

ENHANCED NOTICE TO TENANTS FOR CAPITAL IMPROVEMENTS*

This enhanced notice must be served with a notice of rent increase and RAP Notice and filed with the Rent Adjustment Program within 10 days of service of these notices on the tenant.

Date: _____

To Tenant(s): _____

Property Address: _____ Unit Number _____

Current Rent: \$ _____ # of Units _____

Date of Rent Increase: _____

Step 1: Enter the building-wide capital improvements (See instructions for examples)

Building-wide Capital Improvements CATEGORY(Attach separate sheet if needed)	TOTAL COSTS	DATE COMPLETED	DATE PAID FOR
SUBTOTAL:			

Step 2: Multiply Subtotal in Step 1 by 70% (Increase Limited to 70%)

$$\frac{\$ \text{Subtotal}}{\text{Subtotal}} \times 70\% = \frac{\text{Step 2}}{\text{Step 2}}$$

Step 3: Divide results of Step 2 by the number of units affected

$$\frac{\$ \text{Step 2}}{\text{Step 2}} \div \frac{\# \text{ of units}}{\# \text{ of units}} = \$ \frac{\text{Step 3}}{\text{Step 3}}$$

Step 4: Enter capital improvements for specific unit

Unit-Specific Capital Improvement CATEGORY (Attach separate sheet if needed)	TOTAL COSTS	DATE COMPLETED	DATE PAID FOR
SUBTOTAL:			

Step 5: Multiply Subtotal in Step 4 by 70% (Increase Limited to 70%)

$$\text{\$ } \frac{\text{Subtotal}}{\text{Step 5}} \times 70\% = \text{Step 5}$$

Step 6: Add:

6a: TOTAL for building wide capital improvement for this unit (Step 3)

\$ _____

6b: TOTAL for unit specific capital improvement (Step 5)

\$ _____

6c: Total allowable cost for unit (pre-amortization)

\$ _____

(6c)

Step 7: INSTRUCTIONS TO CALCULATE THE AMORTIZATION PERIOD

To calculate the amortization period (length of time for the pass-through), first calculate 10% of the current monthly rent.

Step 7a: (10% limit) Current Rent \$ _____ x 10% = \$ _____ (7a)

Step 7b: (# of months)
Divide the total allowable pass-through (6c) by 7a \$ _____ ÷ \$ _____ = _____ (6c) (7a) (7b)

Step 7c: (60 months?) If the number determined in 7b is less than or equal to 60, the amortization period is 60 months or 5 years.

Step 7d: (Length of time?) If the number determined in 7b is greater than 60, divide 7b by 12.
_____ ÷ 12 = _____ (7b) (7d)

Step 7e: (# of years) If 7d is not a whole number, round up to the next highest number. _____ (7e)

7e= the # of years you are allowed to pass through the rent increase.

Step 7f: (Allowable # of months) The allowable # of months is 7e x 12 _____. The rent increase ends on the last month.

Step 8: INSTRUCTIONS TO CALCULATE THE RENT INCREASE

Step 8a: If the number determined in 7b is less than or equal to 60, divide the total pass-through per unit (6c) by 60.

$$\frac{\$ \text{6c}}{\text{60}} = \$ \text{ALLOWABLE RENT INCREASE}$$

Step 8b: If the number determined in 7b is greater than 60, divide the total pass-through per unit (6c) by the number of allowable months (7f)

$$\frac{\$ \text{6c}}{\text{7f}} = \$ \text{ALLOWABLE RENT INCREASE}$$

Step 9: PROVIDE NOTICE OF THE NEW RENT AND AMORTIZATION PERIOD

Rent Increase Amount: \$ _____

Rent Increase% _____ (cannot exceed 10%) (To determine the % divide the rent increase amount by the current rent, then multiply the remaining number by 100)

$$\frac{\$ \text{Rent increase}}{\$ \text{Current Rent}} \times 100 = \text{\% increase}$$

New Rent: \$ _____ (old rent plus rent increase)

Amortization Period _____ (In years, minimum of 5)

Date Rent Increase Begins: _____ Date Rent Increase Ends: _____

*An Owner may still file an *Owner Petition* for capital improvement increase instead of the enhanced notice requirements.

Use of this form is optional; an owner may provide his or her own form that meets the requirements of the RAP Ordinance and Regulations.

There is an excel spreadsheet available on the RAP website which will calculate the amortization period for you.

<http://www2.oaklandnet.com/Government/o/hcd/s/LandlordResources/index.htm>