



Landlord Rent Adjustment Application

The Beverly Hills Municipal Code allows landlords to file a rent adjustment application for some or all rental units within the landlord's rental complex in order to achieve a "just and reasonable return," based on net operating income principles. The application shall be submitted on the form prescribed by the City and must include the following elements:

- ☐ Proof of completion of rental registry and payment of associated fees;
- ☐ [If applicable] Letter authorizing a designated agent to submit on landlord's behalf
- ☐ Completed Application, with supporting documentation, and payment of application fees

All applications will be reviewed by the City for completeness within **10** business days of filing of the application. If an application is deemed to be incomplete, the applicant will be notified in writing as to what additional information is required. Complete applications will be considered by a Hearing Officer at a hearing that will be conducted within 60 days following the determination that the application is complete. The Hearing Officer will evaluate the application based on the calculation of the fair net operating income of the property.

Please note that Section 2 of the application requests information from the landlord regarding his/her income and operating expenses for calendar year 2016, which is the Base Year, and for the Current Year. You are encouraged to review the *Landlord Rent Adjustment Application Instructions* prior to commencing work on this application. Pursuant to the California Public Records Act, documents that are submitted to the City will be treated as public records and will be kept for a minimum period of two years and may be subject to disclosure pursuant to the terms and the exemptions of that Act.

*****Please note that all items must be included in the application package in order for the application to be considered complete. *****

Applications shall be submitted to:

City of Beverly Hills
RENT STABILIZATION PROGRAM
455 North Rexford Drive
Beverly Hills, CA 90210



Section 1

A. Property Information:

APN:	10 Digits				
Address:	Number:	Pre-Direction (N, S, E, W)	Street Name		
	City:	State:	Zip Code:		
	Beverly Hills	CA	-		
Building Info:	Total Number of Apartment Units:			Year Built:	
	Chapter 5 Units:		Chapter 6 Units:		

B. Property Owner (on Title):

First Name:		Last Name:		
Owner Type:		For Trusts/LLC/Corporations		
☐ Individual ☐ Trust ☐ LLC ☐ Corporation ☐ Partnership		☐ Managing Partner ☐ CEO ☐ Trustee		
Phone Number: () -		Email:		
Mailing Address:	House Number:	Pre-Direction (N, S, E, W)	Street Name	Unit
	City:		State:	Zip Code: -
☐ My mailing address or contact information has changed compared to what has been registered.				

C. Rent Adjustment Request:

Please indicate for which units you are requesting an adjustment:	
	☐ All units

D. Declaration

<i>Declaration</i> I (we) declare under penalty of perjury under the laws of the State of California that the foregoing and all attached pages, including documentation, are true, correct, and complete to the best of my personal knowledge.	
Signature:	Date:
Print Name:	
☐ Check here if you are a designated agent for the property owner. You must attach a signed letter from the property owner stating that you are the designated agent.	

Table 1 – Proposed Individual Rent Increase Schedule

[illegible]

Complete and attach additional copies of this page and other pages if needed.

Section 2

To complete this section, you will need data on your income and expenses for calendar year 2016, which is the Base Year, and for the Current Year. The Current Year should include data from the most recent complete month available and extending back 12 months. **You must use the same current year time period for all data.**

- ☐ Please check here if you contend that 2016 was disproportionately low due to peculiar circumstances. You will need to submit appropriate documentation proving these circumstances.
- ☐ Please check here to request an alternative base year because data from the base year is unavailable. Please explain why the data for the Base Year is not available.

Please refer to the *Landlord Rent Adjustment Application Instructions* for guidance.

Table 2 – Net Operating Income

<u>Line</u>		A	B
		Base Year: 2016	Current Year: _____ to _____
1	Gross rents based on 100% occupancy using current rent levels including the current year annual general adjustment*	\$	\$
2	Annual interest from security and cleaning deposits, except that interest payable to the tenants	\$	\$
3	Income from services, garage, and parking fees	\$	\$
4	All other income or consideration received in connection with the use or occupancy of rental units and housing services	\$	\$
5	Total projected gross income (add Lines 1, 2, 3, & 4)	\$	\$
6a.	Uncollected rents due to vacancy and bad debts (to the extent that they are beyond the landlord's control)	\$	\$
6b.	Percentage of uncollected rents compared to gross rents: (line 6a divided by Line 1)**	%	%
7	Total Projected Gross Income (Subtract line 6a from line 5 IF Line 6b is 5% or less than 5%. If Line 6b is greater than 5%, enter Line 5)	\$	\$

* If the annual general rent adjustment was not fully implemented or received during the entire year, it shall be annualized to reflect the total annual gross rents to which the property owner is already entitled.

** Uncollected rents in excess of 5% of gross rents shall be presumed to be unreasonable and shall not be deducted from gross rents unless it is established that they result from circumstances that are likely to continue to exist in future years. Please provide justification along with the application.

Table 3—Operating Expenses

<u>Line</u>		A	B
		Base Year: 2016	Current Year: _____ to _____
<u>8</u>	Rent increase application filing fees	\$	\$
<u>9</u>	Annual registration fees that cannot be passed through to the tenants	\$	\$
<u>10</u>	License fees	\$	\$
<u>11</u>	Real property taxes	\$	\$
<u>12</u>	Electricity (not paid by tenants)	\$	\$
<u>13</u>	Gas (not paid by tenants)	\$	\$
<u>14</u>	Water	\$	\$
<u>15</u>	Solid waste	\$	\$
<u>16</u>	Insurance	\$	\$
<u>17</u>	Legal Expenses	\$	\$
<u>18</u>	Management Expenses (assumed to be 6% of gross income unless established otherwise)	\$	\$
<u>19</u>	Normal repair and maintenance (enter total from Table 5a, Line 14 for Base Year & Total from Table 5b, Line 29 for Current Year)	\$	\$
<u>20</u>	Owner-performed repair and maintenance (enter total from Table 6a, Line 14 for Base Year & Total from Table 6b, Line 28 for Current Year)	\$	\$
<u>21</u>	Building improvements (enter total from Table 7a, Line 31 in <u>Column A</u> and total from Table 7b, Line 62 in <u>Column B</u>)	\$	\$
<u>22</u>	Other reasonable expenses, fees, costs for professional services used in the course of completing rent adjustment application (please list)	\$	\$
	_____	\$	\$
	_____	\$	\$
<u>23</u>	Total Operating Expenses (add lines 8 through 22)	\$	\$

Table 4—Net Operating Income

		A	B
<u>Line</u>		Base Year: 2016	Current Year: _____ to _____
<u>24</u>	Total collected gross income (Table 2, <u>Line 7</u>)	\$	\$
<u>25</u>	Total operating expenses (Table 3, <u>Line 23</u>)	\$	\$
<u>26</u>	Net operating income (<u>Subtract line 25 from line 24</u>)	\$	\$



Section 3

In this section, you will provide information about repair and maintenance done at your building and building improvements for the base year of 2016 and the current year. Please note that there are separate tables for work that was completed by a contractor and work that was completed by the owner.

The information calculated into these tables should be incorporated into Table 3, Lines 19, 20, and 21. If you have included numbers in these lines, the following tables (Tables 5a, 5b, 6, and 7) should be completed.

Table 5a—Normal Repair and Maintenance (Base Year 2016)

Normal repair and maintenance includes **painting, normal cleaning, fumigation, landscaping, repair and replacement of all standard housing services, including electrical, plumbing, carpentry, furnished appliances, drapes, carpets and furniture.** Please note that all owner-performed repair and maintenance should be recorded in Table 6.

Line	Item #	Description of Expense	Units Benefitted		Cost
			All (Place X in Box)	Unit (List Unit ID)	
<u>1</u>					\$
<u>2</u>					\$
<u>3</u>					\$
<u>4</u>					\$
<u>5</u>					\$
<u>6</u>					\$
<u>7</u>					\$
<u>8</u>					\$
<u>9</u>					\$
<u>10</u>					\$
<u>11</u>					\$
<u>12</u>					\$
<u>13</u>					\$
<u>14</u>	Total (Enter Total in Table 3, Line 19; Column A)				\$

Table 5b—Normal Repair and Maintenance (Current Year)

_____ to _____

Line	Item #	Description of Expense	Units Benefitted		Cost
			All (Place X in Box)	Unit (List Unit ID)	
<u>15</u>					\$
<u>16</u>					\$
<u>17</u>					\$
<u>18</u>					\$
<u>19</u>					\$
<u>20</u>					\$
<u>21</u>					\$
<u>22</u>					\$
<u>23</u>					\$
<u>24</u>					\$
<u>25</u>					\$
<u>26</u>					\$
<u>27</u>					\$
<u>28</u>					\$
<u>29</u>	Total (Enter Total in Table 3, Line 19; Column B)				\$

Table 6a – Owner-performed Maintenance & Repair – Base Year

Please indicate the unit in which work was performed, or indicate that work was performed in all units in the “Nature of Work” column.

“General Maintenance” is defined as work that does not require specialized training or education or a particular license. “Skilled Maintenance” is defined as work that does require specialized training or education or a particular license.

Line	A	B	C	D	E	F	G	H	I
	Item #	Nature of Work	Date of Work	General Maintenance			Skilled Maintenance		
				Hours	Hourly Rate	Cost	Hours	Hourly Rate	Cost
<u>1</u>									
<u>2</u>									
<u>3</u>									
<u>4</u>									
<u>5</u>									
<u>6</u>									
<u>7</u>									
<u>8</u>									
<u>9</u>									
<u>10</u>									
<u>11</u>									
<u>12</u>									
<u>13</u>	Total					\$			\$
<u>14</u>	AMOUNT TOTAL (Add Column F + Column I) (Base Year should be recorded in Table 3, Line 20; Column A)			\$					

Table 6b—Owner-Performed Maintenance and Repair (Current Year)

_____ to _____

Line	A	B	C	D	E	F	G	H	I
	Item #	Nature of Work	Date of Work	General Maintenance			Skilled Maintenance		
				Hours	Hourly Rate	Cost	Hours	Hourly Rate	Cost
<u>15</u>									
<u>16</u>									
<u>17</u>									
<u>18</u>									
<u>19</u>									
<u>20</u>									
<u>21</u>									
<u>22</u>									
<u>23</u>									
<u>24</u>									
<u>25</u>									
<u>26</u>									
<u>27</u>	Total					\$			\$
<u>28</u>	AMOUNT TOTAL (Add Column F + Column I) (Current Year should be recorded in Table 3, Line 20; Column B)			\$					

Table 7a – Building Improvements (Base Year)

Building improvements that can be included within operating expenses are those that are mandated by government statute, any rule or regulation enacted after January 1, 2017, and major repairs, replacement and maintenance (except those compensated by insurance proceeds). Improvements shall be amortized based on the years listed below.

<u>Line</u>	A	B	C	D	E	<u>Amortization Period</u>	F
	<u>Description of Expense</u>	<u>Units Benefitted (Circle All or List Units)</u>	<u>Initial Cost</u>	<u>Cost of Financing</u>	<u>Total Cost</u>		<u>Annual Cost</u>
<u>1</u>	Air Conditioner	All	\$	\$	\$	10 years	\$
<u>2</u>	Cabinets	All	\$	\$	\$	10 years	\$
<u>3</u>	Dishwasher	All	\$	\$	\$	7 years	\$
<u>4</u>	Doors	All	\$	\$	\$	10 years	\$
<u>5</u>	Dryer	All	\$	\$	\$	7 years	\$
<u>6</u>	Drywall	All	\$	\$	\$	10 years	\$
<u>7</u>	Electric Wiring	All	\$	\$	\$	15 years	\$
<u>8</u>	Elevator	All	\$	\$	\$	20 years	\$
<u>9</u>	Fencing	All	\$	\$	\$	10 years	\$
<u>10</u>	Fire Alarm System	All	\$	\$	\$	10 years	\$

<u>Line</u>	<u>Description of Expense</u>	<u>Units Benefitted (Circle All or List Units)</u>	<u>Initial Cost</u>	<u>Cost of Financing</u>	<u>Total Cost</u>	<u>Amortization Period</u>	<u>Annual Cost</u>
<u>11</u>	Fire Escape	All	\$	\$	\$	10 years	\$
<u>12</u>	Flooring	All	\$	\$	\$	7 years	\$
<u>13</u>	Garbage Disposal	All	\$	\$	\$	7 years	\$
<u>14</u>	Gates	All	\$	\$	\$	10 years	\$
<u>15</u>	Gutters	All	\$	\$	\$	10 years	\$
<u>16</u>	Heating	All	\$	\$	\$	10 years	\$
<u>17</u>	Insulation	All	\$	\$	\$	10 years	\$
<u>18</u>	Locks	All	\$	\$	\$	7 years	\$
<u>19</u>	Paving	All	\$	\$	\$	10 years	\$
<u>20</u>	Plumbing	All	\$	\$	\$	10 years	\$
<u>21</u>	Pumps	All	\$	\$	\$	10 years	\$
<u>22</u>	Refrigerator	All	\$	\$	\$	10 years	\$

<u>Line</u>	<u>Description of Expense</u>	<u>Units Benefitted</u> (Circle All or List Units)	<u>Initial Cost</u>	<u>Cost of</u> <u>Financing</u>	<u>Total Cost</u>	<u>Amortization</u> <u>Period</u>	<u>Annual Cost</u>
<u>23</u>	Roofing	All	\$	\$	\$	10 years	\$
<u>24</u>	Security System	All	\$	\$	\$	10 years	\$
<u>25</u>	Stove	All	\$	\$	\$	10 years	\$
<u>26</u>	Washing Machine	All	\$	\$	\$	7 years	\$
<u>27</u>	Water Heater	All	\$	\$	\$	7 years	\$
<u>28</u>	Other Major Appliances _____	All	\$	\$	\$	7 years	\$
<u>29</u>	Other (Define) _____	All	\$	\$	\$	7 years	\$
<u>30</u>	Other (Define) _____	All	\$	\$	\$	7 years	\$
<u>31</u>	Annual Total (<u>Enter Total in Table 3, Line 21; Column A</u>)						\$

Table 7b – Building Improvements (Current Year)

Building improvements that can be included within operating expenses are those that are mandated by government statute, any rule or regulation enacted after January 1, 2017, and major repairs, replacement and maintenance (except those compensated by insurance proceeds).

<u>Line</u>	A	B	C	D	E	<u>Amortization Period</u>	F
	<u>Description of Expense</u>	<u>Units Benefitted (Circle All or List Units)</u>	<u>Initial Cost</u>	<u>Cost of Financing</u>	<u>Total Cost</u>		<u>Annual Cost</u>
<u>32</u>	Air Conditioner	All	\$	\$	\$	10 years	\$
<u>33</u>	Cabinets	All	\$	\$	\$	10 years	\$
<u>34</u>	Dishwasher	All	\$	\$	\$	7 years	\$
<u>35</u>	Doors	All	\$	\$	\$	10 years	\$
<u>36</u>	Dryer	All	\$	\$	\$	7 years	\$
<u>37</u>	Drywall	All	\$	\$	\$	10 years	\$
<u>38</u>	Electric Wiring	All	\$	\$	\$	15 years	\$
<u>39</u>	Elevator	All	\$	\$	\$	20 years	\$
<u>40</u>	Fencing	All	\$	\$	\$	10 years	\$
<u>41</u>	Fire Alarm System	All	\$	\$	\$	10 years	\$

<u>Line</u>	<u>Description of Expense</u>	<u>Units Benefitted (Circle All or List Units)</u>	<u>Initial Cost</u>	<u>Cost of Financing</u>	<u>Total Cost</u>	<u>Amortization Period</u>	<u>Annual Cost</u>
<u>42</u>	Fire Escape	All	\$	\$	\$	10 years	\$
<u>43</u>	Flooring	All	\$	\$	\$	7 years	\$
<u>44</u>	Garbage Disposal	All	\$	\$	\$	7 years	\$
<u>45</u>	Gates	All	\$	\$	\$	10 years	\$
<u>46</u>	Gutters	All	\$	\$	\$	10 years	\$
<u>47</u>	Heating	All	\$	\$	\$	10 years	\$
<u>48</u>	Insulation	All	\$	\$	\$	10 years	\$
<u>49</u>	Locks	All	\$	\$	\$	7 years	\$
<u>50</u>	Paving	All	\$	\$	\$	10 years	\$
<u>51</u>	Plumbing	All	\$	\$	\$	10 years	\$
<u>52</u>	Pumps	All	\$	\$	\$	10 years	\$
<u>53</u>	Refrigerator	All	\$	\$	\$	10 years	\$

<u>Line</u>	<u>Description of Expense</u>	<u>Units Benefitted</u> (Circle All or List Units)	<u>Initial Cost</u>	<u>Cost of</u> <u>Financing</u>	<u>Total Cost</u>	<u>Amortization</u> <u>Period</u>	<u>Annual Cost</u>
<u>54</u>	Roofing	All	\$	\$	\$	10 years	\$
<u>55</u>	Security System	All	\$	\$	\$	10 years	\$
<u>56</u>	Stove	All	\$	\$	\$	10 years	\$
<u>57</u>	Washing Machine	All	\$	\$	\$	7 years	\$
<u>58</u>	Water Heater	All	\$	\$	\$	7 years	\$
<u>59</u>	Other Major Appliances _____	All	\$	\$	\$	7 years	\$
<u>60</u>	Other (Define) _____	All	\$	\$	\$	7 years	\$
<u>61</u>	Other (Define) _____	All	\$	\$	\$	7 years	\$
<u>62</u>	Annual Total (<u>Enter Total in Table 3, Line 21; Column B</u>)						\$