

CITY OF ESCONDIDO

LONG-FORM

MOBILEHOME PARK APPLICATION FOR
SPACE RENT INCREASE



201 NORTH BROADWAY
ESCONDIDO, CALIFORNIA 92025-2798

Phone: (760) 839-4554

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City of Escondido

LONG FORM

MOBILEHOME RENT REVIEW APPLICATION

SUMMARY OF DOCUMENTS INCLUDED

1. AN ORDINANCE OF THE CITY OF ESCONDIDO ESTABLISHING MOBILEHOME RENT CONTROL “*a.k.a. Proposition K*” (4 pages)
2. THE RENT REVIEW PROCESS (2 pages)
3. INSTRUCTIONS FOR LONG-FORM RENT INCREASE APPLICATION (4 pages including checklist)
4. LONG-FORM APPLICATION FOR MOBILE HOME SPACE RENT INCREASE (13 pages)
5. MOBILEHOME RENT REVIEW BOARD GUIDELINES (12 pages)

SUBMITTAL REQUIREMENTS

The short-form application must be submitted to The Mobilehome Rent Review Board, c/o Housing Division, Attn: Michelle Henderson, (760-839-4554) and shall include **an original and five (5) copies** of the complete application (including all items listed on the enclosed RENT INCREASE APPLICATION CHECKLIST - #3 above.)

CITY OF ESCONDIDO

THE RENT REVIEW PROCESS

STAFF REVIEW

- Staff receives the application from a park owner and checks it for completeness. Staff may request further information from the park owner if the application is lacking necessary information.

DETERMINING THE APPLICATION COMPLETE

An application is complete when City staff determines that the owner has provided adequate information/documentation to support claims made in the application so as to permit the Rent Review Board to judge the merits of the requested increase. Determination that an application is complete shall not constitute agreement by staff that the increase is justified.

- Staff has 30 days from the time the application is submitted to determine whether it is complete. Where additional information is requested, the 30-day time period to evaluate the completeness of the application begins the date such new information is received.

RESIDENT RESPONSE

- After the application is determined complete, all residents affected by the rent increase application are sent a letter from the City stating that the application is complete and that residents have 30 days to submit responses.
- Responses should address the application specifically and should not address individual complaints or problems that a resident has with his/her space or coach*. Responses can be written by individuals or groups. They should be printed neatly or typed and mailed to: **Michelle Henderson, City of Escondido, Housing Division, 201 North Broadway, Escondido, CA 92025.**

Individual complaints concerning landlord/tenant issues may be directed to Center for Social Advocacy, 1-800-954-0441. Code Enforcement complaints may be filed in writing, (760-838-4623). Inquiries concerning the **rent review process should be made in writing to Michelle Henderson at the above address or by telephone 760-839-4554.*

RENT REVIEW BOARD HEARING

- Within 60 days of the date the application is determined complete (but not before the resident response period is over,) a hearing will be held. All affected parties are notified at least 10 days before the hearing of its date and time.
- Before the hearing, the Rent Review Board is provided with a copy of the rent increase application, all the resident responses and the staff report which summarizes both parties' positions and analyzes the application according to the guidelines set forth in the ordinance.
- At the hearing, the Board will first hear staff's report, then testimony from the owner and any representatives, then finally testimony from the resident representative(s). Testimony from the owner and residents will be under the following time limits: 15 minutes for the first representative and then 3 minutes for every representative after for each side. Once all testimony has been heard, the Board will commence its deliberations. The Board may, at its own initiative, request additional input from the applicant or residents to assist it in reaching its decision.
- Within one week of the close of the hearing, all affected parties will be notified of the Board's action by mail. If the Board's decision is to grant an increase in rent, the earliest possible date that an increase could take effect is 90 days from the date the owner gives written 90-day notices to affected residents (California Civil Code 798.30.) The owner may send this notice out as early as the same day the increase resolution is adopted by the Board.

CITY OF ESCONDIDO

INSTRUCTIONS FOR RENT REVIEW APPLICATION

These instructions are to assist you in successfully completing your rent review application.

GENERAL INSTRUCTIONS:

1. **Type or print** clearly in black ink on all application forms. Please complete all sections.
2. Attach additional pages as needed using only 8.5" x 11" letter size paper. Be sure to identify the name of the park on all attachments. Once your application is complete, **please number the pages.**
3. Except for financial statements, application pages may not be substituted with other forms of documentation (although they may be supplemented if the applicant feels it is necessary.) **You may submit any type of park balance sheet and revenue and expense statements as long as they provide details comparable to the City's forms and request for background information.**
4. Provide one (1) original and five (5) copies of the entire application. Please remember to number the pages of your completed application before copying.

Criteria from Rent Protection Ordinance

The Rent Protection Ordinance contains 11 criteria on which the Rent Review Board may base their decision. Please address each of the 11 criteria from the Ordinance, Section 4(g) that applies to your request. There is space at the end of this section to list additional reasons you may wish the Board to consider. A copy of the Ordinance is attached.

Mobilehome Park Space Rent Sheets

This section shows rental amounts for each space affected by the application, since the date of the last increase (or the rollback date if no rent review hearing has been held.) Please read the instructions on this page carefully and be sure to include the totals in the appropriate boxes. If the last increase was granted more than three years ago, use another page to list rents for all years since the last increase.

Long-term Lease Space Rent Sheets

This section documents current rents for spaces on long-term leases only. Please be sure to read the instructions carefully and include totals and averages in the appropriate boxes.

Revenue and Expense Statements

Please show balance sheet information and revenue and operating expense data taken from actual park records for each year since the last rent increase application was deemed complete. If the application is submitted during your fiscal year, please include partial year to date

Property tax bills must be submitted for each year since the last increase.

Copies of income tax statements to document expenses are requested, but not required.

Where sums differ substantially from one year to another for items such as unusual repairs, one-time only expenses, large item expenses (i.e., insurance, rent on land, etc.) or operating expenses, verifiable records may be required. Documentation may include cancelled checks and their associated billing statements. If cancelled checks are submitted, a cancellation mark from the bank must be shown. Check faces or associated billing statements should identify the expense.

Owner's Affidavit

This form must be signed by the park owner and notarized, attesting to the accuracy of the submitted information.

5. All applications must include four (5) sets of gummed address labels* addressed to park residents affected by the proposed increase, including park name, address, and space number.

Example:

John Doe
Escondido Mobile Estates
200000 Washington, Space 1
Escondido, CA 92025

**Be sure to include labels with the park owner's name and address and/or his/her representative on the sets of gummed labels.*

APPLICATION FEE:

The application deposit fee to submit an application for a rent increase is \$5,800.00 (Resolution No. 2005-132.) Please make check payable to the City of Escondido.

REVIEW:

Upon receipt of the application, the City has 30 days to determine if the application is complete. If it is not complete, further information will be requested from the applicant. When the application is complete, the applicant will be notified. For further details of the application process, please see the attached sheet which outlines the rent review process. We have also included a copy of the Rent Review Board Guidelines for you to reference.

The application and all supporting documents should be delivered to:

City of Escondido
c/o Housing Division
201 North Broadway
Escondido, CA 92025

Attention: Michelle Henderson

If you have any questions, please call Michelle Henderson, Housing Division, (760) 839-4554.

CITY OF ESCONDIDO

Rent Increase Application Checklist

This list will assist you in making sure you have completed the minimum requirements for submitting a rent increase application.

- ___ Ownership/Representative information completed on first page of application
- ___ Utility Structure grid and amenities and hours of operation worksheet completed
- ___ The appropriate criteria have been addressed on the Rent Review Criteria forms
- ___ Affected space rent worksheets
- ___ Long-term lease space rent worksheets
- ___ Financial Statements (balance sheet and revenue and expense information for each year since last rent increase)
- ___ Property Tax statements for each year since the last rent increase
- ___ All applicable back-up information/documentation
- ___ Owner's Affidavit signed and notarized
- ___ Five sets of address labels
- ___ Five copies of your completed package plus the original
- ___ Application deposit fee enclosed

CITY OF ESCONDIDO
201 North Broadway
Escondido, CA 92025-2798
(760) 839-4554

APPLICATION FOR MOBILE HOME SPACE RENT INCREASE

Park Name _____ Telephone _____

Address _____

Owner _____ Telephone _____

Address _____

Representative _____ Telephone _____

(If other than owner; all City correspondence will be addressed to this person)

Address _____

Number of spaces in park _____ Number of spaces affected by the proposed increase _____

Year park opened _____ Date of ownership _____

Indicate number of spaces occupied by:

Double-wide _____ Single-wide _____

How many are affected by the proposed increase?

Double-wide _____ Single-wide _____

Briefly describe the park (include amenities and services provided without additional charge). Attach additional pages if more space is needed.

UTILITY STRUCTURE

Please check the appropriate space for each utility.

	<u>ELECTRICITY</u>	<u>GAS</u>	<u>WATER</u>	<u>SEWER</u>	<u>TRASH</u>
Tenants pay directly to the utility company	_____	_____	_____	_____	_____
Tenants are billed by the park based on their individual meter readings	_____	_____	_____	_____	_____
The cost of the utility is included in the base rent	_____	_____	_____	_____	_____

AMENITIES AND HOURS OF OPERATION

Please indicate applicable amenities and note days and hours of operation if appropriate:

<i>Amenities</i>	<i>Yes</i>	<i>No</i>	<i>*Days/Hours of Operation</i>
1. *Business Office	()	()	_____
2. *Clubhouse	()	()	_____
Clubhouse furnished	()	()	_____
3. *Pool	()	()	_____
Swimming Pool(s): Size _____			_____
Heated	()	()	
How many months per year? _____			
Pool Furniture	()	()	_____
4. *Recreation Equipment	()	()	_____
Identify _____			
5. *Shuffleboard Courts	()	()	_____
6. *Playground Equipment	()	()	_____
Identify _____			
7. *Tennis Court(s)	()	()	_____

AMENITIES AND HOURS OF OPERATION (CONTINUED)

	<i>Yes</i>	<i>No</i>	<i>Comments</i>
8. *Laundry Room	()	()	_____
Number of washers _____			_____
Cost per load _____			_____
Number of Dryers _____			_____
Cost per load _____			
9. Guest Parking	()	()	_____
Number of Spaces _____			
10. RV Storage	()	()	_____
Number of spaces _____			
Fee to use	()	()	
Amount per month _____			
Security? _____			
Area Lighted:	()	()	
11. Access to public			
transportation:	()	()	_____
Blocks/Miles _____			
12. Convenience to major shopping			_____
Blocks/Miles _____			
13. Senior Park	()	()	_____
Services Offered by Park Owner _____			_____
_____			_____
14. Resident Organization	()	()	_____
If yes, name of representative _____			_____

EXAMPLE

CALCULATIONS FOR FIGURING AFFECTS OF CPI ON RENTS

Last Increase was granted June 2005 based on December 2004 CPI data.

Current average base rent \$ 400.00

CPI for December 2007 = 234.772

CPI for December 2004= 214.3

Calculating the Change in CPI Since January 1, 2005 for Various Percentages:

100%:	$(234.772 - 214.3) / 214.3 =$	0.0955	or	9.55%
75%:	$(234.772 - 214.3) / 214.3 \times 0.75$	0.0716	or	7.16%
60%:	$(234.772 - 214.3) / 214.3 \times 0.60$	0.0573	or	5.73%
50%:	$(234.772 - 214.3) / 214.3 \times 0.50$	0.0477	or	4.77 %

Calculating New Base Rent Amount Based on Various Percentages of CPI:

100%:	\$400.00 x	9.55% =	\$38.20 +	\$400.00 =	\$438.20
75%:	\$400.00 x	7.16% =	\$28.64 +	\$400.00 =	\$428.64
60%:	\$400.00 x	5.73% =	\$22.92 +	\$400.00 =	\$422.92
50%:	\$400.00 x	4.77% =	\$19.08 +	\$400.00 =	\$419.08

RENT REVIEW CRITERIA

Explain reasons for requesting a rent increase using the criteria set forth in the Rent Protection Ordinance as a guideline. Provide any other information you wish the Board to consider. Attach additional pages if more space is needed. Put N/A if not applicable for a given criteria.

1. Changes in the Consumer Price index (CPI) for all urban consumers in San Diego Metropolitan Area published by the Bureau of Labor Statistics. CPI-U index figures from 1995 to the present are:

<u>Year</u>	<u>1st Half</u>	<u>2nd Half</u>
1995	156.3	157.3
1996	159.8	161.9
1997	163.7	163.7
1998	166.0	167.8
1999	171.7	173.9
2000	179.8	185.8
2001	190.1	192.4
2002	195.7	200.0
2003	203.8	206.7
2004	211.4	214.3
2005	218.3	222.9
2006	226.7	229.6
2007	231.870	234.772
2008	242.440	

2. The rent lawfully charged for comparable mobilehome spaces in the City of Escondido. *(A comparison chart and regression analysis is included for your review.)*

3. The length of time since either the last hearing and final determination by the Board on a rent increase application or the last increase if no previous rent increase application has been made. *(Information should be included for the period since last application was determined complete as per guidelines adopted by RRB Resolution 94-12.)*

4. The completion of any capital improvements or rehabilitation work related to the mobilehome space or spaces specified in the rent increase application and the cost thereof, including materials, labor, construction, interest, permit fees, and other items as the Board deems appropriate. Please provide a schedule of capital improvements since acquisition, including date of improvements, amounts and descriptions. In addition, please provide a schedule of capital assets retired, including dates, sale prices (if applicable) and descriptions. See definition and examples of capital improvements in the Rent Review Board Guidelines, page 3, Section B (copy attached.) Please submit copies of receipts, cancelled checks, with supporting documents to verify work performed. For proposed work, please include bids.

5. Changes in property taxes or other taxes related to the subject mobilehome park. Please include property tax bills for all years since last increase.

6. Changes in the rent paid by the applicant for the lease of the land on which the subject mobilehome park is located.

7. Changes in the utility charges for the subject mobilehome park paid by the applicant and the extent, if any, of reimbursement from the tenants.

8. Changes in reasonable operating and maintenance expenses. Please document.

9. The need for repairs caused by circumstances other than ordinary wear and tear. Please document.

10. The amount and quality of service provided by the applicant to the affected resident(s.)

11. Any existing written lease lawfully entered into between the applicant and the affected resident(s.)

ADDITIONAL INFORMATION TO INCLUDE

12. Acquisition date of the park and purchase price (if traded, please give assigned value, amount, rate and term.)

13. Purchase terms for the park - cash down, debt assumed (amount, interest rate and term.)

14. Amount of purchase money borrowed, interest rate and term.

15. Current depreciation schedule, including item description, date of acquisition, cost, depreciation method, estimated useful life, depreciation taken and depreciation for the current year.

16. Current outstanding long-term debt, including balance, interest.

17. Annual income statements from 1986 (or date of last complete application) to the present.

18. The Board considers all these factors in addition to any other factors it considers relevant. You may address other factors you wish the Board to consider below or add additional sheets as necessary.

Year: 200

Repairs (list)

4. Property Taxes _____

5. Rent on land (if any) _____

6. Security _____

7. Supplies, Misc. _____

8. Utilities

Water _____

Sewer _____

Trash _____

Gas _____

Electric _____

Cable TV _____

9. Other (list)

TOTAL EXPENSES _____

OWNER'S AFFIDAVIT

County of San Diego)
State of California :
City of Escondido)

I(We,) _____

being duly sworn, depose and say that I (We) am (are) the owner(s)/authorized representative(s) of the owner(s) of said park involved in this request and that the foregoing statements or answers contained herein and the information submitted herewith are in all respects true and correct to the best of my (our) knowledge and belief. I (We) make the foregoing statement, the statements and answers contained herein and declare under penalty of perjury that the same are true and correct.

Signed: _____
Signature

Owner/Type or print name

Signature

Representative/Type or print name

Mailing address: _____

Subscribed and sworn to before me this

_____ day of _____ 20__

Notary Public