

TRANSFER OF UTILITY PAYMENTS TO MOBILE HOME PARK TENANTS (LAMC 151.08B)

Rent Adjustment Commission Regulations • Section 520.00
Effective November 17, 1982 • Amended Effective November 26,
1990 • Reviewed September 7, 2006

Rent Adjustment Commission Regulations & Guidelines

520.00 TRANSFER OF UTILITY PAYMENTS TO MOBILE HOME PARK TENANTS (LAMC 151.08B)

520.01 Any transfer of utility payment from a landlord to a tenant constitutes a decrease in services and a corresponding rent reduction must be made. The corresponding rent reduction following a transfer of utility payment must be based on the total average monthly cost of the utility to the landlord over the previous twelve months prior to the month in which the landlord filed the application; and it must be distributed among the affected mobile homes according to the following formula:

$$\text{Rent reduction} = \frac{a \times u}{12 \times t}$$

Where a = annual utility bill; in determining the annual utility bill, the common area costs that were included in the previous years utility payments, but which will continue to be paid by the landlord after conversion to individual meters, shall be deducted. To obtain this common area deduction, a landlord must submit a copy of a utility audit prepared by a qualified public or private agency, similar to those provided for electricity by the Department of Water and Power. The results of such surveys shall be presumed to indicate the amount a landlord may deduct from the previous year's utility expenses, unless there is clear and convincing evidence to the contrary. Any challenges to a utility survey submitted by a landlord must be made on the basis of factual evidence, such as an alternative survey report submitted by other parties. When water is the utility, a 10% common area deduction may be substituted for the utility audit stated above.

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Where u = utility use factor for mobile home size; in determining the utility use factor the landlord must use the utility use factor formula based on size listed below. In the event that the landlord can provide an audit, similar to those provided by the Department of Water and Power that demonstrates a different utility use factor per size of mobile homes in the park, the landlord may request the special audit be used instead of the standard formula. Any challenge to such an audit must be made on the basis of factual evidence, such as alternative audits submitted by other parties.

<u>SIZE OF MOBILE HOME</u>	<u>UTILITY USE FACTORS</u>
Small (up to 30 ft.)	=1.00
Medium (31-45 ft., single width)	=1.25
Large (46+ ft., single)	=1.50
Medium (double width*)	=2.50
Large (double width*)	=3.00

*Tip-outs do not constitute double width

Where t = total use factor which is the summation of all the utility use factors. (Effective 12/15/83)

520.02 In all cases where a capital improvement surcharge application is filed on the basis of the installation of individual utility meters, the Department shall calculate and deduct from the final capital improvement rent increase the appropriate decrease in rent due to reduction in services.

520.03 Conversions from master to individual utility meters shall be held to be capital improvements pursuant to RAC regulation 211.02H.

530.00 **ADDITIONAL TENANTS - MOBILE HOME PARKS EFFECTIVE DATE 4/18/85**

Additional tenants who move into a mobile home after creation of the original tenancy are subject to California Civil Code Sections 798.34 and 798.35. These are State Law provisions governing allowable rent increases for additional tenants living in a mobile home park which supersede RAC regulation 310.00.