

CITY OF BERKELEY
RENT STABILIZATION BOARD
2125 Milvia Street, Berkeley, CA 94704
TEL: (510) 981-7368 (981-RENT) TDD: (510) 981-6903 FAX: (510) 981-4940
E-MAIL: rent@ci.berkeley.ca.us INTERNET: www.ci.berkeley.ca.us/rent/

INSTRUCTIONS FOR FILING LANDLORD IRA PETITION FOR CAPITAL IMPROVEMENTS
Regulation 1267

Capital Improvement: An improvement that materially adds to the value of a rental property, appreciably prolongs its useful life or adapts it to a 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 \$1500.00 per property, whichever is less. In addition, the improvement must be necessary to bring the unit or property into compliance with applicable new code requirements; be intended primarily to significantly improve the rental property's seismic safety or increase its energy efficiency; be provided by the landlord in good faith to primarily benefit the tenant; or qualify as a major repair. Major repairs are: a new roof; a significant upgrade of the foundation; a new plumbing, electrical or heating system; exterior painting or siding; and repairs pursuant to a Termite Report, if the cost exceeds \$6,000 or \$1,000 per rental unit. However, no increase will be granted for a unit with an initial rent set on or after January 1, 1999, if the capital improvement was completed before, or commenced or completed within one year after, the initial rent was set, unless the improvement was not reasonably foreseeable when the initial rent was set. A capital improvement increase that would otherwise be granted will be decreased by the total of the post-January 1, 1999, vacancy increases implemented for all affected units at the property, except for seismic retrofit work that meets certain conditions.

Note: Regulation 1274 limits rent increases granted by this petition to annual increments of 15% of the rent ceiling, unless the tenants agree to waive this limit.

You may find it helpful to review Section 12 of the Rent Stabilization Ordinance and Chapter 12 of the Rent Board Regulations prior to filing a petition. Copies of the Ordinance and Regulations are available at the Rent Board's office, the Berkeley Public Libraries and on the Internet (<http://www.ci.berkeley.ca.us/rent/>). Rent Board counselors are available to answer questions about the petition process, in person or by telephone at the number listed above, Mondays, Tuesdays, Thursdays and Fridays, 9:00 a.m. to 4:45 p.m., and Wednesdays, 12:00 p.m. to 6:30 p.m.

To obtain a rent increase for capital improvements, you must mail or bring the following items to the above address:

1. A completed petition signed by the owner;
2. A copy of all the supporting documentation (see below); and
3. A proof of service stating that each affected tenant was served a copy of the petition and documentation either by first-class mail or in person.

A completed proof of service is required each time documents related to the petition are filed.

Supporting Documentation must show: 1. the type of improvement; 2. the cost; and 3. payment in full. Documentation may include: invoices, receipts, signed contracts and canceled checks that substantiate the nature, cost and payment for each improvement. Self-labor logs must be submitted to receive increases based on the landlord's own labor. **Documentation must be page numbered and organized by improvement.**

AFTER A PETITION IS FILED

Unless a signed Agreement of Parties or Waiver of Right to Hearing (copy attached) is submitted, the Board will mail a Notice of Right to Object to each affected tenant, who has 20 days from the date the notice is mailed to file an objection to the petition. **(Petitions submitted with an Agreement of Parties must still include a proof of service indicating that all affected tenants were served with a copy of the petition.)** If a timely objection is filed, the petition will be scheduled for a settlement conference and hearing. Notice of the time and place of hearing will be mailed to all parties no later than ten days before the scheduled hearing date. If no objection is filed or if each affected tenant signs a waiver of the right to a hearing, an administrative decision will be issued based on the petition, supporting documentation and the Board's records.

Filing an incomplete petition will delay processing.

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PETITION NO. L-_____

LANDLORD PETITION FOR INDIVIDUAL RENT ADJUSTMENT
FOR CAPITAL IMPROVEMENTS (CAPP)
 Regulation 1267

1. Landlord information: (An owner of record **must** sign the certification on the last page.)

A. Landlord: _____
 Mailing Address _____
 City _____ State _____ Zip _____
 Daytime Phone (_____) _____ Fax (_____) _____
 Email address _____ @ _____

B. Name of Representative (if any) _____
 Mailing Address _____
 City _____ State _____ Zip _____
 Daytime Phone (_____) _____ Fax (_____) _____
 Email address _____ @ _____

2. Property information:

Property Address _____ Zip _____

Are any petitions for this property currently pending? Yes _____ No _____ Unknown _____

Total number of residential units on property, including exempt and owner-occupied units: _____

For all units for which increases are requested, list the unit designations, the names of all tenants in the unit, the beginning date of the tenancy, and the **current** rent being charged. (Rent increases can be granted only for units that are currently registered, i.e., not exempt.) Attach additional sheets if necessary.

Unit No.	Current Tenants (even if not on lease)	Date Tenancy Began	Current Rent

3. Table A - Completed Capital Improvements: Please complete the table below. Use additional sheets if necessary.

Column #1- Identify the improvement (example: seismic retrofit). The most common qualifying improvements have been listed.

- 2 - List all the units that benefit from the improvement even if they do not qualify for an increase.
- 3 - Count the number of units listed in Col. 2.
- 4 - Provide the date the improvement was completed.
- 5 - State the out-of-pocket cost of the improvement.
- 6 - State self-labor hours actually worked on the improvement. (You must also submit self-labor logs.) If none, skip Cols. 6 - 8.
- 7 - Fill in the hourly wage rate if self-labor is claimed: \$15.50 for unskilled labor and \$27.00 for skilled labor. (For rates for self-labor performed before 1997, see Regulation 1266.)
- 8 - Multiply self-labor hours by the appropriate self-labor rate: Col. 6 x Col. 7.
- 9 - Fill in the calculation rate: 1.042% for capital improvements; 1.187% for exterior painting or siding; and .927% for the other major repairs.
- 10 - Calculate the increase amount per unit: out-of-pocket cost + self-labor cost x calculation rate ÷ the number of affected units; i.e., ((Col. 5 + Col. 8) x Col. 9 ÷ Col. 3).

1. IMPROVEMENT	2. UNITS BENEFITTED (List)	3. # OF UNITS	4. DATE COMPLETED	5. COST	6. SELF- LABOR HOURS	7. SELF- LABOR RATE	8. SELF-LABOR COST (hours x rate)	9. CALC. RATE	10. INCREASE AMT PER UNIT
Seismic Retrofit								.01042	
Roof								.00927	
New Plumbing System								.00927	
New Heating System								.00927	
New Electrical System								.00927	
Significant Upgrade of Foundation								.00927	
Termite Report Repairs								.00927	
Exterior Paint/Siding								.01187	
Other capital improvements: (List below)									

3. Completed Capital Improvements (continued): No increase will be granted for any unit with an initial rent set on or after January 1, 1999, if the capital improvement was completed before, or commenced or completed within one year after, the initial rent was set, unless the improvement was not reasonably foreseeable when the initial rent was set. If you believe you are eligible for an increase for an improvement completed before, or commenced or completed within one year after, a post-January 1, 1999 rent was established, explain why the improvement was not foreseeable:

Offset for Vacancy Rent Adjustments: Capital improvement rent increases will be reduced by the total amount of vacancy rent increases for the property since January 1, 1999. This offset does not apply to seismic retrofit work under B.M.C. Chapters 19.38 and 19.39 if the following requirements are satisfied:

1. Work was performed in a timely manner, i.e., completed before the issuance of the second notice of non-compliance.
2. The petitioner owned the property prior to December 12, 2000, for work required by B.M.C. Chap. 19.38, or December 5, 2013, for work required under B.M.C. Chap. 19.39.
3. None of the property owners may hold more than a 10% interest in more than 12 residential units in Berkeley.
4. Incidental work may qualify for the offset exception if mandated by the City as part of the permitting process for the seismic retrofit work. Incidental work includes work that a) is certified by an appropriately licensed professional as necessary for the seismic retrofit work, b) is priced at a commercially reasonable amount, or c) restores or replaces an area damaged or removed as part of the seismic retrofit work.

Complete this table to calculate the sum total of all vacancy rent adjustments (**VRAs**) for the property since January 1, 1999. Historical data may be obtained from the Rent Board. If the total amount exceeds the total capital improvement increase for the property, then no increase can be granted.

Unit #	VRA	VRA	VRA	VRA	VRA	VRA	VRA	Total
							Grand Total	

4. **Table B - Planned Capital Improvements:** Complete this table only if you are seeking preliminary approval for improvements you plan to complete within the next two years. A rent increase cannot be granted until the improvements are completed and documentation of the cost of the improvements has been reviewed and approved by the Hearing Examiner.

- Column # 1 - Identify capital improvements you plan to complete within two years.
 2 - List each unit that will benefit from the improvement.
 3 - Provide the date you expect to complete each capital improvement.
 4 - State the estimated cost of each improvement.

1. PLANNED IMPROVEMENT	2. BENEFITTED UNITS	3. PROJECTED COMPLETION DATE	4. ESTIMATED COST

Attach written estimates or other justification for the estimated cost.

5. **Certification:** (Must be signed by an owner of record.) Each unit included in this petition has been properly registered for at least 30 days and is in compliance with the Ordinance, Regulations and applicable state and local housing, building, health and safety codes. I declare under penalty of perjury of the laws of the State of California that the information in this petition and in all schedules, attachments and forms is true and correct to the best of my knowledge and belief.

Signature _____

Date _____

Printed Name _____

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Petition No. L- _____

AGREEMENT OF PARTIES/WAIVER OF RIGHT TO A HEARING

Property Address: _____ Unit No. _____
(Use a separate form for each unit)

(This box must be checked for the agreement or waiver to be valid.)

I have received a copy of the petition and supporting documentation, and have no objections to the requested rent ceiling increases. I am satisfied that my unit is in habitable condition.

AGREEMENT OF PARTIES

Assuming the landlord is eligible for a rent ceiling increase in the amount requested:

- We agree to a maximum increase of \$ _____.
- We agree to an implementation of the increase different from that authorized by the Regulations; specifically: _____

I (tenant) waive my right to the phase-in of increases as provided in Regulation 1274(B). *(Rent ceiling increases for increased occupancy are not subject to a phase-in.)*

Note: An agreement that does not conform to the Ordinance and the Regulations will not be approved.

WAIVER OF RIGHT TO HEARING

- I give up my right to a hearing** and understand that if all the affected tenants waive their right to a hearing or fail to file an objection, a decision may be issued without a hearing and be based on the petition, supporting documentation and the Board's records.
- Furthermore, I waive my right to the phase-in of increases under Regulation 1274(B). *(Rent ceiling increases for increased occupancy are not subject to a phase-in.)*

CERTIFICATION: I declare under penalty of perjury under the laws of the State of California that the above assertions are made voluntarily and without financial or other inducement.

_____ LANDLORD SIGNATURE	_____ PRINTED NAME	_____ DATE
_____ TENANT SIGNATURE	_____ PRINTED NAME	_____ DATE
_____ TENANT SIGNATURE	_____ PRINTED NAME	_____ DATE
_____ TENANT SIGNATURE	_____ PRINTED NAME	_____ DATE
_____ TENANT SIGNATURE	_____ PRINTED NAME	_____ DATE

PROOF OF SERVICE

I AM A RESIDENT OF _____ COUNTY AND WAS, AT THE TIME OF SERVICE, OVER
EIGHTEEN YEARS OF AGE. ON _____ (DATE), I SERVED ONE COPY OF THE
FOLLOWING DOCUMENT(S): _____

BY: (CHECK APPROPRIATE BOX)

- DELIVERING THE DOCUMENTS IN PERSON TO THE FOLLOWING INDIVIDUAL(S):**
[PRINT NAME OF EACH PARTY SERVED:]

- PLACING THE DOCUMENTS, ENCLOSED IN A SEALED ENVELOPE WITH FIRST-CLASS POSTAGE FULLY PAID, INTO A U.S. POSTAL SERVICE MAILBOX, ADDRESSED AS FOLLOWS:**
[PRINT NAME AND ADDRESS AS SHOWN ON ENVELOPE OF EACH PARTY SERVED:]

I DECLARE UNDER PENALTY OF PERJURY OF THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING IS TRUE AND CORRECT.

(SIGNATURE)

(DATE)

(PRINTED NAME)