

INSTRUCTION SHEET ACCOMPANYING PETITION FOR RENT INCREASE FORM

GENERAL EXPLANATION

Attached is a landlord petition for an individual rent adjustment. Every landlord has a right to apply for such an adjustment under Section 1805 of the Rent Control Charter Amendment. However, landlords should only apply for this adjustment if they have good reason to believe that the general city-wide adjustment will not provide sufficient rent increases because of special circumstances such as those set forth in Section 1805(e) of the Charter Amendment. Conforming to this rule will avoid unnecessary expense and effort for landlords. (Copies of the Charter Amendment are available at the Rent Control Board's office.) The hearing examiner will closely evaluate a request and the proof provided in accordance with Board rules and policies. Rules are contained in Chapter 4 of the Rent Control Regulations (also available at the Rent Control office).

The Rent Control Board approves annual general adjustments, which cover generally prevailing increases for utilities, property taxes, maintenance, and operating expenses. No rent increases will be granted to individual petitioners for expenses which are covered by the general adjustment.

Landlords who wish to petition for an individual rent adjustment for multiple units in the same building should submit a petition for all such units at the same time.

Base Year and Current Year of the Petition: The petition requires information regarding income and operating expenses for 1978 and the current year chosen by the petitioner. The current year of the petition must be twelve (12) consecutive calendar months beginning on January 1, April 1, July 1, or October 1. Increase petitions must be filed within ninety (90) days of the end of the designated current year. If you have not owned the property since January, 1978, and 1978 expenses are unavailable or incomplete, set forth 1978 expenses from the property's registration form. If these expenses are not available please list your actual expenses from your first full calendar year of ownership. Registration forms are available at the Rent Control offices at City Hall.

ELIGIBILITY TO FILE

No petition for an individual rent adjustment will be processed unless units for which the adjustment is requested are properly registered. A unit is considered properly registered only if a completed registration form signed under penalty of perjury has been filed with the Board by the current owner, and the registration fee (plus any late fees) has been paid in full. **In addition no petition for individual rent adjustment may be filed if there is an outstanding citation or notice of violation of local housing, health or safety laws issued by a governmental agency.**

IMPORTANT NOTE: Section 1805(c) of the Charter Amendment states that: ". . . the Board or hearing examiner may refuse to hold a hearing and/or grant an individual rent adjustment if an individual hearing has been held and decision made with regard to maximum allowable rent within the previous six months." [See Regulations 4005(a)(6) and 4005(d)]

THE PETITION PROCESS

After the petition is submitted, it will be reviewed by the Board staff to make sure it contains all necessary information. You will be notified promptly if it is incomplete and any further information is necessary. You will then be allowed to either provide the additional information or explain why you are not able to do so. A petition will only be considered properly filed when it has been submitted in substantially completed form with all material information necessary to reach a decision on the petition. [See Regulations 4005(a)(3)]

A hearing before a hearing examiner will be scheduled shortly thereafter and you will be notified of the date in advance. All parties have a right to assistance from attorneys, organization representatives, or any other persons they choose.

After you receive the hearing examiner's decision, you may appeal to the Rent Control Board if you are not satisfied. If you choose to appeal the decision of the hearing examiner, you must do so within 10 days of the date of decision listed on the cover sheet. If a hearing examiner's decision is not appealed within 10 days, it automatically becomes the final decision of the Board. Final Board decisions may be appealed to the courts. Section 1805(d)(12) provides that final Board action will be taken within 120 days from filing of an individual rent adjustment petition, with extensions for good cause.

COMPLETING THE PETITION FOR RENT INCREASE

All landlords must complete Parts I, II, III, and V of the petition forms as well as the appropriate schedules contained in Part IV. In completing the petition provide all the information that is known. When information requested is not available, indicate this fact and give the reasons for its unavailability. Attach separate sheets if necessary.

When you have completed the petition form, submit the original, together with a copy for each rental unit in the building as well as an extra copy for the Board. The Board will send copies of the petition to the tenants. Two copies of all documentation required below must accompany the petitions that you file.

You must complete each required schedule, or your petition may be dismissed as incomplete. There is no "short form" petition for capital improvement increases only. You must provide all the requested information. You may provide the Board with any other relevant information concerning the reason(s) for filing this petition. Please attach additional sheets if necessary.

REQUIRED DOCUMENTATION

YOU MUST ATTACH TWO COPIES OF ALL DOCUMENTS DESCRIBED BELOW. FAILURE TO INCLUDE ALL RELEVANT DOCUMENTS WILL RESULT IN DISMISSAL OF YOUR PETITION. THE COPIES MUST BE CLEAR, LEGIBLE, AND ORGANIZED BY CATEGORY, FOLLOWING THE ORGANIZATION OF THE PETITION FORMAT. You must bring the originals to the hearing.

- A. Two copies of any and all invoices, cancelled checks, receipts and ledger sheets or other documents showing, for the twelve-month period selected as the current year in Schedule A of the petition, the following:
1. Rents collected from all tenants;
 2. The amount of other income received in the period, including contracts for Section 8 units (amounts above the MAR for units rented under the Section 8 Housing Program will be included as other income);
 3. Property taxes assessed and paid;
 4. Amounts billed and paid for electricity, gas and water and trash service;
 5. Amounts expended for maintenance and repair;
 6. Insurance paid;
 7. If you are claiming actual administrative and management expenses, all actual expenses paid;
 8. Capital expenses since April 10,1979 **for which the amortized useful life has not expired.** Include only those not included in a previous increase petition (If the total cost of any single capital expense is less than \$200 per unit per year and was paid in the current year, the item may be regarded as a repair to be expensed in one year. Regulations 4041, 4101(c)(1)(viii).);
 9. License or other fees paid;
 10. Owner-performed labor and the hourly rates listed on the petition (The documentation must show the date, time, nature of work performed, unit in which the work was performed, and if the work related to a specific capital improvement expense.);
 11. Miscellaneous expenses paid.
- B. Two copies of a witness list providing the name, address, and subject matter(s) of testimony of any person the petitioner expects to testify on his or her behalf at the hearing. If the petitioner intends to call an expert witness to offer an expert opinion at the hearing, the designation of that witness must include a brief

narrative statement of the qualifications of the expert and a brief narrative statement of the general substance of the expected testimony of the expert.

- C. If it is claimed that there are units at the property whose April 10, 1978 rents do not reflect general market conditions in the area at that time, two copies of any evidence which substantiates this claim.
- D. Two copies of all expert witness reports which will be used at the hearing, and two copies of all writings on which the expert's report and/or expert's testimony is or will be based.

Please submit receipts, ledgers, invoices and supporting documentation by categories as listed above, i.e., all maintenance and repairs together, all capital improvements together, etc. NOTE: Only those capital improvements whose amortization periods have not expired will be considered.

If there are proposed capital improvements, you must submit a written contract, **2 to 3** written estimates or written proposals for work which include the date the work will begin, the proposed cost, and how long the estimates, proposals or bids will remain open. **Units rented at market rate within the five years preceding the final increase decision are not eligible for Proposed Capital Improvement increases.**

You must also produce documentation of all 1978 expenses. If you were not the owner of the property on January 1, 1978, Regulation 4104 allows the hearing examiner to determine the base year expenses based on either the former owner's actual expenses in 1978 or the expenses from your first calendar year of ownership discounted back to 1978 by the formula in Regulation 4105. The hearing examiner will select the more reliable method based on the evidence you present. The hearing examiner may rely on the registration form or on evidence you present to determine the former owner's 1978 expenses. A copy of the registration form listing the 1978 expenses is available at the Rent Control Offices at 1685 Main Street, Room #202. You have the right to subpoena the former owner and his records to the hearing. The hearing examiner will give you an opportunity to present evidence and argument about which method is more reliable in your case.

The failure to follow the requirements for submission and disclosure may result in the exclusion of the evidence or testimony at the hearing.

DETERMINING YOUR CURRENT YEAR

Your "current year" must begin with January 1, April 1, July 1, or October 1 and include 12 consecutive months. The petition must be filed within 90 days of the end of your current year.

DEADLINES FOR FILING:

<u>Current Year</u>	<u>File By</u>
January 1 - December 31	March 31
April 1 - March 30	June 30
July 1 - June 30	September 30
October 1 - September 30	December 30

If you have questions about the petition form which are not answered above or in the petition form itself, please contact the Board for assistance.

SANTA MONICA RENT CONTROL BOARD
1685 Main Street, Room #202
Santa Monica, CA 90401
(310) 458-8751

www.santa-monica.org/rentcontrol

for office use only	Site Address: _____
Petition No. _____	Associated Address(es): _____
MPP#: _____	

Landlord Petition for Individual Rent Adjustment

IMPORTANT: Please read the attached Instruction Sheet before completing and filing this petition. Before it is accepted for filing, the entire petition must be completed and copies of required documents attached. Along with the original petition, copies of the petition must be submitted as follows:

one for each unit listed in Part III and one copy for the Board.

Property Address: _____

Part I: GENERAL INFORMATION

A. Landlord - List the names, address and telephone numbers of all owners of record.

1. Name: _____
Address: _____
(street) (city) (state) (zip)

Daytime Telephone: (_____) _____
(area code)

2. Name: _____
Address: _____
(street) (city) (state) (zip)

Daytime Telephone: (_____) _____
(area code)

B. Attorney or other Authorized representative (if any)

Name: _____
Address: _____
(street) (city) (state) (zip)

Daytime Telephone: (_____) _____
(area code)

C. Property

1. Tax Assessor's Description: Map Book #: _____ Page: _____ Parcel: _____
2. Year Built (if known): _____
3. Date of Purchase: _____

D. Number of Units Covered by Petition

1. Number of residential rental units on property: _____
2. Number of units covered by this petition: _____

E. Prior Petition for Individual Rent Adjustment

1. Have you ever filed any petitions before? Yes _____ No _____
 - a. If yes, what are the case numbers and dates of the Board decisions?
Case No.: _____ Date: _____
Case No.: _____ Date: _____
Case No.: _____ Date: _____
Case No.: _____ Date: _____
 - b. Have you sought judicial review (court challenge) of any Board Decisions?
Yes _____ No _____
 - c. If yes, what are the case numbers and dates of any court decisions?
Case No. _____ Date: _____
Case No. _____ Date: _____

Part II: REASONS FOR PETITION

Note: The Rent Control Charter Amendment requires the Board to authorize an annual general adjustment of rents. In reviewing rent adjustment petitions, the Board will take into account the effect of the general adjustments which have been granted up to the date of the final decision on this petition. No individual rent adjustment will be granted for cost increases covered by the general adjustments.

Indicate your reason(s) for filing this petition by checking one (or more if applicable) of the lines below. (Regulations noted are from Chapter 4 of the Rent Control Regulations, available at the Board office). Complete and submit the appropriate schedules as indicated.

1. _____ Base year (1978) Net Operating Income did not yield a fair return.

A. If you are claiming that base year expenses were unusually high or low compared to other years (Regulation 4103(a)), you may produce income and expenses from 1979 to the current year to substantiate this claim. Add income and expenses for intervening years into Schedules A, B, and F.

Complete Schedules A, B and F.

B. If you allege the base year income did not yield a fair return due to rents which did not reflect general market conditions in the area

Complete Schedules A, B, C, E and F.

2. _____ Increases in operating expenses were beyond those anticipated by the general adjustment (Regulation 4106).

Complete Schedules A, B, C and F.

3. _____ Completed capital improvements (Regulations 4041).

Complete Schedules A, B, C and F.

4. _____ Proposed capital improvements (Regulations 4042 and 4041).

Complete Schedules A, B, D and F.

5. _____ Increases in living space, furniture, furnishings, equipment or other housing services provided to the rental unit.

Complete Schedules A, B and F.

6. _____ Other: _____

Complete Schedules A, B and F.

Part IV: SCHEDULES

NOTE: Please be prepared to provide additional documentation and information to the hearing examiner or Board upon consideration of your petition.

**SCHEDULE A
INCOME SUMMARY**

	1978	Current Year** Date _____ Through _____
1. Rents for all residential rental units in property at 100% occupancy. (include potential rents for any vacant or owner- occupied units).*		
2. Other income including laundry, garage, parking, storage, insurance proceeds, retained security deposits, court judgments, etc.		
3. Total potential gross income (add lines 1 and 2)		
4. Rent Loss:		
(a) Vacancies		
(b) Uncollected rents (bad debts)		
(c) Other (explain on separate sheet)		
5. Total Rent Loss: (add lines 5 (a), (b), (c))		
6. Total Collected Gross Income: (subtract line 6 from line 4)		

* For 1978 gross rent, multiply April 10, 1978 rents by 12.

** Indicate 12 consecutive calendar months beginning on January 1, April 1, July 1 or October 1. Increase petitions must be filed within ninety (90) days of the end of this designated Current Year. (Reg. 4108(b))

SCHEDULE B
TABLE I - SUMMARY OF OPERATING EXPENSES (SECTION 4101(C))

NOTE: For all units, supply all available annual information for 1978 and for the current year. Do not include costs paid by tenants (e.g., utilities). If you have not owned the property since January, 1978 and 1978 expenses are unavailable or incomplete, please so indicate and set forth in addition to 1978 expenses from the registration form, your actual operating expenses for the full calendar year of ownership. Do the same for Tables II and III of this Schedule as well. (Regulation 4104(b)).

Please refer to Regulation 4101(c) for explanation of allowable operating expenses.

	1978	Current Year** Date _____ Through _____
1. Property Taxes	_____	_____
2. Electricity	_____	_____
3. Gas	_____	_____
4. Water and Trash	_____	_____
5. Insurance	_____	_____
6. Administrative/Management Expenses, including advertising accounting, allowable legal (Regulation 4101(d)), etc. (Regulation 4101(c)(1)(iv)). (You may indicate the actual amounts spent or 5% of Gross income from line 7 on schedule A. If you claim more than 5%, itemize those expenses on Table IV.)	_____	_____
7. Repair and Maintenance (Regulation 4101(c)(1)(v)) (Itemize on Table II, page 7.)	_____	_____
8. Owner-performed labor (Regulations 4101(c)(1)(vi). (Itemize on Table III, page 8.)	_____	_____
9. License, registration or other fees to the extent such fees are not paid by tenants.	_____	_____
10. Amortized Capital Expenses - Regulations 4101(c)(1)(viii) and 4041. Include only completed capital improvements. Itemize on Schedule C, page 10.	_____	_____
11. Other (Itemize on attached sheet)	_____	_____
12. Total	_____	_____

*Indicate 12 consecutive calendar months beginning on January 1, April 1, July 1, or October 1. Increase petitions must be filed within 90 days of the end of this designated current year. (Reg. 4108(b).)

SCHEDULE B
TABLE III - SELF-LABOR (Section 4101(c)(1)(vi))

Complete the table below only if the landlord actually performed maintenance or repair services for which formal wages for self-labor were not paid. In addition to the summary below, documentation must be provided showing the date, time, nature of work performed, unit in which the work was performed, and if the work related to a capital improvement expense. A landlord may receive greater or lesser compensation than set forth in columns 2 - 4 if those amounts are proven substantially unfair.

Current Year			
Nature of Work	No. hours for unskilled labor* at \$10.00 per hour	No. hours for semi-skilled labor** at \$17.00 per hour	No. hours for skilled labor*** at \$27.00 per hour
Subtotal of self-maintenance and repair hours each rate			
TOTAL COST **** Owner –performed labor:			

Nature of Work	No. hours for unskilled labor* at \$7.00 per hour	No. hours for skilled labor*** at \$13.00 per hour
Subtotal of self-maintenance and repair hours each rate		
TOTAL COST **** Owner –performed labor:		

* Mowing or watering lawn, cleaning, sweeping, buying supplies, etc.

** Painting, minor plumbing, minor repairs, planting.

*** Labor for which you have special training, education, or work experience: electrical, plumbing, carpentry.

**** This total should be entered on line 7, Table I, page 6. The maximum allowed, if proven, is 5% of Gross Income, unless the landlord shows greater services for the benefits of tenants.

SCHEDULE E
BASE RENTS WHICH DO NOT REFLECT GENERAL MARKET CONDITIONS

COMPLETE THIS TABLE ONLY IF YOU CHECKED 1(B) ON PAGE 3

(1) List units whose rents you claim did not reflect general market conditions in the area and list these units' April 10, 1978 rents.

Unit #	1978 Rent	Current Rent	Unit #	1978 Rent	Current Rent
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

(2) State the date and amount of last rent increase prior to April 10, 1978 for all units listed above.

Unit #	Date	Increase	Unit #	Date	Increase
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

(3) Check the basis of your claim that these units' April 10, 1978 rents did not reflect general market conditions in the area at that time.

- _____ The rent on the base date was established by a lease or other formal rental agreement which provided for substantially higher rent at other periods during the term of the lease; Units #'s _____
- _____ The rent on the base date was substantially higher or lower than at other times of the year by reason of seasonal demand or seasonal variations in rents; Units #'s _____
- _____ The rent on the base date was substantially higher or lower than preceding months by reason of premiums being charged or rebates being given for reasons unique to particular units or limited to the period determining the base rent; Units #'s _____
- _____ There existed a special relationship between the landlord and tenant (i.e. a family or close friend relationship) on the base date that resulted in an undercharging of rent; Units #'s _____
- _____ The rent had not been increased for five years prior to the base rent date; Units #'s _____
- _____ The tenant lawfully assumed maintenance responsibilities in exchange for low rent increases or no rent increases; Units #'s _____
- _____ Any other special or peculiar circumstances which establish that the base rent was not set as the result of an arms-length transaction. Units #'s _____
Please explain those circumstances: _____

(Please attach extra pages, if necessary)

(4) You **MUST** attach all relevant documentation, expert witness reports and writings on which the expert witness reports and/or testimony is based, and a list of witnesses you will present at the hearing. See Instruction Sheet. (Reg. 4002(c).)

SCHEDULE F SUMMARY OF INCOME AND EXPENSES; NET OPERATING INCOME
--

		<u>1978</u>	<u>First Full Calendar Year of Ownership*</u>	Current Year Date _____ Through _____
1.	Total Collected Gross Income (From Schedule A, line 7, page 5)	_____	_____	_____
2.	Total Operating Expenses (From Schedule B, line 12, page 6)	_____	_____	_____
3.	Net Operating Income (Subtract line 2 from line 1)	_____	_____	_____

* You need not provide this information unless 1978 expenses are unavailable or incomplete or you are requested to do so by the Rent Control Board Hearings Department.

Part V: CERTIFICATION

A. Certification of Registration and Fee Payment

I hereby certify that each of the controlled rental units for which a rent adjustment is sought is properly registered with the Santa Monica Rent Control Board and that all registration fees have been paid. *(No rent adjustment petition will be processed if the registration form has not been properly completed, including execution under penalty of perjury, or if registration fees are delinquent.)*

B. Certification of Habitability and Compliance

I hereby certify that the condition of each of the controlled rental units for which a rent adjustment is sought is in substantial compliance with all state and local health and safety laws and with any final Rent Control Board decisions pertinent thereto and that there are no outstanding citations or notices of violation for the property. (No rent adjustment will be processed if the property is subject to an uncorrected citation or notice of violation of local housing, health or safety laws issued by a governmental agency.)

C. Certification of Correctness of Information

Under penalty of perjury under the laws of the state of California, I hereby certify that the foregoing information and that contained in any attached sheets is true and correct to the best of my knowledge and belief.

Signature of Petitioner

Date

Print or Type Name

Signature of Authorized Representative

Date

Print or Type Name