



**CITY OF SANTA ANA**  
**20 Civic Center Plaza • P.O. Box 1988**  
**Santa Ana, California 92702**  
**(714) 667-2209**  
[rso@santa-ana.org](mailto:rso@santa-ana.org)

### **Capital Improvement Petition for City of Santa Ana Residential Property and Mobilehome Parks**

The Rent Stabilization and Just Cause Eviction Ordinance (“Ordinance”) allows for a maximum rent increase during any 12-month period of three percent (3%), or eighty (80%) of the change in the Consumer Price Index, whichever is less, as further described in Section 8-3141 of the Ordinance. An owner of residential real property or a mobilehome park owner may petition for a pass-through cost to the tenants to cover expenses incurred to complete a capital improvement for their property. The applicant shall bear the burden of establishing that the improvement, addition or major repair has a useful life of five (5) years or more. Section 8-3143 details the requirements for a Capital Improvement Petition (“Petition”).

If you have any questions regarding the Capital Improvement Petition, please contact a representative at (714) 667-2209 or [rso@santa-ana.org](mailto:rso@santa-ana.org). A copy of the Ordinance can be found [HERE](#).

The Ordinance details the following process for the submission of a Capital Improvement Petition in Section 8-3145:

- A Capital Improvement Petition shall be submitted to the Program Administrator at [rso@santa-ana.org](mailto:rso@santa-ana.org). Emailed submissions shall have a subject line titled “Capital Improvement Petition – Last Name”.
- The Capital Improvement Petition will be reviewed by the Program Administrator to determine if the required information and documentation were submitted. The petitioner will be notified if the Petition is accepted or deemed incomplete and denied. The Program Administrator will not assess the merits of the Petition.
- Once the Petition is accepted, an impartial Hearing Officer will conduct a hearing to act upon the Petition. At this time all parties may provide information to the Hearing Officer for consideration. The hearing will be held within 60 days of acceptance.
- All parties will be notified in writing of the hearing date, time, and location no later than ten (10) days before the hearing.
- The Rental Housing Board, at its sole discretion, may hold a hearing on a Petition without the Petition first being heard by a Hearing Officer.
- The party who files the Petition shall have the burden of proof. No Petition shall be granted unless supported by the preponderance of the evidence submitted at the hearing.

- Any party may appear at the hearing and provide documents, testimony, written declarations, or other evidence that may be pertinent to the proceeding, as determined by the Hearing Officer, as set forth in the Rules of Evidence in Section 8-3145(k).
- Once a decision is made, the Hearing Officer will send a written notice to the parties.
- Any person that does not agree with the decision of the Hearing Officer may file an appeal with the Rental Housing Board within thirty (30) days of the Hearing Officer's decision.

**General Information**

Property/Park Name: \_\_\_\_\_ Telephone: \_\_\_\_\_

Property/Park Address: \_\_\_\_\_

Property/Park Owner(s): \_\_\_\_\_ Telephone: \_\_\_\_\_

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

Property/Park Representative(s): \_\_\_\_\_ Telephone: \_\_\_\_\_

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

Property/Park Attorney(s): \_\_\_\_\_ Telephone: \_\_\_\_\_

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

Total Number of Rental Units at Property: \_\_\_\_\_

Total Number of Rental Units Affected by Capital Improvements: \_\_\_\_\_

Date Property Built/Park Opened: \_\_\_\_\_ Date of Ownership: \_\_\_\_\_

Have you registered the property in the Rental Registry?  No  Yes

Do you currently have a pending Capital Improvement Petition with the City of Santa Ana for this same Property?  No  Yes

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**Briefly describe the location of the property/park.**

**Briefly explain the reasons for requesting a pass-through of capital improvement costs.**

## Utilities

Complete this section **only** if the Capital Improvement is utility related. In some cases, the California Public Utilities Commission rate differential is to be used to make capital utility-related repairs. If the Capital Improvement is not utility related, skip this section.

### Electricity (please check one)

- \_\_\_\_\_ Residents pay directly to utility company (proceed to the Natural Gas section below)
- \_\_\_\_\_ Residents are billed by the owner based on their meter reading (proceed to A, below)
- \_\_\_\_\_ Cost of the utility is included in the rent

| A. Electricity pass-through         | Fill in the amounts paid and collected for Electricity<br>(Most Recent 12-Month Calendar Year Period) |
|-------------------------------------|---|
| 1. Amount collected from residents  |   |
| 2. Amount billed by utility company |   |
| <b>Difference</b><br>(1. Minus 2.)  |   |

### Natural Gas (please check one)

- \_\_\_\_\_ Residents pay directly to utility company (proceed to the Water section below)
- \_\_\_\_\_ Residents are billed by the owner based on their meter reading (proceed to B, below)
- \_\_\_\_\_ Cost of the utility is included in the rent

| B. Natural Gas pass-through         | Fill in the amounts paid and collected for Natural Gas<br>(Most Recent 12-Month Calendar Year Period) |
|-------------------------------------|---|
| 1. Amount collected from residents  |   |
| 2. Amount billed by utility company |   |
| <b>Difference</b><br>(1. Minus 2.)  |   |

### Water (please check one)

- \_\_\_\_\_ Residents pay directly to utility company
- \_\_\_\_\_ Residents are billed by the owner based on their meter reading (proceed to C, below)
- \_\_\_\_\_ Cost of the utility is included in the rent

| C. Water pass-through              | Fill in the amounts paid and collected for Water<br>(Most Recent 12-Month Calendar Year Period) |
|------------------------------------|---|
| 1. Amount collected from residents |   |

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|                                     |  |
|-------------------------------------|--|
| 2. Amount billed by utility company |  |
| <b>Difference</b><br>(1. Minus 2.)  |  |

**Capital Improvement Category**

Please indicate below the nature of the Capital Improvement. Mark all that apply.

| Category                                      | Capital Improvement Total Cost |
|---|--------------------------------|
| 1. Air Conditioning                           | \$ _____                       |
| 2. Carpeting                                  | \$ _____                       |
| 3. Installation of Children’s Play Equipment  | \$ _____                       |
| 4. Complete Exterior Painting                 | \$ _____                       |
| 5. Draperies                                  | \$ _____                       |
| 6. New Electrical System                      | \$ _____                       |
| 7. Fencing                                    | \$ _____                       |
| 8. New Mechanical System                      | \$ _____                       |
| 9. New Plumbing System                        | \$ _____                       |
| 10. Roof Replacement                          | \$ _____                       |
| 11. Underground Sauna or Hot Tub Installation | \$ _____                       |
| 12. New Security Gates                        | \$ _____                       |
| 13. Streets                                   | \$ _____                       |
| 14. Structural                                | \$ _____                       |
| 15. Stucco                                    | \$ _____                       |
| 16. Underground Swimming Pool Installation    | \$ _____                       |
| Other (list separately by type)               |                                |
| 17.   | \$ _____                       |
| 18.   | \$ _____                       |
| 19.   | \$ _____                       |
| 20.   | \$ _____                       |
| 21.   | \$ _____                       |
| 22.   | \$ _____                       |
| 23.   | \$ _____                       |
| <b>Total Capital Improvement Expenses</b>     | \$ _____                       |

Was a permit obtained for any of the work outlined above?  No  Yes

Permit Number(s): \_\_\_\_\_

**Completed Capital Improvement/Rehabilitation Work Expenses**

List and describe Capital Improvements or rehabilitation work related to the residential real property or mobilehome park specified in the Petition.

Include improvements/rehabilitation work **only** paid for and completed after November 21, 2021, and within two (2) years of the date of this of this Petition.

**(Please Complete this Sheet for Each Capital Improvement)**

1. Capital Improvement/Rehabilitation Work: \_\_\_\_\_
2. Date of Completion: \_\_\_\_\_
3. Was the Capital Improvement financed?  No  Yes
4. If yes, what is the interest rate? \_\_\_\_\_
5. Total number of Rental Units benefitted: \_\_\_\_\_
6. List Rental Units benefitted: \_\_\_\_\_

| <b>Rental Unit No.</b> | <b>Square Footage</b> | <b>Current Tenants</b> | <b>Date tenancy began</b> | <b>Dates Resident Displaced</b> | <b>Current Rent</b> |
|------------------------|-----------------------|------------------------|---------------------------|---------------------------------|---------------------|
|                        |                       |                        |                           |                                 |                     |
|                        |                       |                        |                           |                                 |                     |
|                        |                       |                        |                           |                                 |                     |
|                        |                       |                        |                           |                                 |                     |
|                        |                       |                        |                           |                                 |                     |

7. Was there a time resident(s) was/were not permitted to use rental unit(s)? If no, move on to number 8. If yes, please explain (what rental units, what periods of time, reason for displacement, etc.) :

\_\_\_\_\_

8. Is this a mixed-use structure? If no, move on to number 9. If yes, what is total square footage of real property ? \_\_\_\_\_ What is total square footage of residential real property? \_\_\_\_\_.

9. Were you reimbursed for Capital Improvements (i.e. insurance, court-awarded damages, subsidies, etc.)? If no, move on to number 10. If yes, please list amount reimbursed: \_\_\_\_\_.

10. Is there a fee charged to resident associated with the use of the Capital Improvement? If no, move on to next Section. If yes, what is the amount fee and how often is it assessed? \_\_\_\_\_

| <b>Brief Description</b> |
|--------------------------|
|                          |

Provide an estimated calculation of the total amortized cost of the Capital Improvements on a monthly basis for each rental unit.

| <b>Units Benefitted (Circle All or list Unit ID)</b> | <b>Improvement Cost</b> | <b>Cost of Financing</b> | <b>Total Cost<sup>1</sup></b> | <b>Amortization Period (# of Years)</b> | <b>Total Annual Amortized Cost<sup>2</sup></b> |
|--|-------------------------|--------------------------|-------------------------------|---|--|
| All  | \$ _____                | \$ _____                 | \$ _____                      |   | \$ _____                                       |

<sup>1</sup> Improvement Cost plus Cost of Financing

<sup>2</sup> Improvement Cost divided by Amortization Period







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**(Please Complete This Sheet as Needed)**

## Completing the Capital Improvement Petition

The owner(s), or authorized representative of the owner(s), must complete the Petition and include all supporting documentation. If information requested is not available indicate this fact and give the reason for its unavailability.

Please submit receipts, ledgers, invoices and all supporting documentation by categories as listed below.

### Required Documentation

- A. Copies of all invoices, canceled checks, receipts, and ledger sheets or other documents that substantiate the nature, cost, and payment for each Capital Improvement. Supporting documentation must show the type of improvement, the cost, and the payment in full.
- B. Additional documentation:
  1. Rents collected from all affected tenants;
  2. If the Capital Improvement is utility-related, provide verified amounts billed and paid for electricity, gas, water, and trash service;
  3. Owner-performed labor listed on the Petition for capital improvement expenses. Documentation must show the date, time, nature of work performed, rental unit in which the work was performed, and the specific capital improvement expense the work is related to; and,
  4. Supporting documentation to show the date the building permit for the Capital Improvement was issued, or the date the work started if a building permit was not required.

After the Petition is submitted, it will be reviewed by the Program Administrator to make sure it contains all necessary information. A Petition will only be considered by the Hearing Officer if it is complete. You will be notified if the submission is incomplete or if any further information is necessary.

A Petition shall be decided by the Hearing Officer at a hearing held within sixty (60) calendar days of the date that the application has been accepted.

If you are not satisfied with the decision, you have the right to appeal to the Rental Housing Board. If you choose to appeal the decision, you must do so within thirty (30) days of receipt of the Hearing Officer's notice of the decision. Any appeal of the Hearing Officer decision on a Capital Improvement Petition will be heard by the Rental Housing Board pursuant to appeal procedures found Section 8-3145(q) of the Ordinance.

### Relevant Factors in Deciding a Capital Improvement Petition

**Calculating Capital Improvements.** Any Capital Improvement pass-through cost must be calculated according to the following:

- 1) Capital Improvement costs must be amortized over the useful life of the Capital Improvement, not to exceed ten percent (10%) of the current rent; for the purposes of such computation, the current rent for any time period shall not include any Capital Improvement pass-through amounts;
- 2) For mixed-use structures and landlord-occupied rental units, only the percent of residential square footage will be applied in the calculations;
- 3) If a unit is occupied by an agent of the landlord, this unit must be included when determining the average costs per rental unit; and,
- 4) If the landlord is reimbursed for Capital Improvements (i.e. – insurance, court-awarded damages, subsidies, etc.), such reimbursement must be deducted from the Capital Improvements before costs are amortized and allocated among the rental units.

Relevant factors the Hearing Officer may consider in deciding a Capital Improvement Petition may include, but are not limited to:

- 1) Capital Improvement is completed;
- 2) Petition is initiated within two (2) years of completion of Capital Improvement;
- 3) Distinguished from ordinary repair or maintenance;
- 4) For the primary benefit, use, and enjoyment of the tenants;
- 5) Permanently fixed in place or relatively immobile and appropriated to the use of the rental unit;
- 6) No “use fee” or other charge imposed on tenants for its use; and,
- 7) Cost-factored and amortized.

**Owner's Declaration  
Under Penalty of Perjury**

I declare as follows:

I am the owner, or authorized representative of the owner(s), of said residential property/mobilehome park involved in this request.

I am authorized to submit this Petition form and supporting documentation on behalf of the residential property/mobilehome park being applied for.

I declare under penalty of perjury under the laws of the State of California that the information, documentation and statements contained in this Capital Improvement Petition are true and correct to the best of my knowledge.

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Executed this \_\_\_\_\_ (Day) of \_\_\_\_\_ (Month), 20\_\_\_\_ (Year)  
at \_\_\_\_\_ (City), California.

\_\_\_\_\_  
**Signed**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Capacity (e.g., Owner, Manager, Attorney, etc.)**

\_\_\_\_\_  
**Mailing Address**

\_\_\_\_\_  
**City, State, Zip**

\_\_\_\_\_  
**Telephone**

*\*This section does not need to be notarized.*