

# Fair Return Petition-Schedule B

## Section 1

### Landlord Information

Name:	
Mailing Address:	
City, State, Zip:	
Phone:	
Email:	

## Section 2

### Authorized Representative/Agent ( Check here if not applicable)

Representative Name:	
Mailing Address:	
City, State, Zip:	
Phone:	
Email:	

## Section 3

### Property Information

Property Address:	
City, State, Zip:	
Total Number of Units:	
Total Number of Units Affected by Rent Increase:	
Parcel ID No. (APN #):	
Date Acquired:	

## Section 4

### Declaration

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.	
Signature: _____	Date: _____
Print Name: _____	
Signature: _____	Date: _____
Print Name: _____	

**Section 5**

**Services**

You must provide signed copies of each applicable tenant’s most recent rental agreement along with your Fair Return Petition.

a) Identify the way each type of service is paid (Please check the applicable boxes)

<b>Type of Service</b>	<b>Paid by Landlord, but not passed through to Tenants</b>	<b>Tenants pay service directly</b>	<b>Landlord pays service and passes cost through to Tenants</b>
<b>Gas</b>			
<b>Electricity</b>			
<b>Water</b>			
<b>Sewer</b>			
<b>Garbage</b>			
<b>Other:</b>			

b) Briefly describe the services (e.g., utilities, water, sewage, etc.) provided to the rental units. Include all services provided and state which services are provided without additional charge:

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c) If there have been any changes to the services listed above or in the responsibility for their payment since the base year (2018), please explain:

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**Section 6**

Please complete the following table and attach documentation of each tenant’s initial and current year rent.

Proposed Individual Rent Increase Schedule (Please attach additional sheets if needed)						
Unit #	Tenant Name	Current Rent	Move-in Date	Date of Last Rent Increase	Proposed Monthly Increase (%)	Proposed Rent After Increase
<b>TOTAL CURRENT RENT</b>			<b>TOTAL PROPOSED RENT</b>			

## Section 7

### Income Summary

	Initial Year (2018)*	Current Year** Jan. 1 <sup>st</sup> through Dec. 31 <sup>st</sup>
<b>Step 1: Calculate Total Gross Income</b>		
a) Total Gross Rental Income for all Residential Units in Property	\$	\$
b) Other Income a. (ex. coin operated laundry)	\$	\$
c) Annual interest from security/cleaning deposits	\$	\$
d) Rental assistance grants	\$	\$
e) Total gross income (add lines 1a, 1b, 1c)	\$	\$

\* If there has been a prior fair return decision for rent increases at this property, use the current year from that decision as the initial year instead of 2018

\*\* The Current Year is the most recent calendar year preceding the submission year of your current Fair Return Petition (for example, if you're submitting a petition in 2021, the Current Year is 2020).





**Section 9**

**Operating Expenses Worksheet**

Enter all operating expenses for the Initial Year and Current Year below. You must submit your Initial Year and your Current Year’s Schedule E tax return (or equivalent) with this Fair Return Petition. Please attach additional pages if you need more lines. Please note that these expenses should not include capital improvements or debt service.

	Annual Total	
	Initial Year	Current Year
<b>Management</b>		
a. Management Fee		
b. Administrative Rent-Free Unit		
<b>Sub-total Management</b>		
<b>Administration</b>		
a. Advertising		
b. Office Supplies		
c. Office Rent		
d. Computer Charges		
e. Legal		
f. Other Professional Fees		
g. Audit & bookkeeping		
h. Telephone (office, fax, data, entry system)		
i. Bad Debts		
j. Credit Reports		
k. Mileage/Travel		
l. Bank Charges		
<b>Sub-total Administration</b>		
<b>Personnel</b>		
a. On-Site Manager(s)		
b. Security		
c. Grounds, Janitorial, Repairs and Maintenance		
d. Payroll Taxes		
e. Worker's Compensation		
f. Health Benefits		
g. Retirement Benefits		
h. Unemployment Insurance		
i. Other Salary/Benefit Expenses		
<b>Sub-total Personnel</b>		
<b>Taxes, Licenses, and Permits</b>		
a. Real Estate Taxes		
b. Miscellaneous Taxes, Licenses, and Permits		
<b>Sub-total Taxes, Licenses, and Permits</b>		

## Operating Expenses Worksheet (Page 2 of 2)

<b>Insurance</b>		
a. Property and Liability Insurance		
b. Fidelity Bond Insurance		
c. Other Insurance		
<b>Sub-total Insurance</b>		
<b>Utilities</b>		
a. Electricity		
b. Water		
c. Gas		
d. Sewer		
e. Trash Removal		
<b>Sub-total Utilities</b>		
<b>Maintenance</b>		
a. Cleaning Supplies		
b. Contract Cleaning		
c. Pest Control		
d. Security		
e. Fire Alarm Expense (incl. phone)		
f. Grounds, Repairs & Maintenance		
g. Grounds, Repairs & Maintenance Supplies		
h. Elevator Maintenance (incl. phone)		
i. Plumbing, Electrical, HVAC Maintenance		
j. Painting and Decorating		
k. Exterior Paining		
l. Furniture		
m. Window Covering & Carpeting		
n. Vehicle and Maintenance Equipment Operation and Repairs		
o. Cable/Tools		
p. Miscellaneous Operating & Maintenance		
<b>Sub-total Maintenance</b>		
<b>Other</b>		
a. _____		
b. _____		
c. _____		
d. _____		
<b>Sub-total Other</b>		
<b>TOTAL OPERATING EXPENSES (sum all sub-total lines)</b>		





**Section 11**

**Net Operating Income (NOI)\***

Net operating income is calculated by subtracting operating expenses (Section 9) from gross income (Section 7).

	<b>Initial Year</b>	<b>Current Year</b>
1. Enter Total Gross Income (from Section 7)	\$	\$
2. Enter Total Operating Expenses (from Section 9)	\$	\$
3. Subtract line 2 from line 1 to calculate Net Operating Income (NOI) for each year	\$	\$

**\*NOI = GI (Gross Income) – Operating Expenses**

(NOI does not include either Debt Service nor any Capital Improvements)

## Section 12

### CPI Reference Table

The following table provides the average CPI in December for all items in the San Francisco-Oakland-Hayward area from 2018 through 2021 (Series CUURS49BSA0). Please use this table to complete the CPI calculation on the following page.

Year	December CPI
2018	289.90
2019	297.01
2020	302.95
2021	315.81

### Change in CPI Calculation

(From December to December)

1. Enter the Initial and Current Years	_____		_____
	<i>Initial Year</i>		<i>Current Year</i>
2. Enter the December CPI for each year (see table on previous page)	_____		_____
	<i>Initial Year CPI</i>		<i>Current Year CPI</i>
3. Subtract the initial year CPI from the current year CPI to calculate total change in CPI	_____ - _____ = _____		
	<i>Current Year CPI</i>	<i>Initial Year CPI</i>	<i>Change in CPI</i>
	<i>from line 2</i>		
4. Divide the change in CPI by total CPI from the Initial Year to calculate percentage change in CPI from Initial Year to Current Year	_____ / _____ = _____		
	<i>Change in CPI from line 3</i>	<i>Initial Year CPI from line 2</i>	<i>% Change in CPI</i>

**Section 13**

**Fair Return Increase Eligibility Calculation**

5.	Enter the Initial and Current Years	_____	_____
		<i>Initial Year</i>	<i>Current Year</i>
6.	Subtract Initial Year NOI from Current Year NOI	_____ - _____ = _____	
		<i>Current Year NOI</i>	<i>Initial Year NOI</i>
		<i>From section 11 line 3</i>	<i>Change in NOI</i>
7.	Divide the change in NOI by the Initial Year NOI to calculate percentage change in NOI from Initial Year to Current Year	_____ / _____ = _____	
		<i>Change in NOI</i>	<i>Initial Year NOI</i>
		<i>From line 6</i>	<i>% Change in NOI</i>
8.	Enter percentage change in CPI and percentage change in NOI	_____	_____
		<i>% Change in CPI from Section 12 line 4</i>	<i>% Change in NOI from line 7</i>
9.	Is the change in CPI greater than the change in NOI?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**If you answer yes to question 9, complete section 14.**

**If you answered no and the change in NOI was equal to or greater than the change in CPI, then the fair return threshold was met under the Residential Rent Stabilization Ordinance.**

## Section 14

### Estimated Amount of Fair Return Increase Calculation

Complete the following section only if you answered "Yes" to question 9 above in Section 13.

10.	Subtract change in NOI from change in CPI	_____ - _____ = _____		
		<i>Change in CPI from Section 12, line 3</i>	<i>Change in NOI from Section 13, line 6</i>	<i>CPI &amp; NOI Difference</i>
11.	Multiply Current Year NOI by CPI & NOI difference	_____ x _____ = _____		
		<i>Current Year NOI from section 11 line 3</i>	<i>CPI &amp; NOI Difference from line 10</i>	<i>\$ Increase needed for fair return</i>
12.	Divide amount needed for fair return by 12	_____ / _____ 12 = _____		
		<i>\$ Increase needed for fair return from line 11</i>		<i>Monthly increase amount</i>
13.	Divide monthly increase by number of units	_____ / _____ = _____		
		<i>Monthly increase amount from line 12</i>	<i>Number of Units</i>	<i>Monthly increase amount per unit</i>





### **Documentation Checklist of Current Year & Operating Expenses**

Please organize documents by operating expense category for initial year and current year. Number each page, submitted with this Attachment, with the number of the Expense Category (for instance on page 6, category of Electricity is on line 5, any documents supporting that line item would be marked p.6, 5-1, p. 7, 5-2, p. 7, 5-3 and so on).

Please include the following documentation:

- Rent roll for initial and current years
- Rental history for each unit
- Documentation of available banked rent increase, if applicable
- Copies of leases for affected units
- Operating expenses by expense category for initial and current years