

2015 Notice of MHP Lot Rent Increase

Today's Date _____

Dear Leaseholder(s):

This form advises you of a lot rent increase. This form is required by law for any lot rent increase, as provided by the Vermont Department of Housing and Community Development and consists of two pages titled "2015 Notice of MHP Lot Rent Increase" and "Lot Rent Increase Worksheet". It contains important information about the increase including your right to dispute certain increases. If you have questions about the increase or about the mobile home park, please contact the park owner or manager. For further information about your rights under the law or this form, contact the Department at the address and phone number on the bottom of this page.

1. Name of Mobile Home Park _____ Address / Town _____

2. Name of Park Owner _____ Telephone _____

Address of Owner _____

Town _____ State _____ Zip Code _____

3. Effective _____, 2015 your Lot Rent is increasing by \$_____, (worksheet line 6) and your New Payment will be \$_____ (worksheet line 9). This is an increase of _____ percent.

LEGAL REQUIREMENTS FOR LOT RENT INCREASES

The Commissioner of the Department of Housing and Community Development and all affected leaseholders must be notified of any lot rent increase at least 60 days before the effective date.

The notice of proposed lot rent increase MUST BE ON THIS FORM, and must include:

- The amount of the proposed lot rent increase
- The effective date of the proposed lot rent increase
- A copy of your legal rights (your rights are included on this form)
- If the proposed increase includes a new capital improvement surcharge:
 1. The monthly amount of the surcharge.
 2. The estimated cost of the capital improvements
 3. The proposed duration of the surcharge, prorated in 12-month increments

If the mobile home park owner fails to notify either you or the Commissioner of a lot rent increase in the manner described above, the proposed increase is ineffective and unenforceable.

LOT RENT INCREASE DISPUTES (MEDIATION RIGHTS)

- If the Percent of Increase is more than **3.6%**, you may request mediation by filing a petition with the Commissioner and the mobile home park owner within 15 business-days of the Department's receipt of the notice. For assistance call the CVOEO Mobile Home Program at (800) 287-7971 or (802) 660-3455 ext. 204.
- Your petition must be signed by a majority of the leaseholders affected by the increase, include a statement that the leaseholders dispute the increase, and indicate who will act as your representative. You may select more than one leaseholders' representative so you have an alternate if needed.
- Your representative and the park owner will contact mediators on a roster provided by the Department. If they can't agree on a mediator within 5 business-days, then the Commissioner will appoint a mediator for you. The Department pays the mediator from the Mobile Home Park Fund.
- Once a mediator is selected, he or she will schedule a mediation session. The park owner must provide information he or she feels supports the proposed lot rent increase at least five days before the mediation session. You and the park owner, or your representative(s), must participate in the mediation and attempt to resolve the dispute.
- The mediation must be completed no later than 10 days before the effective date of the proposed lot rent increase. The mediator will write a report of the outcome signed by him/herself and the parties to the mediation, and submit the report to the park owner, your representative, and the Commissioner.

LOT RENT INCREASE WORKSHEET

(Instructions on Reverse)

EFFECTIVE DATE OF INCREASE: _____

Name of Mobile Home Park: _____

Number of Lots Affected: _____ Category / Description of Lots (rent tier) _____

1. Current Base Lot Rent: \$ _____.

2. BASE LOT RENT INCREASE: \$ _____.

3. New Base Lot Rent: \$ _____ LINE 1 + LINE 2

CAPITAL IMPROVEMENT SURCHARGES

4. Previous surcharge, if any: \$ _____ Expires (month/year): _____

4a. Previous surcharge, if any: \$ _____ Expires (month/year): _____

5. NEW SURCHARGE: \$ _____ Expires (month/year): _____

Description of work: _____ Duration in 12-month increments: _____

_____ Total estimated cost: \$ _____

_____ *Expired surcharge (informational only)* *Original effective date:* _____*Description:* _____ \$ _____ per month**6. AMOUNT OF INCREASE:** \$ _____ LINE 2 + LINE 5

7. New Lot Rent: \$ _____ LINE 3 + LINES 4, 4A, AND 5

8. *State of Vermont lot fee:* \$ _____ ENTER \$1.00 IF FEE IS ADDED TO RENT**9. NEW PAYMENT:** \$ _____ LINE 7 + LINE 8**10. PERCENT OF INCREASE:** (see instructions) _____ % LINE 6 ÷ LINE 1 X 100 (CARRY OUT 2 DECIMALS)

IF "PERCENT OF INCREASE" IS MORE THAN **3.6%** A MAJORITY OF THE AFFECTED LEASEHOLDERS CAN DISPUTE THE INCREASE BY FILING A PETITION WITH THE MOBILE HOME PARK OWNER AND THE COMMISSIONER OF THE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT WITHIN 15 BUSINESS-DAYS. MEDIATION IS EXPLAINED IN DETAIL ON THE FIRST PAGE OF THIS NOTICE.

RIGHT TO CIVIL ACTION

- If the disputed increase is not resolved through mediation, a majority of the affected leaseholders may file a lawsuit in Superior Court for abatement of some or all of the increase based on a claim that the increase is clearly excessive. Any lawsuit must be filed no more than 30 days after the effective date of the increase. While the case is in court you will pay the lot rent including the increase to the park owner who will put the increase in a court escrow fund until the court rules on the increase.¹

¹ Except: "No abatement action may be filed if the rent increase is effective following a completed sale of the mobile home park which was contingent upon the increase, provided at least 6 months notice has been given." (Housing Division Rules, Part I, 6.4)

INSTRUCTIONS FOR MOBILE HOME PARK LOT RENT INCREASE

Category / Description of Lots (rent tier) – The type of lot paying the rent amount on this form if the park has more than one category or level of rent. For example; double wide, lots with cement pads, new lots in park etc. Otherwise leave BLANK or write “Standard Lot Rent”.

1. Current base lot rent – Enter the current base lot rent. The base lot rent is the amount due if rent is paid on the due date not including any late charge amounts, regardless of how late charges are described; i.e. “discount for prompt payment,” gross vs. net rent, etc. The base lot rent does not include any amount of the rent attributable to a surcharge for capital improvements or the annual lot fee, if the owner collects the fee from leaseholders on a monthly basis in addition to the lot rent. *Example \$280.00.*

2. Base lot rent increase – Enter the amount of the base lot rent increase, not including any new surcharge for capital improvements. *Example \$10.00.*

3. New base lot rent – Add the base lot rent increase to the base lot rent and enter the total here (line 1 + line 2). *Example \$280 + \$10 = \$290.*

4. Previous surcharge(s) – When applicable, enter the monthly amount, per lot, of any surcharge(s) for capital improvements that have not expired. Also enter the expiration date (last month the surcharge is included in the lot rent). *For example \$10 surcharge for water system improvement, effective June 2012 duration 60 months, expires May 2017.*

5. NEW CAPITAL IMPROVEMENT SURCHARGE – Any portion of a lot rent increase due to recovery of the estimated Cost of Capital Improvements must be separated out as a surcharge. A capital improvement includes replacement or repair of any major infrastructure system that costs more than \$2,500 This notice must include the total estimated cost of the capital improvements, the duration of the surcharge in 12 month increments (12,24,36...), and the amount of the lot rent increase that is attributable to the surcharge. *For example: \$15,000 to upgrade water supply, spread over a five year period at a twenty-five lot park = \$10/month: (\$15,000 ÷ 60 months = \$250 ÷ 25 lots = \$10).* Enter the expiration date which is the first month that the surcharge is no longer included in the lot rent.

NOTE: For any capital improvements surcharge the owner must file an Affidavit with the Commissioner of DHCD. A form affidavit is available for use to comply with this requirement. Please see our website or call.

6. Amount of increase – Add the base lot rent increase plus any new surcharge for capital improvements and enter the total here (line 2 + line 5). *Example \$10 + \$10 = \$20.*

7. New lot rent – Add the new base lot rent, unexpired surcharges, and new surcharge and enter the amount here (line 3 + line 4 + line 5). *Example: \$290 + \$10 = \$300.*
Or add previous surcharges and amount of increase to base lot rent (line 1 + line 4, 4a + line 6).

8. State of Vermont lot fee – If the annual lot registration fee (\$12.00 per occupied leased lot annually as of 7/1/2014) is recouped on a monthly basis in addition to the rent, enter \$1.00, otherwise leave blank or write N/A.

9. New payment – If applicable, add the State of Vermont lot fee to the new rent plus surcharges and enter the total (line 7 + line 8). Otherwise, simply enter the amount from line 7.

10. Percent of increase – Divide the total amount of increase by the current base rent (line 6 ÷ line 1), and then multiply by 100. Carry out two decimal places, round up if necessary. *Example: \$20 ÷ \$280 x 100 = 7.14%. (PLEASE WRITE-OUT; EXAMPLE: 7.14%, NOT .0714).*

IF THE PERCENT OF INCREASE IS MORE THAN 3.6% THE LEASEHOLDERS HAVE THE RIGHT TO REQUEST MEDIATION OF THE INCREASE.

Expired surcharge(s) – Any surcharge for capital improvements must end once the park owner has recovered the actual cost of the improvements. For example; a \$10 surcharge (see #4 above) for water system improvements that expires May 2017 must be removed from the rent effective June 1, 2017. This line is informational only to inform the leaseholders that a surcharge has expired and is no longer being collected with the rent.