

RESOLUTION NO. RAC- 5

AN AMENDMENT TO RESOLUTION NO. RAC-2 OF THE
THOUSAND OAKS RENT ADJUSTMENT COMMISSION
ESTABLISHING GUIDELINES IN ORDER TO DETERMINE
A "JUST AND REASONABLE RETURN"

THE RENT ADJUSTMENT COMMISSION OF THE CITY OF THOUSAND OAKS DOES
HEREBY RESOLVE AS FOLLOWS:

Section 1.01 is hereby amended to add subsection (e).

Sec. 1.01.

e. Vacancy Decontrol.

Section 1.04 is hereby amended to read as follows:

Sec. 1.04. The method authorized herein is the approached preferred by the Commission, however, it is not exclusive. Applicants or tenants may propose the use of alternative approaches, but must fully explain, in writing, the methodology and the reasons supporting the use of the methodology and why the alternate approach is more appropriate than the method authorized herein. The proponent of an alternate approach must also provide information and documentation adequate to employ the suggested alternate approach. The methodology and documentation shall be provided with the application, sufficiently before the date set for hearing, so that the matter may be reviewed by the Commission staff. Failure to so provide that information shall be grounds for rejection of its use, or continuation of the hearing, at the Commission's discretion. The use of such approach as suggested by the applicant or tenant shall be at the discretion of the Commission.

Section 1.04 A is hereby added to read as follows:

Sec. 1.04 A. The Commission promulgates these guidelines to assist them in determining whether the maximum adjusted rents under the Rent Stabilization Ordinance is permitting landlords to achieve a just and reasonable return on their rental units and is not intended to keep rents at the

constitutional minimum. This approach has, and any proposed alternate approach should have, the ability to accurately and reliably make a determination as to when a rent adjustment is needed in as prompt and efficient a manner as possible with the least cost to the applicant and the least likelihood of delay, manipulation, or error.

Section 2.10 is hereby amended to read as follows:

Sec. 2.10. Management and Administrative Expenses shall include and be determined as follows:

- a. Wages, salaries and benefits for management, administrative and other personnel, including agency fees for administrative services.
- b. Advertising rental units but excluding any advertising for the sale of condominiums or for the sale of the rental complex as a whole.
- c. Auditing and accounting expenses.
- d. Office expenses; telephone expenses.
- e. Legal expenses - These expenses must be reasonable and in line with industry standards as per Sec. 2.17. This term shall not include fees incurred in selling or attempting to sell or convert the rental complex to another use or subdividing the rental complex. It shall also not include fees incurred in litigation involving rent control where such an inclusion would have the effect of "awarding" legal fees to the applicant or otherwise be inappropriate.
- f. Application expenses - Expenses for making an application for rent adjustment may be included as an expense in the year paid. This term may include reasonable legal and accounting expenses for making application but shall not include filing fees.
- g. Professional property management fees, dues and licenses, except that if the landlord owns more than one rental complex, such expenses must be apportioned among the rental complexes owned.

Section 2.13 (c) is hereby amended to read as follows:

Sec. 2.13.

c. Maintenance and Repairs include all general maintenance or repair both inside and outside the building, painting of the exterior, elevator maintenance, plumbing and electrical services, fire protection and smoke detector services, plastering and masonry repair, carpentry, heating repair, roofing and buck pointing. However, Capital Improvements are not eligible expenses. Landlords who did work which constitutes Capital Improvements in the base year must capitalize such expenses on the basis of a five year (60 month) amortization and charge only one/fifth of the total expenses in the year such an expense incurred and for the next successive four years until fully amortized. Capital Improvements performed or paid for in the current year must be amortized pursuant to Sec. VII (A) of the Rent Stabilization Ordinance.

The installation of separate utility meters is not an eligible expense within these guidelines.

Section 3.07 is hereby added to read as follows:

Sec. 3.07. A determination of eligibility for a rent adjustment under this Resolution shall be conducted on the basis of the comparison of two (2) full years of data. The use of a base year other than calendar year 1979 shall only occur upon the showing of good cause as shall be determined within the discretion of the Rent Adjustment Commission. Good cause shall include, but shall not be limited to a showing that calendar year 1979 was not representative of net operating income produced by the complex; that income and/or expenses, where usually high or low during that period, in that 1979 was otherwise aberrational.

The PREAMBLE to Section 7 is hereby amended to read as follows:

Sec. 7. Landlords should carefully examine these Guidelines and the Rent Stabilization Ordinance (specifically, Section VII (C) of the Ordinance). The procedures and conditions covering eligibility are described therein.

Section 7.03 is hereby amended to read as follows:

Sec. 7.03. The landlord may not notice nor collect any rent increase based on a just and reasonable return application until such time as the Commission approves the request. Such increase may not go into effect until after compliance with statutory notice requirements.

Section 7.04 is hereby amended to read as follows:

Sec. 7.04. In no case will ^{the} Commission authorize a rent increase beyond the amount requested by the landlord in the application unless the Commission finds that such an increase is warranted due to adjustments which must be made to the landlord's figures or calculations pursuant to the Ordinance, these guidelines, or pursuant to Commission policy.

Section 7.06 is hereby amended to read as follows:

Sec. 7.06. If an application is returned by the Commission or by Commission staff because of an error or missing documents, the landlord may resubmit the application without an additional filing fee after correcting the error or obtaining the necessary documents.

Section 7.07 is hereby amended to read as follows:

Sec. 7.07. The Commission staff shall determine when an application is complete. This determination shall be made within five (5) working days of the filing of the application unless the application indicates on its face that it is not yet complete. Notice that an application is complete will be given in writing to the applicant and the hearing date will be set within forty-five (45) days of the date that the application is determined to be complete. The applicant can appeal staff's determination as to whether an application is complete to the Commission by filing a letter of appeal with the City Manager. A determination with written findings in support thereof will be made by the Commission within seventy (70) days of the date the application is determined to be complete.

Section 7.09 is hereby amended to read as follows:

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Sec. 7.09. Photocopies of all relevant documents must be attached to the application to consider it complete and must be legible and of a size and quality suitable for reproduction. Materials attached to the application will not be returned to the landlord. However, the landlord must, upon request by the Commission, show the Commission the original document from which the photocopy was made.

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PASSED AND ADOPTED this



Frank Millar, Chairperson
Rent Adjustment Commission
City of Thousand Oaks

ATTEST:



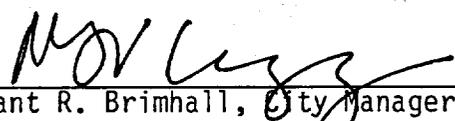
Nancy A. Dillon, City Clerk

APPROVED AS TO FORM:



Richard P. Staley, City Attorney

APPROVED AS TO ADMINISTRATION:



Grant R. Brimhall, City Manager

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