



EJF Rental Services LLC

1428 U Street NW, 2nd Floor, Washington, DC 20009

Owner Authorization Form - Business Licensing and Certification packet

Purpose

To obtain comprehensive and accurate information from Property Owner(s) for the purpose of facilitating and finalizing licensing and/or certification procedures with the District of Columbia, and any applicable Federal procedure requirements.

Owner Information (please fill)

Full Legal Name of Property Owner: _____

Email Address of Property Owner: _____

Mailing Address of Property Owner: _____

Address to Receive & Place on DC and Federal documents: _____

Property Information

Physical Address of Property/Properties:

Number of Rental Units Per Property:

Management Information

Real Estate Professional Referring Owner to EJF Rentals LLC: _____

First EJF Residential Licensing Project Management Department Point of Contact:

2 or 4-Year Period EJF Rental Services LLC Authorized to License & Certify for Owner: _____

Rental Information

Current Rent Amount per Unit (write "UNDETERMINED" if applicable) _____

Effective Date of Current Rent per Unit ("N/A" if not applicable) _____

Current Tenant/Prospective Tenant Information ("N/A" if not applicable)

Full Name of Tenant/Prospective Tenant: _____

Tenant/Prospective Email Address: _____

Tenant/Prospective Tenant Telephone Number: _____

Start & End Date of Short-Term Rental Unit status: _____

Authorization for Credit Card Usage (please fill and sign)

I/We, the undersigned Property Owner(s), hereby authorize EJF Rental Services LLC (also referred to as "EJF" or "EJF Real Estate Services") to use my/our credit card solely for the purpose of paying fees associated with licensing and certification processing required by the District of Columbia (and any Federal entities) so that I/We may legally do business as Owner(s) of a rental property/rental properties. This authorization is limited to charges necessary to complete the licensing or certification of my/our rental property/properties, and does not extend to any other use. I/We understand that EJF Rental Services LLC will provide receipts or confirmation of payment upon request. The fee to initiate licensing and certification services is as quoted: \$325.00 .

Property Owner Name(s): _____

Signature: _____ **Date:** _____

Operational Authorization Clause (please fill and sign)

I/We, the undersigned Property Owner(s), hereby grant EJF Rental Services LLC permission to:

1. Liaise with my/our designated financial point of contact regarding any proprietor designations and/or tax obligations that may need to be fulfilled with the District of Columbia or applicable Federal entities.
2. Receive from me/us the applicable Zoning Code designation for the property listed herein, to ensure compliance with relevant city section laws and regulations.

3. Use my/our name, platform login, and contact information to conduct discovery, review, and obtain property-related information provided on the Access DC platform, My Tax DC platform (and other platforms mutually agreed upon) for the purpose of facilitating, managing, and finalizing the Licensing and Certification process.
4. Disclose any Builder and/or Architect renderings and related documentation, to the EJP licensing and certification processor, regarding any submission and progress status of DC building permit requirements.

Owner(s) Signature: _____ **Date:** _____

Deed Currently in Owner Possession/Need Assistance Acquiring Deed?

My Business Center/Access DC website email & password: _____

MyTax DC/OTR website email & password: _____

EIN/FEIN No. ("N/A" for Owners without an LLC or other Corporation): _____

Rate of Return (ROR) Percentage on Rental Earnings (guidance attached): _____

Upcoming Corporation or Individual Tax Year End-Date: _____

Property Tax Payment Method: _____

Building Plan and Permit Information ("N/A" if not applicable)

Builder/Architect Name(s): _____

Builder/Architect(s) Phone Number and Email: _____

Status of Renderings/Documents Submission: _____

Types of Required Building Inspections Already Passed: _____

Start Date of Temporary Certificate of Occupancy (TCO) status: _____

Rate of Return Calculation Example

Disclaimer: The calculation example provided below is meant solely for informational and guidance purposes only. This guidance is not intended to be or serves as legal advice. The rate of return formula is set out in § 42-3502.12(b) of the Rental Housing Act of 1985 (Act) (D.C. Official Code 2001 ed., as amended, § 42-3501.01 *et seq.*) and title 14, section 4209 of the *District of Columbia Municipal Regulations* (2004 ed., as amended). The purpose of this calculation example is for a housing provider to report a rate of return to comply with § 42-3502.05(f)(3)(iv) of the Act. The content on this page is provided “as-is” and there is no representation made that the content is error-free. If regulatory guidance is required, you should retain an attorney competent in landlord tenant law and the Act. The Rental Accommodations Division can be contacted at (202) 442-9505 for technical (non-legal) guidance.

What Is a Rate of Return? A rate of return is the gain or loss of an investment over a certain period. It is calculated by comparing the net gain or loss to the initial investment cost, expressed in the form of a percentage. A positive rate of return indicates a profit, while a negative rate signifies a loss on the investment.

Step 1: Set the Time Period

Section 42-3502.12(b) of the Act requires that the reporting period must be 12 consecutive months within the 15 months of registering the housing accommodation.

Beginning Month and Year: _____
Ending Month and Year: _____

Step 2: Calculate Gross Income

- A. Operating Income: add all operating costs to derive the total scheduled gross income. Income includes:

Maximum Rental Income at 100% Occupancy
+ Parking Income (if applicable)
+ All Other Fees Charged Above Rent (e.g., air conditioning, appliances, damages, legal fees, late fees)
+ Commissions and Fees (e.g., vending machines, laundry services)
+ Other Sources of Income

= Total Scheduled Gross Income

- B. Vacancy Losses: a “vacancy loss” is the amount of rent not collectable due to vacant units. Units occupied by a housing provider or his/her employee(s) are excluded.

Vacancy Losses
+ Uncollected Rents

= Total Losses

- C. Calculate the Gross Income by subtracting the Total Losses from the Total Scheduled Gross Income.

$$\begin{array}{r} \text{Total Scheduled Gross Income} \\ - \text{Total Losses} \\ \hline = \text{Gross Income} \end{array}$$

Step 3: Calculate Operating Costs

Operating expenses may include:

$$\begin{array}{l} \text{Administrative Costs (e.g., management fee, advertising, legal fees, telephone} \\ \text{fees, other)} \\ + \text{Operating Costs (e.g., trash collection, payroll, security, supplies, furniture,} \\ \text{equipment)} \\ + \text{Fixed Costs (e.g., insurance, payroll, licenses, permits)} \\ + \text{Maintenance \& Repair Costs (e.g., painting, decorating, repairs, cleaning, service} \\ \text{contracts, exterminators, grounds)} \\ + \text{Property Taxes} \\ + \text{Management Fee not more than 6\% of the maximum rental income of the housing} \\ \text{accommodation unless an additional amount is approved by the Rent Administrator} \\ + \text{Depreciation expenses to the extent reflected in decreased property tax} \\ \text{assessments} \\ + \text{Vacancy losses for the housing accommodation of not more than 6\% of the} \\ \text{maximum rental housing income of the housing accommodation unless an} \\ \text{additional amount is approved by the Rent Administrator} \\ + \text{Uncollected Rents} \\ + \text{Interest Payments} \\ \hline = \text{Total Operating Costs} \end{array}$$

Operating costs may **not** include: membership fees, political contributions, lobbying contributions, legal fees in class action lawsuits, mortgage principal payments, maintenance costs reimbursed by a third party (e.g., an insurance company, a tenant, by judgment or court order, negotiated payments), attorneys fees for defending against housing regulation violations, any expenses paid by the tenant.

Step 4: Calculate Net Income

$$\begin{array}{r} \text{Gross Income} \\ + \text{Total Operating Costs} \\ \hline = \text{Net Income} \end{array}$$

Step 5: Calculate Equity

$$\begin{array}{r} \text{Office of Tax \& Revenue Assessed Value} \\ - \text{Total Cost of All Liens and Encumbrances on the Housing Accommodation} \\ \hline = \text{Equity} \end{array}$$

Step 6: Calculate the Rate of Return

$$\text{Net Income} \div \text{Equity} \times 100\% = \text{Rate of Return}$$

Example (Illustration Purposes Only)

Reporting period is 01/2021–12/2021

4 rental unit housing accommodation with a 2022 assessed value of \$200,000

\$100,000 total of two deed of trust loans (encumbrances)

Rent charged is \$1,000 per unit

3 units are occupied; 1 unit is vacant

Gross Income

\$36,000	Maximum Rental Income at 100% Occupancy (3 units x 12 months) (No other fees or income)
\$36,000	Total Scheduled Gross Income
\$12,000	Vacancy Loss (1 unit x 12 months) (No uncollected rent)
\$36,000	Total Scheduled Gross Income
-\$12,000	Total Loss
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= \$24,000	Gross Income

Operating Expenses

\$2,000	Administrative Costs
+ 4,000	Operating Costs
+ 2,000	Maintenance and Repair Costs
+ 3,000	Mortgage Interest Payments
+ 2,000	Fixed Costs
+ 6,000	Property Taxes
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= \$19,000	Total Operating Costs

Net Income

$$\$24,000 \text{ (Gross Income)} - \$19,000 \text{ (Total Operating Costs)} = \$5,000 \text{ Net Income}$$

Equity

$$\$200,000 \text{ Assessed Value} - \$100,000 \text{ Encumbrance} = \$100,00 \text{ Equity}$$

Rate of Return

$$\begin{aligned} \$5,000 \text{ Net Income} \div \$100,000 \text{ Equity} &= 0.05 \\ 0.05 \times 100 &= 5\% \text{ Rate of Return} \end{aligned}$$