



# CITY OF BELL GARDENS

## Application for Pass-Through of Capital Improvement Costs

### PURPOSE

A landlord may submit an application to request a Capital Improvement pass-through to recover from tenant(s) the costs paid for Capital Improvements, amortized over time, in addition to any permitted rent increases as set forth in the Rent Stabilization Chapter 5.62 of the Bell Gardens Municipal Code (“Code”).

#### **Definition and Eligible Capital Improvements.**

"Capital Improvement" means the addition, substantial repair or replacement of any improvements to dwelling units, buildings, or common areas, that: (i) materially adds to the value of the property, (ii) appreciably prolongs its useful life or adapts it to new uses, and (iii) has a useful life expectancy of more than one (1) year and which is the same type of improvement as those allowed to be amortized over the useful life of the improvement in accordance with the Internal Revenue Code and its regulations or similar improvements as determined by the Department.

Capital Improvements do not include normal or routine maintenance or repairs from wear and tear or repairs that result from a landlord’s failure to perform regular maintenance and repairs or are covered by insurance.

Types of Capital Improvements eligible for pass-through include:

- The addition, but not the in-kind replacement, of air conditioning, security gates and other security items, swimming pool, sauna or hot tub, fencing, children’s play equipment permanently installed on the premises.
- Replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit pursuant to State or local law.
- Abatement of hazardous materials, such as lead-based paint, mold, or asbestos, in accordance with applicable federal, State, and local laws.

### APPLICATION REQUIREMENTS

A Capital Improvement pass-through application must comply with Section 5.62.060 of the Code. The requirements specify that:

- A request for a Capital Improvement pass-through cannot exceed 50 percent of costs incurred.
- Capital Improvements must be for the primary benefit, use and enjoyment of tenants, cost-factored, and amortized over a useful life of at least five (5) years, and permanently fixed in place or relatively immobile and appropriate to the use of the rental property.



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- No pass-through amount can be charged to tenant(s) until landlord receives written approval from the Community Development Department (“Department”) and registers each affected rental unit.
- No monthly pass-through surcharge shall be approved by the Department that exceeds five percent (5%) of the rent in effect at the time the application is filed.
- Written notice of the approved pass-through must be delivered to tenants at least thirty (30) days before such charge takes effect and in accordance with California Civil Code section 827.
- The pass-through amount is not considered rent for purposes of the Rent Stabilization Chapter and must appear as a separate line item on a rent statement, along with the end date of the amortization period and the remaining pass-through balance.
- An applicant may appeal the Department’s determination as set forth in Section 5.62.120 of the Code.

I, \_\_\_\_\_, understand and agree to the above capital  
 (Landlord Name, Print)  
**improvement pass-through application requirements in accordance with Section 5.62.060 of the Code.**

**APPLICANT INITIAL HERE:** \_\_\_\_\_

### APPLICATION SUBMITTAL

#### Application Process:

A landlord must apply within one hundred eighty (180) days of completion of the work.

The application must contain the following information, and be accompanied by copies of relevant supporting documentation:

- A description of the completed Capital Improvements.
- Copies of all estimates, contracts, bills, invoices, and other documentation to establish the cost of the Capital Improvement.
- The proposed amortization periods.
- List of affected tenant(s)/rental units.
- Formula used to calculate estimated pro rata share of each affected tenant/rental unit.
- Proposed monthly pass-through cost to each affected tenant/rental unit.
- Dates of commencement and completion of the Capital Improvement(s).



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A landlord must notify each affected tenant in writing within five (5) calendar days of submitting the application. The notice must be served via personal service or certified mail return receipt requested and include a copy of the application.

Proof of service is required before the application is reviewed.

### **Submitting the Application:**

A completed application signed by owner(s) may be submitted to the Community Development Department, along with all supporting documentation, by email to [housing@BellGardens.org](mailto:housing@BellGardens.org), by mail or in person at the Community Development Department at City Hall: 7100 Garfield Avenue, Bell Gardens, CA 90201.

Questions can be directed by email to [housing@BellGardens.org](mailto:housing@BellGardens.org) or by phone at 562-806-7700 or in person at City Hall.

## **APPLICATION CHECKLIST**

Please complete this application, and provide all documentation requested.

**Failure to provide needed information may result in your application being denied or delayed.**

- Property Information
- Property Owner Information
- Capital Improvement Information
- Pass Through Calculation
- Declaration
- Copies of all receipts, invoices and statements related to the improvement(s)



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### PROPERTY INFORMATION

Property Address: \_\_\_\_\_

AIN / APN Number: \_\_\_\_\_

Total Number of Rental Units: \_\_\_\_\_ Total Number of Vacant Units: \_\_\_\_\_

Owner Occupied (Provide ID to confirm)	Name of Current Tenant	Unit Number/Address	Current Rent	Date of Last Rental Increase	Square Footage of Unit	Number of Bedrooms	Vacant Unit Number/Address and Date Unit was Vacated	Monthly Rent when Unit was Last Rented



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### PROPERTY OWNER INFORMATION

Owner(s) Name: \_\_\_\_\_

Owner Mailing Address: \_\_\_\_\_

Owner Email Address: \_\_\_\_\_

Owner Phone Number: \_\_\_\_\_

Type and Percentage of Ownership:

Individual     Limited Partnership     LLC     Trust     Other

Percentage owned \_\_\_\_\_

**Provide contact information for other owners if less than 51%:**

Applicant/ Title of Agent/ Authorized Signatory: \_\_\_\_\_

Applicant's Email Address: \_\_\_\_\_

Applicant's Phone Number: \_\_\_\_\_

### PROPERTY OWNER INFORMATION

- A) List specific unit(s) benefitting from the capital improvement(s).
  - Total number of units benefitted: \_\_\_\_\_
  - If all units are impacted, please list **"ALL"**
- B) Provide itemized detailed description of improvement(s).
- C) Include total actual costs for the improvement(s), including financing interest.
- D) Attach any other supporting documentation, such as copies of invoices, signed contracts, material, and labor receipts, cancelled checks, spreadsheets, etc.
- E) Attach all City permits related to the capital improvement(s).
- F) Provide the amortization period, in months, based on attached Amortization Schedule.
- G) Indicate completion date of capital improvement(s).
- H) Were you reimbursed for any of the capital improvements (i.e., insurance, court-awarded damages, subsidies, etc.)?
- I)  No         Yes  
If yes, please list amount reimbursed:

\$ \_\_\_\_\_



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**Table 2: Capital Improvement(s)**

Unit(s) Benefitted	Detailed Description of Improvement	Total Cost*1	Amortization Period (in months)	Completion Date
<b>Total Capital Improvement(s) Cost</b>				



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**Table 3: Requested Capital Pass Through Cost(s)**

Unit #	Square Feet (if applicable)	Current Rent Charged	Requested Capital Pass-Through <b>Monthly</b> Amount	Percent Increase	Monthly Cost Per Square Feet (if applicable)	<b>OFFICE USE</b> <b>Staff Confirmation</b>
		\$				
		\$				
		\$				
		\$				
		\$				
		\$				
		\$				
		\$				
		\$				
		\$				
		\$				
		\$				

**Office Use Only**

**Staff Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**All documents and permits attached**



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### DECLARATION

I/We declare as follows:

I am the owner or authorized representative of the owner(s) of the residential property involved in this request.

I acknowledge that if the amortized amount is in excess of a 5% increase of a rental unit's existing rent, that the increase may not be approved as applied for, and that the amortization period may be extended to sufficiently cover the expense of the capital improvement(s).

I declare that each rental unit included in this application has been properly registered with the City of Bell Gardens, I am in compliance with the City of Bell Gardens' rent ordinances and regulations, I have paid all rent registration fees for each rental unit, and each unit complies with applicable State and local health, safety, building, and housing codes.

I declare under penalty of perjury under the laws of the State of California that the information provided on this petition and any attachments are true and correct to the best of my knowledge and belief.

\_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Print Owner Name

\_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_  
Print Applicant Name

**OFFICE USE ONLY:**

Date Received: \_\_\_\_\_ Reviewed By: \_\_\_\_\_

Approved  Denied

Notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Housing Specialist Signature: \_\_\_\_\_

Director of Community Development Signature: \_\_\_\_\_