCULATION OF FAIR RETURN AND RENT INCREASEPURPOSE

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

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.

Page 2  
Schedule DP  
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 DP

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

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II. INCREASE IN CPI

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

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III. CALCULATION

$$\frac{.60}{\text{Inflation Adjustment}} \times \frac{9. \text{ Increase in CPI}}{9. \text{ Increase in CPI}} \times \frac{10. \text{ Base Year NOI}}{10. \text{ Base Year NOI}} = \frac{11. \text{ Inflation Factor}}{11. \text{ Inflation Factor}}$$

$$12. \frac{\text{Base Year NOI}}{\text{Base Year NOI}} + \frac{13. \text{ Inflation Factor}}{13. \text{ Inflation Factor}} = \frac{14. \text{ Fair Return}}{14. \text{ Fair Return}}$$

$$15. \frac{\text{Fair Return}}{\text{Fair Return}} + \frac{16. \text{ Current Operating Expenses}}{16. \text{ Current Operating Expenses}} = \frac{17. \text{ Required Gross Income to Produce Fair Return}}{17. \text{ Required Gross Income to Produce Fair Return}}$$

$$18. \frac{\text{Required Gross Income}}{\text{Required Gross Income}} - \frac{19. \text{ Current Year Gross Income}}{19. \text{ Current Year Gross Income}} = \frac{20. \text{ Total Annual Rent Increase}}{20. \text{ Total Annual Rent Increase}}$$

$$21. \frac{\text{Total Annual Rent Increase}}{\text{Total Annual Rent Increase}} \div \frac{22. \text{ No. of Units}}{22. \text{ No. of Units}} \div \frac{12}{12} = \frac{23. \text{ Allowable Rent Increase Per Space}}{23. \text{ Allowable Rent Increase Per Space}}$$

SCHEDULE DR  
CALCULATION OF FAIR RETURN AND RENT INCREASEPURPOSE

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, line 29, 35 and 40. Enter 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 resident-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. Increase in CPI \_\_\_\_\_

III. CALCULATION

$$\frac{.60}{\text{Inflation Adjustment}} \times \frac{\text{9. Increase in CPI}}{\text{9. Increase in CPI}} \times \frac{\text{10. Base Year NOI}}{\text{10. Base Year NOI}} = \frac{\text{11. Inflation Factor}}{\text{11. Inflation Factor}}$$

$$\text{12. Base Year NOI} + \frac{\text{13. Inflation Factor}}{\text{13. Inflation Factor}} = \frac{\text{14. Fair Return}}{\text{14. Fair Return}}$$

$$\text{15. Fair Return} + \frac{\text{16. Current Operating Expenses}}{\text{16. Current Operating Expenses}} = \frac{\text{17. Required Gross Income to Produce Fair Return}}{\text{17. Required Gross Income to Produce Fair Return}}$$

$$\text{18. Required Gross Income} - \frac{\text{19. Current Year Gross Income}}{\text{19. Current Year Gross Income}} = \frac{\text{20. Total Annual Rent Increase}}{\text{20. Total Annual Rent Increase}}$$

$$\text{21. Total Annual Rent Increase} + \frac{\text{22. No. of Units}}{\text{22. No. of Units}} \div \frac{12}{12} = \frac{\text{23. Allowable Rent Increase Per Space}}{\text{23. Allowable Rent Increase Per Space}}$$