

From: [Dee Ostrofsky-Williams](#)
To: [City Clerk](#)
Subject: [EXTERNAL] Letter for Council Meeting on Jan. 19
Date: Friday, January 15, 2021 9:32:36 AM
Attachments: [We sent you safe versions of your files.msg](#)
[BayEast_CouncilMeeting011921.pdf](#)

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Good morning,

Please find the attached letter from the Bay East Association of REALTORS® addressing item 6B on Tuesday's agenda.

Thank you,
Dee

Dee Ostrofsky-Williams, Member Experience Director

Bay East Association of REALTORS®

Direct: 510.871.4202

Working remotely to serve you:

Alameda mainline: 510.523.7229

Pleasanton mainline: 925.730.4060

www.bayeast.org



January 15, 2021

Mayor Marilyn Ezzy Ashcraft
Members of the City Council
Via email to: clerk@alamedaca.gov

Re: City Council Agenda Item 6B, Jan. 19, 2021

Dear Mayor Ashcraft and Councilmembers,

On behalf of the Bay East Association of REALTORS®, please consider the following observations about the proposed revisions to the Capital Improvement Program, specifically the minimum CIP expenditure amount. These observations are based on the direct experience our members have as housing providers in Alameda and from representing clients who own rental housing units.

The \$25,000 total cost plus the \$2,500 per unit allowance will complicate the ability owners and managers of smaller rental properties to continue providing safe and affordable housing in Alameda. A significant percentage of the current multi-family rental properties in Alameda were once owner-occupied single-family homes. Once converted to rental properties, they now may have up to eight units in a single building. A major capital improvement such as a roof replacement under the proposed revisions, would not qualify as an eligible expenditure for the Capital Improvement Program. Furthermore, the \$25,000 requirement would not cover the cost for most of the eligible major capital improvements listed in the ordinance. These improvements include basic health and safety maintenance works such as exterior painting, maintaining or upgrading electrical and plumbing systems and pest repairs.

We understand you are trying to satisfy a variety of stakeholders with differing perspectives on the economics of rental housing. However, this proposed solution places an unreasonable burden on smaller housing providers who, particularly during the COVID-19 crisis, may not be even receiving their rent payments and may be reconsidering their ability to continue. Please reach out to us if you have any questions or need more information about the implications of these policy changes.

Sincerely,

Marilyn Schumacher, Alameda Local Government Relations Chair

From: [Karen Miller](#)
To: [Tony Daysog](#); [Trish Spencer](#); [Malia Vella](#); [John Knox White](#); [Marilyn Ezzy Ashcraft](#)
Cc: [City Clerk](#)
Subject: [EXTERNAL] Proposed Capital Improvement Program
Date: Monday, January 11, 2021 11:42:55 AM
Attachments: [We sent you safe versions of your files.msg](#)
[OAK_CIP_CapitalImprovementCalculator.csv](#)
[City of Oakland_CPI and Allowable Rent Increases.pdf](#)
[SF_CIP.pdf](#)

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Dear Mayor and Council members,

I strongly oppose the proposed revisions to the Capital Improvement Program. The proposal is only slightly better than the original. Having the threshold be \$25,000 AND \$2500/unit allows for only a foundation to be included unless you are talking about a very large complex. Many of Alameda's rentals are in buildings that previously were single family homes and not even a roof replacement would qualify. As a Realtor, I get roof estimates all the time and know this to be true.

This proposal is unlike any Bay Area city. Oakland's CIP program is modeled after Santa Monica that has a list of approved improvements that are amortized over different periods of time. It allows for appliances, heaters, floor coverings, etc to be passed through to the tenant with a cap on the increased rent. Their program is attached along with the amortization schedule. Berkeley's definition of a capital improvement "shall be any improvement to a unit or property which materially adds to the value of the property, appreciably prolongs its useful life or adapts it to new use and has a useful life of more than one year and a direct cost of \$200.00 or more per unit affected, or \$1,500.00, whichever is less".

SF has a similar amortization schedule as Oakland and Santa Monica but with different schedules for 1-5 units and 6 or more.

I was a part of the stakeholder meetings surrounding this revised policy and we discussed the Santa Monica capital improvement at length. Mr. Shen, the city attorney sat in, as he is from Santa Monica and has a thorough understanding of how the policy is implemented. He was very positive about how it is implemented and said that the tenants were on board with it. It works well which is why Oakland modeled theirs after it.

With the AGA being only 70% of the CPI, I don't know how you expect a landlord to maintain a property with this new proposed Capital Improvement Program. It is going to be as useless as the original one. I highly recommend you speak to the City Attorney, Mr. Shen, regarding the Santa Monica CIP before you make a decision on this proposal. Thank you.

Regards,

Karen Miller



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Select Language ▼

[Oakland](#) → [Resources](#) → **CPI and Allowable Rent Increases**

CPI and Allowable Rent Increases

Date Posted: **August 31st, 2018 @ 3:44 PM**Last Updated: **December 11th, 2020 @ 10:16 AM**

Consumer Price Index (CPI) Increases

The Oakland Rent Adjustment Ordinance allows an annual rent increase based on the regional Consumer Price Index (CPI). These annual rent increases are known as CPI increases or annual general rent increases.

The annual CPI rate for rent increases effective July 1, 2020 through June 30, 2021, is **2.7%**. The rate is not applied to rent increases that take effect earlier than July 1, 2020.

- **July 1, 2020: 2.7%**
- July 1, 2019: 3.5%
- July 1, 2018: 3.4%
- July 1, 2017: 2.3%
- July 1, 2016: 2.0%
- July 1, 2015: 1.7%
- July 1, 2014: 1.9%
- July 1, 2013: 2.1%
- July 1, 2012: 3.0%
- July 1, 2011: 2.0%
- July 1, 2010: 2.7%
- July 1, 2009: 0.7%
- July 1, 2008: 3.2%
- July 1, 2007: 3.3%
- May 1, 2006: 3.3%



- May 1, 2003: 3.6%
- July 1, 2002: 0.6%
- March 1, 1995 – June 30, 2002: 3% per year

The “CPI rate” takes effect on each July 1 and remains in effect through June 30 of the following year. A property owner can raise rent above the CPI rate, based on certain justifications.

- Banking
- Increased housing service costs
- Capital improvements
- Uninsured repair costs
- Fair return

Banking

Banking refers to deferred allowed annual rent increases. Annual rent increases that were not applied either fully or completely, can be applied in future years. Property owners may defer applying annual rent increases up to 10 years. Rent increases that were not imposed within 10 years expire. If challenged, evidence of the rental history of the subject unit is required.

- [Banking Rent Increase Calculator Instructions](#)
- [Banking Rent Increase Calculator](#)

Increased housing service costs

Housing service costs are expenses for services provided by the property owner. The costs are related to the use of a rental unit. These costs are also known as “operating expenses”.

If a tenant challenges a rent increase, the landlord must present evidence to prove all claimed expenses. Staff will compare the most recent two years of operating expenses to determine if a rent increase is justified. The



Expenses considered include:

1. Property taxes
 2. Business license/taxes, and insurance,
 3. Utilities (electricity, gas, water, garbage)
 4. Maintenance and repairs
 5. Managerial costs
 6. Other legitimate annually recurring expenses to operate the rental property, except debt service
- [Increased Housing Costs Rent Increase Calculator](#)

Capital improvements

Capital improvements include improvements to the property. A landlord may apply a rent increase to reimburse themselves for property improvements that benefit the tenants. Reimbursement is limited to 70% of the cost of the improvement amortized over its useful life. Property owners must also show that these costs were paid. Examples include: copies of receipts, invoices, bid contracts or other documentation.

- [Capital Improvements Rent Increase Calculator Instructions](#)
- [Capital Improvements Rent Increase Calculator](#)

Uninsured repair costs

Uninsured repair costs are losses that are not reimbursed to the property owner. These losses are related to damage from fire, earthquake, or other disasters. These costs must be associated with repairs to meet state or local laws. An increase for uninsured repairs is calculated the same way as an increase for capital improvements.

Fair return

IMPROVEMENTS BENEFITING ALL UNITS BUILDING WIDE

Petition Date

Number of
Residential
Units

IMPROVEMENT OR REPAIR	DATE PERMIT OBTAINED (or date started if permit not required)	DATE COMPLETED	FULL COST	ALLOWABLE PASS THROUGH (70%)	ALLOWABLE PASS THROUGH PER UNIT	Imputed Interest	Amortization Period (years)	Allowable Monthly Amortized Cost For Building (70%)	Allowable Amortized Cost per Unit	Date Validation (2 years ago max)

Subtotal (with
weighted averages)
Place X in cell B19 if
property is mixed
use.
Residential square
footage
Other use square
footage
Percent residential
use
Total Cost Per Unit
Allocated to
Residential Units

TOTAL RENT
INCREASE FOR EACH
UNIT

		Allowed Pass Through per Unit (from F23 if building wide only)	Imputed Interest	Amortization Period (years)	Allowed Monthly Increase	Percent Increase
Unit	Current Rent					

IMPROVEMENTS
LIMITED TO SPECIFIC
UNITS

Unit Number:			Current Rent					
	DATE PERMIT OBTAINED (or date started if permits not required)	DATE COMPLETED		ALLOWABLE PASS THROUGH (70%)		Imputed Interest	Amortization Period (years)	Allowable Amortized Cost per Unit
IMPROVEMENT OR REPAIR			COST					Date Validation (2 years ago max)

Weighted Average of
unit specific
improvements:
Combined unit
specific with building
wide

ADJUSTED
AMORTIZATION
PERIOD

Percent
Increase

If percent increase is
more than 10%,
increase
amortization period
in cell H74 until
percent increase is
not more than 10%

CHECKLIST FOR FILING

Capital Improvement Petition For Properties with 1-5 Residential Units

NOTE: Every item on this checklist must be completed and marked "YES" or your petition will be considered incomplete and that could delay the hearing and decision.

- | | YES | NO | |
|-----|--------------------------|--------------------------|---|
| 1. | <input type="checkbox"/> | <input type="checkbox"/> | Have you confirmed that there are only 1-5 <u>residential</u> units, including "in-law" units, on the property? If there are more than 5 residential units on the property, then you must use the "Capital Improvement Petition for Properties With 6 or More Residential Units." |
| 2. | <input type="checkbox"/> | <input type="checkbox"/> | Have you provided a copy of the Capital Improvement Petition for each tenant listed, as well as the original and one copy for the Rent Board? If more than one tenant resides in the unit, you must provide a copy of the petition for each tenant. (Pages i-iv of the petition do not need to be included in the copies provided for the tenants.) |
| 3. | <input type="checkbox"/> | <input type="checkbox"/> | Have you completed Form I (Landlord Petition for Arbitration), Form II (the proposed rent increases) and Schedule A (capital improvement lists for 10-year, 15-year and 20-year amortizations)? |
| 4. | <input type="checkbox"/> | <input type="checkbox"/> | Does Schedule A provide adequate information for the tenants and the Administrative Law Judge to determine what was done for the costs incurred? |
| 5. | <input type="checkbox"/> | <input type="checkbox"/> | If using imputed interest, did you use the rate in effect at the time of filing this petition? |
| 6. | <input type="checkbox"/> | <input type="checkbox"/> | Is there a contract and/or invoice for each claimed cost? |
| 7. | <input type="checkbox"/> | <input type="checkbox"/> | Is there a cancelled check and/or receipt for each claimed cost? |
| 8. | <input type="checkbox"/> | <input type="checkbox"/> | Are there two sets of copies of all supporting documentation (receipts, invoices, contracts, copies of cancelled checks, photos, etc.)? (The landlord petitioner is <u>not</u> required to provide copies of supporting documentation for the tenants.) |
| 9. | <input type="checkbox"/> | <input type="checkbox"/> | If the petition requests certification of more than \$25,000.00 in capital improvement costs, <u>for each capital improvement item in this petition</u> did you submit copies of competitive bids for work & materials OR copies of time & materials billings for work performed OR a check in the amount of the applicable estimator fee? |
| 10. | <input type="checkbox"/> | <input type="checkbox"/> | Have you determined whether or not the expedited hearing process is a possibility? (Discuss this option with a counselor; the landlord is required to obtain the written consent of all tenants in order to use the expedited hearing process.) |
| 11. | <input type="checkbox"/> | <input type="checkbox"/> | For <u>each tenant in the unit</u> subject to the proposed passthrough, have you provided:
Three business-size envelopes, pre-addressed to each tenant, with no return address and no postage? |
| 12. | <input type="checkbox"/> | <input type="checkbox"/> | For each landlord and landlord representative, have you provided:
Two business-size envelopes, pre-addressed to each landlord party, with no return address and no postage? |

INSTRUCTIONS FOR FILING
Capital Improvement Petition For Properties with 1-5 Residential Units

1. A landlord's petition for capital improvement certification must include the following:
 - (1) Landlord Petition for Arbitration, FORM I;
 - (2) Proposed Monthly Rent Increases, FORM II;
 - (3) Schedule A – Capital Improvements – 10-year, 15-year and 20-year amortizations, as applicable; and
 - (4) Documentation supporting the requested increase.
2. The petition must be completely filled out and signed by the landlord or the landlord's authorized agent. The petition must be assembled as noted on page iv, "Tips for Preparing a Capital Improvement Petition." **The Rent Board staff is not permitted to complete or fill in the petition for you.**
3. You must submit a copy of your completed petition for each tenant in the unit whose rent you propose to increase, plus the original and one copy for the Rent Board. You must also submit two (2) copies of all relevant documents (contracts, invoices, cancelled checks, receipts, etc.) to verify your claims. You do not need to provide extra copies of the supporting documents for mailing to each tenant. At the hearing, you must be prepared to clearly describe the nature of the work performed and explain the documents verifying the costs claimed in the petition. All invoices must clearly state a specific dollar amount for each item of work performed. If your petition and the supporting documentation are complete, clear and well-organized, you may be eligible for a Minute Order (a decision issued within 14 days of the hearing). A full description of the Minute Order program will be mailed to you with the Notice of Hearing.
4. You must submit 3 business-size envelopes, pre-addressed to each tenant, with no return address and no postage. You must also submit 2 business-size envelopes, pre-addressed to each landlord party, with no return address and no postage.
5. If your petition requests certification of more than \$25,000.00 in capital improvement costs, exclusive of interest, for each capital improvement item listed in Schedule A you must provide copies of competitive bids received for work and materials OR copies of time and materials billing for work performed by all contractors and subcontractors OR you must pay the cost of an estimator hired by the Board. The Estimator Fee Schedule is set forth on page iii and is based upon the cost of the work **without** interest. The fee must be paid at the time the petition is filed. Make the check payable to the San Francisco Rent Board.
6. The cost of work required to correct a code violation for which a notice of violation was issued and remained unabated for 90 days will not be certified unless the landlord made timely good faith efforts to do the work within that 90-day period but was not successful in doing so due to the nature of the work or circumstances beyond the landlord's control.
7. A petition will not be accepted for filing unless you have fully complied with the above. **FAILURE TO SUBMIT ADEQUATE DOCUMENTATION MAY RESULT IN EITHER ADMINISTRATIVE DISMISSAL OR THE DENIAL OF YOUR REQUESTED INCREASES.** Rules and Regulations Section 7.17 permits dismissal of incomplete Capital Improvement Petitions. Please review this section if you have any questions.

NOTE: You are required to serve written notice of the rent increase on a tenant *after* filing your petition with the Rent Board. Civil Code Section 827 requires service of a ninety (90) day notice of rent increase if the increase, either by itself or combined with any other rent increase in the one year period before the effective date, is more than 10%. If 10% or less, a thirty (30) day notice is required. If the rent increase notice is served by mail, the required notice period must be extended by an additional five days. Rent increases based on capital improvements may be imposed at any time and need not be imposed only on the tenant's rent increase anniversary date. PRIOR TO OR AT THE HEARING, YOU MUST SUBMIT A COPY OF EACH RENT INCREASE NOTICE WHICH YOU SERVED ON THE TENANT(S) AFTER THIS PETITION WAS FILED.

CAPITAL IMPROVEMENT AMORTIZATION PERIODS
For Properties with 1-5 Residential Units
Ordinance Section 37.7(c)(4)(A)

10 years: New roof structure, new roof cover, electrical heaters, central security system, telephone entry system, new wood frame windows, new mailboxes, weather-stripping, ceiling insulation, seals and caulking, central smoke detection system, new doors and skylights; appliances, such as new stoves, disposals, refrigerators, washers, dryers and dishwashers; fixtures, such as garage door openers, locks, light fixtures, water heaters and blankets, shower heads, time clocks and hot water pumps; and other improvements, such as carpeting, linoleum, and exterior and interior painting of common areas. If the appliance is a replacement for which the tenant has already had the benefit, the cost will not be amortized as a capital improvement but will be considered part of operating and maintenance expenses. Appliances may be amortized as capital improvements when: (1) part of a remodeled kitchen; (2) based upon an agreement between the tenant and landlord; and/or (3) it is a new service or appliance the tenant did not previously have.

15 years: New floor structure, new ceiling or walls – new sheetrock, wood decks, new stairs, new furnaces and gas heaters, new thermal pane windows, new wood or tile floor cover, new sprinkler systems, air conditioning-central system, exterior siding or stucco, elevator rebuild, elevator cables, new kitchen or bathroom cabinets and sinks.

20 years: New foundation, new plumbing (new fixtures or piping), boiler replacement, new electrical wiring, fire escapes, concrete patios, iron gates, sidewalk replacement and chimneys.

CAPITAL IMPROVEMENT ESTIMATOR FEES
Rules and Regulations Section 3.10

COST OF WORK			FEES
\$ 0	–	\$ 9,999	\$ 480
\$ 10,001	–	\$ 20,000	\$ 630
\$ 20,001	–	\$ 30,000	\$ 780
\$ 30,001	–	\$ 40,000	\$ 900
\$ 40,001	–	\$ 50,000	\$ 960
\$ 50,001	–	\$ 60,000	\$ 1,020
\$ 60,001	–	\$ 70,000	\$ 1,080
\$ 70,001	–	\$ 80,000	\$ 1,140
\$ 80,001	–	\$ 90,000	\$ 1,200
\$ 90,001	–	\$ 100,000	\$ 1,260
\$ 100,001	–	\$ 125,000	\$ 1,350
\$ 125,001	–	\$ 150,000	\$ 1,500
\$ 150,001	–	\$ 200,000	\$ 1,650
\$ 200,001	–	\$ 300,000	\$ 2,250
\$ 300,001	–	\$ 400,000	\$ 3,000
\$ 400,001	–	\$ 500,000	\$ 3,750
\$ 500,001	–	\$ 600,000	\$ 4,500

COST OF WORK			FEES
\$ 600,001	–	\$ 750,000	\$ 5,625
\$ 750,001	–	\$ 1,000,000	\$ 7,250
\$ 1,000,001	–	\$ 1,500,000	\$ 10,875
\$ 1,500,001	–	\$ 2,000,000	\$ 14,000
\$ 2,000,001	–	\$ 2,500,000	\$ 16,875
\$ 2,500,001	–	\$ 3,000,000	\$ 19,875
\$ 3,000,001	–	\$ 3,500,000	\$ 23,188
\$ 3,500,001	–	\$ 4,000,000	\$ 26,000
\$ 4,000,001	–	\$ 4,500,000	\$ 28,690
\$ 4,500,001	–	\$ 5,000,000	\$ 31,625
\$ 5,000,001	–	\$ 5,500,000	\$ 34,031
\$ 5,500,001	–	\$ 6,000,000	\$ 36,000
\$ 6,000,001	–	\$ 6,500,000	\$ 37,375
\$ 6,500,001	–	\$ 7,000,000	\$ 38,500
\$ 7,000,001	–	\$ 7,500,000	\$ 39,375
\$ 7,500,001	–	AND OVER	\$ 40,000

**TIPS FOR PREPARING A CAPITAL IMPROVEMENT PETITION
For Properties with 1-5 Residential Units**

- **For each capital improvement completed within the past five years, provide proof of cost and proof of payment.** Proof of cost can be documented by a bill, invoice, contract, receipt, statement, etc. Proof of payment is best documented with a copy of a cancelled check. In order to prove payment by credit card, it is usually sufficient to provide a copy of the credit card bill that includes the applicable charge.
- **Organize your documents in the order in which the capital improvements are listed on the petition.** For each capital improvement item listed on the petition, include a copy of the bill, invoice, contract, etc., with the proof of payment attached. For example, if the first two capital improvement items listed on the petition are a new roof and exterior painting, include a copy of the contract for the new roof, with a copy of the cancelled check to AAA Roofing Co. attached. Next, include a copy of the invoice for exterior painting, with a copy of the cancelled check to BBB Painting Co. attached. And so on. Where a single check proves payment for more than one capital improvement, a separate copy of the check should be attached to the bill/invoice/contract for each of the improvements.
- **Capital improvements should be listed on the petition in chronological order,** with the earliest improvement first. You must list all 10-year improvements together on Schedule A for 10-year Amortized Items. Then list all 15-year improvements together on Schedule A for 15-year Amortized Items. Then list all 20-year improvements together on Schedule A for 20-year Amortized Items. Remember, keep them in chronological order on each list.
- **For each petition totaling more than \$25,000.00** (exclusive of interest), the landlord must provide for each capital improvement item included in the petition either copies of competitive bids received for work or materials OR copies of time and materials billing for work performed by all contractors and subcontractors OR payment for the cost of an estimator hired by the Rent Board. It is permissible to have competitive bids and/or time and materials billings for only some of the items in a petition and to pay an estimator fee for the remaining items. The amount of the estimator fee is based on the cost of the items needing an estimate, which may be less than the total amount claimed in the petition.

OTHER HELPFUL HINTS

- **For owners or managers of more than one property, get separate bills, invoices, contracts, receipts, statements, etc. for each expense at each property.** Alternatively, make sure that the costs attributable to separate properties are kept separate and can be identified as pertaining to a particular property. Likewise, make payments for each property separately so that cancelled checks pertain to one property only.
- **Ask the contractor or service provider to clearly describe** the exact nature of the work performed and to clearly identify the location of the property where the work is performed. In addition, where multiple improvements are listed on a single invoice, an itemization of costs should be provided. This is particularly helpful if the expenses are challenged.
- **At the time that checks are prepared, make a notation on the memo line to identify the expense.** For example, write "exterior painting – 25 Van Ness Ave." Or, identify the invoice number that corresponds with the payment.
- **Make all payments by check or credit card.** Cash payments are difficult to document.
- **At the time of purchase of a property, if you anticipate filing a petition, you should require documentation of capital improvement costs as a condition of closing escrow.** It is often difficult to obtain these records from the prior owner after the transaction is completed.
- **Abate code violations promptly.** The Rent Board cannot certify capital improvement costs if the work was required to correct a code violation for which a notice of violation was issued and remained unabated for 90 days unless the landlord made timely good faith efforts within the 90-day period to commence and complete the work but was not successful in doing so because of the nature of the work or circumstances beyond the control of the landlord.

IF YOU HAVE QUESTIONS, STAFF IS AVAILABLE TO HELP YOU WITH YOUR PETITION. Please call 252-4602 to speak with a Counselor or visit our office between 8:00 am and 5:00 pm. Because of demand and staff limitations, your petition must be completed as fully as possible before discussing it with staff. It will also expedite our assistance to you if you have made a written list of questions **before** you call or visit the office. You may request to speak with a supervisor to determine if an appointment with one of the Capital Improvement Petition Coordinators is necessary.



San Francisco Residential Stabilization and Arbitration Board

NOTE: If there are more than 5 residential units on the property, you must use the Capital Improvement Petition for Properties with 6 or More Residential Units (Form 527).

If you are seeking certification of costs for a mandatory soft-story seismic retrofit pursuant to SF Building Code Chapter 34B or SF Existing Building Code Chapter 4D, use the Capital Improvement Petition for Seismic and Other Work Required by Law (Form 528).

Rent Board Date Stamp

LANDLORD CAPITAL IMPROVEMENT PETITION FOR PROPERTIES WITH 1-5 RESIDENTIAL UNITS FORM I

↓Building Information↓

_____ Entire Building Address (include lowest and highest numbers)		San Francisco, CA 941_____ Zip Code	_____ Owned Since
_____ Year Built	_____ Number of Residential Units	_____ Number of Commercial Units	_____ Total Number of Units

The total number of units for which I am seeking a rent increase is _____. (List units & tenants on the next page.)

Has a previous petition been filed with the Rent Board concerning this property? ☐ Yes ☐ No

☐ I am filing for a rent increase above the current annual rent increase permitted under the Rent Ordinance based on capital improvement costs.

Total value of capital improvements claimed in the petition (*without* interest): \$ _____

If total value exceeds \$25,000, I have included one of the following for each capital improvement item in the petition:

☐ Competitive Bid _____ ☐ Time & Materials Billing _____ ☐ Estimator Fee _____
(List Item #s from Schedule A) (List Item #s from Schedule A) (List Item #s from Schedule A)

☐ None of the work was required to correct a code violation for which a notice of violation was issued and remained unabated for 90 days. If this statement is true, please check the box.

↓Owner Information↓

Name of Company (if applicable)		First Name	Middle Initial	Last Name		
Mailing Address:	Street Number	Street Name	Apt./Suite Number	City	State	Zip Code
_____ Primary Phone			_____ Email Address			

Is an agent and/or property manager authorized to represent the landlord's interest in this petition? ☐ Yes ☐ No

If yes, check the appropriate box and **attach a written authorization**: ☐ Agent ☐ Property Manager

↓Agent Information↓

Name of Company (if applicable)		First Name	Middle Initial	Last Name		
Mailing Address:	Street Number	Street Name	Apt./Suite Number	City	State	Zip Code
_____ Primary Phone			_____ Email Address			

↓Property Manager Information↓

Name of Company (if applicable)	First Name	Middle Initial	Last Name
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Mailing Address:	Street Number	Street Name	Apt./Suite Number	City	State	Zip Code
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Primary Phone	Email Address
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↓Declaration↓

I declare under penalty of perjury under the laws of the State of California that this information and every attached schedule, form and document is true and correct to the best of my knowledge and belief.

Signature of (check one) ☐ Landlord Petitioner ☐ Agent* ☐ Property Manager* _____ Date _____

* Written authorization from the landlord petitioner is attached. ☐ Yes ☐ No

The following tenants are subject to this petition:

[illegible]

***CAUTION:** Phone numbers listed here are public information. Do not include numbers if confidentiality is a concern.

San Francisco Residential Rent Stabilization and Arbitration Board

FORM II – PROPERTIES WITH 1-5 RESIDENTIAL UNITS PROPOSED MONTHLY RENT INCREASES

1	2	3	4	5		6	7	8	9
Unit Number	Move-in Date	Tenant's Base Rent on Date Petition is Filed	Amt. of Current Passthroughs: <input type="checkbox"/> Utility <input type="checkbox"/> General Bond <input type="checkbox"/> Water Bond	Previous Capital Improvement Passthrough(s) Currently in Effect:		Current Total Rent (Columns 3+4+5)	Total Monthly Proposed Cap. Imp. Passthrough	Proposed 1 st Year Maximum Cap. Imp. ¹	Proposed Monthly Rent ² (Columns 6+8)
				Amount	Effective Date				

¹ If the total monthly proposed capital improvement passthrough (column 7) exceeds the greater of \$30.00 or 5% of the tenant's base rent at the time the petition is filed (column 3), the landlord must limit the initial passthrough to \$30.00 or 5% of the tenant's petition base rent, whichever is greater. The landlord may accumulate or "bank" the remaining portion of the passthrough and impose it in subsequent years at the rate of \$30.00 or 5% of the tenant's petition base rent per year, until the full passthrough amount is completely imposed. For large increases, it may take several years to fully phase in a capital improvement passthrough. [See Ordinance Section 37.7(c)(4)(B)]

² This amount should not include any annual and/or banked rent increases that were not in effect at the time the petition was filed.

San Francisco Residential Rent Stabilization and Arbitration Board

SCHEDULE A OF LANDLORD PETITION – Properties with 1-5 Residential Units CAPITAL IMPROVEMENTS – 10-YEAR AMORTIZED ITEMS

NOTE: ONLY COSTS FOR CAPITAL IMPROVEMENTS COMPLETED WITHIN THE LAST FIVE YEARS BEFORE THE FILING DATE ARE ELIGIBLE FOR CERTIFICATION. Refer to Ordinance Sections 37.7(c)(4)(A)&(B) and Rules & Regulations Sections 7.10 through 7.18 for more information on the capital improvement certification process.

Source of Funds Used to Pay for the Work: ☐ Personal ☐ Loan ☐ Insurance List all item numbers paid by loan proceeds: _____
List all item numbers reimbursed by insurance proceeds: _____ You must deduct insurance proceeds from the Total Cost of Each Item.

Item Number ¹	Description of Work Done	Date Work Began ²	Date Work Completed	Total Cost of Each Item ³	Interest Rate (Check One) ⁴ <input type="checkbox"/> Actual <input type="checkbox"/> Imputed	Cost With Interest ⁵	Total Number of Units Benefited	Specify the Units that Benefited ⁶	Monthly Per Unit Cost ⁷

The imputed interest rate for the period March 1, 2020 through February 28, 2021 is 2.2% (or a factor of .00929) for capital improvement costs amortized over 10 years.

¹ Number each item and use that number with all documentation. For example, use 10-1, 10-2, etc. for 10-year amortized items.

² Units rented during or after construction, or within 6 months of the commencement of the work, are not eligible for passthrough of the cost. [See Rules & Regulations §7.12(b)]

³ List uncompensated labor costs separately. Claims for uncompensated labor must be accompanied by a detailed log of dates and hours and calculated at standard labor rates as posted by the Rent Board. Persons seeking compensation at higher rates must submit proof of contractor status and evidence of prevailing labor rates for that trade. Imputed interest is not allowed for uncompensated labor costs.

⁴ If the improvement was funded, in whole or in part, with borrowed money, the landlord is entitled to use the actual rate of interest incurred, up to 10% for fixed rate loans. Attach loan documentation to verify the actual interest rate. Variable rate loans will be calculated at the imputed interest rates published by the Rent Board.

⁵ To calculate the Cost With Interest using the imputed interest rate, multiply .00929 X cost X 120 (months) for 10-year amortizations. If using an actual rate of interest, obtain the applicable multiplier from Rent Board staff and insert it in the Cost With Interest formula as follows: [Actual Interest Rate Multiplier] X cost X 120 (months).

⁶ If all units benefited from the work, including commercial units, list "all"; otherwise, identify particular units that benefited from the work. For example, if there are 3 residential units and 1 commercial unit and all benefited, list "all". If only 2 of 4 units benefited, list "#101 & #103".

⁷ To determine the "Monthly Per Unit Cost," divide the "Cost With Interest" by 120 (months) and then divide that amount by the "Total Number of Units Benefited." For example, if your "Cost With Interest" is \$10,000 and the "Total Number Of Units Benefited" is 4, the "Monthly Per Unit Cost" would be \$20.83 (\$10,000 ÷ 120 ÷ 4 = \$20.83). Show the actual amount of the monthly per unit cost. Note that the maximum monthly passthrough per unit that can be *imposed* is limited annually to 5% of the tenant's base rent at the time the petition was filed or \$30.00, whichever is greater. If the actual monthly per unit cost exceeds this 5%/\$30.00 limitation, excess amounts certified may be accumulated and imposed in subsequent years, subject to the 5%/\$30.00 limitation. [See Ordinance §37.7(c)(4)(B)] Form II, Column 8, lists the maximum initial monthly passthrough permitted for each unit.

San Francisco Residential Rent Stabilization and Arbitration Board

SCHEDULE A OF LANDLORD PETITION – Properties with 1-5 Residential Units CAPITAL IMPROVEMENTS – 15-YEAR AMORTIZED ITEMS

NOTE: ONLY COSTS FOR CAPITAL IMPROVEMENTS COMPLETED WITHIN THE LAST FIVE YEARS BEFORE THE FILING DATE ARE ELIGIBLE FOR CERTIFICATION. Refer to Ordinance Sections 37.7(c)(4)(A)&(B) and Rules & Regulations Sections 7.10 through 7.18 for more information on the capital improvement certification process.

Source of Funds Used to Pay for the Work: ☐ Personal ☐ Loan ☐ Insurance List all item numbers paid by loan proceeds: _____

List all item numbers reimbursed by insurance proceeds: _____ You must deduct insurance proceeds from the Total Cost of Each Item.

Item Number ¹	Description of Work Done	Date Work Began ²	Date Work Completed	Total Cost of Each Item ³	Interest Rate (Check One) ⁴ <input type="checkbox"/> Actual <input type="checkbox"/> Imputed	Cost With Interest ⁵	Total Number of Units Benefited	Specify the Units that Benefited ⁶	Monthly Per Unit Cost ⁷

The imputed interest rate for the period March 1, 2020 through February 28, 2021 is 2.4% (or a factor of .00662) for capital improvement costs amortized over 15 years.

¹ Number each item and use that number with all documentation. For example, use 15-1, 15-2, etc. for 15-year amortized items.

² Units rented during or after construction, or within 6 months of the commencement of the work, are not eligible for passthrough of the cost. [See Rules & Regulations §7.12(b)]

³ List uncompensated labor costs separately. Claims for uncompensated labor must be accompanied by a detailed log of dates and hours and calculated at standard labor rates as posted by the Rent Board. Persons seeking compensation at higher rates must submit proof of contractor status and evidence of prevailing labor rates for that trade. Imputed interest is not allowed for uncompensated labor costs.

⁴ If the improvement was funded, in whole or in part, with borrowed money, the landlord is entitled to use the actual rate of interest incurred, up to 10% for fixed rate loans. Attach loan documentation to verify the actual interest rate. Variable rate loans will be calculated at the imputed interest rates published by the Rent Board.

⁵ To calculate the Cost With Interest using the imputed interest rate, multiply .00662 X cost X 180 (months) for 15-year amortizations. If using an actual rate of interest, obtain the applicable multiplier from Rent Board staff and insert it in the Cost With Interest formula as follows: [Actual Interest Rate Multiplier] X cost X 180 (months).

⁶ If all units benefited from the work, including commercial units, list "all"; otherwise, identify particular units that benefited from the work. For example, if there are 3 residential units and 1 commercial unit and all benefited, list "all". If only 2 of 4 units benefited, list "#101 & #103".

⁷ To determine the "Monthly Per Unit Cost," divide the "Cost With Interest" by 180 (months) and then divide that amount by the "Total Number of Units Benefited." Show the actual amount of the monthly per unit cost. For example, if your "Cost With Interest" is \$10,000 and the "Total Number Of Units Benefited" is 4, the "Monthly Per Unit Cost" would be \$13.89 (\$10,000 ÷ 180 ÷ 4 = \$13.89). Note that the maximum monthly passthrough per unit that can be *imposed* is limited annually to 5% of the tenant's base rent at the time the petition was filed or \$30.00, whichever is greater. If the actual monthly per unit cost exceeds this 5%/\$30.00 limitation, excess amounts certified may be accumulated and imposed in subsequent years, subject to the 5%/\$30.00 limitation. [See Ordinance §37.7(c)(4)(B)] Form II, Column 8, lists the maximum initial monthly passthrough permitted for each unit.

San Francisco Residential Rent Stabilization and Arbitration Board

SCHEDULE A OF LANDLORD PETITION – Properties with 1-5 Residential Units CAPITAL IMPROVEMENTS – 20-YEAR AMORTIZED ITEMS

NOTE: ONLY COSTS FOR CAPITAL IMPROVEMENTS COMPLETED WITHIN THE LAST FIVE YEARS BEFORE THE FILING DATE ARE ELIGIBLE FOR CERTIFICATION. Refer to Ordinance Sections 37.7(c)(4)(A)&(B) and Rules & Regulations Sections 7.10 through 7.18 for more information on the capital improvement certification process.

Source of Funds Used to Pay for the Work: ☐ Personal ☐ Loan ☐ Insurance List all item numbers paid by loan proceeds: _____

List all item numbers reimbursed by insurance proceeds: _____ You must deduct insurance proceeds from the Total Cost of Each Item.

Item Number ¹	Description of Work Done	Date Work Began ²	Date Work Completed	Total Cost of Each Item ³	Interest Rate (Check One) ⁴ <input type="checkbox"/> Actual <input type="checkbox"/> Imputed	Cost With Interest ⁵	Total Number of Units Benefited	Specify the Units that Benefited ⁶	Monthly Per Unit Cost ⁷

The imputed interest rate for the period March 1, 2020 through February 28, 2021 is 2.5% (or a factor of .00530) for capital improvement costs amortized over 20 years.

¹ Number each item and use that number with all documentation. For example, use 20-1, 20-2, etc. for 20-year amortized items.

² Units rented during or after construction, or within 6 months of the commencement of the work, are not eligible for passthrough of the cost. [See Rules & Regulations §7.12(b)]

³ List uncompensated labor costs separately. Claims for uncompensated labor must be accompanied by a detailed log of dates and hours and calculated at standard labor rates as posted by the Rent Board. Persons seeking compensation at higher rates must submit proof of contractor status and evidence of prevailing labor rates for that trade. Imputed interest is not allowed for uncompensated labor costs.

⁴ If the improvement was funded, in whole or in part, with borrowed money, the landlord is entitled to use the actual rate of interest incurred, up to 10% for fixed rate loans. Attach loan documentation to verify the actual interest rate. Variable rate loans will be calculated at the imputed interest rates published by the Rent Board.

⁵ To calculate the Cost With Interest using the imputed interest rate, multiply .00530 X cost X 240 (months) for 20-year amortizations. If using an actual rate of interest, obtain the applicable multiplier from Rent Board staff and insert it in the Cost With Interest formula as follows: [Actual Interest Rate Multiplier] X cost X 240 (months).

⁶ If all units benefited from the work, including commercial units, list "all"; otherwise, identify particular units that benefited from the work. For example, if there are 3 residential units and 1 commercial unit and all benefited, list "all". If only 2 of 4 units benefited, list "#101 & #103".

⁷ To determine the "Monthly Per Unit Cost," divide the "Cost With Interest" by 240 (months) and then divide that amount by the "Total Number of Units Benefited." Show the actual amount of the monthly per unit cost. For example, if your "Cost With Interest" is \$10,000 and the "Total Number Of Units Benefited" is 4, the "Monthly Per Unit Cost" would be \$10.42 (\$10,000 ÷ 240 ÷ 4 = \$10.42). Note that the maximum monthly passthrough per unit that can be *imposed* is limited annually to 5% of the tenant's base rent at the time the petition was filed or \$30.00, whichever is greater. If the actual monthly per unit cost exceeds this 5%/\$30.00 limitation, excess amounts certified may be accumulated and imposed in subsequent years, subject to the 5%/\$30.00 limitation. [See Ordinance §37.7(c)(4)(B)] Form II, Column 8, lists the maximum initial monthly passthrough permitted for each unit.