

• FORM RP-214 •

Application for a Capital Improvement Plan

Contact us if you need translation services or reasonable accommodations due to a disability.

PURPOSE

A Capital Improvement is any improvement to a rental unit or property that does all of the following:

- Materially adds to the value of the property.
- Appreciably prolongs the useful life or adapts the property to new use.
- Has a useful life of more than one year and is required to be amortized over the useful life of the improvement.

It is necessary for a landlord to apply for a Capital Improvement Plan (CIP) in the following circumstances:

- **CIP Pass Through:** If a landlord makes eligible improvements to the rental property and as a result wishes to recover their cost, amortized over time, the landlord may submit a CIP. Landlords may file prior to work commencing to receive conditional approval based on estimates or may file within 12 months of completion based on documented costs. Conditional approval requires the landlord to demonstrate the actual costs of the improvements once the work is complete.
- **Temporary Relocation of Tenancy:** If the tenant must be displaced temporarily, because of the work associated with eligible improvements, the landlord must submit a CIP prior to work commencing and receive approval prior to taking any action to relocate the tenant. Landlords may or may not choose to include a request a CIP pass through in association with the improvements.

FILING INSTRUCTIONS

- 1) The applicant must read the instructions and guidelines on pages 1-3 and complete pages 4-7 of this document.
- 2) The applicant must provide supporting documentation for the cost and completion of the Capital Improvement work (i.e. invoices, contracts, estimates, labor receipts, etc.) and the names, current rent, and unit addresses of any affected tenants (i.e. rent roll).
- 3) The applicant must also notify each affected tenant in writing that the Landlord has filed an application for a Capital Improvement Plan. A copy of such notice(s) must be filed with the Rent Program

CIP Application Guidelines – For Your Information

This application and any supportive documentation become public record when submitted and is subject to disclosure.

It is strongly suggested that landlords review Alameda's Capital Improvement Plan Policy in Ordinance 3361, Regulation 23-01, and contact Rent Program staff to schedule an appointment prior to completing this form.

More information on CIPs is available online at www.alamedarentprogram.org/FAQs

Please note the following guidelines before submitting your application:

ELIGIBILITY CRITERIA

- Rental properties that are subject to rent control and which have between two and 24 units are eligible. Properties with 25 or more units are NOT eligible. For non-eligible properties, Capital Improvement expenses may be included in a Landlord Petition for an upward rent adjustment based on Fair Return (contact Rent Program staff for more information on Fair Return).
- Minimum project cost thresholds: \$10,000 for the property or \$1,000 per unit if the property has between 11-24 units.
- Qualifying Capital Improvement Projects:
 - New roof
 - Upgraded foundation/seismic retrofit (100% Cost Recovery for all eligible properties)
 - New plumbing, electrical upgrades, or HVAC
 - Exterior painting and installation/replacement of siding
 - Addressing a wood-destroying pest report
 - Energy-saving improvements (i.e. conversion from gas to electric utilities)
 - Fire Suppression systems
 - Stair/railing improvements
 - Lead paint remediation (100% Cost Recovery for all eligible properties)
- No pass-through cost will be permitted for routine repairs, or improvements for which the landlord receives insurance proceeds.
- To request approval of a Capital Improvement Plan, the landlord must file this form within 12 months of completion of the work.
- Please note: no landlord may file an application for a Capital Improvement more frequently than once every 24 months from the date a prior application has been unconditionally approved.

PASS THROUGH CAPS AND EXEMPTIONS

- The percentage of the total project cost eligible for pass through is determined by property size:
 - 2-4 Units = 100%
 - 5-15 Units = 75%
 - 16-24 Units = 50%
- The maximum monthly CIP pass through is capped at 5% of a tenant's current rent at the time of approval. If necessary, the Rent Program will extend the amortization period to reduce the monthly amount.
- Total monthly increase, including Annual General Adjustments (AGA), banked increases, and CIP pass-throughs, may not exceed 8%.
- Low Income Hardship Exemption available for qualifying tenants.

TEMPORARY RELOCATION FOR CIP

Tenants who are displaced temporarily from their rental unit due to work associated with an approved CIP are entitled to Temporary Relocation Payments in accordance with AMC 6-58.85. See alamedarentprogram.org/FAQs/Temporary-Relocation-Schedule for current Temporary Relocation Payment amounts.

If the landlord owns a comparable and available rental unit in the City of Alameda that is satisfactory to the tenant, then in lieu of making Temporary Relocation Payments, the landlord must relocate the tenant into such a unit and pay for reasonable and documented relocation costs. Landlords and tenants may also be able to work out arrangements for the tenant to occupy a comparable, available unit not owned by the landlord. Please review Regulation 23-01 or check with Rent Program staff for details.

Any tenant who has been temporarily relocated or informed that the tenant will be temporarily relocated may elect to find alternative permanent housing at any time prior to re-occupying the rental unit. If secured, the landlord must provide a Permanent Relocation Payment in accordance with AMC 6-58.85. See alamedarentprogram.org/FAQs/Permanent-Relocation-Schedule for current Permanent Relocation Payment amounts.

Property Information

Owner's Name: _____ Email Address: _____

Owner's Address: _____ Phone: _____

Type and percentage of ownership

Individual Limited partnership Other _____

Percentage owned _____ *Provide contact information for other owners if less than 51%*

Address of Subject Property: _____

Assessor's Parcel Number: _____

Total number and size of dwelling units on the property:

Studio	1 bed	2 bed	3 bed	4 bed	5 bed	6+ bed	Total units

Capital Improvements Information

1. What is the purpose of this application? *Please check all that apply.*

- I intend to make eligible Capital Improvements and am requesting to relocate at least one tenant temporarily because the work cannot be accomplished safely with the tenant remaining in their rental unit. Temporary relocation estimated at _____ days.
- I am requesting approval of a pass through to recover the cost of eligible Capital Improvements over time.

2. What is the status of the Capital Improvement work?

- I am seeking conditional approval before work begins.
- I am seeking unconditional approval after work has been completed.

3. Will any dwelling units on the property not benefit from the improvements?
Yes _____ No _____

If yes, which units are excluded and why?

4. Are there dwelling units that are not rented, e.g. an owner-occupied unit, that will benefit from the improvements and therefore must be included for purposes of allocating costs among all units? Yes _____ No _____

5. Rent roll: Attach a schedule of all units, including unit number, occupant type (e.g. tenant, owner, property manager, vacant), names of all adult tenants, number of bedrooms, and current rent. If a rental unit is vacant, list the monthly rent when the unit was last rented and the date the last tenant vacated the unit.

6. Utilities: Provide the following information. If the information varies by unit, please provide details on a separate sheet.

- Check utilities currently included in, or as part of, the rent the tenant pays:
 Gas Electricity Water Cable TV Other _____
- Check utilities to be included in, or part of, the rent after the Capital Improvement work is completed that the tenant will pay:
 Gas Electricity Water Cable TV Other _____

7. Housing Services: Describe what housing services are currently provided to the tenant (e.g. pool, parking, storage, pets) and whether those services are included in the rent or are charged separately, for example by an agreement separate from the rental agreement. If charged separately, identify the amount of the charges and attach any written document that reflects these separate charges. Do not include security or damage deposit fees, e.g. for a pet, that are refundable at the termination of the tenancy.

8. If different from the information provided in your answer to Question 6, after the Capital Improvement work is completed, describe what housing services (as listed above) will be included in, or as part of, the rent or what services will be charged separately. If charged separately, identify the amount of the charges, and whether you expect those charges to be reflected in a written document.

9. If temporary relocation is required, do you expect there will be a comparable and available rental unit at a property within the City of Alameda at the time of the temporary relocation?
Yes _____ No _____

10. Indicate the type of eligible Capital Improvements. Mark all that apply.

- A new roof covering all or substantially all of a building or a structurally independent portion of a building;
- A significant upgrade of the foundation of all or substantially all of a building or a structurally independent portion of a building, including seismic retrofits;
- A new or substantially new plumbing, electrical or heating, ventilation and air conditioning (HVAC) system in one or more rental units;
- Exterior painting or installation/replacement of siding or stucco on all or substantially all of a building;
- Repairs reasonably related to correcting or preventing the spread of defects that are noted as findings in a Wood Destroying Pest and Organisms Report issued by a pest control company registered in Branch 3 of the State of California Structural Pest Control Board;
- The installation of water conservation devices that are intended to reduce the use of water or energy efficient devices, such as a solar roof system, or converting utilities from gas to electric, that are intended to save energy and/or reduce greenhouse gases;
- Improvements or upgrades to the rental unit or the building/complex that meet or exceed disability/accessibility standards as required by law;
- A fire sprinkler or fire alarm system covering all or substantially all of a building;
- Replacement of stairs and/or railings in all or substantially all of a building;
- Lead based paint stabilization and abatement;

11. Provide a summary of the project, including any associated work that is not an eligible Capital Improvement (attach additional pages if needed).

12. Provide a project timeline (use estimates for applications filed prior to work beginning):

- Construction start date: _____
- Date when tenants will need to be relocated (if applicable): _____
- Date when tenants may re-occupy (if applicable): _____
- Construction end date: _____

13. Provide the confirmed interest rate for any financing that the landlord has secured for the Capital Improvements. If the improvements will be made from the landlord's funds, indicate that.

14. Provide the estimated or actual total cost of the proposed Capital Improvements.

15. Attach any building permit applications or building permits you have already received related to Capital Improvements. If building permits are not required for the Capital Improvements, please explain why.

16. If the Capital Improvements were started prior to filing this form, attach supporting documentation to show the date the building permit for the Capital Improvements was issued, or the date the work started if a building permit was not required.

17. Attach any other Supporting Documentation, such as copies of invoices, signed contracts, material and labor receipts, self-labor logs, cancelled checks, spreadsheets, etc.

18. Attach a copy of the written notice you provided notifying all affected tenants that you are filing a Capital Improvement Plan application with the Rent Program.