

Instructions for Landlord Petition – Maintenance of Net Operating Income (MNOI)

Petition Overview

The Community Stabilization and Fair Rent Act (“CSFRA”) of the City of Mountain View is a voter-approved tenant protection law that applies to most apartments built before February 1, 1995.

The CSFRA regulates rent increases and decreases and provides “just cause” eviction protections. Landlords who own a CSFRA covered unit can request rent increases above the Annual General Adjustment (AGA) through a City-managed petition process. Although increases and decreases in rent are regulated, a landlord is entitled to earn a fair return.

The MNOI Petition for upward adjustment of rent ensures a landlord may earn a fair return by maintaining the net operating income for a property from year to year. Net operating income is defined as gross income less operating expenses. The petition process reviews the net operating income earned from a property in the base year (adjusted for inflation) and the petition year. The petition process provides for rent increases if necessary to ensure that the net operating income earned in the petition year is at least equal to the inflation-adjusted net operating income earned in the base year.

Landlords considering filing a petition should carefully review the applicable sections in the CSFRA and the Program Regulations and contact City staff as soon as possible for assistance with the petition process. As a reminder, City staff is unable to provide legal advice, please seek legal assistance if necessary. **All forms for filing a petition, as well as the CSFRA and the Regulations, are posted on mountainview.gov/rentstabilization.**

PREPARE TO FILE A PETITION

Here are a few things to do before starting the petition.

- Determine eligibility:
 - A petition for individual upward adjustment of rent will only be accepted if:
 - The rental property substantially complies with all the provisions of the CSFRA and the Regulations, and all applicable orders of the Rental Housing Committee, including payment of the Rental Housing Fee(s);
 - The rental property substantially complies with all state and local health and safety laws; and
 - There are no outstanding citations or notices of violation for the property.
- Gather the following information and documents:
 - Petition Form
 - Income and expense summaries for the three years preceding the petition
 - Compliance records
 - Rent roll back documentation

DISCLAIMER: Neither the Rental Housing Committee nor the City of Mountain View make any claims regarding the adequacy, validity, or legality of this document under State or Federal law. This document is not intended to provide legal advice. Please visit mountainview.gov/rentstabilization or call 650-903-6136 for further information.

- Code inspection and/or code violation records *(if available)*
 - Base Year (2015) and Petition Year
 - Proof of Rental Housing Fee payment
- Worksheet 1: Tenant Contact Information
 - Name(s) of tenant(s) on lease for each unit
 - Phone number and email address for each tenant *(if known)*
- Worksheet 2: Unit Information
 - Total number of units on property
 - For each unit on property
 - Number of bedrooms and bathrooms
 - Move-in date
 - Base rent amount
 - October 19, 2015 *(If applicable)*
 - or-
 - Initial rent amount on move-in date *(If this date falls after October 19, 2015)*
 - Last monthly rent before rent roll back *(if applicable)*
 - Amount and percent of last monthly rent increase
 - [Percent change calculator](#)
 - Current rent
 - Rent increases and/or decreases after October 19, 2015 or move-in date
 - Proof of rent roll back *(if applicable)*
- Worksheet 3: Total Gross Income
 - Imputed rental value of any owner occupied rental unit(s) or units rented at a discount for any reason
 - Income from coin-operated laundry facilities, vending machines and similar income
 - Interest from security, cleaning or other deposits received from tenants
 - Other income or consideration received in connection with use or occupancy of rental units and housing services
 - Imputed rental value of vacant units
 - Uncollected rents (bad debts)
- Worksheet 3.1: Vega Standard – Base Year *(if applicable)*
 - Rent for all units for Base Year 2015 (January 1, 2015 through December 31, 2015)
 - Vacancy information for the Base Year
- Worksheet 3.2: Rents Lawfully Collectible – Petition Year
 - Rent for all units for Base Year 2015 (January 1, 2015 through December 31, 2015)
- Worksheet 4: Operating Expenses
 - Allowable Attorney’s Fees
- Worksheet 4.1A and 4.1B: Ordinary Repair and Replacement Expenses

- Maintenance records or logs
 - Invoices
 - Receipts
 - Cancelled checks
 - Other proof of payment
- Worksheet 4.2A and 4.2B: Reasonable Management Expenses
 - Invoices
 - Receipts
 - Cancelled checks
 - Other proof of payment
- Worksheet 4.3: Property Related Expenses
 - Multi-Family Inspection Fee
 - Rental Housing Fee (Petition Year)
 - Business License Fees
 - Property Taxes
 - Cancelled checks
 - Other proof of payment
- Worksheet 4.4: Utility Expenses
 - Utility bills and payments paid by owner
 - Receipts
 - Cancelled checks
 - Other proof of payment
- Worksheet 4.5A and 4.5B: Capital Improvement Expenses
 - Maintenance records or logs
 - Invoices
 - Receipts
 - Cancelled checks
 - Contracts and/or bids
 - Other proof of payment
- Worksheet 4.6A and 4.6B: Owner Performed Labor
 - Maintenance records or logs
- Worksheet 4.7: Other Operating Expenses
 - Invoices
 - Receipts
 - Cancelled checks
 - Other proof of payment
- Decide if you will:
 - Designate a representative to file this petition on your behalf or appear on your behalf

- *Gather representative contact information if applicable*
- *Complete the Representative Authorization Form*
- Have any witnesses speak on your behalf
- Request a settlement meeting

COMPLETE THE PETITION

- Complete the entire petition as thoroughly as possible and provide all necessary documentation
- Closely review the petition to check that you have:
 - Entered all information correctly
 - Completed the entire petition
 - Gathered and labeled all applicable documentation
 - Provided explanations for all missing documents
 - Clearly explained any complicated issues in your petition

REQUEST AN INFORMAL REVIEW

The next step is to formally serve the petition on your tenants. Before doing so, you may want to request an *optional and informal* preliminary review of your petition by Rent Stabilization Program staff.

The informal review provides an opportunity for staff to:

- Offer feedback regarding missing information and/or incomplete worksheets
- Provide information on documentation
- Answer your questions

By requesting an informal review, you reduce the likelihood of having to re-serve the petition if information is found to be missing or incomplete. Staff recommend informal reviews for all petitions.

SERVE THE PETITION

Once you have filled out the petition and completed the informal review, it's time to serve it on the affected tenants.

Complete the Notice of Submission and Proof of Service Form

The Notice of Submission and Proof of Service Form must be completed before serving the petition on your affected tenants. This form notifies the affected parties that you are submitting a request to the City of Mountain View for a rent increase.

- Fill out and sign the Notice of Submission (front page)
- Determine how you will serve the petition
 - By Personal Service/Hand Delivery;
 - By Mail; and/or
 - By Email (can only be used if you regularly communicate with your landlord via email)
- Complete and sign the Proof of Service Form (back page)
- Attach the Notice of Submission/Proof of Service Form to the cover of the Petition Summary; this is your Petition Packet

- Make two additional copies of the full Petition Packet (one for your files and one for filing with the City)

Serve on Affected Tenants

Serve the signed petition on the affected tenants as indicated in your Proof of Service Form.

FILE THE PETITION

Once you have served the petition on the affected tenants, submit one un-redacted copy of the petition (including all evidentiary documentation) with copies of the Notice of Submission and Proof of Service to Tenants of a Petition Requesting Upward Adjustment of Rent to:

City of Mountain View, Rental Housing Committee
500 Castro Street
Mountain View, CA 94041

-or submit by email-
(preferred method)

Patrica.Black@mountainview.gov

NEXT STEPS

Formal Review and Acceptance

Rent Stabilization Program staff will review your petition to make sure it is complete. If information or documentation appears to be missing, staff will contact you to give you a chance to supplement or revise your petition. Staff will then accept the petition and notify all parties involved. The City of Mountain View will have redacted copies of the complete petition (*including all evidentiary documentation*) available for review by interested parties. Personal information (i.e. phone numbers, social security numbers, dates of birth) will be redacted. The redacted copies (*including all evidentiary documentation*) are a public record and subject to the California Public Records Act (Government Code Section 6250, et seq.).

Settlement Meeting

The Mountain View Rental Housing Helpline will contact all parties to discuss the hearing process, including scheduling a settlement meeting, if that option was selected. If all parties agree to participate, the Helpline will schedule the meeting. At the meeting, you will have the opportunity to privately discuss issues brought up in the petition with a trained facilitator and the affected parties. If a mutual understanding is reached, the facilitator will draft a binding agreement and the petition will be resolved without going to a hearing. Any settlement agreement will be a private record and is not subject to public disclosure.

Hearing Process

If a settlement meeting is not requested, or no agreement is reached, the Helpline will coordinate a hearing with a hearing officer and the parties. The hearing officer will hold a telephone conference to review what will happen at the hearing, request additional documentation, and answer any questions. At the hearing, all parties will have a chance to share information with the hearing officer, respond to each other's statements and provide clarifying answers as requested. After the hearing is over and the record is closed, the hearing officer will issue a written decision determining the outcome of the petition.

A hearing officer's decision may be appealed to the Rental Housing Committee. The appeal must be filed within ten (10) days of the mailing date of decision. If the hearing officer's decision is not appealed, it automatically becomes final and the petition is closed.

LOOKING FOR MORE HELP?

The CSFRA and Regulations, including Chapters 4 and 5 outlining the petition and hearing process, as well as all program forms are available at: www.mountainview.gov/rentstabilization. If you have questions, please contact the Patricia Black at (650) 903-6149 or patricia.black@mountainview.gov.

LANDLORD PETITION FOR UPWARD ADJUSTMENT OF RENT – MNOI – AS DEFINED BY THE COMMUNITY STABILIZATION AND FAIR RENT ACT (CSFRA)

Please fill out this form as completely as you can. City staff is available to assist you with completing the forms. Failure to provide needed information may result in your petition being rejected or delayed. Attach copies of the documents that support your petition. Before completing this petition, please read the CSFRA, and the CSFRA Regulations, Ch. 4, 5 and 6.

I. General Information

A. Owner Information

Name: _____ Phone: () _____

Mailing Address: _____

Email: _____

Owner is (please select one)

- | | | | |
|--------------------------|------------------|--------------------------|----------------------------|
| <input type="checkbox"/> | Individual Owner | <input type="checkbox"/> | Trust |
| <input type="checkbox"/> | LLC | <input type="checkbox"/> | Corporation or Partnership |

If any type of ownership other than Individual Owner is selected, please provide the Name, Title and phone number for Trustee(s), CEO, and/or Managing Member or Partner:

Name: _____ Phone: () _____

Title: _____ Email: _____

(Attach additional pages as needed.)

B. Interpretation and Translations Support

Interpretation and translations support is available. If needed, please indicate language below.

Se dispone de apoyo de interpretación y traducción. Si lo necesita, indique el idioma a continuación.

可提供口译和笔译支持。如有需要, 请在下面注明语言。

C. Representative Information

If you wish to authorize a Representative to file this petition on your behalf or appear on your behalf, a **Representative Authorization Form must be completed and submitted with this petition.** Please provide the following information for your Representative below.

Name: _____ Phone: () _____

Mailing Address: _____

Email: _____

II. Property Information

Property Address: _____

Parcel Identification Number: _____

Purchase Date: _____

Purchase Price: _____

Total Number of Residential Units on this Property: _____

Total Number of Units Affected by this Petition: _____

Property Unit Number(s) Affected by this Petition: _____

Description of Facilities, Housing Services and Allocation of Utility Costs

Describe relevant facilities (ex: onsite parking, laundry facilities, recreation room, etc.), housing services (ex: trash pick-up, onsite management, security services, etc.), and the allocation of utility costs for ALL units (trash/recycle/refuse collection; electricity; gas; water/sewer; other (submeters for each unit, paid by owner for property, ratio utility billing system or services, etc.). Attach available Code Inspection and/or Code Violation Records from the City of Mountain View for 2015 and the Petition Year.

	Description
Relevant Facilities	
Housing Services	
Allocation of Utility Costs	

III. Base Year and Petition Year

Base Year: Calendar Year 2015

Petition Year: Twelve (12) months prior to the date you sign and date this Petition:

to

(Month)

(Year)

(Month)

(Year)

In reviewing petitions for upward adjustment of rent, the effect of annual general adjustments which have been granted up to the date of the decision on this petition, will be taken into account.

IV. Income and Expense Summaries and Calculation of Net Operating Income

- Please check the box to indicate income and expense summaries for **the three (3) years preceding this petition** are attached.

Please check the box to indicate completed worksheets, where applicable, are attached to provide the information necessary to calculate net operating income (NOI) in the base year and the allowable NOI plus CPI adjustment for the petition year.

- If your actual net operating income for the petition year is lower than the NOI for the base year plus the CPI adjustment, **you may be eligible for an upward adjustment of rent.**

V. Missing Documentation

If any documents necessary to support an entry in the previous worksheets are not available, identify said documents in this worksheet and explain why they could not be obtained through ordinary means.

	Reason Document is Unavailable
Summary Income and Expenses for Three (3) Years Preceding this Petition	
Code Inspection Reports	
Worksheet 4.1A and/or 4.1B	

V. Missing Documentation (Continued)

If any documents necessary to support an entry in the previous worksheets are not available, identify said documents in this worksheet and explain why they could not be obtained through ordinary means.

	Reason Document is Unavailable
Worksheet 4.2A and/or 4.2B	
Worksheet 4.3A and/or 4.3B	
Worksheet 4.4A and/or 4.4B	
Worksheet 4.5A and/or 4.5B	
Worksheet 4.6A and/or 4.6B	
Worksheet 4.7A and/or 4.7B	
Worksheet 4.8A and/or 4.8B	
Other (Please explain)	

VI. Additions/Explanations

Use this section to add to or explain your entries on the coversheet or any of the prior worksheets. Be sure to identify which prior section(s) you are supplementing.

VII. Witnesses

If you would like someone other than parties included in your petition, or your authorized representative, to provide documentation or speak on your behalf during the hearing, please fill out the section below. A witness can be anyone with knowledge related to the condition(s) presented in your petition.

If an expert witness report will be submitted at the hearing (e.g., an economic analysis, property appraisal, or property inspection report), one copy of the report must be submitted either together with the Petition or at least ten (10) business days prior to the hearing.

Witness List

Please indicate:

- Yes, there are additional witnesses other than the petitioner
(Fill out the witness information below.)
- No, there are not additional witnesses other than the petitioner

Name		Topic
1.		
2.		
3.		

Expert Witness List

Name and Address of Expert Witness	Summary of the Expert Qualifications of this Witness	Subject Matter that the testimony of this Witness will Cover
1.		
2.		
3.		

VIII. Request for Voluntary Settlement Meeting

A voluntary settlement meeting allows you the opportunity to meet privately with a trained facilitator and the affected parties to discuss issues brought up in the petition. If a mutual understanding is reached, the facilitator will draft a binding agreement and the petition will be resolved without going to a hearing. Any settlement agreement will be a private record and is not subject to public disclosure.

- I request a voluntary settlement meeting
- I do not request a voluntary settlement meeting

IX. Declaration

I (we) request an individual upward adjustment for the described rental units on the property in order to ensure that I (we) receive a fair rate of return. This request demonstrates that the actual net operating income received for this property is less than the Base Year Net Operating Income plus the CPI Adjustment.

I (we) declare under penalty of perjury under the laws of the State of California that the contents of the foregoing Petition and all attachments and accompanying documents, are true and correct, and complete.

I further declare under penalty of perjury under the laws of the State of California that:

- I (we) have complied with the provisions of the Community Stabilization and Fair Rent Act and implementing rules and regulations (please check all that apply):
 - have rolled back the rent on all units to either the rate charged on Oct. 19, 2015 –OR– to the amount charged at date of move-in if tenancy started after Oct. 19, 2015
 - have only increased the rent by the amount allowed under the law since the CSFRA went into effect on Dec. 23, 2016; if I charged more than the allowed amounts, I have refunded the unlawful rent to my tenants
 - have paid all applicable Rental Housing Fees;
 - have registered the property with the City; and
 - the condition of the rental property for which rent adjustment is sought, is in substantial compliance with all state and local health and safety laws and with any Rental Housing Committee orders or regulations pertinent thereto and that there are no outstanding citations or notices of violations for the property.

A completed and signed Notice of Submission and Proof of Service to Tenants of a Petition Requesting Upward Adjustment of Rent Form is attached for each affected unit.

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Este formulario está disponible en español y mandarín.

此表格有西班牙语和中文版本。