

RESOLUTION NO. RAC-3

A RESOLUTION OF THE THOUSAND OAKS RENT
ADJUSTMENT COMMISSION RECOMMENDING AN AMENDMENT
TO THE RENT STABILIZATION ORDINANCE RELATIVE TO
CAPITAL IMPROVEMENT AND REHABILITATIVE ADJUSTMENTS

WHEREAS, the City Council of the City of Thousand Oaks, at its regular meeting of Tuesday, October 13, 1981, directed the Rent Adjustment Commission to draft guidelines and basic policy issues relative to amending the capital improvement and rehabilitative adjustment sections of the Rent Stabilization Ordinance to extend the payback period or impose a ceiling for improvements granted pursuant to these sections, and

WHEREAS, the Rent Adjustment Commission, at its regularly scheduled meeting of November 5, 1981, formed a Study Committee of Chairman Millar and Commissioner Sharenko to study the subject, and

WHEREAS, the Study Committee reported back to the Rent Adjustment Commission at its regularly scheduled meeting of December 10, 1981, and

WHEREAS, the entire Commission reviewed the three alternatives proposed by the Study Committee during the December 10, 1981, meeting,

NOW, THEREFORE, the Rent Adjustment Commission of the City of Thousand Oaks does resolve as follows:

1. FINDINGS

That there is a need to encourage a landlord to make capital expenditures within his ownership complex to enable quality replacements and improvements to be made.

That it is consistent with the intent and terms of the Rent Stabilization Ordinance that the cost of such expenditures be passed to the tenants pursuant to a formula spreading the cost off the item over its useful life.

That it is consistent with the Rent Stabilization Ordinance to provide for payback periods which closely relate to the item's useful life and thus avoid the possibility that exorbitant rent increases may be effected pursuant to the 60-month amortization period presently provided for by the Rent Stabilization Ordinance.

That tenants should have the right under the ordinance to avoid paying increased rent pursuant to a capital improvement adjustment when the capital expenditure is made for an item which is discrete to the interior of that tenant's rental unit, and such improvement is not necessary to safeguard the landlord's property from deterioration or loss in value.

2. Extension of Amortization Period

The Commission resolves that the payback period for capital expenditures and rehabilitative expenditures should be extended by establishing three categories of expenditures. These three categories will represent the useful life of the item and the Commission recommends using the 5 year, 10 year and 15 year useful lives as outlined by the Tax Recovery Act of 1981.

The Council, within the amending ordinance, should empower the Commission to provide by resolution which expenditures are to be placed in each category.

3. Exception to Commission's Ability to Grant Increases

The Commission resolves that the amending ordinance should provide that when a landlord wishes to make a capital improvement which is discrete to the interior of the tenant's unit, and said improvement is not necessary to safeguard the landlord's property from deterioration or loss in value, then the landlord would have to acquire the tenant's written consent before being eligible for a rent adjustment based on that improvement.

The Commission further resolves that the failure to secure the tenant's consent prior to making an improvement which is discrete to the tenant's unit will not prevent the landlord from making the improvement, but rather would only prevent the landlord from receiving a rent adjustment based on the same.

The amending ordinance should further provide that the Commission will be responsible for deciding whether or not the improvement was or was not "necessary" to safeguard the landlord's property.

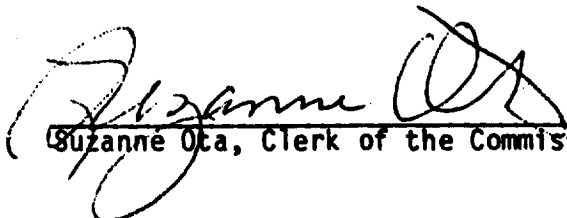
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PASSED AND ADOPTED this 14th day of January , 1982.



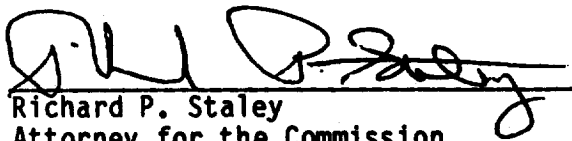
Frank Miller, Chairman
Rent Adjustment Commission

ATTEST:



Suzanne Ota, Clerk of the Commission

APPROVED AS TO FORM:



Richard P. Staley
Attorney for the Commission

APPROVED AS TO ADMINISTRATION:



Grant Brimhall
Secretary of the Commission