

# RENT ADJUSTMENT TO MASTER METERED MOBILE HOME PARK RESIDENTS

Rent Adjustment Commission (RAC) Regulations • Section 560.00

## Rent Adjustment Commission Regulations & Guidelines

### 560.00 RENT ADJUSTMENT TO MASTER METERED MOBILE HOME PARK RESIDENTS (LAMC 51.08 C)

**560.01** A change in the mobile home park sewer service charge rate from commercial to residential is a decrease in operating expenses and constitutes a required rent reduction for master-metered park residents. The rent reduction must be based on the total average monthly sewer service charge to the park owner over the previous twelve months, prior to the month in which the rate was reclassified; and it must be applied to the affected residents according to the following formula:

$$\text{Rent} = \frac{s \times 33\%}{12 \times n}$$

Where  $s$  = annual sewer service charge; in determining the annual sewer service charge, a 10% common area cost shall be deducted. In the event a park owner seeks to obtain more than a 10% common area deduction, he/she 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 park owner 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 park owner must be made on the basis of factual evidence, such as an alternative survey report submitted by other parties.

Where: 33% = the difference between the commercial and residential sewer service charge rates

$n^*$  = total number of units in the mobile home park

\* unlike the formula used for the transfer of utility payments, which applies utility use factors in consideration of the size of units, apportionment in this case, is based on the total number of units in the park. This is because of the insignificant amount in the differ-

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ence that results from applying the utility use factor, as well as, the reported similarity in the amount of sewage discharge, regardless of the size.

- 560.02** Mobile home park sewer service charges in mastered and sub-metered parks shall be calculated using the same sewer service charge rate and methodology as the Bureau of Sanitation.

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