



P.O. BOX 70243, OAKLAND, CA 94612-2043

CITY OF OAKLAND

Department of Housing and Community Development
Rent Adjustment Program

TEL (510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

AMENDED HEARING DECISION

CASE NUMBERS: L14-0015, Henderson v. Tenants &
T14-0234, Rose v. Henderson

PROPERTY ADDRESS: 681 - 24th St., Oakland, CA

DATE OF HEARING: October 7, 2014

DATE OF ORIGINAL DECISION: October 17, 2014

DATE OF AMENDED DECISION: May 15, 2015

APPEARANCES: James Henderson (Owner)
Irma Henderson (Owner)
Susan Henderson (Witness for Owners)
Jill Connaway (Tenant)
Sehline Ivanhoe (Witness for Tenant Connaway)
Nadine Reynolds (Tenant)
Mary A. Rose (Tenant)

REASON FOR AN AMENDED HEARING DECISION

On March 24, 2014, the owners filed a Petition requesting a Certificate of Exemption for the subject 4-unit building. The Petition form states: "You must attach a list of the names and addresses, with unit numbers, of all tenants residing in the unit/building you are claiming is exempt." The owners did not attach such a list, and the employees of the Rent Adjustment Program did not notice this omission. Therefore, a single copy of the Petition was mailed, addressed as follows: "Tenant, 681 24th Street Oakland CA 94612."

A Hearing was held on June 11, 2014, at which time only the owners and their witness appeared. A Hearing Decision was issued on June 17, 2014, granting the owners' petition on the ground that the subject building has been "substantially rehabilitated." On June 27, 2014, tenant Mary

Rose filed a petition contesting a proposed rent increase. The owners filed a response to Ms. Rose's petition, which alleges that the building has been substantially rehabilitated.

On June 30, 2014, tenant Mary A. Rose filed an Appeal of the Hearing Decision, in which she alleges that she was denied a sufficient opportunity to respond to the petition because she was not given notice of either the petition filing or the Hearing. On July 3, 2014, an Order was issued, which set aside the Hearing Decision, and stated that the owners must submit a list of the names and unit numbers of tenants in the building. The owners did so.

On July 9, 2014, all tenants in the subject building were mailed an Amended Notice of Hearing, which stated that the Hearing would be held on October 7, 2014. However, due to clerical inadvertence, the tenants were never mailed copies of either the owners' petition or blank response forms.

At the Hearing on October 17, 2014, the three tenants listed above appeared, along with a witness. At that time this Hearing Officer informed the tenants that they would each have the right to testify, present documentary evidence, ask questions of the owners or the owners' witness concerning any testimony or documentary evidence, and present a summation.¹

The owners then testified and introduced documents into evidence, as discussed below. The tenants were then given an opportunity to ask questions of the owners, which they did.² The tenants were then told that each of them had the right to testify and to introduce documents into evidence.³ Tenant Rose testified and introduced documents into evidence.⁴ The other tenants stated that they did not have anything to add to Ms. Rose's testimony. After presentation of evidence and cross-examination, the tenants presented a summation.⁵

While in the usual case a party who has not filed a response cannot testify or present evidence, in this case, due to error by staff of the Rent Adjustment Program, all of the tenants who appeared at the Hearing were given full rights to participate in the Hearing.

This Amended Hearing Decision is being issued to verify that Ms. Rose was aware of the owners' contention that the subject building is exempt from the Rent Adjustment Ordinance, and that all tenants in the building were given notice of the Hearing and had full rights to participate in the Hearing, although they had not been mailed copies of the owners' petition or blank response forms.

This Amended Hearing Decision is an entirely new Decision. There is a new time period for appealing this Decision, as stated in the Order below.

¹ Beginning at 3:00 on the recording of the Hearing.

² Beginning at 15:00

³ Beginning at 16:50

⁴ Exhibit Nos. 15A through 15Q. These Exhibits, and all others to which reference is made in this Decision, were admitted into evidence without objection.

⁵ Beginning at 29:00

SUMMARY OF DECISION

The owners' petition is granted. The petition of tenant Rose is denied. The rental units in the subject building are exempt from the Rent Adjustment Ordinance because the building has been "substantially rehabilitated."

CONTENTIONS OF THE PARTIES

The owners filed a Landlord Petition for Certificate of Exemption, which alleges that the units in the subject building are exempt from the Rent Adjustment Ordinance because the building has been "substantially rehabilitated." No tenant filed a Response to the owners' Petition. Tenant Rose filed a Petition contesting a proposed rent increase from \$785 to \$809 per month, to be effective July 1, 2014. The owners filed a Response to Ms. Rose's Petition, which alleges that the unit in which the tenant lives is exempt from the Rent Adjustment Ordinance because the building has been "substantially rehabilitated."

THE ISSUE

Is the subject building a "substantially rehabilitated" building, pursuant to Oakland Municipal Code (O.M.C.) Section 8.22?

EVIDENCE

Square Footage of Building: The owners submitted a certified copy of records from the Alameda County Assessor, entitled "Residential Building Record," for the subject building.⁶ This document states that two units in the building each contain 829 square feet, and two units each contain 840 square feet. The total is 3,338 square feet. The owners also submitted a copy of a document entitled "Property Characteristic Change Form" on the letterhead of the Assessor in which Mrs. Henderson declares, under penalty of perjury, that the subject building contains 3,338 square feet.⁷ They further submitted a copy of a Certificate of Occupancy for the building, which states that the type of building is "VN."⁸

Cost of Construction: Mrs. Henderson testified that the building had previously been owned by her mother, Piccola White, who is deceased. In the year 1990, Ms. White entered into a contract with Economy Construction Co. for major construction on the building. Mrs. Henderson submitted a Proposal from Economy Construction Co., signed by the contractor and her mother on November 15, 1990, to do extensive construction on the subject building at a cost of \$189,500.⁹ This document states that this is to be paid as follows: "15,000 when work began, the rest will be paid in five payments of 27,333 and one payment of 27,335. (Details on next page)."

Mrs. Henderson testified that many of her late mother's records were destroyed in a fire, and that Economy Construction Co. is no longer in business. However, she had assisted her late mother

⁶ Exhibit Nos. 1 and 2.

⁷ Exhibit No. 4.

⁸ Exhibit No. 10.

⁹ Exhibit Nos. 13 and 14.

in many business matters, and kept a copy of the Economy Construction Co. Proposal, on which she had written several notations in the years 1990 and 1991. She testified that each of the notations refers to a check written by Mrs. White. On the first page of the Proposal, she wrote the following: "8/7/90; ck #1003; 10,000" and "10/12/90; 1010; 15,000."

The second page of the Proposal contains the following hand-written notations next to typed statements calling for the above-mentioned payment schedule for payments of \$27,333 each: "1/8/91; ck 1015"; "2/13/91; WF.Ck #591"; "3/1/91; MM #1017"; "ck #1018 4/10/91 + 2,500 for roof; ck #1019" and "5/8/91; ck #1020." There is no notation next to the last item on the statement, which calls for a final payment of \$27,335. The notation amounts total \$164,165.

The Contentions of Tenant Mary A. Rose:

Tax Assessor Records: Ms. Rose submitted a record from the Alameda County Assessor's Office from the subject property in the year 1992 – the year after the improvements were completed.¹⁰ This document states that the value of the improvements on the property was \$101,330. The tenant contends that, therefore, the owners did not spend the amount of money that would qualify the property as "substantially rehabilitated."

Building was a 4-plex Before Construction: Ms. Rose also submitted another record from the County Assessor, a historical record of the property from 1991 to date.¹¹ This document states the use code for the property as "2400." Ms. Rose testified that 2400 is the code for a 4-plex, and since the subject building has long been a 4-plex, this is a proper basis to deny the exemption sought by the owners.

Statements Made at the Start of Tenancy: Ms. Rose testified that, when she moved into her unit in 2003, the owners told her that the unit was covered by the Oakland Rent Adjustment Ordinance. This induced the tenant to move into the unit, and Ms. Rose contends that the owner should not now be able to claim that the unit is exempt from the Ordinance.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Evidence: The construction project was completed by Mrs. Henderson's deceased mother more than 20 years ago, and Mrs. Henderson's testimony regarding the lack of availability of cancelled checks and testimony from the contractor is found to be credible. The fact that there is no hand-written notation next to the last scheduled payment on the Proposal lends credence to Mrs. Henderson's testimony that she wrote on the document at the time that each check was written. Such an oversight is not unusual. By contrast, a dishonest person who wrote on the document at a later time would most likely write next to each item. It is found that the prior owner spent at least \$164,165 on the construction project. It is further found that the building contains 3,338 square feet.

The Applicable Law: O.M.C. 8.22.030(A)(6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Ordinance.

¹⁰ Exhibit No. 15C.

¹¹ Exhibit No. 15A.

a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.

b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.¹²

The Tables issued by the Building Services agency refer to a dollar amount per square foot. Therefore, in order to make the necessary mathematical computation, an owner must present sufficient evidence of the square footage of the building, as well as the cost of the rehabilitation project.

The Calculation: Table "A," the most recent table issued by the Building Services agency, lists square foot construction costs effective August 1, 2009. However, since the construction in this case occurred in the years 1990 and 1991, and costs have risen considerably since that time, it would be unfair to a landlord if current costs were used. For this reason, the Building Services agency has also issued a document entitled "Cost Indexes (1926 = 100)" (Table "B").

These Tables are used as follows: (1) On Table "B," determine the number for the year of construction, geographical district, and type of construction; (2) Divide this number by the number in the same category for the year 2009. The resulting percentage is then multiplied by the number derived when the square foot cost shown on Table "A" is multiplied by the number of square feet in the building.

Administrative Notice is taken of the fact that a "V" designation for a building in the City of Oakland means that the building is of wood frame construction. If the work were done in the year 2009, the square foot cost would be \$127.00 (Apartment New Construction; Category V - wood frame). This amount multiplied by 3,338 total square feet equals \$423,926. This figure is then reduced, using Table "B," as follows:

$$\begin{array}{rcl} \text{Year 1991} & 1425.2 & \\ & = & \\ \text{Year 2009} & 2616.5 & = 54 \% \end{array}$$

Fifty-four percent of \$423,926 is \$228,920; fifty per cent of \$228,920 is \$114,460. Therefore, if at least \$114,460 was spent on the construction project, the building is exempt from the Rent Adjustment Ordinance:

The Contentions of Tenant Rose:

Tax Assessor Records: There is no evidence of the basis for the stated value of the improvements in the records of the Assessor's Office. This document, standing alone, is less

¹² O.M.C. Section 8.22.030(B)(2)

convincing evidence of the cost of improvements than the invoice and proof of payment submitted by the owners:

Building was a 4-plex Before Construction: The number of units in the building before the construction began has no bearing on the issue of whether the building – regardless of the number of units – has been “substantially rehabilitated.”

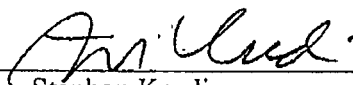
Statements Made at the Start of Tenancy: The tenant is essentially alleging that she was fraudulently induced to become a tenant, and that the owner should now be prevented from being granted exemption from the Rent Adjustment Ordinance in order to raise her rent without restriction. These are claims that can be made in a court of law. However, for the purposes of the Ordinance, a unit is either exempt or not exempt, regardless of any promises to the contrary that may have been made by an owner.

Discussion: None of the contentions made by tenant Rose are convincing. There is sufficient credible evidence that the prior owner spent \$164,165 on a rehabilitation project. This amount is well above the necessary sum of \$114,460 and, therefore, the building has been “substantially rehabilitated.” The rental units in the building are exempt from the Rent Adjustment Ordinance. Therefore, the Rent Adjustment Program does not have jurisdiction to consider the tenant’s petition, which must be dismissed.

ORDER

1. Petition L14-0015 is granted.
2. Petition T14-0234 is dismissed.
3. The subject building is a “substantially rehabilitated” building.
4. A Certificate of Exemption for the subject building will be issued when this Decision becomes final.
5. Right to Appeal: **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) calendar days after service of the decision. The date of service is shown on the attached Proof of Service. If the Rent Adjustment Office is closed on the last day to file, the appeal may be filed on the next business day.

Dated: May 15, 2015



Stephen Kasdin
Hearing Officer
Rent Adjustment Program

PROOF OF SERVICE

Case Number L14-0015

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Corrected Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Tenants

Anita Walters
681 24th St 4
Oakland, CA 94612

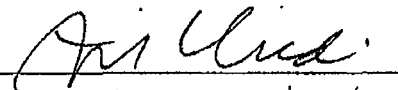
Derrick Jackson
681 24th St 1
Oakland, CA 94612

Jill Connaway
681 24th St 3
Oakland, CA 94612

Mary A. Rose and Nadine Reynolds
681 24th St 2
Oakland, CA 94612

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on May 15, 2015 in Oakland, CA.



Stephen Kasdin
Oakland Rent Adjustment Program

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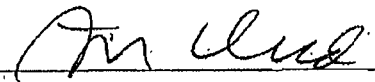
Owner

Irma Henderson
P.O. Box 22882
Oakland, CA 94609

James Henderson
P.O. Box 22882
Oakland, CA 94609

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Stephen Kasdin

Oakland Rent Adjustment Program



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CITY OF OAKLAND

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Rent Adjustment Program

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HEARING DECISION

CASE NUMBERS: L14-0015, Henderson v. Tenants & T14-0234, Rose v. Henderson

PROPERTY ADDRESS: 681 - 24th St., Oakland, CA

DATE OF HEARING: October 7, 2014

DATE OF DECISION: October 17, 2014

APPEARANCES: James Henderson (Owner)
Irma Henderson (Owner)
Susan Henderson (Witness for Owners)
Jill Connaway (Tenant)
Sehline Ivanhoe (Witness for Tenant Connaway)
Nadine Reynolds (Tenant)
Mary A. Rose (Tenant)

SUMMARY OF DECISION

The owners' petition is granted. The petition of tenant Rose is denied. The rental units in the subject building are exempt from the Rent Adjustment Ordinance because the building has been "substantially rehabilitated."

CONTENTIONS OF THE PARTIES

The owners filed a Landlord Petition for Certificate of Exemption, which alleges that the units in the subject building are exempt from the Rent Adjustment Ordinance because the building has been "substantially rehabilitated." No tenant filed a Response to the owners' Petition. Tenant Rose filed a Petition contesting a proposed rent increase from \$785 to \$809 per month, to be effective July 1, 2014. The owners filed a Response to Ms. Rose's Petition, which alleges that the unit in which the tenant lives is exempt from the Rent Adjustment Ordinance because the building has been "substantially rehabilitated."

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Cost of Construction: Mrs. Henderson testified that the building had previously been owned by her mother, Piccola White, who is deceased. In the year 1990, Ms. White entered into a contract with Economy Construction Co. for major construction on the building. Mrs. Henderson submitted a Proposal from Economy Construction Co., signed by the contractor and her mother on November 15, 1990, to do extensive construction on the subject building at a cost of \$189,500.⁴ This document states that this is to be paid as follows: "15,000 when work began, the rest will be paid in five payments of 27,333 and one payment of 27,335. (Details on next page)."

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¹ Exhibit Nos. 1 and 2. These Exhibits, and all others to which reference is made in this Decision, were admitted into evidence.

² Exhibit No. 4.

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⁴ Exhibit Nos. 13 and 14.

The Contentions of Tenant Mary A. Rose:

Tax Assessor Records: Ms. Rose submitted a record from the Alameda County Assessor's Office from the subject property in the year 1992 – the year after the improvements were completed.⁵ This document states that the value of the improvements on the property was \$101,330. The tenant contends that, therefore, the owners did not spend the amount of money that would qualify the property as “substantially rehabilitated.”

Building was a 4-plex Before Construction: Ms. Rose also submitted another record from the County Assessor, a historical record of the property from 1991 to date.⁶ This document states the use code for the property as “2400.” Ms. Rose testified that 2400 is the code for a 4-plex, and since the subject building has long been a 4-plex, this is a proper basis to deny the exemption sought by the owners.

Statements Made at the Start of Tenancy: Ms. Rose testified that, when she moved into her unit in 2003, the owners told her that the unit was covered by the Oakland Rent Adjustment Ordinance. This induced the tenant to move into the unit, and Ms. Rose contends that the owner should not now be able to claim that the unit is exempt from the Ordinance.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Evidence: The construction project was completed by Mrs. Henderson's deceased mother more than 20 years ago, and Mrs. Henderson's testimony regarding the lack of availability of cancelled checks and testimony from the contractor is found to be credible. The fact that there is no hand-written notation next to the last scheduled payment on the Proposal lends credence to Mrs. Henderson's testimony that she wrote on the document at the time that each check was written. Such an oversight is not unusual. By contrast, a dishonest person who wrote on the document at a later time would most likely write next to each item. It is found that the prior owner spent at least \$164,165 on the construction project. It is further found that the building contains 3,338 square feet.

The Applicable Law: O.M.C. 8.22.030(A)(6) states that dwelling units located in “substantially rehabilitated buildings” are not “covered units” under the Rent Ordinance.

- a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.
- b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.⁷

⁵ Exhibit No. 15C.

⁶ Exhibit No. 15A.

⁷ O.M.C. Section 8.22.030(B)(2)

PROOF OF SERVICE

Case Number T14-0234

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor; Oakland, California, addressed to:

Owner

Irma Henderson
P.O. Box 2282
Oakland, CA 94609

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on October 22, 2014 in Oakland, CA.


Janie Daniels

Oakland Rent Adjustment Program



P.O. BOX 70243, OAKLAND, CA 94612-2043

CITY OF OAKLAND

Department of Housing and Community Development
Rent Adjustment Program

(510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

HEARING DECISION

CASE NUMBER: L14-0016, Banker v. Tenants
PROPERTY ADDRESS: 4133, 4135, 4137 and 4139 Martin Luther King Jr. Way, Oakland, CA
DATE OF HEARING: June 12, 2014
DATE OF DECISION: July 17, 2014
APPEARANCES: William Blair Banker (Owner)
No appearance by the tenants

SUMMARY OF DECISION

The landlord's petition is granted. The units on the property are exempt from the Oakland Rent Ordinance, but not from the Just Cause for Eviction Ordinance¹. The landlord must continue to pay the Rent Program Service fee.

CONTENTIONS OF THE PARTIES

The landlord filed a petition for a Certificate of Exemption on a 4-unit residential building on the ground that it is a "substantially rehabilitated" building, pursuant to Oakland Municipal Code (O.M.C.) Section 8.22 and Rent Adjustment Program Regulations (Regulations). None of the tenants filed a response to the landlord petition.

EVIDENCE

The owner purchased this 4 unit, 3567² sq. foot building in April 2012 which was in complete disrepair. The foundation was crumbling, the windows were completely

¹ O.M.C. § 8.22.500, et seq.

Exhibit #	Date	Payee	Amount	Sub Category	Description	Check #
4	5/1/2013	City of Oakland	\$ 3,155.93	Building Permit	Building Permit	visa
5	5/1/2013	City of Oakland	\$ 2,822.06	Building Permit	Building Permit	visa
6-9	5/3/2013	BT Construction	\$ 10,000.00	PMT #1	Contract	1267
10	5/21/2013	Home Depot	\$ 32.15	Key Lock	Lockbox	visa
11	5/30/2013	BT Construction	\$ 30,000.00	PMT #1	Contract	1415
13	6/5/2013	Home Depot	\$ 371.73	Ladders (Installed)	Framing	visa
14-15	6/6/2013	Dennis J. Gillespie	\$ 875.00	structural engineering	May Hours	1546
17-19	6/10/2013	Bluewater	\$ 255.00	Asbestos	Clean Up	1547
20-21	6/10/2013	John Taylor Termite	\$ 400.00	Termite	Inspection	visa
22-25	6/11/2013	Associated Building Supply	\$ 6,488.09	Windows	Windows 1/2 Payment	visa
27-28	6/17/2013	ABC Imaging	\$ 10.90	Printing	Roof Plan	1553
29-32	6/17/2013	Associated Building Supply	\$ 3,936.53	Doors	1/2 Doors	visa
33-34	6/17/2013	PG&E	\$ 1,000.00	Engineering	new service	1552
35-39	6/24/2013	Associated Building Supply	\$ 6,488.09	Windows	Windows 2/2 Payment	visa
41-42	7/10/2013	Dennis J. Gillespie	\$ 165.00	Engineering	June Hours	1557
43-44	7/10/2013	Matt Baran	\$ 1,860.00	Architecture	Architecture	1417
45-46	7/11/2013	Ashby Lumber	\$ 4131	L Bracket for Pony Wall	L Bracket for Pony Wall	visa
47	7/18/2013	Associated Building Supply	\$ 3,936.53	Doors	2/2 Doors	visa
49-50	7/25/2013	PG&E	\$ 279.79	Utilities	Electrical Contract	1558
51-59	7/25/2013	Quan Tran	\$ 2,109.68	Misc	Material Reimb for pliers and extra material for windows	1299
60-61	8/2/2013	ABC Imaging	\$ 11.34	Misc	PDFs	1559
62-63	8/2/2013	Dennis J. Gillespie	\$ 125.00	Engineering	July Hrs	1560
65	8/5/2013	National Construction	\$ 139.00	Misc	Toilet	1562
66-67	8/5/2013	Tri City Rock	\$ 821.70	Concrete	Concrete for Piers	1564
76-77	9/3/2013	John Taylor Termite	\$ 1,400.00	Termite	Spray for Foundation	1569
83	9/10/2013	National Construction	\$ 95.40	Utilities	Toilet	1573
84	9/11/2013	City of Oakland	\$ 32.13	Permits	Upgrade Water Service	visa
87	9/12/2014	City of Oakland	\$ 493.43	Permit	Trench Permit	visa
88-89	9/16/2013	City of Oakland	\$ 276.00	Utilities	Inspections for sidewalk cut	1439
90-91	9/20/2013	Javier Gomez	\$ 3,000.00	Stucco	PMT #1	1441
95	9/26/2013	Home Depot	\$ 426.59	Hardware	Exterior Locks	visa
98-99	10/3/2013	ABC Imaging	\$ 10.90	Printing	Copies	1581
100-101	10/3/2013	Bluewater	\$ 1,360.00	Misc	Asbestos Cleanup	1579
102	10/3/2013	National Construction	\$ 95.40	Toilet	Toilet	1580
103	10/9/2013	Home Depot	\$ 15.23	Misc	Trash Bags	visa
104	10/10/2013	BT Construction	\$ 40,000.00	PMT #2	Contract	1442
105	10/11/2013	Javier Gomez	\$ 4,000.00	Stucco	PMT#2	1443
106	10/11/2013	Javier Gomez	\$ 3,000.00	Stucco	PMT#3	1453
109-110	10/15/2013	Cal Steam	\$ 354.05	Plumbing	Shower Trim	visa
112-113	10/16/2013	National Construction	\$ 95.40	Misc	Toilet	1588
115	11/12/2013	Emperor Supply	\$ 902.50	Plumbing	8 Bath Fans	visa
116	11/12/2013	National Construction	\$ 95.40	Misc	Toilet Rental	1595
117	11/15/2013	Javier Gomez	\$ 1,700.00	Stucco	Final Payment 2300-600 (trash) = 1700	1599
119-120	11/25/2013	Associated Building Supply	\$ 572.25	Doors	Frt Door	1605
121-122	11/25/2013	City of Oakland	\$ 177.87	Permits	Foundation Permit Add On	visa
125-128	11/27/2013	Home Depot	\$ 578.06	Electrical	Material for Cut wires	visa
131-132	12/3/2013	Dennis J. Gillespie	\$ 307.50	Engineering	Nov Hrs	1611
135-136	12/3/2013	Reed Brothers	\$ 55.53	Misc	Security Camera and Sign	visa
137-139	12/4/2013	Associated Building Supply	\$ 654.00	Doors	Blfold Closet Doors	1612
141	12/11/2013	National Construction Rentals	\$ 95.40	Toilet Rental	Toilet	1618
146-147	12/16/2013	Import Tile	\$ 902.27	Tile	Floor Tile	visa
148-149	12/17/2013	Da Tile	\$ 317.40	Tile	Bullnose	visa
150-160	12/17/2013	West Coast Sound Solutions	\$ 1,794.38	Misc	Green Glue	visa
161	12/20/2013	BT Construction	\$ 10,000.00	PMT #3	10K of 45k	1623
162	12/20/2013	BT Construction	\$ 10,000.00	PMT #3	20k of 45k	1466
164	12/30/2013	BT Construction	\$ 11,125.00	PMT #3	31,125 OF 42,250	1627
165	12/30/2013	BT Construction	\$ 11,125.00	PMT #3	42250 OF 42250	1468
166-167	1/7/2014	Cal Wood	\$ 4,578.00	Flooring	5/16 @ \$1.50	visa
168-169	1/7/2014	Dennis J. Gillespie	\$ 187.50	Engineering	December	1630
171	1/9/2014	Pacific Flooring	\$ 767.36	new Hardwood Portion	Hardwood	visa
174-175	1/13/2014	National Construction Rentals	\$ 95.40	Toilet	Rental	1631
177	1/14/2014	Ikea	\$ 8,385.96	Kitchen Cabinets	4 Kitchens	debit card
178	1/14/2014	Ikea	\$ 896.60	Lighting	Fixtures	debit card
179	1/14/2014	Ikea	\$ 59.00	Ikea Drop Off	Fee	debit card
182-186	1/15/2014	Home Depot	\$ 5,093.64	Sinks, fixtures, lights, toilets	Plumbing and Lighting	debit card
187	1/15/2014	Ikea	\$ 501.01	Lighting	Lights	debit card
189	1/17/2014	Ikea	\$ 348.76	ped sinks + shower lights	Plumbing and Lighting	debit card
190	1/21/2014	Ikea	\$ 719.27	Cabinets + lights	big sink basins + more lights	visa
191-192	1/22/2014	City Lights	\$ 261.00	Sconce Lights	lower units	visa
194	1/24/2014	BT Construction	\$ 22,500.00	PMT #4	PMT#4	1637
199	1/24/2014	Ikea	\$ 486.14	Cabinets	Toe Kicks for Granite	visa
200	1/24/2014	Ikea	\$ 187.72	Hardware	cabinets	visa

Exhibit #	Date	Payee	Amount	Sub Category	Description	Check #
201	1/24/2014	Macbeath Hardwood.	\$ 117.55	Railing Tops	Red Oak	
202-203	1/27/2014	CB2	\$ 173.56	Pendant Lights	downstairs units	visa
204	1/27/2014	Ikea	\$ 82.84	Cabinets	cabinets	visa
205	1/27/2014	Javier Gomez	\$ 700.00	Stucco	Front Doors	visa
207	1/28/2014	Home Depot	\$ 283.95	Tile	Backsplash	1638
208	1/28/2014	Ikea	\$ 233.29	Mirrors	Mirrors	visa
209-211	1/28/2014	Lampsplus	\$ 217.48	Outdoor lighting	Outdoor lighting	visa
212-214	1/28/2014	Troy Thompson	\$ 8,388.00	Cabinet	Install	visa
215-218	1/29/2014	Airport Appliance	\$ 8,056.56	Appliances	4 Kitchen	1639
219	1/29/2014	Home Depot	\$ 941.41	Plumbing	sink fixtures & garbage disposals	visa
220	1/29/2014	Ikea	\$ 31.09	Cabinet	More Hardware	visa
221	2/1/2014	Pacific Flooring	\$ 16.88	Flooring	stair railing tops	visa
222	2/4/2014	Home Depot	\$ 527.68	Hardware	Door hardware	visa
234	2/13/2014	Emperor Supply	\$ 17.40	Emperor Supply Inc	Lights	visa
235	2/13/2014	Home Depot	\$ 166.10	Home Depot	Mail Slots	visa
237-238	2/20/2014	Cal Steam	\$ 5,445.64	Plumbing	to get credit from QT	visa
239-242	2/20/2014	Home Depot	\$ 211.11	Hardware	Locks for Outside	visa
243	2/20/2014	National Construction Rentals	\$ 95.40	Toilet Rental	Toilet	1642
245-247	2/24/2014	Safeshields, Inc.	\$ 375.00	Transom windows	Transom windows	1478
248-249	2/26/2014	Sherwin Williams	\$ 59.10	Paint	Paint	1645
250-252	3/10/2014	Associated Building Supply	\$ 985.36	MLK Doors + Touch Up Paint	Exterior Doors for shed	1647
253	3/10/2014	National Construction Rentals	\$ 95.40	Toilet MLK	Rental Toilet	1648
254-255	3/11/2014	City Lights	\$ 116.36	Light Bulbs	LEDs & pendant light & broken sconce light bulb	visa
258	3/11/2014	Home Depot	\$ 105.69	garbage disposal	garbage disposal	visa
259	3/12/2014	Home Depot	\$ 120.22	new switches	electrical	visa
262	3/26/2014	BT Construction	\$ 11,750.00	1/2 of Final Pmt	contract	1670
264	3/26/2014	BT Construction	\$ 11,750.00	1/2 of Final Pmt	contract	1492
Total			\$276,512.35			

City of Oakland
Building Services
Construction Valuation¹
For Building Permits⁴
Effective Aug. 1, 2009

Community Economic Development Agency
 Dalziel Administration Building
 250 Frank Ogawa Plaza - 2nd Floor
 Oakland, CA 94612
 510-238-3891

Occ.	Description ²	Construction	Level Ground ²		Hillside Construction		Marshall & Swift 3Q 7'09
		Type	New	Remodel	New	Remodel	Section pg (Class/type)
R3	Custom Residence	V	\$207.53	\$107.92	\$269.79	\$140.29	Section 12 pg 25 (C/e)
	Single Family & Duplex	V	\$144.46	\$75.12	\$187.80	\$97.65	Section 12 pg 25 (C/g)
	Factory/Manufactured home	V	\$43.50	\$22.62	\$56.55	\$29.41	Section 12 pg 26 (CDS/g)
	Finished Habitable Basement Conversion	V	\$96.42	\$50.14	\$125.35	\$65.18	Section 12 pg 25 (S/a)
	Convert non-habitable to habitable	V	N/A	\$43.50	N/A	\$56.55	Section 12 pg 26 (CDS/g)
	Partition Walls	V	N/A	\$16.19	N/A	\$21.05	Section 52 pg 2 (6" wall)
	Foundation Upgrade (l.f.)	V	\$105.37	NA	\$136.98	NA	Section 51 pg 2 (R/24x72.)
	Patio/Porch/Roof	V	\$24.70	\$12.84	\$32.11	\$16.70	Section 66 pg 2 (Wood)
	Ground Level Decks	V	\$30.49	\$15.85	\$39.64	\$20.61	Section 66 pg 2 (100sl/avg)
	Elevated Decks & Balconies	V	\$41.16	\$21.40	\$53.51	\$27.82	Section 66 pg 2 (100sl/+1 story)
U1	Garage	V	\$38.42	\$19.98	\$49.95	\$25.97	Section 12 pg 35 (C/a800)
	Carport	V	\$24.70	\$12.84	\$32.11	\$16.70	Section 12 pg 35 (D/a4car)
	Retaining wall (s.f.)	III	\$32.96	NA	\$42.85	NA	Section 55 pg 3 (12" reinf./h)
R2	Apartment (>2 units)	I & II	\$174.69	\$90.84	\$227.10	\$118.09	Section 11 pg 18 (B/g)
		III	\$156.91	\$81.59	\$203.98	\$106.07	Section 11 pg 16 (Dmill/g)
		V	\$127.00	\$66.04	\$165.10	\$85.85	Section 11 pg 18 (D/g)
Non-Residential Occupancy							
A	Church/Auditorium	I & II	\$247.07	\$128.48	\$321.19	\$167.02	Section 16 pg 9 (B/g)
		III	\$182.01	\$94.65	\$236.61	\$123.04	Section 16 pg 9 (B/a)
		V	\$175.93	\$91.48	\$228.71	\$118.93	Section 16 pg 9 (S/g)
A	Restaurant	I & II	\$221.82	\$115.35	\$288.37	\$149.95	Section 13 pg 14 (A-B/g)
		III	\$174.20	\$90.58	\$226.46	\$117.76	Section 13 pg 14 (C/g)
		V	\$166.80	\$86.74	\$216.84	\$112.76	Section 13 pg 14 (D/g)
B	Restaurant, <50' occupancy	V	\$145.24	\$75.52	\$188.81	\$98.18	Section 13 pg 17 (C/a)
B	Bank	I & II	\$223.46	\$116.20	\$290.50	\$151.06	Section 15 pg 21 (B/a)
		III	\$182.01	\$94.65	\$236.61	\$123.04	Section 15 pg 21 (C/a)
		V	\$173.02	\$89.97	\$224.93	\$116.96	Section 15 pg 21 (D/a)
B	Medical Office	I & II	\$249.76	\$129.88	\$324.69	\$168.84	Section 15 pg 22 (A/g)
		III	\$243.19	\$126.46	\$316.15	\$164.40	Section 15 pg 22 (B/g)
		V	\$200.73	\$104.38	\$260.95	\$135.69	Section 15 pg 22 (C/g)
B	Office	I & II	\$165.41	\$86.01	\$215.03	\$111.82	Section 15 pg 17 (B/a)
		III	\$120.77	\$62.80	\$157.00	\$81.64	Section 15 pg 17 (C/a)
		V	\$115.34	\$59.98	\$149.94	\$77.97	Section 15 pg 17 (D/a)
E	School	I & II	\$239.11	\$124.34	\$310.84	\$161.64	Section 18 pg 14 (A-B/g)
		III	\$181.96	\$94.62	\$236.55	\$123.00	Section 18 pg 14 (C/g)
		V	\$171.94	\$89.41	\$223.52	\$116.23	Section 18 pg 14 (D/g)
H	Repair Garage	I & II	\$186.25	\$96.85	\$242.13	\$125.91	Section 14 pg 33 (MSG 527C/e)
		III	\$180.70	\$93.96	\$234.91	\$122.15	Section 14 pg 33 (MLG 423C/e)
		V	\$175.14	\$91.07	\$227.68	\$118.39	Section 14 pg 33 (MLG 423D/e)
I	Care/Facilities / Institutional	I & II	\$186.04	\$96.74	\$241.85	\$125.76	Section 15 pg 22 (B/a)
		III	\$152.09	\$79.09	\$197.72	\$102.81	Section 15 pg 22 (C/a)
		V	\$146.52	\$76.19	\$190.48	\$99.05	Section 15 pg 22 (D/a)
M	Market (Retail sales)	I & II	\$143.82	\$74.79	\$186.97	\$97.22	Section 13 pg 26 (A/g)
		III	\$117.10	\$60.89	\$152.23	\$79.16	Section 13 pg 26 (C/g)
		V	\$113.19	\$58.86	\$147.15	\$76.52	Section 13 pg 26 (D/g)
S	Industrial plant	I & II	\$157.34	\$81.82	\$204.54	\$106.36	Section 14 pg 15 (B/a)
		III	\$134.38	\$69.88	\$174.69	\$90.84	Section 14 pg 15 (C/a)
		V	\$111.93	\$58.20	\$145.51	\$75.66	Section 14 pg 15 (D/a)
S	Warehouse	I & II	\$96.28	\$50.07	\$125.16	\$65.09	Section 14 pg 26 (A/g)
		III	\$91.77	\$47.72	\$119.30	\$62.04	Section 14 pg 26 (B/g)
		V	\$90.79	\$47.21	\$118.03	\$61.37	Section 14 pg 26 (Cmill/g)
S	Parking Garage	I & II	\$76.31	\$39.68	\$99.20	\$51.59	Section 14 pg 34 (A/g)

¹ Cost per square foot, unless noted otherwise. (l.f. = linear foot; s.f. = square foot); includes 1.3 regional multiplier (see Sec. 99 pg 6 July 2009 Marshall & Swift)

² Hillside construction = slope >20%; multiply by additional 1.3 multiplier

³ Remodel Function of New Construction is a 0.52 multiplier.

⁴ Separate structures or occupancies valued separately.

⁵ Separate fees assessed for E/P/M permits, R.O.W. improvements, Fire Prevention Bureau, Grading Permits, technology enhancement, records management, Excav. & Shoring.

PROOF OF SERVICE

Case Number L14-0016

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached **Hearing Decision** by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Resident
4133 Martin Luther King Jr, Way
Oakland, CA 94608

Resident
4135 Martin Luther King Jr, Way
Oakland, CA 94608

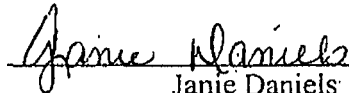
William Blair Banker
3840 San Pablo,
Oakland, CA 94608

Resident
4137 Martin Luther King Jr, Way
Oakland, CA 94608

Resident
4139 Martin Luther King Jr, Way
Oakland, CA 94608

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on **July 21, 2014** in Oakland, California.


Janie Daniels
Oakland Rent Adjustment Program

CITY OF OAKLAND



250 FRANK H. OGAWA PLAZA, SUITE 5313 · P.O. BOX 70243 · OAKLAND, CA
94612-2034

Department of Housing and Community Development
Rent Adjustment Program

TEL (510) 238-3721
FAX (510) 238-6181
TDD (510) 238-7629

HEARING DECISION

CASE NUMBER: L14-0025, 412 Monte Vista LLC v. Tenants

PROPERTY ADDRESS: 412 Monte Vista Avenue
Oakland, CA

APPEARANCES: Laura Blair Owner Representative
Carlos Plazola Owner Representative

DATE OF HEARING: July 14, 2014

DATE OF DECISION: July 24, 2014

SUMMARY OF DECISION: The owner's petition is granted. The subject building is exempt from the Rent Ordinance on the basis of substantial rehabilitation.

INTRODUCTION

412 Monte Vista LLC, Inc., filed a petition requesting an exemption from the Rent Adjustment Ordinance on the basis of substantial rehabilitation and new construction. Notice of the petition was sent to all tenants at the subject building. No one filed a response to the owner's petition and no tenant appeared at the hearing.

ISSUES

1. Is the subject building exempt from the Rent Adjustment Ordinance on the basis of "substantial rehabilitation"?

EVIDENCE

The owner representatives testified that the subject building is a single family residence which was purchased by a church in the 1950s and used for storage and community activities. The owners converted the building into a residential building of 14 units. The owner provided documentation that the

square footage of the subject building is 11,241 square feet.¹ Building Permit Number B1302196 was issued for the building on August 9, 2013.² The permit was to convert a single family residence into fourteen units. The owner representatives testified that the work was performed in 2013 and a Certificate of Occupancy was issued on May 30, 2014³, and the work was performed within two years after issuance of the building permit.

The owner testified and provided documentation that the subject building is Type V, wood frame construction on level ground, and that each of the expenses contained in an itemized summary report was paid (Summary of Expenses, Ex. pp. 2-3). The owner claims expenses totaling \$1,364,046.30

After the owner filed the petition for a certificate of exemption, the subject building was sold on June 4, 2014, to Milvan Management II, LLC.

The following documentary evidence of expenses in support of the owner's claim of exemption based on substantial rehabilitation was submitted and received into evidence:

1. Grant deed showing change of ownership from 412 Monte Vista LLC to Milvan Management II, LLC and legal description of subject property⁴
2. Receipts, invoices and cancelled checks for the following vendors⁵:

Vendor	Description	Cost
AA Cabinets	Kitchen cabinets	\$22,881.78
Mendelson Architecture	Architectural plans	\$56,206 ⁶
Alcal Specialty Contracting, Inc.	Insulation	\$ 4,000
All American Fence Corp.	Fencing-storage units	\$ 8,500
Barrera & Associates	Floor, sidewalk, framing	\$224,674
Buildzig	Management Fees	\$71,000
BW Heat/Air	Heat, Hot Water Heater	\$37,810
City of Oakland	Permit Fees	\$34,189.82
Dimension Construction	Water proofing/drainage	\$44,000
EBMUD	Water meters	\$116,169
Economy Lumber	Materials	\$19,217.90
Geicyler & OJV	Landscape	\$24,420
Build it Green	Miscellaneous repairs	\$ 8,805.66
Home Depot	Materials	\$28,729
Hong's Painting	Interior Painting/Rails	\$20,350

¹ Ex. No. pp. 405-406 Letter from Department of Planning and Building signed by Scott Miller, Zoning Manager, on 3/31/14

² City of Oakland, Ex. No. p. 410

³ Certificate of Occupancy, Ex. No. p. 390

⁴ Ex. No. pp. 392-394

⁵ Ex. No. pp. 4-379

⁶ The vendor's invoice was short by \$311, and is \$56,206, not \$55,895

Vendor	Description	Cost
Jing Liu Flooring	Refinish floor	\$ 2,500
JJ Ironworks	Metal work	\$18,435
Metro	Mechanical, electrical, plumbing	
	Engineer work	\$15,685
Knox Sewer	Trenching-water/gas lines	\$ 5,700
Krause Engineering	Noise testing	\$1,200
Labor Max	General labor	\$35,073.75
Mexsol	Roof repair	\$2,200
Nueva Castilla	Steel tower	\$60,014
Olympic Glass	Window repair	\$1,522.71
P.G.E.	Utilities	\$8,527.28
Paradigm	Drywall	\$43,220
Picture Perfect	Site supervision	\$33,014.85
Pyro-Comm	Fire alarms	\$22,176
R&S Overhead Doors	Handicap access door opener	\$ 7,596
Rayco Door & Window	Doors	\$13,105.39
Seri Ngeriwattana	Structural engineer	\$10,930
Straus Carpet	Carpet/vinyl floor	\$22,897.87
Terra Linda	Electrical	\$97,544
Thorpe Design	Sprinkler	\$43,049.70
Top Notch	Fire place inserts	\$16,918.50
Toto's Plumbing	Plumbing	\$155,200
United Site Services	Porto Potty	\$2,695.88
Villas & Sons	Misc. repairs-siding-garage door trim	\$24,800
TOTAL		\$1,364,937.90

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Applicable Law: O.M.C. 8.22.030(A) (6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Ordinance.

- a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.
- b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period

when the substantial rehabilitation was completed.⁷

The tables issued by the Building Services agency refer to a dollar amount per square foot. Therefore, in order to make the necessary mathematical computation, an owner must present sufficient evidence of the square footage of the building, as well as the cost of the rehabilitation project.

The Calculation: Table "A" lists square foot construction costs, effective August 1, 2009. Table A states that the cost of new construction in 2009 was \$127.00 per square foot for type V construction on level ground. The square footage of the subject building is 11,241 feet. The costs of new construction totaled \$1,427,607. Therefore, if the owner expended \$713,803.50 on the construction project, the building is exempt from the Rent Ordinance. The owner credibly testified that the expenses contained in the itemized summary report were paid. These costs were for conversion of a single family dwelling into 14 units.

Certain of the expenses claimed are disallowed as itemized below:

<u>Item</u>	<u>Cost</u>
1. Buildzig-Claim for project management fees. Buildzig and 412 Monte Vista LLC are overlapping entitles; Moreover, the owner was unable to provide proof of payment of \$46,000 of the amount claimed. Additionally Picture Perfect was listed as the site supervisor for the project.	\$71,000
2. Pace Supply-no proof of payment	\$ 2,379
3. The following checks were missing from the documents:	
• Check No. 1041-\$2,090.71(A) ⁸	
• Check 1041-\$300.65 (B)	
• Check No. 1211-\$470.29 (A)	
• Check No. 2829-\$2,856 (A)	
• Check No. 2856-\$6,619.00 (A)	
• Check No. 1219-\$9,604.20 (A)	
• Check No. 1201-\$250.70 (A)	
• Check No. 1198-\$900 (A)	
• Check No. 1040-\$11,070 (A)	
• Check No. 1032-\$2,468.71 (A)	
• Check No. 1192-\$454.33 (A)	
• Check No. 2003-\$5,000 (A)	

⁷ O.M.C. Section 8.22.030(B)(2)

⁸ "A" refers to Bank of Alameda; "B" refers to Private Bank of Boston

- Check No. 1128-\$3,257.35 (B)
- Check No. 1130-\$4,182.50 (B)
- Check No. 1224-\$4,213.44 (A)
- Check No. 1202-\$3,038.40 (A)
- Check No. 1225-\$759.60(A)
- Check No. 1036-\$1,000(A)
- Check No. 1204-\$5,677.74 (A)
- Check No. 1188-\$6,095 (B)
- Check No. 1041- \$2,031.98 (Check is for \$58.73, not \$2,090.71)(A)

4. The expense for Home Depot totaling \$324.12 was disallowed because this item was shipped to 5600 Cabot Drive, not to the subject building site.

The expenses disallowed total \$146,043.72

The Hearing Officer utilized the itemized summary of \$1,364,937.90 to determine whether the owner met the threshold expenses of \$713,803.50. The owner has substantiated expenses of \$1,218,894.20; which exceeds the 50% threshold of \$713,803.50 for new construction. Therefore, the building has been "substantially rehabilitated." The rental units in the building are exempt from the Rent Ordinance.⁹

ORDER

1. The owner's petition is granted.
2. The subject building is a "substantially rehabilitated" building and exempt from the Rent Adjustment Ordinance. A certificate of exemption for the subject building shall be issued when this decision becomes final.
3. A certificate shall be issued upon expiration of the appeal period.
4. **Right to Appeal:** **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) days after service of this decision. The date of service is shown on the attached Proof of Service. If the last day to file is a weekend or holiday, the appeal may be filed on the next business day.

Dated: July 24, 2014


BARBARA KONG-BROWN, ESQ.
 Senior Hearing Officer
 Rent Adjustment Program

⁹ There is no need to discuss the issue of exemption on the basis of new construction because the exemption was granted on the basis of substantial rehabilitation

PROOF OF SERVICE

Case Number L14-0025

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached **Hearing Decision** by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

412 Monte Vista, LLC
1211 Embarcadero Way, Suite D
Oakland, CA 94606

412 Monte Vista, LLC
Laura Blair, Build Zig
1211 Embarcadero Way, Suite D
Oakland, CA 94606

Mackenzie Fageson
412 Monte Vista, #1
Oakland, CA 94611

Tracy Hoagland
412 Monte Vista, #2
Oakland, CA 94611

Jason Munn
412 Monte Vista, #3
Oakland, CA 94611

Laura Van Duren
412 Monte Vista, #4
Oakland, CA 94611

Tessa Farbe
412 Monte Vista, #5
Oakland, CA 94611

Molly Bloom
412 Monte Vista, #6
Oakland, CA 94611

Joe Guiles
412 Monte Vista, #7
Oakland, CA 94611

Sophie Rollins
412 Monte Vista, #8
Oakland, CA 94611

Thea Lawson
412 Monte Vista, #8
Oakland, CA 94611

Robert Heisler
412 Monte Vista, #9
Oakland, CA 94611

Lorna Galañg
412 Monte Vista, #9
Oakland, CA 94611

Resident
412 Monte Vista, #10
Oakland, CA 94611

Atoosa Firouzian
412 Monte Vista, #11
Oakland, CA 94611

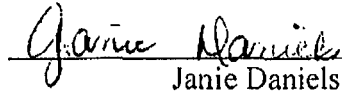
Robert Gavrilović
412 Monte Vista, #12
Oakland, CA 94611

Michele Muoio
412 Monte Vista, #13
Oakland, CA 94611

Yoriyasu Yano
412 Monte Vista, #14
Oakland, CA 94611

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on **July 29, 2014** in Oakland, California.


Janie Daniels
Oakland Rent Adjustment Program

CITY OF OAKLAND



250 FRANK H. OGAWA PLAZA , SUITE 5313 · P.O. BOX 70243 · OAKLAND, CA 94612-2034

Department of Housing and Community Development
Rent Adjustment Program

TEL (510) 238-3721
FAX (510) 238-6181
TDD (510) 238-7629

HEARING DECISION

CASE NUMBER: L14-0032, Vanier v. Tenant

PROPERTY ADDRESS: 771 Kinston Avenue, No. 205, Oakland, CA

APPEARANCES: Gary Vanier Owner
Yolanda Bachtell Owner Representative

DATE OF HEARING: September 29, 2014

DATE OF DECISION: November 14, 2014

SUMMARY OF DECISION: The owner's petition is GRANTED. The subject building is exempt from the Rent Ordinance on the basis of substantial rehabilitation.

INTRODUCTION

Gary Vanier, the owner, filed a petition on June 30, 2014, which requests an exemption from the Rent Ordinance on the grounds that the subject building has been substantially rehabilitated. He states that he has spent \$41,751.30 for the subject building and that he meets the threshold requirement for exemption on the basis of substantial rehabilitation.

ISSUE

1. Is the subject building exempt from the Rent Adjustment Ordinance?

EVIDENCE

The owner petition states under penalty of perjury that the subject building is a condominium and the prior tenant left after being given a notice to quit pursuant to California Civil Code Section 1946). The prior tenant left in January 2014 and the unit is currently vacant. A copy of the owner's petition was sent to the vacant unit with a proof of service and no response was filed.

Substantial Rehabilitation

The owner claims that he spent \$41,751.30 to rehabilitate his unit, and testified that the subject building consists of a condominium. He obtained building permit RB1400767 on March 17, 2014. The work consisted of remodeling the kitchen and bathroom; building interior non-bearing walls to create a bedroom in an existing studio apartment; add electrical wall heater and electric fire place in bedroom; install electrical and plumbing as needed.¹

The owner testified and provided documentation that the subject building is Type V, wood frame construction on level ground, and that the square footage of the subject building is 484 square feet.²

The owner testified that each of the expenses contained in an itemized summary report was paid. He submitted over two hundred pages of documentary evidence of expenses in support of his claim. The summary below itemizes the owner's expenses as follows:

1. Employee meals	\$347.74
2. Pre-permit planning expense	\$299.70
3. Project management	\$918.80
4. Building permits/Title 24 Compliance	\$1,362.02
5. Demolition	\$3,177.18
6. Hauling	\$243.37
7. Electrical	\$2,931.63
8. Plumbing	\$1,653.23
9. Flooring	\$2,062.06
10. Kitchen cabinets/appliances	\$10,642.36
11. Bathroom cabinets, fixtures/tiles	\$3,926.76
12. Bedroom and Closet	\$821.93
13. Painting	\$994.51
14. Labor	\$9,756.75
15. Miscellaneous materials and supplies	\$1,846.35
16. Diesel fuel	\$585.12

TOTAL EXPENSES CLAIMED \$41,751.30

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Substantial Rehabilitation

The Applicable Law: O.M.C. 8.22.030(A) (6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Ordinance.

¹ Ex. No. pp.14-16

² Ex. No. pp. 8-11

a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.

b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.³

The tables issued by the Building Services agency refer to a dollar amount per square foot. Therefore, in order to make the necessary mathematical computation, an owner must present sufficient evidence of the square footage of the building, as well as the cost of the rehabilitation project.

The Calculation: Table "A" lists square foot construction costs, effective February 1, 2009. However, since the construction in this case occurred in 2004 and costs have risen, it would be unfair to an owner if current costs were used. For this reason, the Building Services agency has also issued a document entitled "Cost Indexes (1926 = 100)" (Table B).

These tables are used as follows: (1) On Table "B," determine the number for the year of construction, geographical district, and type of construction; (2) Divide this number by the number in the same category for the year 2004. The resulting percentage is then multiplied by the number derived when the square foot cost shown on Table "A" is multiplied by the number of square feet in the building.

The square footage of the subject building is 3,400 square feet. The appropriate cost table is for level ground renovation construction costs. Construction costs in 2004 is stated below as follows:

The owner testified that the subject building is of wood frame construction. The table issued by the City of Oakland entitled "City of Oakland Building Services Construction Valuation for Building Permits", states if the renovation work were done in 2009, the square foot cost would be \$127.00 (Apartment R2 Remodel; Category V-wood frame).⁴ This amount multiplied by 484 equals \$61,468. 50% of \$61,468 is \$30,734. Therefore, if the owner expended \$30,734 on the construction project, the building is exempt from the Rent Ordinance.

The following expenses totaling are disallowed:

- Crew meals of \$347.74 are not construction costs;
- Administrative costs of \$299.70 are not construction costs and are disallowed.

³ O.M.C. Section 8.22.030(B)(2)

- Gas charges of \$585 are not construction costs.

The following expenses are allowed:


1. Project management	\$918.80
2. Building permits/Title 24 Compliance	\$1,362.02
3. Demolition	\$3,177.18
4. Hauling	\$243.37
5. Electrical	\$2,931.63
6. Plumbing	\$1,653.23
7. Flooring	\$2,062.06
8. Kitchen cabinets/appliances	\$10,642.36
9. Bathroom cabinets, fixtures/tiles	\$3,926.76
10. Bedroom and Closet	\$821.93
11. Painting	\$994.51
12. Labor	\$9,756.75
13. Materials and supplies	\$1,846.35

The owner has substantiated expenses of \$40,528, which exceeds the 50% threshold of \$30,734 for new construction. Therefore, the building has been "substantially rehabilitated." The rental units in the building are exempt from the Rent Ordinance.

ORDER

1. The owner's petition is granted.
2. The subject building is a "substantially rehabilitated" building and exempt from the Rent Adjustment Ordinance. A certificate of exemption for the subject building shall be issued when this decision becomes final.
3. **Right to Appeal:** **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) days after service of this decision. The date of service is shown on the attached Proof of Service. If the last day to file is a weekend or holiday, the appeal may be filed on the next business day.

Dated: November 14, 2014


BARBARA KONG-BROWN, ESQ.
 Senior Hearing Officer
 Rent Adjustment Program

PROOF OF SERVICE

Case Number L14-0032

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Tenant

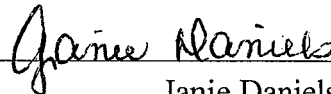
Resident

771 Kingston Ave #205

Oakland, CA 94611

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on November 17, 2014 in Oakland, CA.



Janie Daniels

Oakland Rent Adjustment Program

PROOF OF SERVICE

Case Number L14-0032

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

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Owner

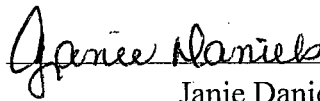
Gary Vanier
2048 Buttner Rd
Pleasant Hill, CA 94523

Owner Representative

Yolanda Bachtell
2312 Ptarmigan Dr #1
Walnut Creek, CA 94595

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on November 17, 2014 in Oakland, CA.



Janie Daniels

Oakland Rent Adjustment Program

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HEARING DECISION

CASE NUMBER: L14-0043, Jackson v. Tenant

PROPERTY ADDRESS: 33 Deering Court, Oakland, CA

APPEARANCES: Millicent Jackson Owner

DATE OF HEARING: November 4, 2014

DATE OF DECISION: January 29, 2015

SUMMARY OF DECISION: The owner's petition is GRANTED. The subject building is exempt from the Rent Ordinance on the basis of substantial rehabilitation.

INTRODUCTION

Millicent Jackson, the owner, filed a petition on July 23, 2014, which requests an exemption from the Rent Ordinance on the grounds that the subject building has been substantially rehabilitated. She contends that she has spent \$467,540.27 for the subject building and that she meets the threshold requirement for exemption on the basis of substantial rehabilitation.

ISSUE

1. Is the subject building exempt from the Rent Adjustment Ordinance on the basis of substantial rehabilitation?

EVIDENCE

The owner testified that she purchased the subject building in 2009 and at the time she filed the petition for exemption the subject building was vacant.¹ Notice was

¹ Ex. No. pp. 119-120

sent to "Resident, 33 Deering Court, Oakland, CA 94601", and no response to the owner petition was received by the Rent Adjustment Program.

The owner testified that she spent \$467,540.27 to rehabilitate her building, and that the subject building consists of four units. She obtained building permits RB1303232, DS140019, RE1400403, and RB1400013. The work consisted of gutting the entire subject building, removing walls, plaster, beams, flooring, frames and roof; remodeling the entire building; removal of asbestos and install electrical mechanical and plumbing as needed.² The general contractor for the work was Paul Davis Restoration & Remodeling.

The owner provided evidence of payment for the work as follows:

1. Paul Davis Restoration & Remodeling	\$154,924.88 ³
2. "	\$158,559.64
3. "	\$154,924.88
4. Alliance Environmental Group	\$ 21,258.92
TOTAL	\$489,668.32

The owner testified and provided documentation that the subject building is Type V, wood frame construction on level ground, and that the square footage of the subject building is 3,050 square feet.⁴ She submitted 137 pages of documentary evidence of expenses in support of her claim.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Substantial Rehabilitation

The Applicable Law: O.M.C. 8.22.030(A) (6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Ordinance.

a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.

b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.⁵

² Ex. No. pp.1-97

³ Ex. No. pp. 109-117

⁴ Ex. No. pp.99-104

⁵ O.M.C. Section 8.22.030(B)(2)

The tables issued by the Building Services agency refer to a dollar amount per square foot. Therefore, in order to make the necessary mathematical computation, an owner must present sufficient evidence of the square footage of the building, as well as the cost of the rehabilitation project.

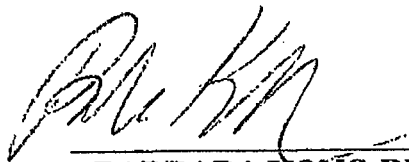
The Calculation: The square footage of the subject building is 3,050 square feet. The appropriate cost table is for level ground construction costs. The owner testified that the subject building is of wood frame construction. The 2009 table issued by the City of Oakland entitled "City of Oakland Building Services Construction Valuation for Building Permits", states that the square foot cost would be \$127.00 (Apartment R2 Remodel; Category V--wood frame).⁶ This amount multiplied by 3,050 equals \$387,350. 50% of this amount is \$193,675. Therefore, if the owner expended \$193,675 on the construction project, the building is exempt from the Rent Ordinance.

The owner has substantiated expenses of \$489,668.32 which exceeds the 50% threshold of \$193,675 for new construction. Therefore, the building has been "substantially rehabilitated." The rental units in the building are exempt from the Rent Ordinance.

ORDER

1. The owner's petition is granted.
2. The subject building is a "substantially rehabilitated" building and exempt from the Rent Adjustment Ordinance. A certificate of exemption for the subject building shall be issued when this decision becomes final.
3. Right to Appeal: **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) days after service of this decision. The date of service is shown on the attached Proof of Service. If the last day to file is a weekend or holiday, the appeal may be filed on the next business day.

Dated: January 29, 2015



BARBARA KONG-BROWN, ESQ.
Senior Hearing Officer
Rent Adjustment Program

PROOF OF SERVICE

Case Number L14-0043

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

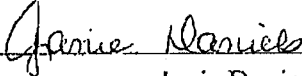
Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Owner
Millicent Jackson
P.O. Box 6895
Oakland, CA 94603

Owner Representative
Alan K. Beales
6114 La Salle Ave #354
Oakland, CA 94611

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on February 04, 2015 in Oakland, CA.



Janie Daniels

Oakland Rent Adjustment Program

PROOF OF SERVICE

Case Number L14-0043

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

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Tenant

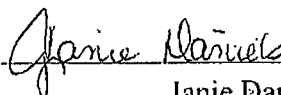
Resident

33 Deering Ct

Oakland, CA 94601

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on February 04, 2015 in Oakland, CA.



Janie Daniels

Oakland Rent Adjustment Program



P.O. BOX 70243, OAKLAND, CA 94612-2043

CITY OF OAKLAND

Department of Housing and Community Development
Rent Adjustment Program

(510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

HEARING DECISION

CASE NUMBER: L14-0069, MC Lakeshore v. Subia et al
PROPERTY ADDRESS: 1824 Lakeshore Ave, Oakland, CA
DATE OF HEARING: April 9, 2015
DATE OF DECISION: May 12, 2015
APPEARANCES: P. Austin Nelson (Owner Representative)
Ryan M. Taylor (Owner Representative)

No appearance by the tenants

SUMMARY OF DECISION

The landlord's petition is granted. The units on the property are exempt from the Oakland Rent Ordinance, but not from the Just Cause for Eviction Ordinance¹. The landlord must continue to pay the Rent Program Service fee.

CONTENTIONS OF THE PARTIES

The owner filed a petition for a Certificate of Exemption on a 25-unit residential building on the ground that it is a "substantially rehabilitated" building, pursuant to Oakland Municipal Code (O.M.C.) Section 8.22 and Rent Adjustment Program Regulations (Regulations).

At the time the owner filed the petition, only one tenant lived in the building. That tenant was given notice of the *Landlord Petition*. He did not file a response to the landlord petition.

¹ O.M.C. § 8.22.500, et seq.

EVIDENCE

The owner, MC Lakeshore-1824, LLC, purchased this 25 unit, 15,135²-sq. foot building in January of 2013. At the time of purchase they began a series of upgrades and repairs to the building.

On the exterior of the building the owner performed a seismic upgrade; repaired dry rot; repaired the exterior decks; replaced all the windows and exterior doors; replaced all exterior stucco; replaced the sewer lateral; upgraded the exterior electrical; installed a roof deck; rebuilt the rear staircase; landscaped the lot including replacing the rear fence; and installed a solar panel system.

In the interior of the building the owner did work in each unit that consisted of complete demolition to the studs; extensive dry rot repair and reframing to accommodate new layout; installed new interior doors; installed new kitchen and bathroom cabinetry, appliances, countertops, tile and fixtures; installed new flooring; replaced electrical, gas and plumbing systems; installed new lighting; installed new hydronic heating systems; installed wiring for data, satellite and cable; and installed washers and dryers in each unit.

In the common area the owner replaced all common area flooring; added a bike storage area; upgraded the fire protection systems and fixtures; and upgraded the electrical system.

The owner provided 384 pages of documentation that included proof of payment for \$4,052,514.25 in costs it incurred. Attached as Exhibit A is a spreadsheet that documents all the costs the owners claimed in support of their request for an exemption.

The owner's representative testified that the owner hired *J5 Real Estate Development Company (J5)* to be the main contractor on the project. They provided two contracts with J5. The first contract showed a stipulated sum of \$868,900³ for the exterior work on the property. Additionally, there were 36 pages of change orders provided⁴. The second contract showed a stipulated sum of \$1,308,725⁵ for the interior work on the property. Additionally, there were 78 pages of change orders provided⁶. The owner provided proof of payments to J5 totaling \$3,440,458.80⁷.

The owner's representatives testified that the architect on the project was *Mason Kirby Inc.* Their summary⁸ showed payments to *Mason Kirby* in the sum of \$167,207.99 and they provided checks supporting these payments⁹. However, they were missing two

² Exhibit 10

³ Exhibit 4, p 3

⁴ Exhibit 4, pp 1-52

⁵ Exhibit 5, p 3

⁶ Exhibit 5, pp 1-97

⁷ Exhibit 3, pp 1-55

⁸ Exhibit 6, page 1

⁹ Exhibit 6, pp 2-18

invoices (## 1007 and 1052) totaling \$8,050.25. The total costs for which they had invoices was \$159,157.74.

The owner's representatives testified that various companies performed engineering projects on the job. They provided invoices and proof of payment for each of these services. The total costs for the engineering work equaled \$21,891.99.

The owner's representatives further testified that *Cool Earth Solar Development* was hired to do a solar installation on the property. The *Solar Installation Agreement* was produced showing costs of \$67,157¹⁰. The owner produced proof of payment in the sum of \$13,431.40 and provided testimony and evidence that it procured a bank loan in the sum of \$51,883.75 to pay for the rest of the solar installation¹¹. The total proof of payment was \$65,315.15.

The owner's representatives further testified that it had miscellaneous costs for windows at a cost of \$171,664.51¹² from *Associated Building Supply (ABS)*. Some of the checks for the windows were made out to *ABS* but some were made out to *Millennial Capital* and *Brian Baker*. These checks were to reimburse *Millennial* and *Baker* for payments they had incurred for windows which they paid directly. The contracts from *ABS* for the windows totaled \$89,862.56, \$2,659.93 and \$2,899.32¹³ a total of \$95,421.81.

Additionally the owner's representative testified to the following miscellaneous expenses: asbestos removal which cost \$4,500¹⁴; scaffolding which cost \$34,394.21 (for which there was a contract evidencing costs of \$14,988.82)¹⁵; permit costs of \$2,268.56¹⁶ for which there is proof of payment totaling \$2,003.74¹⁷; hardware costs for doors and lumber for which there were payments and invoices totaling \$3,556.13¹⁸; lighting costs to *So Sonoma* for which there was proof of payment of \$16,978.55 and invoices totaling \$16,583.55¹⁹; bike rack installation at a cost of \$2,098.15²⁰; appliance costs for which they claimed costs of \$56,706.50²¹, and invoices that amounted to \$95,720.51²²; mailboxes purchased at a cost of \$860²³; and blinds purchased at a cost of \$5,500 for which there was an invoice of \$11,000²⁴. Additionally, the owner claimed costs of \$3,900 for landscaping for which there was no proof of payment and a

¹⁰ Exhibit 9, pp 4-23

¹¹ Exhibit 9, pp 1-3

¹² Exhibit 7, pp 1, 2, 4, 8, 10, 11, and 27

¹³ Exhibit 7, pp 34, 36 and 40

¹⁴ Exhibit 7, pp 3 and 35

¹⁵ Exhibit 7, pp 5, 9, 23, 27 and 37

¹⁶ Exhibit 7, pp 6, 7, 17, 20, 22, and 31

¹⁷ Exhibit 7, pp 38-39, 50 and 52

¹⁸ Exhibit 7, pp 12, 16, 46 and 47

¹⁹ Exhibit 7, pp 13, 14, 18, 44 and 49

²⁰ Exhibit 7, pp 15 and 45

²¹ Exhibit 7, pp 19, 22, 26, 31 and 32

²² Exhibit 7, pp 51, 53 and 58-63

²³ Exhibit 7, pp 24, 25, 56 and 57

²⁴ Exhibit 7, pp 29 and 64

handyman charge (Zachary Cummings) of \$4,445 for which there was no proof of payment.

The owner representatives testified that the building is wood frame construction, 3 story building. Steel was added to the structure in the garages to shore up the soft story construction.

The owner representatives provided before and after photographs that show the work done on the exterior and interior of the building²⁵.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Substantial Rehabilitation: O.M.C. 8.22.030(A)(6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Ordinance.

- a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.
- b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.²⁶

The tables issued by the Building Services agency refer to a dollar amount per square foot (Exhibit "B" attached). Therefore, in order to make the necessary mathematical computation, an owner must present sufficient evidence of the square footage of the building, as well as the cost of the rehabilitation project.

Square Footage: At the hearing, the owner presented a *Property Detail* report that shows that the square footage of the building is 15,135 square feet. The information contained in this document, together with the owner's testimony, is found to be reliable evidence.

Expenses: The owner claimed expenses of \$4,052,514.25. However, certain costs were not supported by the evidence. Wherever there was not proof of payment, those costs were subtracted. Wherever the invoice totals and the proof of payments did not match, the lower of the two was used in the calculation. Additionally, only those costs that are part of the structural framework of the building were included. This does not include the costs of appliances, blinds and landscaping. The owner established expenses of the following costs:

///

²⁵ Exhibit 2

²⁶ O.M.C. § 8.22.030(B)(2)

Category	Performed By	Amount
Architecture	Mason Kirby	\$ 159,157.74
Contractor	J5 Real Estate	\$3,440,458.80
Engineering	Various	\$ 21,891.99
Solar	Cool Earth	\$ 65,315.15
Windows	ABS	\$ 95,421.81
Asbestos Removal	R.B. Construction	\$ 4,500.00
Scaffolding	Pacific Scaffolding	\$ 14,988.82
Permit Costs	City Of Oakland	\$ 2,003.74
Hardware	City Door and Hardware	\$ 3,556.13
Lighting	So-Sonoma	\$ 16,583.55
Bike Rack Installation	Dero	\$ 2,098.15
Total		\$3,825,975.88

The Calculation: The owner's representatives testified that the subject building is of wood frame construction. However, they also testified that the earthquake retrofit performed added steel to the building. Exhibit "B" lists square foot construction costs, effective August 1, 2009. A Type V building is a building that is made from allowable materials that are not "non-combustible materials."²⁷ A wood frame building is combustible, and hence a Type V. While the addition of the steel strengthened the building, it did not change its construction type.

The Exhibit states that for Type V construction of an apartment building greater than 2 units the cost for new construction is \$127.00 per square foot.

To determine if the owner is entitled to the exemption the following calculation is necessary. Multiply the square footage (15,135) by \$127.00 and then divide that by 2. Therefore, if the owner spent at least \$961,072.50 on the construction project, the building is exempt from the Rent Ordinance.

The owner has provided invoices and proof of payment that it spent at least \$3,825,975.88. This amount is above the necessary sum of and, therefore, the building has been "substantially rehabilitated." The rental units in the building are exempt from the Rent Ordinance.

ORDER

1. Petition L14-0069 is granted.
2. The subject building is a "substantially rehabilitated" building.

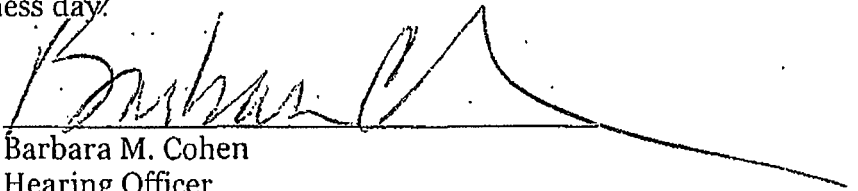
²⁷ See California Building Code § 602.1-602.5.

3. A Certificate of Exemption for the subject building will be issued when this Decision becomes final.

4. The owner must continue to pay the Rent Adjustment Service Fee as the units are not exempt from Oakland's Just Cause for Eviction Ordinance (See O.M.C. § 8.22.500)

5. Right to Appeal: **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) days after service of this decision. The date of service is shown on the attached Proof of Service. If the last day to file is a weekend or holiday, the appeal may be filed on the next business day.

Dated: May 12, 2015


Barbara M. Cohen
Hearing Officer
Rent Adjustment Program

J5 Real Estate and Development - Summary of Checks

Type	Date	Num	Name	Memo	Amount	Check	Contracts
Check	07/11/2013	1002	J5 Real Estate Development	Progress payment	\$70,000.00	Ex 3, p3	Exhibits 4 & 5
Check	07/11/2013	1003	J5 Real Estate Development	Progress payment	\$70,000.00	Ex 3, p4	Exhibits 4 & 5
Check	07/11/2013	1004	J5 Real Estate Development	Progress payment	\$65,206.00	Ex 3, p5	Exhibits 4 & 5
Check	08/01/2013	1005	J5 Real Estate Development	Progress Payment	\$30,000.00	Ex 3, p6	Exhibits 4 & 5
Check	08/01/2013	1006	J5 Real Estate Development	Progress Payment	\$149,510.00	Ex 3, p7	Exhibits 4 & 5
Check	01/09/2014	1007	J5 Real Estate Development	Payment - Interior Contract	\$68,618.45	Ex 3, p8	Exhibits 4 & 5
Check	09/12/2013	1018	J5 Real Estate Development	Change orders 2 and 14	\$89,700.00	Ex 3, p9	Exhibits 4 & 5
Check	09/24/2013	1019	J5 Real Estate Development	Draw 4 - 1824 Lakeshore	\$146,850.00	Ex 3, p10	Exhibits 4 & 5
Check	10/22/2013	1020	J5 Real Estate Development	1824 Invoice	\$43,535.00	Ex 3, p11	Exhibits 4 & 5
Check	10/24/2013	1021	J5 Real Estate Development	Draw 5	\$57,000.00	Ex 3, p12	Exhibits 4 & 5
Check	12/03/2013	1022	J5 Real Estate Development	Draw 6 Payment	\$58,950.00	Ex 3, p13	Exhibits 4 & 5
Check	12/26/2013	1025	J5 Real Estate Development	Exterior	\$20,000.00	Ex 3, p14	Exhibits 4 & 5
Check	12/26/2013	1026	J5 Real Estate Development	Int Invoice 0	\$55,000.00	Ex 3, p15	Exhibits 4 & 5
Check	08/06/2013	1032	J5 Real Estate Development	1824 Lakeshore change orders	\$30,300.00	Ex 3, p16	Exhibits 4 & 5
Check	05/30/2013	1034	J5 Real Estate Development	Progress payment	\$70,000.00	Ex 3, p17	Exhibits 4 & 5
Check	05/30/2013	1035	J5 Real Estate Development	Progress payment	\$8,120.00	Ex 3, p18	Exhibits 4 & 5
Check	12/11/2013	1054	J5 Real Estate Development	First payment Roof Deck	\$28,734.94	Ex 3, p19	Exhibits 4 & 5
Check	01/24/2014	1066	J5 Real Estate Development	Interior progress payment	\$58,237.08	Ex 3, p20	Exhibits 4 & 5
Check	01/30/2014	1085	J5 Real Estate Development	Interior change order #1	\$17,600.00	Ex 3, p21	Exhibits 4 & 5
Check	02/06/2014	1096	J5 Real Estate Development	Invoice 2/5/14	\$37,255.22	Ex 3, p22	Exhibits 4 & 5
Check	02/20/2014	1097	J5 Real Estate Development	Invoice	\$36,489.78	Ex 3, p23	Exhibits 4 & 5
Check	03/07/2014	1100	J5 Real Estate Development	Interior Invoice	\$48,321.72	Ex 3, p24	Exhibits 4 & 5
Check	03/13/2014	1102	J5 Real Estate Development	Interior Invoice	\$70,790.00	Ex 3, p25	Exhibits 4 & 5
Check	03/13/2014	1103	J5 Real Estate Development	Exterior Change Orders	\$35,300.00	Ex 3, p26	Exhibits 4 & 5
Check	03/21/2014	1104	J5 Real Estate Development	Interior Invoice	\$79,239.12	Ex 3, p27	Exhibits 4 & 5
Check	04/08/2014	1106	J5 Real Estate Development	Invoice 4/4/2014	\$40,413.22	Ex 3, p28	Exhibits 4 & 5
Check	04/18/2014	1107	J5 Real Estate Development	Invoice 4/17/14	\$46,785.22	Ex 3, p29	Exhibits 4 & 5
Check	05/02/2014	1108	J5 Real Estate Development	Invoice 5-1-2014	\$55,726.47	Ex 3, p30	Exhibits 4 & 5
Check	05/19/2014	1109	J5 Real Estate Development	Invoice 2014-05-15	\$45,140.22	Ex 3, p31	Exhibits 4 & 5
Check	05/28/2014	1117	J5 Real Estate Development	Invoice 5-27-2014	\$91,408.00	Ex 3, p32	Exhibits 4 & 5
Check	06/26/2014	1118	J5 Real Estate Development	Int Invoice 15 - 6-24-2014	\$112,134.96	Ex 3, p33	Exhibits 4 & 5
Check	07/24/2014	1122	J5 Real Estate Development	Invoice 2014-07-21	\$69,650.00	Ex 3, p34	Exhibits 4 & 5
Check	08/07/2014	1124	J5 Real Estate Development	Invoice 8-7-2014	\$127,808.75	Ex 3, p35	Exhibits 4 & 5
Check	08/21/2014	1127	J5 Real Estate Development	Invoice 08-21-14	\$202,667.20	Ex 3, p36	Exhibits 4 & 5
Check	08/12/2014	1136	J5 Real Estate Development	Interior Invoice	\$55,512.85	Ex 3, p37	Exhibits 4 & 5
Check	07/10/2014	1139	J5 Real Estate Development	Invoice 7-9-2014	\$47,647.50	Ex 3, p38	Exhibits 4 & 5
Check	09/04/2014	1168	J5 Real Estate Development	Invoice 2014-09-03	\$131,437.25	Ex 3, p39	Exhibits 4 & 5
Check	3/1/2014	1168	J5 Real Estate Development	Permit fees electrical upgrade	\$18,499.55	Ex 3, p40	Exhibits 4 & 5
Check	09/18/2014	1170	J5 Real Estate Development	Re 1824 Lakeshore	\$87,501.56	Ex 3, p41	Exhibits 4 & 5
Check	10/01/2014	1172	J5 Real Estate Development	Invoice 22	\$166,795.00	Ex 3, p42	Exhibits 4 & 5
Check	10/16/2014	1174	J5 Real Estate Development	Invoice 23	\$83,813.38	Ex 3, p43	Exhibits 4 & 5
Check	10/30/2014	1175	J5 Real Estate Development	Interior Invoice	\$110,669.06	Ex 3, p44	Exhibits 4 & 5
Check	11/13/2014	1176	J5 Real Estate Development	Invoice 11-13-2014	\$59,548.44	Ex 3, p45	Exhibits 4 & 5
Check	12/01/2014	1177	J5 Real Estate Development	Invoice 2014-12-1	\$28,747.50	Ex 3, p46	Exhibits 4 & 5
Check	12/12/2014	1203	J5 Real Estate Development	Lakeshore Invoice	\$29,478.50	Ex 3, p47	Exhibits 4 & 5
Check	12/31/2014	1205	J5 Real Estate Development	Invoice 12/24/14	\$26,437.75	Ex 3, p48	Exhibits 4 & 5
Check	01/09/2015	1206	J5 Real Estate Development	Invoice 12/24/15	\$40,230.00	Ex 3, p49	Exhibits 4 & 5
Check	01/22/2015	1207	J5 Real Estate Development	Draw 1/23/15	\$70,996.50	Ex 3, p50	Exhibits 4 & 5
Check	02/05/2015	1208	J5 Real Estate Development	Int Invoice 30	\$85,662.50	Ex 3, p51	Exhibits 4 & 5
Check	02/20/2015	1209	J5 Real Estate Development	Invoice 2-17-2005	\$74,122.68	Ex 3, p52	Exhibits 4 & 5
Check	03/06/2015	1210	J5 Real Estate Development	Invoice 2-17-2006	\$36,708.75	Ex 3, p53	Exhibits 4 & 5
Check	03/19/2015	1214	J5 Real Estate Development	Interior Invoice 33	\$41,530.00	Ex 3, p54	Exhibits 4 & 5
Check	03/26/2015	1216	J5 Real Estate Development	Interior Invoice 34	\$8,628.68	Ex 3, p55	Exhibits 4 & 5
SUBTOTAL J5					\$3,440,458.80		

Architecture - Summary of Checks

Type	Date	Num	Name	Memo	Amount	Check	Invoice
Check	03/04/2013	1021	Architect Mason Kirby Inc	Invoice #6387	\$14,769.77	Exhibit 6, p 2	Exh 6, pp 19-20
Check	03/16/2013	1022	Architect Mason Kirby Inc	Invoice #6420	\$7,529.29	Exhibit 6, p 3	Exh 6, pp 21-24
Check	04/02/2013	1024	Architect Mason Kirby Inc	Invoice 6413	\$8,522.92	Exhibit 6, p4	Exh 6, p 25
Check	08/02/2013	1041	Architect Mason Kirby Inc	Invoice #6435	\$9,164.84	Exhibit 6, p5	Exh 6, pp 26-27
Check	01/22/2014	1065	Architect Mason Kirby Inc	Invoice 6511, 6506, 6499	\$73,521.08	Exhibit 6, p6	Exh 6, pp 28-37a Exh 6, pp 37b,
Check	05/15/2014	1128	Architect Mason Kirby Inc	Invoice 6599, 6539, 6559	\$22,330.00	Exhibit 6, p7	38a, 38b, 39
Check	08/06/2014	1134	Architect Mason Kirby Inc	Invoice 6616	\$850.00	Exhibit 6, p8	Exh 6, p 40
Check	08/25/2014	1137	Architect Mason Kirby Inc	Invoice 6635 and 6640	\$1,250.00	Exhibit 6, p9	Exh 6, pp 41-42
Check	07/14/2014	1142	Architect Mason Kirby Inc	Invoice 6648	\$1,350.00	Exhibit 6, p10	Exh 6, p 43
Check	08/04/2014	1146	Architect Mason Kirby Inc	Invoice 6668 and 6656	\$4,928.60	Exhibit 6, p11	Exh 6, pp 44-45
Check	08/15/2014	1147	Architect Mason Kirby Inc	Invoice #6676	\$3,562.51	Exhibit 6, p12	Exh 6, p46
Check	09/06/2014	1151	Architect Mason Kirby Inc	Invoice #6685	\$2,928.73	Exhibit 6, p13	Exh 6, p 47
Check	09/11/2014	1152	Architect Mason Kirby Inc	Invoice 6692	\$1,450.00	Exhibit 6, p14	Exh 6, p 48
Check	10/20/2014	1157	Architect Mason Kirby Inc	Invoice 6709	\$4,500.00	Exhibit 6, p15	Exh 6, p 49
Check	12/08/2014	1163	Architect Mason Kirby Inc	Invoice #1007	\$2,700.00	Exhibit 6, p16	no invoice
Check	09/25/2014	1171	Architect Mason Kirby Inc	Invoice #6698	\$2,500.00	Exhibit 6, p17	Exh 6, p 50
Check	03/19/2015	1212	Architect Mason Kirby Inc	Invoice 1052	\$5,350.25	Exhibit 6, p18	no invoice

SUBTOTAL Architect

\$167,207.99

Engineering - Summary of Checks

Type	Date	Num	Name	Memo	Amount	Check	Invoice
Check	08/20/2013	1014	Consolidated Engineering Laborator	Invoice 099585	\$1,353.45	Exh 6, p 52	Exh 6, p 64
Check	08/23/2013	1017	Testing Engineers, Inc	Invoice 2043412-IN	\$824.00	Exh 6, p 53	Exh 6, p 65
Check	05/02/2013	1028	ProTech Consulting & Engineering	Invoice 13326	\$1,860.00	Exh 6, p 54	Exh 6, p 66
Check	05/21/2013	1031	Puns and Associates Inc	Lakeshore engineering	\$4,087.00	Exh 6, p 55	Exh 6, p 67
Check	07/23/2013	1039	Testing Engineers, Inc	2043301-IN	\$3,296.00	Exh 6, p 56	Exh 6, p 68
Check	10/02/2013	1046	Andrew Meyers	1824 Lakeshore - EE Work	\$3,000.00	Exh 6, p 57	Exh 6, p 69
Check	11/01/2013	1050	Puns and Associates Inc	Roof deck drawings retainer	\$1,400.00	Exh 6, p 58	Exh 6, pp 70-71
Check	12/20/2013	1058	Puns and Associates Inc	Engineering Invoice	\$1,426.00	Exh 6, p 59	Exh 6, pp 70-71
Check	10/02/2013	1087	PG&E	Invoice 007294320-2	\$1,000.00	Exh 6, p 60	Exh 6, pp 72-73
Check	01/02/2014	1092	Puns and Associates Inc	Invoice 02	\$3,330.00	Exh 6, p 61	Exh 6, p 74
Check	02/25/2014	1099	ProTech Consulting & Engineering	Invoice 13326	\$40.00	Exh 6, p 62	Exh 6, p 75
Check	08/21/2014	1126	PG&E	Contract 1167867	\$275.54	Exh 6, p 63	Exh 6, p 76

SUBTOTAL Engineering

\$21,891.99

Satellite, Data, Cable - Summary of Checks

Type	Date	Num	Name	Memo	Amount	Check	Invoice
Check	05/09/2014	1081	Crawford Satellite and Electronics	Invoice 11306	\$13,329.33	Exh 8, p 2	Exh 8, p 4
Check	03/30/2015	1191	Crawford Satellite and Electronics	Invoice #11801	\$1,644.52	No check	Exh 8, p 5
Check	03/19/2015	1213	Crawford Satellite and Electronics	Invoice 11719 & 11731	\$24,297.27	Exh 8, p 3	Exh 8, pp 5-6
SUBTOTAL Cables					\$39,271.12		

Solar - Summary of Checks

Type	Date	Num	Name	Memo	Amount	Check	Invoice
Check	10/31/2013	1090	Cool Earth Solar Inc	Down payment on install	\$13,431.40	Exh 9, p 2	Exh 9, p 4-23
Loan	11/28/2013		Cool Earth Solar Inc - Bank Loan	Bank loan for solar install	\$51,883.75		Exh 9, p 3
SUBTOTAL Solar					\$65,315.15		

Miscellaneous/Out of Pocket - Summary of Checks

Type	Date	Num	Name	Memo	Amount	Check	Invoice
Check	03/15/2013	1003	Associated Building Supply	Contract 7553 - Windows	\$43,431.28	Exh 7, p 2	Exh 7, p 34
Check	07/17/2013	1012	RB Construction Inc	Invoice 0712134993 - Asbestos Removal	\$4,500.00	Exh 7, p 3	Exh 7, p 35
Check	08/23/2013	1015	Associated Building Supply	Invoice 6932 - Windows	\$1,449.66	Exh 7, p 4	Exh 7, p 36
Check	08/23/2013	1016	Pacific Scaffold Co Inc	Invoice 8491 C - Scaffold	\$13,811.06	Exh 7, p 5	Exh 7, p 37
Check	08/23/2013	1018	Millennial Capital I LLC	Reimburse for lakeshore permit	\$359.94	Exh 7, p 6	Exh 7, p 38
Check	04/09/2013	1025	Millennial Capital I LLC	Reimburse Permit Fees	\$547.93	Exh 7, p 7	Exh 7, p 39
Check	05/28/2013	1033	Associated Building Supply	Windows	\$78,405.70	Exh 7, p 8	Exh 7, p 34 & 36
Check	06/25/2013	1037	Pacific Scaffold Co Inc	Scaffold deposit - Invoice 8491	\$11,000.00	Exh 7, p 9	Exh 7, p 41
Check	07/18/2013	1038	Associated Building Supply	Contract 8012 - windows	\$1,449.66	Exh 7, p 10	Exh 7, p 40
Bill Pmt - Check	10/31/2013	1047	Millennial Capital I LLC	1824 LS Reno expenses	\$3,693.35	Exh 7, p 11	No invoice
Check	12/13/2013	1056	Millennial Capital I LLC	City Door and Lumber Purchase	\$2,096.13	Exh 7, p 12	Exh 7, p 47
Check	01/17/2014	1063	So-Sonoma	Invoice #11514 - Lighting	\$6,300.02	Exh 7, p 13	Exh 7, p 44
Check	03/12/2014	1070	So-Sonoma	Invoice 11514 - Lighting	\$6,695.02	Exh 7, p 14	Exh 7, p 44
Check	04/18/2014	1079	DERO	Invoice - 250 - Bike Rack Materials	\$2,098.15	Exh 7, p 15	Exh 7, p 45
Check	10/22/2013	1088	Millennial Capital I LLC	reimb for renovation materials, City Door & Lumber	\$1,460.00	Exh 7, p 16	Exh 7, p 46
Check	11/18/2013	1091	Millennial Capital I LLC	reimb for permit fees	\$328.76	Exh 7, p 17	
Check	02/25/2014	1098	Millennial Capital I LLC	Reimbursement - City lights	\$3,983.51	Exh 7, p 18	Exh 7, p 49
Check	03/12/2014	1101	Brian Baker	Reimbursement for Washer/Dryer - Airport App	\$1,552.40	Exh 7, p 19	Exh 7, p 51
Check	03/26/2014	1105	Brian Baker	Reimbursement - Lakeshore Permit	\$547.94	Exh 7, p 20	Exh 7, p 52
Check	07/17/2014	1121	Brian Baker	Reimbursements - Airport App	\$2,847.29	Exh 7, p 21	Exh 7, p 53
Check	08/21/2014	1125	Brian Baker	Reimbursement - Permit fee	\$547.93	Exh 7, p 22	Exh 7, p 50
Check	09/12/2014	1153	Brian Baker	Reimbursement - Pacific Scaffold	\$9,583.15	Exh 7, p 23	Exh 7, pp 54-55
Check	10/08/2014	1156	Specialties, Etc. Corp	Mailbox Purchase	\$660.00	Exh 7, p 24	Exh 7, pp 56-57
Check	10/27/2014	1158	Specialties, Etc. Corp	Remainder - Mailbox purchase	\$200.00	Exh 7, p 25	Exh 7, pp 56-57
Check	08/28/2014	1166	Brian Baker	Reimbursement - Airport Appliance	\$9,620.08	Exh 7, p 26	Exh 7, pp 58-63
Check	09/04/2014	1167	Brian Baker	Reimbursement for 50% scaffolding payment	\$9,500.00	Exh 7, p 27	Exh 7, p 41
Check	10/10/2014	1173	Brian Baker	Reimbursements - Window purchase	\$44,684.52	Exh 7, p 28	Exh 7, p 34
Check	02/28/2015	1185	A. Saberi Interiors	Invoice #0983371 - Blinds purchase	\$5,500.00	Exh 7, p 29	Exh 7, p 64
				No check			
Check	03/26/2015	1188	Green Touch Landscape	Invoice #101 - re:1824 Lakeshore, Oakland	\$3,900.00	provided	Exh 7, p 65
Check	12/04/2014	1202	Brian Baker	CHECK 1202 - Reimburse Permit	\$483.99	Exh 7, p 30	No invoice
Check	12/18/2014	1204	Brian Baker	Reimbursement - Appliance	\$2,686.73	Exh 7, p 31	Exh 7, pp 58-63
				No check			
Check	03/19/2015	1211	Zachary Cummings	Misc work, 1824 Lakeshore	\$4,445.00	provided	Exh 7, p 66
Check	11/6/2014	1292	Brian Baker	Appliance Purchase	\$40,000.00	Exh 7, p 32	Exh 7, pp 58-63
SUBTOTAL Miscellaneous					\$318,369.20		
TOTAL of all submitted expenses:					\$4,052,514.25		

**City of Oakland
Building Services
Construction Valuation¹
For Building Permits⁴
Effective Aug. 1, 2009**

Community Economic Development Agency
Datzel Administration Building
250 Frank Ogawa Plaza - 2nd Floor
Oakland, CA 94612
510-238-3891

Occ.	Description ³	Construction		Level Ground ²		Hillside Construction		Marshall & Swift 3Q 7'09
		Type	New	Remodel	New	Remodel	Section pg (Class/type)	
R3	Custom Residence	V	\$207.53	\$107.92	\$269.79	\$140.29	Section 12 pg 25 (C/e)	
	Single Family & Duplex	V	\$144.46	\$75.12	\$187.80	\$97.65	Section 12 pg 25 (C/g)	
	Factory/Manufactured home	V	\$43.50	\$22.62	\$56.55	\$29.41	Section 12 pg 26 (CDS/g)	
	Finished Habitable Basement Conversion	V	\$96.42	\$50.14	\$125.35	\$65.18	Section 12 pg 25 (S/a)	
	Convert non-habitable to habitable	V	N/A	\$43.50	N/A	\$56.55	Section 12 pg 26 (CDS/g)	
	Partition Walls	V	N/A	\$16.19	N/A	\$21.05	Section 52 pg 2 (6" wall)	
	Foundation Upgrade (1.f.)	V	\$105.37	N/A	\$136.98	N/A	Section 51 pg 2 (R/24x72)	
	Patio/Porch Roof	V	\$24.70	\$12.84	\$32.11	\$16.70	Section 66 pg 2 (Wood)	
	Ground Level Decks	V	\$30.49	\$15.85	\$39.64	\$20.61	Section 66 pg 2 (100s/avg)	
	Elevated Decks & Balconies	V	\$41.16	\$21.40	\$53.51	\$27.82	Section 66 pg 2 (100s/1 story)	
U1	Garage	V	\$38.42	\$19.98	\$49.95	\$25.97	Section 12 pg 35 (C/a600)	
	Carport	V	\$24.70	\$12.84	\$32.11	\$16.70	Section 12 pg 35 (D/a4car)	
	Retaining wall (s.f.)	III	\$32.96	N/A	\$42.85	N/A	Section 55 pg 3 (12" reinf./h)	
R2	Apartment (>2 units)	I & II	\$174.69	\$90.84	\$227.10	\$118.09	Section 11 pg 18 (B/g)	
		III	\$156.91	\$81.59	\$203.98	\$106.07	Section 11 pg 18 (Dm/1/g)	
		V	\$127.00	\$66.04	\$165.10	\$85.85	Section 11 pg 18 (D/g)	
Non-Residential Occupancy								
A	Church/Auditorium	I & II	\$247.07	\$128.48	\$321.19	\$167.02	Section 16 pg 9 (B/g)	
		III	\$182.01	\$94.65	\$236.61	\$123.04	Section 15 pg 9 (B/a)	
		V	\$175.93	\$91.48	\$228.71	\$118.93	Section 16 pg 9 (S/g)	
A	Restaurant	I & II	\$221.82	\$115.35	\$288.37	\$149.95	Section 13 pg 14 (A-B/g)	
		III	\$174.20	\$90.58	\$226.46	\$117.76	Section 13 pg 14 (C/g)	
		V	\$166.80	\$86.74	\$216.84	\$112.76	Section 13 pg 14 (D/g)	
B	Restaurant <50 occupancy	V	\$145.24	\$75.52	\$188.81	\$98.18	Section 13 pg 17 (C/a)	
B	Bank	I & II	\$223.46	\$116.20	\$290.50	\$151.06	Section 15 pg 21 (B/a)	
		III	\$182.01	\$94.65	\$236.61	\$123.04	Section 15 pg 21 (C/a)	
		V	\$173.02	\$89.97	\$224.93	\$116.96	Section 15 pg 21 (D/a)	
B	Medical Office	I & II	\$249.76	\$129.88	\$324.69	\$168.84	Section 15 pg 22 (A/g)	
		III	\$243.19	\$126.46	\$316.15	\$164.40	Section 15 pg 22 (B/g)	
		V	\$200.73	\$104.38	\$260.95	\$135.69	Section 15 pg 22 (C/g)	
B	Office	I & II	\$165.41	\$86.01	\$215.03	\$111.82	Section 15 pg 17 (B/a)	
		III	\$120.77	\$62.80	\$157.00	\$81.64	Section 15 pg 17 (C/a)	
		V	\$115.34	\$59.98	\$149.94	\$77.97	Section 15 pg 17 (D/a)	
E	School	I & II	\$239.11	\$124.34	\$310.84	\$161.64	Section 18 pg 14 (A-B/g)	
		III	\$181.96	\$94.62	\$236.55	\$123.00	Section 18 pg 14 (C/g)	
		V	\$171.94	\$89.41	\$223.52	\$116.23	Section 18 pg 14 (D/g)	
H	Repair Garage	I & II	\$186.25	\$96.85	\$242.13	\$125.91	Section 14 pg 33 (MSG 527C/e)	
		III	\$180.70	\$93.96	\$234.91	\$122.15	Section 14 pg 33 (MLG 423C/e)	
		V	\$175.14	\$91.07	\$227.68	\$118.39	Section 14 pg 33 (MLG 423D/e)	
I	Care Facilities / Institutional	I & II	\$186.04	\$96.74	\$241.85	\$125.76	Section 15 pg 22 (B/a)	
		III	\$152.09	\$79.09	\$197.72	\$102.81	Section 15 pg 22 (C/a)	
		V	\$146.52	\$76.19	\$190.48	\$99.05	Section 15 pg 22 (D/a)	
M	Market (Retail sales)	I & II	\$143.82	\$74.79	\$186.97	\$97.22	Section 13 pg 26 (A/g)	
		III	\$117.10	\$60.89	\$152.23	\$79.16	Section 13 pg 26 (C/g)	
		V	\$113.19	\$58.86	\$147.15	\$76.52	Section 13 pg 26 (D/g)	
S	Industrial plant	I & II	\$157.34	\$81.82	\$204.54	\$106.36	Section 14 pg 15 (B/a)	
		III	\$134.38	\$69.88	\$174.69	\$90.84	Section 14 pg 15 (C/a)	
		V	\$111.93	\$58.20	\$145.51	\$75.66	Section 14 pg 15 (D/a)	
S	Warehouse	I & II	\$96.28	\$50.07	\$125.16	\$65.09	Section 14 pg 26 (A/g)	
		III	\$91.77	\$47.72	\$119.30	\$62.07	Section 14 pg 26 (B/g)	
		V	\$90.79	\$47.21	\$118.03	\$61.37	Section 14 pg 26 (C/mill/g)	
S	Parking Garage	I & II	\$76.31	\$39.68	\$99.20	\$51.59	Section 14 pg 34 (A/g)	

¹ Cost per square foot, unless noted otherwise. (l.f. = linear foot; s.f. = square foot); includes 1.3 regional multiplier (see Secc. 99 pg 6 July 2009 Marst. & Swift)

² Hillside construction = slope >20%; multiply by additional 1.3 multiplier

³ Remodel Function of New Construction is a 0.52 multiplier.

⁴ Separate structures or occupancies valued separately.

⁵ Separate fees assessed for E/P/M permits, R.O.W. improvements, Fire Prevention Bureau, Grading Permits, technology enhancement, records management, Excav. & Shoring.

Exhibit B

City of Oakland
Residential Building Minimum Valuation Data

Approved by Calvin N. Wong to be effective February 1, 2001
Building Official J. OGA

The following building valuation data are based on cost and value reported in "Marshall Valuation Services" published by Marshall and Swift dated December 2000 with cost multiplier of 1.07 and local multiplier of 1.32.

Calculated Method * (\$/sf)

Segregated Cost Method

Level ground construction (caisson found'n @ \$11.50/sf not included in this column)	Hillside construction Based on 20% slope (retaining wall not included.)	Deck (\$/sf of area)	
		Ground level (< 6')	\$ 22.44/sf
		Terrace level	\$ 30.29/sf
Apartment	Apartment	Fence ((\$/sf surface)	
Type I & II <i>1892.1</i>	Type I & II	-wood	\$ 4.18/sf
Type III <i>1911.5</i>	Type III	-chain link	\$ 2.64/sf
Type V <i>1892.1</i>	Type V	-masonry	\$10.30/sf
Basement	Basement	Fireplace	\$6,270/ea
Garage	Garage	Fire sprinkler	\$ 3.28/sf
Type I Garage	Type I Garage	Kitchen Appliance	\$ 4983/set
Custom Residences	Custom Residences	Patio Enclosure	\$ 22.18/sf
Type III	Type III	Solarium	\$129.53/sf
Type V	Type V	Stair	
Basement	Basement	-prefab	\$149.16/Tread
Garage	Garage	- wood	\$125.07/Tread
Semi-Custom Residences	Semi-Custom Residences	Wall - non-bearing	
Type III	Type III	- wood (footing extra)	\$15.00/lf
Type V	Type V	Wall - retaining (\$/sf surface)	
Basement	Basement	- concrete	
Garage	Garage	< 6' tall	\$ 23.10/sf
Single Family Residences	Single Family and Residences	< 10' tall	\$ 27.05/sf
Type III	Type III	< 20' tall	\$ 36.30/sf
Type V	Type V	- masonry	
Basement	Basement	< 6' tall	\$23.17/sf
Garage	Garage	< 10' tall	\$31.09/sf
Starter Home	Starter Home	-wood	
Type V	Type V	< 6' tall	\$ 17.66/sf
Basement	Basement	< 10' tall	\$22.44/sf
Garage	Garage		

* Calculator method includes typical built-in appliance and one fireplace only.

PROOF OF SERVICE

Case Number L14-0069

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Owner

MC Lakeshore 1824 LLC

1822 20th St

San Francisco, CA 94107. —

Owner Representative

Brian Baker

1822 20th St

San Francisco, CA 94107

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on May 12, 2015 in Oakland, CA.



Barbara M. Cohen.

Oakland Rent Adjustment Program

PROOF OF SERVICE

Case Number L14-0069

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

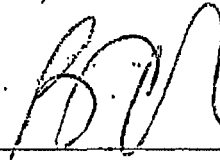
Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Tenant

Adam Subia
1824 Lakeshore Ave #23
Oakland, CA 94606

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on May 12, 2015 in Oakland, CA:



Barbara M. Cohen
Oakland Rent Adjustment Program



P.O. BOX 70243, OAKLAND, CA 94612-2043

CITY OF OAKLAND

Department of Housing and Community Development
Rent Adjustment Program

TEL (510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

HEARING DECISION

CASE NUMBER: L15-0008, Nguyen v. Tenants
PROPERTY ADDRESS: 654, 656, & 658 Alcatraz Ave., Oakland, CA
DATE OF HEARING: May 15, 2015
DATE OF DECISION: June 16, 2015
APPEARANCES: Vuong Nguyen (Tenant)
Ethan Pintard (Owner Representative)
(No Appearance by any Tenant)

SUMMARY OF DECISION

The owner's petition is granted. The units on the property are exempt from the Oakland Rent Ordinance, but not from the Just Cause for Eviction Ordinance.¹ The owner must continue to pay the Rent Program Service fee.

CONTENTIONS OF THE PARTIES

The owner filed a petition for a Certificate of Exemption for a 3-unit residential building on the ground that it is a "substantially rehabilitated" building, pursuant to Oakland Municipal Code (O.M.C.) Section 8.22 and Rent Adjustment Program Regulations (Regulations). No tenant filed a response to the owner's petition.

THE ISSUE

Are the subject rental units exempt from the Rent Adjustment Ordinance on the ground that they have been "substantially rehabilitated?"

¹ O.M.C. Section 8.22.560, et seq.

EVIDENCE

Square Footage: The owner testified that the subject building is of wood frame construction, and has 2 units upstairs and one unit downstairs. The owner further testified that he measured the units: one upstairs unit has 723 square feet and the other has 783 square feet; the downstairs unit has 1,421 square feet. Since it is a 2-story building, this figure is doubled, for a total of 2,842 square feet.

Expenses: The owner testified that he bought many of the materials for the subject renovation project, and that he supervised the construction. He has 35 years' experience in construction and worked full-time, 6 days a week, from February through November 2014. The core of the building was torn out, and new walls, floors, electric and plumbing were installed. The owner submitted into evidence a large number of documents, as follows:

List of employees, and payments ²	\$ ³	
Dump fee invoices ⁴	\$ 590	
Home Depot receipt ⁵	\$ 2,144	\$
City of Oakland invoices & checks ⁶	\$10,668	
EBMUD checks ⁷	\$23,258	
PG & E checks ⁸	\$25,160	
Bank of America statements ⁹	\$ ¹⁰	
American Express statements ¹¹	\$ ¹²	
Ashby Lumber receipts ¹³	\$24,175	
Home Depot receipts ¹⁴	\$20,157	
Eastern Supplies receipts ¹⁵	\$ 1,156	
American Emperor receipts ¹⁶	\$27,026	
Rubenstein Supply receipts ¹⁷	\$ 3,729	
Wayside Bldg. Mat. receipts ¹⁸	\$ 1,834	

² Exhibit No. 1.

³ For the reason discussed below, these amounts are not allowed.

⁴ Exhibit Nos. 1A-12

⁵ Exhibit No. 13

⁶ Exhibit Nos. 14, 16 & 17; an invoice in the amount of \$22,516 is Exhibit No. 98

⁷ Exhibit Nos. 15, 18-20, 22, 24, & 25

⁸ Exhibit Nos. 21, 23, & 26; an invoice from PG & E in the amount of \$100 is Exhibit 234.

⁹ Exhibit Nos. 27-47

¹⁰ See discussion below

¹¹ Exhibit Nos. 48-82

¹² See discussion below

¹³ Exhibit Nos. 101-3, 106-8, 110, 115-17, 121-3, 129, 130, 140, 141, 146-9, 164, 166-70A, 174, 175, 181-3, 185, 186, 192, 194-6, 198, 200, 206, 228, 236-50, 253, 254, 257, 261-76, 343, 344, 348, 349, 351-3, 355, 356, 358-67, 369, 272-5, 377-83, & 386

¹⁴ Exhibit Nos. 83-8, 94-7, 124, 125, 151-7, 163, 203, 232, 233; 282-7, 317, 318, 323, 338-41, 387 & 390

¹⁵ Exhibit Nos. 89-93

¹⁶ Exhibit Nos. 99-100, 104, 105, 109, 111-13, 119, 120, 126, 127, 131, 134-6, 138, 139, 142, 144, 145, 150, 158-163A, 176-9, 184, 187, 189, 191, 193, 197, 204, 205, 210, 217, 218, 220, 226, 235, 252, 255, 256, 259, 288-95, 198, 299, 302-4, 311, 312, 315, 316, 319, 320, 335-7, 345, 346, 350, 354 & 368

¹⁷ Exhibit Nos. 132, 133, 321, & 389

¹⁸ Exhibit Nos. 165, 171, 172, 180, 190, 296, 342, & 347

East Bay Blueprint receipt ¹⁹	\$ 193
Allied Ready Mix receipt ²⁰	\$ 350
Bayshore Metals receipts ²¹	\$ 1,927
Pacific Galvanizing receipt ²²	\$ 136
USA Metals receipt ²³	28
Tri City Rock receipt ²⁴	\$ 5,971
Solares House Movers proposal ²⁵	\$
Khen Carpet Man receipts ²⁶	\$ 2,704
Larm's Supply receipts ²⁷	\$ 410
U-Save Supplies receipt ²⁸	\$ 831
Granite Expo receipts ²⁹	\$ (illegible)
United Carpet receipts ³⁰	\$ 3,140
H & L Home Supply receipts ³¹	\$ 5,690
Best Buy receipts ³²	\$ 1,314
G. & C Bldg. Contr. proposal ³³	\$ ³⁴
Economy Lumber receipt ³⁵	\$ 183
United Carpet receipts ³⁶	\$ 666
Martin Madsen Co. receipt ³⁷	\$ 10
Economy Lumber receipt ³⁸	\$ 285
H. & L Home Supply receipt ³⁹	\$ 64
Appliance Repair ⁴⁰	\$ 280
Santa Clara appliances ⁴¹	\$ 283
Superior Hardware receipts ⁴²	\$ 3,300
Sam Jin Supply receipts ⁴³	<u>\$ 4,544</u>

¹⁹ Exhibit No. 388

²⁰ Exhibit No. 384

²¹ Exhibit Nos. 370 & 376

²² Exhibit No. 371

²³ Exhibit No. 362

²⁴ Exhibit No. 357

²⁵ Exhibit Nos. 330 through 334 (unsigned by owner)

²⁶ Exhibit Nos. 326-9

²⁷ Exhibit Nos. 260, 324 & 325

²⁸ Exhibit No. 322

²⁹ Exhibit Nos. 313 & 314

³⁰ Exhibit Nos. 199 & 310

³¹ Exhibit Nos. 306-8

³² Exhibit Nos. 301, & 305

³³ Exhibit No. 258

³⁴ There is no proof of payment for this proposal

³⁵ Exhibit No. 251

³⁶ Exhibit Nos. 227 & 231

³⁷ Exhibit No. 173

³⁸ Exhibit No. 229

³⁹ Exhibit No. 223

⁴⁰ Exhibit No. 224

⁴¹ Exhibit No. 225

⁴² Exhibit Nos. 208, 209, 211 through 216, 219, 221, & 230

⁴³ Exhibit Nos. 114, 118, 128, 137, 143, 201, 202, 207, 277, 297, & 309

TOTAL

\$171,856

FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is found that the above-listed costs were all spent on the construction project. There is no doubt that a great deal of labor was necessary in order to complete the project. However, the only evidence of labor costs is a list of people and payments. In a precedent decision,⁴⁴ the Board held that

[I]n order for a landlord to establish an exemption for a substantially rehabilitated building . . . a landlord must provide evidence independent of his own testimony or summaries prepared in anticipation of the hearing to substantiate the costs of new construction . . .

Therefore, none of the labor costs claimed on the hand-written document are allowed.

However, the owner credibly testified that he has extensive experience in construction, and worked full-time supervising his workers for 10 months. He therefore contends that the value of his labor should be considered in making the necessary calculation of costs. This argument is persuasive.

The Regulations governing capital improvement costs state: "Undocumented labor costs provided by the landlord cannot exceed 25% of the cost of materials."⁴⁵ This principle is equally applicable in computing the cost of a rehabilitation project. Twenty-five per cent of \$171,856 is \$42,964. When this amount is added to the cost of materials set forth above, the total expense for the project was \$214,820. It is found that this is the proper calculation of construction expenses in this case.

The Applicable Law: O.M.C. 8.22.030(A)(6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Adjustment Ordinance.

- a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.
- b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.⁴⁶

⁴⁴ T04-0158, Ulman v. Breen & Orton

⁴⁵ Regulations Appendix, Section 10.2.2(4)

⁴⁶ O.M.C. Section 8.22.030(B)(2)

The tables issued by the Building Services agency refer to a dollar amount per square foot (Tables "A," and "B," attached). Therefore, in order to make the necessary mathematical computation, an owner must present sufficient evidence of the square footage of the building, as well as the cost of the rehabilitation project.

The Calculation: "The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed."⁴⁷ The construction in this case took place in the year 2014. The Tables referenced in this Decision were issued by the City Building Services agency. Table "A" lists square foot construction costs, effective August 1, 2009. However, since the construction in this case occurred in the year 2014, and costs have risen since that time, it is proper to increase the cost shown on the 2009 Table. The Building Services agency has recognized this fact, and therefore issued a document entitled "Quarterly Cost Indexes (1926 = 100)" (Table "B").

These tables are used as follows: (1) On Table "B," determine the number for the year of construction, geographical district, and type of construction; (2) Divide this number by the number in the same category for the year 2009. The resulting fraction is then multiplied by the number derived when the square foot cost shown on Table "A" is multiplied by the number of square feet in the building.

If the work were done in the year 2009, the square foot cost would be \$127 (Apartment Building more than 2 units; new construction; Type V [wood frame]). This amount multiplied by 2,842 total square feet equals \$360,934. However, the work was done in 2014. Therefore, the figure \$360,934 is increased, using Table "B," as follows:

October 2014	3004.3
	1.18%
October 2009	2550.2

One hundred eighteen per cent of \$360,934 is \$425,902. Fifty percent of \$425,902 is \$212,951. Therefore, if the owner spent at least \$212,951 on the project, the units in the building are exempt from the Rent Adjustment Ordinance.

Discussion: The owner spent \$214,820, which is slightly more than the required amount for the building to be declared "substantially rehabilitated." Therefore, the units in the subject building are exempt from the Rent Adjustment Ordinance.

ORDER

1. Petition L07-0004 is granted.
2. The subject building is a "substantially rehabilitated" building.

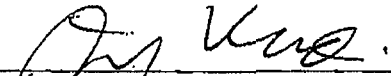
⁴⁷ O.M.C. Section 8:22.030(B)

3. A Certificate of Exemption for the subject building will be issued when this Decision becomes final.

4. The owner must continue to pay the Rent Program Service fee.

5. Right to Appeal: **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) calendar days after service of the decision. The date of service is shown on the attached Proof of Service. If the Rent Adjustment Office is closed on the last day to file, the appeal may be filed on the next business day.

Dated: June 16, 2015



Stephen Kasdin
Hearing Officer
Rent Adjustment Program

City of Oakland
Building Services
Construction Valuation¹
For Building Permits⁴
Effective Aug. 1, 2009

Community Economic Development Agency
 Dalziel Administration Building
 250 Frank Ogawa Plaza - 2nd Floor
 Oakland, CA 94612
 510-238-3891

Occ.	Description ²	Construction Type	Level Ground ³		Hillside Construction		Marshall & Swift 3Q '09
			New	Remodel	New	Remodel	
R3	Custom Residence	V	\$207.53	\$107.92	\$269.79	\$140.29	Section pg (Class/type)
	Single Family & Duplex	V	\$144.46	\$75.12	\$187.80	\$97.65	Section 12 pg 25 (C/e)
	Factory/Manufactured home	V	\$43.50	\$22.62	\$56.55	\$29.41	Section 12 pg 26 (CDS/g)
	Finished Habitable Basement Conversion	V	\$96.42	\$50.14	\$125.35	\$65.18	Section 12 pg 25 (S/a)
	Convert non-habitable to habitable	V	N/A	\$43.50	N/A	\$56.55	Section 12 pg 26 (CDS/g)
	Partition Walls	V	N/A	\$16.19	N/A	\$21.05	Section 52 pg 2 (6" wall)
	Foundation Upgrade (I.f.)	V	\$105.37	NA	\$136.98	NA	Section 51 pg 2 (R/24x72)
	Patio/Porch Roof	V	\$24.70	\$12.84	\$32.11	\$16.70	Section 66 pg 2 (Wood)
	Ground Level Decks	V	\$30.49	\$15.85	\$39.64	\$20.61	Section 66 pg 2 (100s/avg)
	Elevated Decks & Balconies	V	\$41.16	\$21.40	\$53.51	\$27.82	Section 66 pg 2 (100s/+1 story)
U1	Garage	V	\$38.42	\$19.98	\$49.95	\$25.97	Section 12 pg 35 (C/a600)
	Carport	V	\$24.70	\$12.84	\$32.11	\$16.70	Section 12 pg 35 (D/a4car)
	Retaining wall (s.f.)	III	\$32.96	NA	\$42.85	NA	Section 55 pg 3 (12" reinf./h)
R2	Apartment (>2 units)	I & II	\$174.69	\$90.84	\$227.10	\$118.09	Section 11 pg 18 (B/g)
		III	\$156.91	\$81.59	\$203.98	\$106.07	Section 11 pg 18 (Dmill/g)
		V	\$127.00	\$66.04	\$165.10	\$85.85	Section 11 pg 18 (D/g)
Non-Residential Occupancy							
A	Church/Auditorium	I & II	\$247.07	\$128.48	\$321.19	\$167.02	Section 16 pg 9 (B/g)
		III	\$182.01	\$94.65	\$236.61	\$123.04	Section 16 pg 9 (B/a)
		V	\$175.93	\$91.48	\$228.71	\$118.93	Section 16 pg 9 (S/g)
A	Restaurant	I & II	\$221.82	\$115.35	\$288.37	\$149.95	Section 13 pg 14 (A-B/g)
		III	\$174.20	\$90.58	\$226.46	\$117.76	Section 13 pg 14 (C/g)
		V	\$166.80	\$86.74	\$216.84	\$112.76	Section 13 pg 14 (D/g)
B	Restaurant <50 occupancy	V	\$145.24	\$75.52	\$188.81	\$98.18	Section 13 pg 17 (C/a)
B	Bank	I & II	\$223.46	\$116.20	\$290.50	\$151.06	Section 15 pg 21 (B/a)
		III	\$182.01	\$94.65	\$236.61	\$123.04	Section 15 pg 21 (C/a)
		V	\$173.02	\$89.97	\$224.93	\$116.96	Section 15 pg 21 (D/a)
B	Medical Office	I & II	\$249.76	\$129.88	\$324.69	\$168.84	Section 15 pg 22 (A/g)
		III	\$243.19	\$126.46	\$316.15	\$164.40	Section 15 pg 22 (B/g)
		V	\$200.73	\$104.38	\$260.95	\$135.69	Section 15 pg 22 (C/g)
B	Office	I & II	\$165.41	\$86.01	\$215.03	\$111.82	Section 15 pg 17 (B/a)
		III	\$120.77	\$62.80	\$157.00	\$81.64	Section 15 pg 17 (C/a)
		V	\$115.34	\$59.98	\$149.94	\$77.97	Section 15 pg 17 (D/a)
E	School	I & II	\$239.11	\$124.34	\$310.84	\$161.64	Section 18 pg 14 (A-B/g)
		III	\$181.96	\$94.62	\$236.55	\$123.00	Section 18 pg 14 (C/g)
		V	\$171.94	\$89.41	\$223.52	\$116.23	Section 18 pg 14 (D/g)
H	Repair Garage	I & II	\$186.25	\$96.85	\$242.13	\$125.91	Section 14 pg 33 (MSG 527C/e)
		III	\$180.70	\$93.96	\$234.91	\$122.15	Section 14 pg 33 (MLG 423C/e)
		V	\$175.14	\$91.07	\$227.68	\$118.39	Section 14 pg 33 (MLG 423D/e)
I	Care Facilities / Institutional	I & II	\$186.04	\$96.74	\$241.85	\$125.76	Section 15 pg 22 (B/a)
		III	\$152.09	\$79.09	\$197.72	\$102.81	Section 15 pg 22 (C/a)
		V	\$146.52	\$76.19	\$190.48	\$99.05	Section 15 pg 22 (D/a)
M	Market (Retail sales)	I & II	\$143.82	\$74.79	\$186.97	\$97.22	Section 13 pg 26 (A/g)
		III	\$117.10	\$60.89	\$152.23	\$78.16	Section 13 pg 26 (C/g)
		V	\$113.19	\$58.86	\$147.15	\$76.52	Section 13 pg 26 (D/g)
S	Industrial plant	I & II	\$157.34	\$81.82	\$204.54	\$106.36	Section 14 pg 15 (B/a)
		III	\$134.38	\$69.88	\$174.69	\$90.84	Section 14 pg 15 (C/a)
		V	\$111.93	\$58.20	\$145.51	\$75.66	Section 14 pg 15 (D/a)
S	Warehouse	I & II	\$96.28	\$50.07	\$125.16	\$65.09	Section 14 pg 26 (A/g)
		III	\$91.77	\$47.72	\$119.30	\$62.04	Section 14 pg 26 (B/g)
		V	\$90.79	\$47.21	\$118.03	\$61.37	Section 14 pg 26 (Cmill/g)
S	Parking Garage	I & II	\$76.31	\$39.68	\$99.20	\$51.59	Section 14 pg 34 (A/g)

¹ Cost per square foot, unless noted otherwise. (I.f. = linear foot; s.f. = square foot); includes 1.3 regional multiplier (see Sec. 99 pg 6 July 2009 Marshall & Swift)

² Hillside construction = slope >20%; multiply by additional 1.3 multiplier

³ Remodel Function of New Construction is a 0.52 multiplier.

⁴ Separate structures or occupancies valued separately.

⁵ Separate fees assessed for E/P/M permits, R.O.W. improvements, Fire Prevention Bureau, Grading Permits, technology enhancement, records management, Excav. & Shoring.

TABLE "A"

QUARTERLY COST INDEXES (1926 = 100)

SECTION 98 PAGE 7
October 2014

2014

BUILDINGS - EASTERN DISTRICT

BUILDING CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
A: Fireproofed steel frame	3069.4	3060.0	3051.0	3065.5	3006.5	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2
B: Reinforced concrete frame	3053.1	3041.4	3038.2	3010.0	2991.5	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2	2973.2
C: Masonry bearing walls	3004.3	2985.5	2973.5	2950.2	2934.2	2915.1	2900.0	2879.2	2853.1	2833.5	2813.6	2793.7	2767.8	2747.9	2728.0	2708.1	2688.2	2668.3	2648.4	2628.5	2608.6	2588.7	2568.8
D: Wood frame	2788.7	2773.5	2759.2	2735.2	2710.9	2685.6	2660.3	2635.0	2609.7	2584.4	2559.1	2533.8	2508.5	2483.2	2457.9	2432.6	2407.3	2382.0	2356.7	2331.4	2306.1	2280.8	2255.5
S: Metal frame and walls	2788.7	2773.5	2759.2	2735.2	2710.9	2685.6	2660.3	2635.0	2609.7	2584.4	2559.1	2533.8	2508.5	2483.2	2457.9	2432.6	2407.3	2382.0	2356.7	2331.4	2306.1	2280.8	2255.5

BUILDINGS - CENTRAL DISTRICT

BUILDING CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
A: Fireproofed steel frame	2750.5	2751.8	2728.5	2728.5	2717.0	2685.6	2660.3	2635.0	2609.7	2584.4	2559.1	2533.8	2508.5	2483.2	2457.9	2432.6	2407.3	2382.0	2356.7	2331.4	2306.1	2280.8	2255.5
B: Reinforced concrete frame	2750.5	2751.8	2728.5	2728.5	2717.0	2685.6	2660.3	2635.0	2609.7	2584.4	2559.1	2533.8	2508.5	2483.2	2457.9	2432.6	2407.3	2382.0	2356.7	2331.4	2306.1	2280.8	2255.5
C: Masonry bearing walls	2750.5	2751.8	2728.5	2728.5	2717.0	2685.6	2660.3	2635.0	2609.7	2584.4	2559.1	2533.8	2508.5	2483.2	2457.9	2432.6	2407.3	2382.0	2356.7	2331.4	2306.1	2280.8	2255.5
D: Wood frame	2750.5	2751.8	2728.5	2728.5	2717.0	2685.6	2660.3	2635.0	2609.7	2584.4	2559.1	2533.8	2508.5	2483.2	2457.9	2432.6	2407.3	2382.0	2356.7	2331.4	2306.1	2280.8	2255.5
S: Metal frame and walls	2750.5	2751.8	2728.5	2728.5	2717.0	2685.6	2660.3	2635.0	2609.7	2584.4	2559.1	2533.8	2508.5	2483.2	2457.9	2432.6	2407.3	2382.0	2356.7	2331.4	2306.1	2280.8	2255.5

BUILDINGS - WESTERN DISTRICT

BUILDING CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
A: Fireproofed steel frame	3033.4	3022.5	2997.4	2976.7	2966.9	2930.2	2903.7	2876.6	2850.0	2823.5	2796.9	2770.4	2743.9	2717.4	2690.9	2664.4	2637.9	2611.4	2584.9	2558.4	2531.9	2505.4	2478.9
B: Reinforced concrete frame	3028.3	3018.0	2993.8	2973.2	2963.5	2926.8	2899.7	2873.2	2846.7	2820.2	2793.7	2767.2	2740.7	2714.2	2687.7	2661.2	2634.7	2608.2	2581.7	2555.2	2528.7	2502.2	2475.7
C: Masonry bearing walls	2990.3	2979.0	2954.8	2934.2	2924.5	2887.8	2860.7	2834.2	2807.7	2781.2	2754.7	2728.2	2701.7	2675.2	2648.7	2622.2	2595.7	2569.2	2542.7	2516.2	2489.7	2463.2	2436.7
D: Wood frame	2706.5	2695.4	2671.9	2651.3	2641.6	2604.9	2578.4	2551.9	2525.4	2498.9	2472.4	2445.9	2419.4	2392.9	2366.4	2339.9	2313.4	2286.9	2260.4	2233.9	2207.4	2180.9	2154.4
S: Metal frame and walls	2706.5	2695.4	2671.9	2651.3	2641.6	2604.9	2578.4	2551.9	2525.4	2498.9	2472.4	2445.9	2419.4	2392.9	2366.4	2339.9	2313.4	2286.9	2260.4	2233.9	2207.4	2180.9	2154.4

EQUIPMENT - NATIONAL AVERAGE

BUILDING CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
Average of all	1593.7	1585.7	1569.0	1565.8	1563.7	1551.6	1525.8	1500.0	1474.2	1448.4	1422.6	1396.8	1371.0	1345.2	1319.4	1293.6	1267.8	1242.0	1216.2	1190.4	1164.6	1138.8	1113.0
Appliance mfg.	1893.2	1885.1	1868.4	1865.2	1863.1	1851.0	1825.2	1800.0	1774.2	1748.4	1722.6	1696.8	1671.0	1645.2	1619.4	1593.6	1567.8	1542.0	1516.2	1490.4	1464.6	1438.8	1413.0
Automotive	1133.0	1128.8	1117.4	1118.0	1117.2	1105.9	1089.7	1063.5	1037.3	1011.1	984.9	958.7	932.5	906.3	880.1	853.9	827.7	801.5	775.3	749.1	722.9	696.7	670.5
Bakery	1592.5	1584.3	1567.6	1564.4	1562.3	1550.2	1524.4	1498.6	1472.8	1447.0	1421.2	1395.4	1369.6	1343.8	1318.0	1292.2	1266.4	1240.6	1214.8	1189.0	1163.2	1137.4	1111.6
Beer	1164.2	1150.3	1143.3	1143.0	1140.5	1138.3	1135.8	1133.3	1130.8	1128.3	1125.8	1123.3	1120.8	1118.3	1115.8	1113.3	1110.8	1108.3	1105.8	1103.3	1100.8	1098.3	1095.8

INDUSTRY

Average of all	1593.7	1585.7	1569.0	1566.9	1563.7	1561.6	1556.5	1552.8	1551.6	1553.3	1542.1	1535.5	1542.1	1535.5	1542.1	1535.5	1542.1	1535.5	1542.1	1535.5	1542.1	1535.5	1542.1	1535.5
Aviation mfg.	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1	1869.1
Automotive	1133.0	1128.8	1117.4	1118.0	1117.2	1112.3	1103.2	1098.1	1093.3	1083.6	1078.8	1076.4	1065.9	1062.8	1046.4	1044.1	1036.3	1026.1	1024.9	1023.2	1028.0	1043.2	1054.7	1063.2
Bakery	1523.8	1520.2	1527.3	1523.8	1520.2	1519.5	1514.4	1508.7	1507.6	1512.6	1496.5	1493.5	1484.3	1483.2	1443.2	1440.2	1405.4	1402.2	1405.4	1402.2	1422.0	1428.0	1437.2	1446.2
Bank	1164.2	1156.5	1145.3	1144.0	1140.5	1138.3	1133.8	1134.1	1133.0	1133.0	1125.4	1121.5	1108.8	1092.8	1085.0	1080.5	1076.4	1065.5	1065.5	1065.5	1065.5	1065.5	1065.5	1065.5
Bottling	1639.6	1630.8	1610.9	1608.6	1605.1	1601.5	1599.3	1596.9	1594.5	1592.1	1589.7	1587.3	1584.9	1582.5	1580.1	1577.7	1575.3	1572.9	1570.5	1568.1	1565.7	1563.3	1560.9	1558.5
Brewery & distillery	2004.5	2003.7	1979.2	1976.6	1974.3	1968.0	1963.5	1958.5	1954.3	1951.8	1948.5	1942.5	1934.9	1927.2	1923.6	1885.1	1866.7	1848.8	1845.5	1830.0	1817.9	1799.6	1785.9	1772.5
Cannery (cst)	1962.9	1953.9	1928.7	1924.3	1920.3	1911.7	1902.4	1893.1	1883.8	1874.5	1865.2	1855.9	1846.6	1837.3	1828.0	1818.7	1809.4	1800.1	1790.8	1781.5	1772.2	1762.9	1749.5	1735.9
Cannery (frst)	1943.0	1933.9	1908.9	1904.3	1901.2	1898.0	1890.6	1882.7	1880.3	1878.3	1868.2	1861.2	1854.9	1849.1	1843.6	1838.0	1832.5	1827.0	1821.5	1816.0	1810.5	1805.0	1799.5	1785.0
Cement mfg.	1680.9	1655.0	1643.2	1638.2	1633.0	1622.5	1602.5	1582.5	1562.5	1542.5	1522.5	1502.5	1482.5	1462.5	1442.5	1422.5	1402.5	1382.5	1362.5	1342.5	1322.5	1302.5	1282.5	1262.5
Chemical	1609.5	1601.9	1583.6	1581.2	1578.0	1567.3	1547.3	1527.3	1507.3	1487.3	1467.3	1447.3	1427.3	1407.3	1387.3	1367.3	1347.3	1327.3	1307.3	1287.3	1267.3	1247.3	1227.3	1207.3
Church	1307.1	1298.9	1283.6	1281.9	1278.0	1267.3	1247.3	1227.3	1207.3	1187.3	1167.3	1147.3	1127.3	1107.3	1087.3	1067.3	1047.3	1027.3	1007.3	987.3	967.3	947.3	927.3	907.3
Clay products	1652.8	1644.6	1631.1	1628.4	1624.3	1615.2	1595.2	1575.2	1555.2	1535.2	1515.2	1495.2	1475.2	1455.2	1435.2	1415.2	1395.2	1375.2	1355.2	1335.2	1315.2	1295.2	1275.2	1255.2
Contractor's equip.	1826.6	1822.0	1801.9	1799.4	1798.3	1793.7	1786.8	1773.0	1761.9	1752.9	1743.9	1734.9	1725.9	1716.9	1707.9	1698.9	1689.9	1680.9	1671.9	1662.9	1653.9	1644.9	1635.9	1626.9
Creamery & dairy	1721.0	1711.6	1690.1	1687.2	1684.3	1671.5	1657.3	1643.9	1630.5	1617.1	1603.7	1590.3	1576.9	1563.5	1550.1	1536.7	1523.3	1509.9	1496.5	1483.1	1469.7	1456.3	1442.9	1429.5
Dwelling	1091.6	1085.4	1078.9	1077.9	1076.3	1066.6	1056.7	1046.8	1036.9	1027.0	1017.1	1007.2	997.3	987.4	977.5	967.6	957.7	947.8	937.9	928.0	918.1	908.2	898.3	888.4
Electric equip. mfg.	1586.2	1581.6	1568.1	1566.6	1565.2	1556.7	1546.8	1536.9	1527.0	1517.1	1507.2	1497.3	1487.4	1477.5	1467.6	1457.7	1447.8	1437.9	1428.0	1418.1	1408.2	1398.3	1388.4	1378.5
Food, cereal & feed	1612.0	1604.9	1586.7	1584.2	1581.3	1571.2	1551.2	1531.2	1511.2	1491.2	1471.2	1451.2	1431.2	1411.2	1391.2	1371.2	1351.2	1331.2	1311.2	1291.2	1271.2	1251.2	1231.2	1211.2
Garage	1723.5	1718.4	1700.9	1698.5	1696.0	1688.9	1678.2	1667.5	1656.8	1646.1	1635.4	1624.7	1614.0	1603.3	1592.6	1581.9	1571.2	1560.5	1549.8	1539.1	1528.4	1517.7	1507.0	1496.3
Glass mfg.	1471.9	1462.4	1447.0	1445.6	1443.5	1440.0	1435.8	1431.5	1427.2	1423.0	1418.7	1414.4	1410.1	1405.8	1401.5	1397.2	1392.9	1388.6	1384.3	1380.0	1375.7	1371.4	1367.1	1362.8
Hospital	1378.6	1369.4	1354.8	1353.6	1351.0	1346.1	1339.5	1332.2	1325.0	1317.8	1310.6	1303.4	1296.2	1289.0	1281.8	1274.6	1267.4	1260.2	1253.0	1245.8	1238.6	1231.4	1224.2	1217.0
Laundry & cleaning	1376.4	1365.6	1355.1	1352.7	1350.4	1347.8	1340.8	1334.0	1327.2	1320.4	1313.6	1306.8	1299.9	1293.1	1286.3	1279.5	1272.7	1265.9	1259.1	1252.3	1245.5	1238.7	1231.9	1225.1
Library	1495.3	1484.3	1468.9	1467.7	1463.8	1450.1	1435.8	1421.5	1407.2	1392.9	1378.6	1364.3	1350.0	1335.7	1321.4	1307.1	1292.8	1278.5	1264.2	1249.9	1235.6	1221.3	1207.0	1192.7
Logging equip.	1654.7	1640.9	1620.0	1618.0	1615.0	1607.3	1593.0	1578.7	1564.4	1550.1	1535.8	1521.5	1507.2	1492.9	1478.6	1464.3	1450.0	1435.7	1421.4	1407.1	1392.8	1378.5	1364.2	1349.9
Machinery	1761.7	1753.8	1738.9	1736.9	1734.0	1725.3	1711.0	1696.7	1682.4	1668.1	1653.8	1639.5	1625.2	1610.9	1596.6	1582.3	1568.0	1553.7	1539.4	1525.1	1510.8	1496.5	1482.2	1467.9
Metalworking	1752.7	1743.9	1728.9	1726.9	1724.0	1715.3	1701.0	1686.7	1672.4	1658.1	1643.8	1629.5	1615.2	1600.9	1586.6	1572.3	1558.0	1543.7	1529.4	1515.1	1500.8	1486.5	1472.2	1457.9
Motion picture	1733.4	1723.9	1707.2	1707.4	1702.1	1697.2	1691.1	1686.9	1680.4	1671.1	1661.4	1651.7	1642.0	1632.3	1622.6	1612.9	1603.2	1593.5	1583.8	1574.1	1564.4	1554.7	1545.0	1535.3
Office equip.	1255.0	1238.3	1228.4	1228.8	1223.4	1218.8	1212.6	1203.6	1192.4	1181.0	1169.6	1158.2	1146.8	1135.4	1124.0	1112.6	1101.2	1089.8	1078.4	1067.0	1055.6	1044.2	1032.8	1021.4
Packing (fruit)	1796.5	1788.2	1765.1	1762.6	1759.7	1753.3	1745.8	1736.3	1725.8	1714.3	1702.8	1691.3	1679.8	1668.3	1656.8	1645.3	1633.8	1622.3	1610.8	1599.3	1587.8	1576.3	1564.8	1553.3
Packing (meat)	1708.3	1700.2	1680.0	1675.5	1673.2	1668.4	1662.5	1655.8	1649.1	1642.4	1635.7	1629.0	1622.3	1615.6	1608.9	1602.2	1595.5	1588.8	1582.1	1575.4	1568.7	1562.0	1555.3	1548.6
Part mfg.	1657.5	1658.8	1640.6	1638.4	1635.1	1628.3	1621.3	1612.3	1601.3	1589.3	1577.3	1565.3	1553.3	1541.3	1529.3	1517.3	1505.3	1493.3	1481.3	1469.3	1457.3	1445.3	1433.3	1421.3
Paper mfg.	1537.4	1536.8	1524.6	1523.9	1520.4	1514.2	1507.2	1502.4	1495.2	1488.0	1480.8	1473.6	1466.4	1459.2	1452.0	1444.8	1437.6	1430.4	1423.2	1416.0	1408.8	1401.6	1394.4	1387.2
Petroleum	1761.6	1753.9	1735.0	1732.0	1726.3	1720.0	1712.8	1704.8	1722.2	1722.0	1721.1	1710.3	1704.9	1698.7	1672.0	1652.5	1640.4	1627.0	1613.5	1600.0	1586.5	1573.0	1559.5	1546.0
Printing	1351.2	1345.2	1325.9	1322.9	1316.2	1309.2	1301.2	1293.2	1285.2	1277.2	1269.2	1261.2	1253.2	1245.2	1237.2	1229.2	1221.2	1213.2	1205.2	1197.2	1189.2	1181.2	1173.2	1165.2
Refined oil	1365.2	1361.2	1342.9	1342.2	1335.2	1328.2	1320.2	1312.2	1304.2	1296.2	1288.2	1280.2	1272.2	1264.2	1256.2	1248.2	1240.2	1232.2	1224.2	1216.2	1208.2	1200.2	1192.2	1184.2
Restaurant	1309.3	1301.5	1286.3	1284.2	1281.9	1276.7	1270.3	1263.9	1257.5	1251.1	1244.7	1238.3	1231.9	1225.5	1219.1	1212.7	1206.3	1199.9	1193.5	1187.1	1180.7	1174.3	1167.9	1161.5
Rubber	1686.2	1676.6	1662.8	1660.5	1657.0	1655.6	1646.6	1635.1	1622.3	1610.5	1597.7	1584.9	1572.1	1559.3	1546.5	1533.7	1520.9	1508.1	1495.3	1482.5	1469.7	1456.9	1444.1	1431.3
School	1476.6	1465.8	1450.2	1448.9	1445.8	1440.9	1435.1	1433.5	1430.8	1429.2	1428.2	1418.5	1408.1	1397.7	1387.3	1376.9	1366.5	1356.1	1345.7	1335.3	1324.9	1314.5	1304.1	1293.7
Shipbuilding	1851.8	1843.9	1827.6	1818.3	1814.3	1815.4	1812.5	1803.8	1808.1	1809.6	1797.5	1788.6	1797.5	1785.8	1775.5	1764.8	1754.1	1743.4	1732.7	1722.0	1711.3	1700.6	1689.9	1679.2
Ship power	1507.1	1500.9	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4
Solar	1509.1	1498.2	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4	1486.4
Textile	1587.0	1582.1	1565.2	1560.8	1558.2	1555.8	1553.7	1551.9	1549.6	1547.3	1544.8	1542.5	1540.2	1537.9	1535.6	1533.3	1531.0	1528.7	1526.4	1524.1	1521.8	1519.5	1517.2	1514.9
Theater	1288.3	1277.5	1265.0	1264.7	1260.6	1257.8	1253.7	1254.3	1253.6	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5	1254.5
Wholesaling	1263.3	1255.5	1246.8	1240.7	1249.5	1238.5	1234.5	1228.3	1224.6	1222.3	1214.9	1207.7	1200.7	1193.7	1186.7	1179.7	1172.7	1165.7	1158.7	1151.7	1144.7	1137.7	1130.7	1123.7
Woodworking	1504.4	1493.4	1471.3	1472.3	1468.5	1464.8	1454.7	1451.3	1440.8	1430.5	1422.1	1415.3	1408.5	1401.7	1394.9	1388.1	1381.3	1374.5	1367.7	1360.9	1354.1	1347.3	1340.5	1333

PROOF OF SERVICE

Case Number L15-0008

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Owner

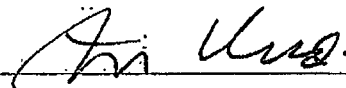
Vuong Nguyen
33 Cavoletto Lane
El Sobrante, CA 94803.

Owner Representative

Ethan Pintard
555 12th St. #1750
Oakland, CA 94607

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on June 16, 2015 in Oakland, CA.



Stephen Kasdin

Oakland Rent Adjustment Program

PROOF OF SERVICE

Case Number L15-0008

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Tenants

Tenant

658 Alcatraz Ave
Oakland, CA 94609

Tenant

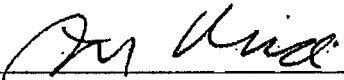
656 Alcatraz Ave
Oakland, CA 94609

Tenant

654 Alcatraz Ave
Oakland, CA 94609

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on June 16, 2015 in Oakland, CA.



Stephen Kasdin
Oakland Rent Adjustment Program



P.O. BOX 70243, OAKLAND, CA 94612-2043

CITY OF OAKLAND

Department of Housing and Community Development
Rent Adjustment Program

(510) 238-3721
FAX (510) 238-6181
TDD (510) 238-3254

HEARING DECISION

CASE NUMBER: L15-0013, Cheitlin v. Tenant
PROPERTY ADDRESS: 5414-5416 Boyd Ave, Oakland, CA
DATE OF HEARING: June 29, 2015
DATE OF DECISION: July 16, 2015
APPEARANCES: David Seth Melchert (Owner's Representative)
No appearance by tenants

SUMMARY OF DECISION

The owner's petition is granted. The units on the property are exempt from the Oakland Rent Ordinance, but not from the Just Cause for Eviction Ordinance¹. The owner must continue to pay the Rent Program Service fee.

CONTENTIONS OF THE PARTIES

The owner filed a petition for a Certificate of Exemption on a 2-unit residential building on the ground that it is a "substantially rehabilitated" building, pursuant to Oakland Municipal Code (O.M.C.) Section 8.22 and Rent Adjustment Program Regulations (Regulations). No tenant filed a response to the owner petition.

EVIDENCE

Seth Melchert, the owner of *Master Builders* is a general contractor. He was hired by Kenneth and Betsey Cheitlin, the owners of the subject property, to perform a substantial remodel of the property. All of the primary systems of the house were upgraded. The seismic structure was upgraded, the stucco was removed and replaced,

¹ O.M.C. § 8.22.500, et seq.

the windows were removed and replaced, the roofing was removed and replaced, the heating system was upgraded, the electrical system was upgraded, and the flooring was upgraded and new cabinets were installed. Additionally, there was an addition to the living area on the top floor, created by enlarging the dormers to allow for more habitable space. The square footage was increased by 156 square feet.

The building is now a 2 unit, 2,589² sq. foot building of wood frame construction. Each unit contains 2 bedrooms and 1 bath.

Melchert further testified that he has multiple employees who worked on the job. Each person who worked on the job had their own hourly rate based on their expertise. Melchert's work was charged at \$80.00 an hour. Various other employees were charged at the hourly rates of between \$25-\$70 an hour. (See exhibits 1-21).

The invoices show the following labor costs:

Exhibit 1 Labor Charges	Exhibit 2 Labor Charges	Exhibit 3 Labor Charges	Exhibit 4 Labor Charges
\$900.00	\$880.00	\$360.00	\$720.00
\$2,817.50	\$5,845.00	\$8,155.00	\$4,935.00
\$360.00	\$3,270.00	\$4,770.00	\$4,200.00
\$1,512.50	\$300.00	\$480.00	\$112.50
Subtotal \$5,590.00	Subtotal \$10,295.00	Subtotal \$13,765.00	Subtotal \$9,967.50

Exhibit 5 Labor Charges	Exhibit 6 Labor Charges	Exhibit 7 Labor Charges	Exhibit 8 Labor Charges
\$580.00	\$480.00	\$560.00	\$240.00
\$5,425.00	\$4,620.00	\$1,855.00	\$8,400.00
\$3,720.00	\$3,480.00	\$1,440.00	\$6,900.00
\$200.00	\$375.00	\$68.75	\$175.00
Subtotal \$9,925.00	Subtotal \$8,955.00	Subtotal \$3,923.75	Subtotal \$15,715.00

Exhibit 9 Labor Charges	Exhibit 10 Labor Charges	Exhibit 11 Labor Charges	Exhibit 12 Labor Charges
\$960.00	\$1,280.00	\$560.00	\$920.00
\$4,935.00	\$13,650.00	\$6,142.00	\$6,841.00
\$4,830.00	\$11,460.00	\$3,960.00	\$4,013.75
\$350.00	\$1,770.00	\$4,565.00	\$4,235.00
\$135.00	\$2,850.00	\$3,645.00	\$4,747.50
Subtotal \$11,210.00	Subtotal \$31,010.00	Subtotal \$18,872.00	Subtotal \$20,757.25

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² The size of the building was confirmed on the official plans that were entered into evidence as Exhibit 23. This Exhibit and all other exhibits referred to in this Hearing Decision were entered into evidence without objection.

Exhibit 13 Labor Charges	Exhibit 14 Labor Charges	Exhibit 15 Labor Charges	Exhibit 16 Labor Charges
\$480.00	\$200.00	\$320.00	\$80.00
\$1,625.00	\$2,665.00	\$3,965.00	\$7,950.00
\$82.50	\$292.50	\$3,055.00	\$5,662.50
\$2,530.00		\$3,055.00	\$5,947.50
\$1,771.25		\$82.50	
\$1,620.00			
Subtotal \$8,108.75	Subtotal \$3,157.50	Subtotal \$10,477.50	Subtotal \$19,640.00

Exhibit 17 Labor Charges	Exhibit 18 Labor Charges	Exhibit 19 Labor Charges	Exhibit 20 Labor Charges
\$440.00	\$1,120.00	\$300.00	\$1,080.00
\$5,703.75	\$5,346.25	\$2,047.50	\$4,940.00
\$6,201.25	\$6,201.25	\$137.50	\$1,732.50
\$7,345.00	\$6,061.25		\$1,543.75
Subtotal \$19,690.00	Subtotal \$18,728.75	Subtotal \$2,485.00	Subtotal \$9,296.25

Exhibit 21 Labor Charges	
\$400.00	
\$330.00	
\$1,650.00	
\$1,202.50	
Subtotal \$3,582.50	Total \$255,151.75

At the Hearing Melchert testified that Exhibit 15 had a typographical error in it and the above chart shows the correct amount charged for work (which was later reimbursed to the owner in a subsequent invoice). Additionally, Exhibit 6 also appears to have a typographical error in that Seth Melchert was listed as having worked 6 hours and his hourly rate was \$80 an hour. The invoice shows a charge of \$4,880. The correct charge for 6 hours of work is \$480. The correct charge is listed in the above chart.

The invoices also show separate charges for materials purchased and for subcontractors hired by *Master Builders*. However, these costs were not considered as there were no invoices provided.

The owner provided proof of payment of the above listed invoices.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Substantial Rehabilitation: O.M.C. 8.22.030(A)(6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Ordinance.

- In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.

- b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.³

The Calculation: The owner representative testified that the subject building is of wood frame construction. Table "A" lists square foot construction costs, effective August 1, 2009. A Type V building is a building that is made from allowable materials that are not "non-combustible materials."⁴ A wood frame building is combustible, and hence a Type V.

The Table states that for Type V construction of a single family home or duplex the cost for new construction is \$144.46 per square foot on level ground in October of 2009. (Single Family & Duplex; new construction; Type V).

However, since the construction in this case occurred in the year 2013, and costs have risen since that time, it is proper to increase the cost shown on the 2009 Table. The Building Services agency has recognized this fact, and therefore issued a document entitled "Quarterly Cost Indexes (1926 = 100)" (Table "B").

These tables are used as follows: (1) On Table "B," determine the number for the year of construction, geographical district, and type of construction and appropriate month; (2) divide this number by the number in the same category for the year 2009. The resulting fraction is then multiplied by the number derived when the square foot cost shown on Table "A" is multiplied by the number of square feet in the building.

Using Table "B," to determine the appropriate ratio, as follows (Western District):

$$\begin{aligned} & \text{October 2013/October 2009} \\ & 2925.6/2508.7 = \\ & 1.166\% \end{aligned}$$

Multiplying 1.166% by \$144.46, the cost basis in 2009, equals \$168.47. That is the appropriate cost per square foot for work done in October of 2013, on wood frame construction, for single family homes and duplexes to be used to determine if the work done qualifies for a substantial rehabilitation exemption.

To determine if the owner is entitled to the exemption the following calculation is necessary. Multiply the square footage (2,589) by \$168.47 and then divide that by 2. Therefore, if the owner spent at least \$218,084.41 on the construction project, the building is exempt from the Rent Ordinance.

The owner has provided invoices and proof of payment that he spent at least \$255,151.75. This amount is above the necessary sum of \$218,084.41 and, therefore, the

³ O.M.C. § 8.22.030(B)(2)

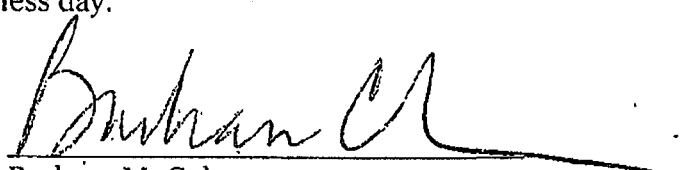
⁴ See California Building Code § 602.1-602.5.

building has been "substantially rehabilitated." The rental units in the building are exempt from the Rent Ordinance.

ORDER

1. Petition L15-0013 is granted.
2. The subject building is a "substantially rehabilitated" building.
3. A Certificate of Exemption for the subject building will be issued when this Decision becomes final.
4. The owner must continue to pay the Rent Adjustment Service Fee as the units are not exempt from Oakland's Just Cause for Eviction Ordinance (See O.M.C. § 8.22.500)
5. Right to Appeal: **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) days after service of this decision. The date of service is shown on the attached Proof of Service. If the last day to file is a weekend or holiday, the appeal may be filed on the next business day.

Dated: July 15, 2015


Barbara M. Cohen
Hearing Officer
Rent Adjustment Program

**City of Oakland
Building Services
Construction Valuation¹
For Building Permits⁴
Effective Aug. 1, 2009**

Community Economic Development Agency
Daly Administration Building
250 Frank Ogawa Plaza - 2nd Floor
Oakland, CA 94612
510-238-3891

		Construction	Level Ground ²		Hillside ³ Construction		Marshall & Swill 30 709
Occ.	Description ³	Type	New	Remodel	New	Remodel	Section pg (Class/type)
R3	Custom Residence	V	\$207.53	\$107.92	\$269.79	\$140.29	Section 12 pg 25 (C/e)
	Single Family & Duplex	V	\$144.46	\$75.12	\$187.80	\$97.65	Section 12 pg 25 (C/g)
	Factory/Manufactured home	V	\$43.50	\$22.62	\$56.55	\$29.41	Section 12 pg 26 (CDS/g)
	Finished Habitable Basement Conversion	V	\$96.42	\$50.14	\$125.35	\$65.18	Section 12 pg 25 (S/a)
	Convert non-habitable to habitable	V	N/A	\$43.50	N/A	\$56.55	Section 12 pg 26 (CDS/g)
	Partition Walls	V	N/A	\$16.19	N/A	\$21.05	Section 52 pg 2 (6" wall)
	Foundation Upgrade (f.i.f.)	V	\$105.37	NA	\$136.98	NA	Section 51 pg 2 (R/24x72)
	Patio/Porch Roof	V	\$24.70	\$12.84	\$32.11	\$16.70	Section 66 pg 2 (Wood)
	Ground Level Decks	V	\$30.49	\$15.85	\$39.64	\$20.61	Section 66 pg 2 (100sf/avg)
	Elevated Decks & Balconies	V	\$41.16	\$21.40	\$53.51	\$27.82	Section 66 pg 2 (100sf/+1 story)
U1	Garage	V	\$38.42	\$19.98	\$49.95	\$25.97	Section 12 pg 35 (C/a600)
	Carport	V	\$24.70	\$12.84	\$32.11	\$16.70	Section 12 pg 35 (D/a4car)
	Retaining wall (s.f.)	III	\$32.96	NA	\$42.85	NA	Section 55 pg 3 (12" reinf./h)
R2	Apartment (>2 units)	I & II	\$174.69	\$90.84	\$227.10	\$118.09	Section 11 pg 18 (B/g)
		III	\$156.91	\$81.59	\$203.98	\$106.07	Section 11 pg 18 (Dmill/g)
		V	\$127.00	\$66.04	\$165.10	\$85.85	Section 11 pg 18 (D/g)
Non-Residential Occupancy							
A	Church/Auditorium	I & II	\$247.07	\$128.48	\$321.19	\$167.02	Section 16 pg 9 (B/g)
		III	\$182.01	\$94.65	\$236.61	\$123.04	Section 16 pg 9 (B/a)
		V	\$175.93	\$91.48	\$228.71	\$118.93	Section 16 pg 9 (S/g)
A	Restaurant	I & II	\$221.82	\$115.35	\$288.37	\$149.95	Section 13 pg 14 (A-B/g)
		III	\$174.20	\$90.58	\$226.46	\$117.76	Section 13 pg 14 (C/g)
		V	\$166.80	\$86.74	\$216.84	\$112.76	Section 13 pg 14 (D/g)
B	Restaurant <50 occupancy	V	\$145.24	\$75.52	\$188.81	\$98.18	Section 13 pg 17 (C/a)
B	Bank	I & II	\$223.46	\$116.20	\$290.50	\$151.06	Section 15 pg 21 (B/a)
		III	\$182.01	\$94.65	\$236.61	\$123.04	Section 15 pg 21 (C/a)
		V	\$173.02	\$89.97	\$224.93	\$116.96	Section 15 pg 21 (D/a)
B	Medical Office	I & II	\$249.76	\$129.88	\$324.69	\$168.84	Section 15 pg 22 (A/g)
		III	\$243.19	\$126.46	\$316.15	\$164.40	Section 15 pg 22 (B/g)
		V	\$200.73	\$104.38	\$260.95	\$135.69	Section 15 pg 22 (C/g)
B	Office	I & II	\$165.41	\$86.01	\$215.03	\$111.82	Section 15 pg 17 (B/a)
		III	\$120.77	\$62.80	\$157.00	\$81.64	Section 15 pg 17 (C/a)
		V	\$115.34	\$59.98	\$149.94	\$77.97	Section 15 pg 17 (D/a)
E	School	I & II	\$239.11	\$124.34	\$310.84	\$161.64	Section 18 pg 14 (A-B/g)
		III	\$181.96	\$94.62	\$236.55	\$123.00	Section 18 pg 14 (C/g)
		V	\$171.94	\$89.41	\$223.52	\$116.23	Section 18 pg 14 (D/g)
H	Repair Garage	I & II	\$186.25	\$96.85	\$242.13	\$125.91	Section 14 pg 33 (MSG 527C/e)
		III	\$180.70	\$93.96	\$234.91	\$122.15	Section 14 pg 33 (MLG 423C/e)
		V	\$175.14	\$91.07	\$227.68	\$118.39	Section 14 pg 33 (MLG 423D/e)
I	Care Facilities / Institutional	I & II	\$186.04	\$96.74	\$241.85	\$125.76	Section 15 pg 22 (B/a)
		III	\$152.09	\$79.09	\$197.72	\$102.81	Section 15 pg 22 (C/a)
		V	\$146.52	\$76.19	\$190.48	\$99.05	Section 15 pg 22 (D/a)
M	Market (Retail sales)	I & II	\$143.82	\$74.79	\$186.97	\$97.22	Section 13 pg 26 (A/g)
		III	\$117.10	\$60.89	\$152.23	\$79.16	Section 13 pg 26 (C/g)
		V	\$113.19	\$58.86	\$147.15	\$76.52	Section 13 pg 26 (D/g)
S	Industrial plant	I & II	\$157.34	\$81.82	\$204.54	\$106.36	Section 14 pg 15 (B/a)
		III	\$134.38	\$69.88	\$174.69	\$90.84	Section 14 pg 15 (C/a)
		V	\$111.93	\$58.20	\$145.51	\$75.66	Section 14 pg 15 (D/a)
S	Warehouse	I & II	\$96.28	\$50.07	\$125.16	\$65.09	Section 14 pg 26 (A/g)
		III	\$91.77	\$47.72	\$119.30	\$62.04	Section 14 pg 26 (B/g)
		V	\$90.79	\$47.21	\$118.03	\$61.37	Section 14 pg 26 (Cmill/g)
S	Parking Garage	I & II	\$76.31	\$39.68	\$99.20	\$51.59	Section 14 pg 34 (A/g)

¹ Cost per square foot, unless noted otherwise. (l.f. = linear foot; s.f. = square foot); includes 1.3 regional multiplier (see Secc. 99 pg 6 July 2009 Marshall & Swill)

² Hillside construction = slope >20%; multiply by additional 1.3 multiplier

³ Remodel Function of New Construction is a 0.52 multiplier.

⁴ Separate structures or occupancies valued separately.

⁵ Separate fees assessed for E/P/M permits, R.O.W. improvements, Fire Prevention Bureau, Grading Permits, technology enhancement, records management, Excav. & Shoring.

QUARTERLY COST INDEXES (1926 = 100)

SECTION 98 PAGE 7
October 2014

2014

BUILDINGS - EASTERN DISTRICT

BUILDING CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
A: Fireproofed steel frame	3069.4	3065.0	3051.0	3026.5	3006.2	2991.8	2963.8	2943.9	2940.3	2921.4	2899.0	2884.0	2872.1	2836.7	2796.4	2771.7	2766.3	2723.3	2703.6	2666.2	2699.6	2755.6	2669.3
B: Reinforced concrete frame	3053.1	3041.4	3035.7	3010.9	2991.3	2977.3	2958.4	2941.1	2918.0	2894.7	2878.4	2864.1	2841.1	2810.8	2773.2	2755.9	2744.5	2703.3	2685.4	2644.7	2671.4	2715.1	2633.2
C: Masonry bearing walls	3041.4	3021.5	3017.2	2993.7	2970.5	2954.8	2934.1	2915.1	2890.0	2872.6	2853.4	2837.0	2814.2	2786.6	2741.0	2729.6	2721.2	2675.4	2659.4	2616.3	2643.4	2671.2	2633.2
D: Wood frame	3004.3	2984.5	2974.8	2951.4	2934.2	2915.7	2896.8	2878.0	2854.6	2835.5	2816.4	2798.2	2774.2	2748.6	2703.3	2692.6	2684.9	2638.9	2622.9	2578.5	2550.2	2592.9	2653.4
S: Metal frame and walls	2788.7	2783.3	2773.5	2755.2	2736.4	2718.0	2699.5	2680.7	2657.1	2638.0	2618.6	2599.5	2575.5	2548.1	2503.6	2492.9	2485.6	2439.6	2423.6	2379.2	2350.7	2392.9	2453.8

BUILDINGS - CENTRAL DISTRICT

BUILDING CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
A: Fireproofed steel frame	2760.6	2757.6	2751.8	2728.5	2717.0	2699.1	2677.7	2668.0	2648.6	2630.6	2614.6	2601.6	2580.7	2551.9	2536.1	2527.0	2499.3	2461.2	2445.6	2402.9	2429.2	2466.6	2402.9
B: Reinforced concrete frame	2739.0	2732.5	2724.6	2702.8	2685.0	2665.0	2643.2	2624.7	2605.4	2586.0	2567.4	2548.3	2528.8	2499.4	2483.5	2472.9	2432.7	2417.3	2365.6	2395.7	2423.2	2466.6	2402.9
C: Masonry bearing walls	2734.7	2728.1	2719.6	2697.8	2679.1	2659.2	2638.0	2618.1	2597.7	2577.6	2557.6	2537.4	2517.0	2487.6	2471.0	2460.4	2420.2	2404.8	2353.1	2383.5	2411.0	2453.8	2389.7
D: Wood frame	2417.0	2410.9	2406.2	2382.4	2363.1	2343.0	2322.8	2302.4	2281.4	2260.5	2239.5	2218.2	2196.6	2166.3	2149.6	2138.8	2098.4	2082.9	2031.8	2062.3	2089.7	2132.2	2068.9
S: Metal frame and walls	2171.0	2165.2	2156.2	2132.4	2113.1	2093.0	2072.8	2052.4	2031.4	2010.5	1989.5	1968.2	1946.6	1916.3	1899.6	1888.8	1848.4	1832.9	1781.8	1812.3	1839.7	1882.2	1818.9

BUILDINGS - WESTERN DISTRICT

BUILDING CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
A: Fireproofed steel frame	3033.4	3022.5	2997.4	2976.7	2968.9	2954.7	2930.2	2911.2	2894.7	2879.9	2859.4	2841.2	2824.1	2800.5	2766.8	2747.0	2737.0	2698.1	2666.1	2656.4	2646.0	2691.0	2850.7
B: Reinforced concrete frame	3008.5	3000.0	2973.6	2953.9	2946.9	2930.3	2907.6	2887.6	2868.6	2849.5	2829.2	2810.3	2793.7	2768.8	2733.1	2718.9	2711.9	2672.4	2633.6	2618.0	2601.8	2653.6	2814.7
C: Masonry bearing walls	3018.1	3008.1	2981.9	2962.2	2955.9	2939.3	2916.7	2896.7	2877.6	2858.5	2839.3	2820.5	2803.7	2778.8	2743.4	2729.1	2721.6	2682.1	2643.6	2628.0	2611.8	2658.7	2814.7
D: Wood frame	2708.3	2699.4	2681.9	2663.1	2653.4	2635.4	2612.8	2592.7	2573.8	2554.8	2535.8	2516.7	2497.6	2478.6	2443.1	2429.1	2420.9	2379.7	2340.7	2325.8	2309.7	2358.8	2814.7
S: Metal frame and walls	2108.3	2099.4	2081.9	2063.1	2053.4	2035.4	2012.8	1992.7	1973.8	1954.8	1935.8	1916.7	1897.6	1878.6	1843.1	1829.1	1820.9	1779.7	1740.7	1725.8	1709.7	1758.8	2814.7

EQUIPMENT - NATIONAL AVERAGE

EQUIPMENT CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
A: Fireproofed steel frame	1593.7	1595.7	1589.0	1566.9	1563.7	1561.6	1556.6	1552.8	1551.6	1554.4	1542.1	1536.5	1533.3	1512.5	1490.2	1476.7	1473.3	1461.3	1448.3	1446.5	1446.4	1462.9	1477.7
B: Reinforced concrete frame	1583.7	1584.1	1573.3	1561.4	1557.2	1554.3	1549.2	1545.3	1540.2	1535.3	1524.1	1518.5	1515.0	1494.6	1472.8	1459.4	1456.1	1444.1	1431.1	1428.9	1428.0	1453.7	1468.7
C: Masonry bearing walls	1533.6	1528.5	1527.3	1512.8	1509.2	1506.3	1500.2	1495.1	1489.3	1484.4	1473.2	1467.6	1464.0	1443.1	1421.3	1407.9	1404.4	1392.4	1379.3	1376.9	1376.4	1401.3	1416.3
D: Wood frame	1525.5	1524.5	1512.3	1497.8	1494.3	1491.5	1484.4	1479.3	1473.8	1468.9	1457.6	1452.0	1448.4	1427.5	1405.7	1392.3	1388.7	1376.7	1363.6	1361.3	1360.8	1385.7	1400.7
S: Metal frame and walls	1164.2	1156.5	1145.3	1144.0	1140.5	1138.3	1133.9	1133.5	1134.1	1133.0	1125.4	1121.4	1121.5	1108.8	1092.6	1085.0	1085.7	1070.4	1065.5	1065.3	1065.2	1080.9	1095.9

INDUSTRY

INDUSTRY CLASSES	10/2014	7/2014	4/2014	1/2014	10/2013	7/2013	4/2013	1/2013	10/2012	7/2012	4/2012	1/2012	10/2011	7/2011	4/2011	1/2011	10/2010	7/2010	4/2010	1/2010	10/2009	7/2009	4/2009
A: Fireproofed steel frame	1593.7	1595.7	1589.0	1566.9	1563.7	1561.6	1556.6	1552.8	1551.6	1554.4	1542.1	1536.5	1533.3	1512.5	1490.2	1476.7	1473.3	1461.3	1448.3	1446.5	1446.4	1462.9	1477.7
B: Reinforced concrete frame	1583.7	1584.1	1573.3	1561.4	1557.2	1554.3	1549.2	1545.3	1540.2	1535.3	1524.1	1518.5	1515.0	1494.6	1472.8	1459.4	1456.1	1444.1	1431.1	1428.9	1428.0	1453.7	1468.7
C: Masonry bearing walls	1533.6	1528.5	1527.3	1512.8	1509.2	1506.3	1500.2	1495.1	1489.3	1484.4	1473.2	1467.6	1464.0	1443.1	1421.3	1407.9	1404.4	1392.4	1379.3	1376.9	1376.4	1401.3	1416.3
D: Wood frame	1525.5	1524.5	1512.3	1497.8	1494.3	1491.5	1484.4	1479.3	1473.8	1468.9	1457.6	1452.0	1448.4	1427.5	1405.7	1392.3	1388.7	1376.7	1363.6	1361.3	1360.8	1385.7	1400.7
S: Metal frame and walls	1164.2	1156.5	1145.3	1144.0	1140.5	1138.3	1133.9	1133.5	1134.1	1133.0	1125.4	1121.4	1121.5	1108.8	1092.6	1085.0	1085.7	1070.4	1065.5	1065.3	1065.2	1080.9	1095.9

TABLE B

MARSHALL VALUATION SERVICE

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10/2014

PROOF OF SERVICE

Case Number(s): L15-0013

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached **Hearing Decision** by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:


Kenneth and Betsey Cheitlin
5416 Boyd Avenue
Oakland, CA 94618

Tenant
5414 Boyd Ave
Oakland, CA 94618

Seth Melchert
Master Builders
5521 Marshall Street
Oakland, CA 94608

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on July 16, 2015, in Oakland, California.



Barbara M. Cohen
Oakland Rent Adjustment Program



250 FRANK H. OGAWA PLAZA, SUITE 5313 · P.O. BOX 70243 · OAKLAND, CA 94612-2034

Community and Economic Development Agency
Rent Adjustment

TEL (510) 238-3721
FAX (510) 238-6181
TDD (510) 238-7629

HEARING DECISION

CASE NUMBER: T13-0196, Promes v. Fehr

PROPERTY ADDRESS: 1010 Walker Avenue, No. 1, Oakland, CA

APPEARANCES:	Molly Promes	Tenant
	Richard Fehr	Owner

DATE OF HEARING: September 11, 2013

DATE OF DECISION: December 16, 2013

SUMMARY OF DECISION: The tenant's petition is DENIED. The subject building is exempt from the Rent Ordinance on the basis of substantial rehabilitation.

INTRODUCTION

Tenant Molly Promes filed a petition on June 28, 2013, which contested a rent increase on the grounds that the increase exceeds the CPI Adjustment and is unjustified and that she did not receive a written notice of the Rent Adjustment Program concurrent with the notice of the contested rent increase.

The tenant contends that the subject building does not qualify for an exemption from the Rent Ordinance. The owner contends that he has spent over a half million dollars on a soft story retrofit for the subject building and that he meets the threshold requirement for exemption on the basis of substantial rehabilitation.

ISSUES

1. Is the subject building exempt from the Rent Adjustment Ordinance on the basis of "substantial rehabilitation"?

EVIDENCE

Concurrent RAP Notice

The tenant testified that she did not receive the Notice of the Rent Adjustment Program (RAP) concurrent with the notice of the proposed rent increase. The owner claims that he is exempt from the RAP program and is not required to provide such a notice.

Substantial Rehabilitation

The owner claims that he spent \$485,000 to rehabilitate his building, and testified that the subject building consists of 5 units. He obtained building permits B0300838 and B0302750 in March and June 2003¹ for seismic retrofit of the building which included new foundations, a new frame in the front wall of the building, new galvanized steel "I" beams with steel supporting columns over the garages, new plywood shear walls and sheathing on all exterior walls and roof, some new interior sheer walls, hold downs throughout the building and other structural connectors, and renovations to the bathrooms, flooring, with exterior paint and stucco.

The owner testified and provided documentation that the subject building is Type V, wood frame construction on level ground, that the square footage of the subject building is 4500 square feet, with an additional 58.5 feet for a basement and 502.4 square feet for the garage, totaling 5090.9 square feet.² The Building permits were finalled on June 14, 2004.

The tenant testified that the construction is not on level ground, but is hillside construction. The Building Valuation Data defines hillside construction based on a 20% slope. The parties agreed that the slope of the subject building was less than 20%.

The owner testified that each of the expenses contained in an itemized summary report was paid. He submitted 600 pages of documentary evidence of expenses in support of his claim and the documents were received into evidence. The summary below itemizes the owner's expenses as follows:

- | | |
|----------------------------------|---------------------------|
| 1. Building Permits ³ | \$ 5,538.95 |
| 2. Cabinetry | \$ 13,873.00 ⁴ |

¹ Permit Inspection Record, Ex. 4

² Structural Plan, Ex. No. 1; Site Plan, Ex. No. 2

³ Ex. No. 4,5,22-25,69, 177, 312

	Quality Cabinets	\$ 9,022	
	Wes Nichols	\$ 4,250	
3.	Engineering		\$11,488.51
	Engineering Associates	\$10,784.51 ⁵	
	RES Engineers	\$ 704.00 ⁶	
4.	Architects		\$ 4,034.04 ⁷
	Chester Fong	\$ 2,214.13	
	Ford Graphics	\$ 119.91	
	Lauren Grbich	\$ 1,700	
5.	Hauling-West Contra Costa		\$ 3,669.49 ⁸
6.	Flooring		
	Hal's Carpet and Vinyl	\$6,136.79	\$6,136.69 ⁹
7.	Heating		
	Ceridono Heating/Cooling	\$ 7,117 ¹⁰	\$7,632.21
	Crown Heating	\$ 515.21 ¹¹	
8.	Plumbing		\$50,321.06
	Ray Triola	\$6,300 ¹²	
	Cal Steam	\$9,101.72 ¹³	
	Butler-Johnson	\$4,462.93 ¹¹	
	Heiek Supply	\$ 572.88 ¹¹	
	Albert Nahman	\$29,883.53 ¹⁴	
9.	Roofing		\$31,506.88 ¹⁵
	Diablo Roofing	\$2,375	
	C H Sheetmetal	\$7,768.81	
	Concord Sheetmetal	\$6,508.07	
	Westco Roofing	\$14,855	

⁴ Quality Cabinets; Wesley Nichols-Ex. No. 18:1-11

⁵ Ex. No. 32

⁶ Ex. 28

⁷ Ex. No. 5

⁸ Ex. No. 8:1-16

⁹ Ex. No. 9

¹⁰ Ex. No. 10

¹¹ Ex. No. 10

¹² Ex. No. 34

¹³ Ex. No. 34

¹⁴ Ex. No. 11

¹⁵ Ex. No. 12

10. Building Materials		\$76,031.49
Grand Lake ACE Hardware	\$2,792 ¹⁶	
Truit Lumber	\$48,920.47 ¹⁷	
RAC	\$ 5,476.04 ¹⁸	
Petes	\$836 ¹⁹	
B & D	\$4,070 ²⁰	
Dutra	\$ 66.98 ²¹	
Best Marble	10,520 ²²	
Metalmorphic Fabrications	\$ 750 ²³	
BSR	\$ 2,600 ²⁴	
11. Stucco		\$37,122 ²⁵
CJ Plastering & Stucco	\$24,500	
Tri Valley Drywall	\$ 9,222	
Drywall Bay	\$ 3,400	
12. Fireplaces		\$6,776 ²⁶
Homeglow Heat Products		
12. Lumber		\$1,576.33 ²⁷
Stucco		
13. Miscellaneous(Buffer/washer/trash chute compressor (disallowed)		
\$617.89 ²⁸		
14. Framing-Carpentry		\$28,380
Di Stefano Framing	\$24,640	
Setchko Construction	\$2,500	
Beaufry	\$1,240	
15. Electric		\$36,508.54 ²⁹
Don Russell Electric	\$33,978.51	

¹⁶ Ex. No. 15

¹⁷ Ex. No. 16

¹⁸ Ex. No. 1:1-26

¹⁹ Ex. No. 17:1-26

²⁰ Ex. No. 17:1-26

²¹ Ex. No. 17:1-26

²² Ex. No. 17:1-26

²³ Ex. No. 17:1-26

²⁴ Ex. No. 17:1-26

²⁵ Ex. No. 13

²⁶ Ex. No. 34-This cost is for equipment rental and is disallowed

²⁷ Ex. No. 21

²⁸ Ex. No. 22

²⁹ Ex. No. 33:1-39

16. Painting		\$4,567.43 ³⁰
Mark's Paint	\$3,415.31	
East Bay Paint Center	\$1,152.12	
17. Beams		
Pacific Galvanizing		\$630.19 ³¹
18. Coliseum Sandblasting		\$95.00 ³²
19. Railing		\$1,471 ³³
West Coast Powder Coating		
20. Rebar for Stairs		
BSR-Mike Halsey		\$1,000 ³⁴
21. Windows		\$11,571.48 ³⁵
Community Woodworks	\$5,331.48	
Madden Door & Sons	\$5,280	
Sam Austin	\$ 960	
22. Roof Hatches		\$822.70 ³⁶
23. Labor		
Undocumented-cost allowed is 25% of materials	\$19,007.75	

TOTAL EXPENSES \$359,760.74

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Concurrent RAP Notice

Section 8.22.060 (B) of the Rent Ordinance states that an owner is not required to provide the RAP notice if he is claiming an exemption. When responding to a tenant petition, the owner may allege that the affected dwelling unit is exempt in lieu of providing evidence of complying with the notice requirement.

³⁰ Ex. No. 23

³¹ Ex. No. 25

³² Ex. No. 24

³³ Ex. No. 29

³⁴ Ex. No. 30

³⁵ Ex. No. 14

³⁶ Ex. No. 19

Substantial Rehabilitation

The Applicable Law: O.M.C. 8.22.030(A) (6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Ordinance.

a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.

b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.³⁷

The tables issued by the Building Services agency refer to a dollar amount per square foot. Therefore, in order to make the necessary mathematical computation, an owner must present sufficient evidence of the square footage of the building, as well as the cost of the rehabilitation project.

The Calculation: Table "A" lists square foot construction costs, effective February 1, 2007. However, since the construction in this case occurred in 2003 and costs have risen, it would be unfair to an owner if current costs were used. For this reason, the Building Services agency has also issued a document entitled "Cost Indexes (1926 = 100)" (Table B).

These tables are used as follows: (1) On Table "B," determine the number for the year of construction, geographical district, and type of construction; (2) Divide this number by the number in the same category for the year 2003. The resulting percentage is then multiplied by the number derived when the square foot cost shown on Table "A" is multiplied by the number of square feet in the building.

The square footage of the subject building is 5,060.9 square feet. The appropriate cost table is for level ground construction costs because the construction of the subject building is less than a 20% slope. The cost of new construction in 2003 is stated below as follows:

The owner testified that the subject building is of wood frame construction. The table issued by the City of Oakland entitled "City of Oakland Building Services Construction Valuation for Building Permits", states if the work were done in 2007, the square foot cost would be \$121.75 (Apartment New Construction; Category V-wood frame).³⁸ This amount multiplied by 4,558.6

³⁷ O.M.C. Section 8.22.030(B)(2)

³⁸ Even if construction costs for hillside construction were used, the threshold amount is \$313,112 which the owner exceeded

(includes 58.6 s.f. basement)³⁹ equals \$555,009.55. The rate for construction of a garage was \$55.53. The garage is an additional 502 square feet. This amount multiplied by \$55.53 is \$27,876.06. This totals \$582,885.61. This figure is then reduced, using the Cost Index Table as follows:

$$\begin{array}{rcl} \text{Year 2003} & = & 1978.1 \\ & & = 82.8\% \\ \text{Year 2007} & = & 2388.1 \end{array}$$

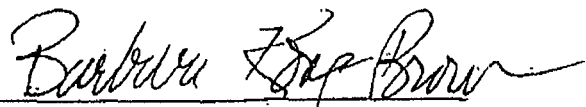
82.8% is \$482,629.28. 50% is \$241,314.64. Therefore, if the owner expended \$241,314.64 on the construction project, the building is exempt from the Rent Ordinance. These expenses were for seismic retrofit of a soft story building, a new roof, renovation of bathrooms, with new cabinetry, hardwood floors, new plumbing, new electrical wiring, exterior stucco, and replacement of guard rails, and painting.

The owner has substantiated expenses of \$359,760.74 which exceeds the 50% threshold of \$241,314.64 for new construction. Therefore, the building has been "substantially rehabilitated." The rental units in the building are exempt from the Rent Ordinance.

ORDER

1. The tenant petition is denied.
2. The subject building is a "substantially rehabilitated" building and exempt from the Rent Adjustment Ordinance. A certificate of exemption for the subject building shall be issued when this decision becomes final.
3. Right to Appeal: **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) days after service of this decision. The date of service is shown on the attached Proof of Service. If the last day to file is a weekend or holiday, the appeal may be filed on the next business day.

Dated: December 16, 2013


BARBARA KONG-BROWN, ESQ.
Hearing Officer
Rent Adjustment Program

³⁹ No separate figure was provided for a basement in the City of Oakland Building Service Construction Valuation Table

PROOF OF SERVICE

Case Number T13-0196

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

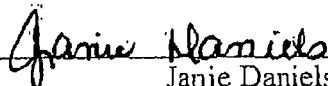
Today, I served the attached copy **Hearing Decision** by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Richard Fehr
432 El. Cerrito Avenue
Piedmont, CA 94611

Molly Promes
1010 Walker Avenue, #1
Oakland, CA 94610

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on **December 18, 2013** in Oakland, California.


Janie Daniels
Oakland Rent Adjustment Program

CITY OF OAKLAND



250 FRANK H. OGAWA PLAZA , SUITE 5313 · P.O. BOX 70243 · OAKLAND, CA 94612-2034

Department of Housing and Community Development
Rent Adjustment Program

TEL (510) 238-3721
FAX (510) 238-6181
TDD (510) 238-7629

HEARING DECISION

CASE NUMBER: T14-0197, Kidder et al. v. McDonald

PROPERTY ADDRESS: 350 20th Street, Oakland, CA

APPEARANCES:	Sarah Kidder	Tenant
	Uriah Duffy	Tenant
	Michael McDonald	Owner

DATE OF HEARING: September 17, 2014

DATE OF DECISION: November 4, 2014

SUMMARY OF DECISION: The tenants' petition is DENIED. The subject building is exempt from the Rent Ordinance on the basis of substantial rehabilitation.

INTRODUCTION

Tenants Sarah Kidder and Uriah Duffy filed a petition on June 10 2014, which contested a rent increase on the grounds that the increase exceeds the CPI Adjustment and is unjustified.

The owner, Michael McDonald, contends that his building qualifies for an exemption from the Rent Ordinance on three grounds: that it is new construction; that it is a condominium; and that it has been substantially rehabilitated. He states that he has spent over a half million dollars on a soft story retrofit for the subject building and that he meets the threshold requirement for exemption on the basis of substantial rehabilitation.

ISSUE

1. Is the subject building exempt from the Rent Adjustment Ordinance?

EVIDENCE

Condominium

The owner testified that the subject building consists of two condominiums which he converted in 2006. He provided a copy of a letter from the City of Oakland which granted approval to convert the subject property from a vacant dwelling unit and commercial unit to condominiums in 2006.¹

New Construction

The owner provided a Certificate of Occupancy dated October 6, 2006.² He also provided a Building Record which states that the subject building was constructed circa 1890, and the owner's application for to convert two existing vacant dwelling units and one commercial unit to condominiums was approved by the Planning and Zoning Services Division of the City of Oakland in March 2006.³

Substantial Rehabilitation

The owner claims that he spent \$859,000 to rehabilitate his building, and testified that the subject building consists of 2 units. He obtained building permits RB0602580 for a condominium conversion. The work consisted of shoring and lifting the building, excavation of soil, creation of a new foundation, and construction of two condominium units from 2 bedroom, 1 bath units to 3 bedroom, 2 bath units.

The owner testified and provided documentation that the subject building is Type V, wood frame construction on level ground, and that the square footage of the subject building is 3,400 square foot.

The owner testified that each of the expenses contained in an itemized summary report was paid. He submitted several hundred pages of documentary evidence of expenses in support of his claim and the documents were received into evidence. The summary below itemizes the owner's expenses as follows:

1. Construction, loan interest, taxes, insurance	\$89,513.48
2. Design, engineering and permit fees	\$25,693.38
3. Demo and haul costs	\$ 4,371.00
4. Concrete work	\$25,225.27
5. Steel fabrication/structural	\$22,593.81
6. Construction supplies	\$161,816.38
7. Rental equipment	\$10,257.71
8. Plumbing Mechanical, HVAC	\$67,603.51
9. Electrical	\$34,787.49

¹ Ex. No. 25

² Ex. No. 21

³ Ex. No. 25

10. Roofing	\$17,650.00
11. Floors/tile	\$31,845.41
12. Paint	\$54,408.66
13. Utilities	\$ 3,761.88
14. Labor	\$159,265.47
15. General contractor's overhead	\$70,899.34
16. General contractor's management fee	\$80,000.00

TOTAL EXPENSES CLAIMED \$859,892.79

The following expenses have been substantiated with proof of payment:

Design, Engineering, Permit Fees

1. City of Oakland Permit Fees	\$7424.38	
2. Ian Read Design	\$10,537.55	
3. St. Onge Associates	\$7,535.00	
4. Berkeley Transfer	\$4,367.63	\$29,864.56

Concrete Work-Foundation/Slab

5. Solares House Movers	\$4,700.00	
6. RMC Pacific Materials	\$5,382.17	
7. Rock Transport	\$4,708.66	
8. Larry Quintana Trucking	\$1,414.28	
9. Bedford Ready Mix	\$396.88	\$16,601.99
10.		

Steel Fabrication and Structural Support

11. El Cerrito Steel	\$3,909.47	
12. Albany Steel	\$ 503.49	
13. Quasimodo Metal Works	\$1,768.68	
14. Advance Heli-Welders	\$12,062.81	\$18,244.45

Construction Materials

15. R & H Overhead Garage Door	\$2,878.00
16. Guarantee Glass	\$4,986
17. Bedrosians	\$1,853.41
18. Complete Door Service	\$ 97.52
19. Ashby Lumber	\$ 132.82
20. Pacific Flooring Supply	\$ 1,041.99
21. Crown Heating & Sheet Metal	\$ 1,010.02
22. Grainger	\$ 174.48
23. Bay Equipment	\$98.76
24. Baldwin Brass Center	\$ 408.99
25. Steve Coons (lumber)	\$ 849.93
26. San Francisco Victoriana	\$1,472.57
27. Orchard Supply	\$ 75.91
28. Economy Lumber	\$2,002.08

29. Peninsula	\$ 526.10	
30. Capital Heating	\$ 739.90	
31. Speedy Towing Service	\$ 18.82	
32. Ellis Hardware	\$ 45.64	
33. Mr. Plastics	\$1000.50	
34. Peterson	\$ 79.18	
35. Knbs4less	\$ 81.55	
36. Alameda County Lock	\$ 240.00	
37. Access Hardware Supply	\$1,507.25	
38. Plywood & Lumber Sales	\$ 835.80	
39. Home Depot	\$10,548.69	
40. Orchard Supply	\$ 54.80	
41. Piedmont Lumber	\$44,621.78	
42. Truitt & White	\$24,779.37	\$102,164

Insulation

43. SDI Insulation	\$6,000.00	
44. Home Depot	\$3,131.10	\$9,313

Cabinets

45. Ikea	\$5,415.75	\$5,415.75
----------	------------	------------

Rental Equipment

46. HSX	658.00	
47. Bay Area High Reach	\$4,650.00	
48. Porto-San	\$3,481.57	
49. Lewis Rents	\$395.87	
50. Hertz Rental	\$1,468.14	\$10,654

Plumbing, Mechanical, HVAC

51. Richard Green	\$4,346.23	
52. Pacific Plumbing	\$28,385.00	
50. Moran	\$5,712.65	
51. Eran Getraide	\$24,281.52	
52. HSC	\$1,636.69	\$64,363

Electrical and Security System

53. Cal Electric	\$ 29,890.24	
54. PSS Electronics	\$4,902.10	
55. Lanier Electric	\$1,584.61	
56. Emperior Electrical Supply	\$1,349.97	\$37,727

Roof and Flooring

57. Collins Roofing	\$17,650	
58. Mosaic Tiles	\$1,253.76	
59. Datile	\$4,089.41	
60. Black Galaxy	\$14,847	

61. RDK Hardwood	\$10,220	\$48,060
<u>Painting</u>		
62. Espinosa	\$21,217	
63. Alta Building Materials	\$428.66	
64. East Bay Paint & Decorating Center	\$1,326	
65. Mark's Paint	\$1,248.72	
66. Kelly Moore	\$68.88	
67. Chris Williams Plastering	\$7,000	
68. Hector's Construction	\$21,500	\$52,790
<u>Utilities</u>		
69. PGE	\$3,106	
70. EBMUD	\$655.83	\$3,762
<u>Labor</u>		
71. Various employees	\$61,246 ⁴	\$61,246

Exemption on Grounds of New Construction

New Construction

In order to qualify for an exemption based on new construction section 8.22.030 (5) of the Rent Ordinance states that the dwelling unit must receive a certificate of occupancy on or after January 1, 1983, **and** must be entirely newly constructed or created from space that was formerly entirely non-residential.

Although the Certificate of Occupancy provided by the owner is dated after January 1, 1983, the building is not entirely newly constructed. The Building Record indicates that the subject building was built around 1890 and the approval of the building conversion into a condominium indicates the building consisted of two dwelling units. The owner does not meet the requirement for exemption on the basis of new construction. The subject property was built before 1983. The renovation does not constitute entirely new construction. Therefore, the subject building is not exempt from Rent Adjustment on the basis of new construction.

Exemption on Grounds of Condominium

The Rent Ordinance exempts condominiums pursuant to the Costa-Hawkins Act, California Civil Code §1954.52⁵. However, California Civil Code §1954.52 (a) (B)(ii) requires that the unit be sold separately by the sub divider to a bona fide purchaser for

⁴ The owner claims \$87,246 in labor costs, including costs for Jennifer Ackerman, who appears to handle administrative duties. Her costs are disallowed.

⁵ O.M.C. §8.22.030(A)(7)

value. In this case the petitioner owns these Units. Therefore, he has not satisfied the requirements for exemption for the subject building on this basis.

Substantial Rehabilitation

The Applicable Law: O.M.C. 8.22.030(A) (6) states that dwelling units located in "substantially rehabilitated buildings" are not "covered units" under the Rent Ordinance.

- a. In order to obtain an exemption based on substantial rehabilitation, an owner must have spent a minimum of fifty (50) percent of the average basic cost for new construction for a rehabilitation project.
- b. The average basic cost for new construction shall be determined using tables issued by the chief building inspector applicable for the time period when the substantial rehabilitation was completed.⁶

The tables issued by the Building Services agency refer to a dollar amount per square foot. Therefore, in order to make the necessary mathematical computation, an owner must present sufficient evidence of the square footage of the building, as well as the cost of the rehabilitation project.

The Calculation: Table "A" lists square foot construction costs, effective February 1, 2009. However, since the construction in this case occurred in 2004 and costs have risen, it would be unfair to an owner if current costs were used. For this reason, the Building Services agency has also issued a document entitled "Cost Indexes (1926 = 100)" (Table B).

These tables are used as follows: (1) On Table "B," determine the number for the year of construction, geographical district, and type of construction; (2) Divide this number by the number in the same category for the year 2004. The resulting percentage is then multiplied by the number derived when the square foot cost shown on Table "A" is multiplied by the number of square feet in the building.

The square footage of the subject building is 3,400 square feet. The appropriate cost table is for level ground renovation construction costs. Construction costs in 2004 is stated below as follows:

The owner testified that the subject building is of wood frame construction. The table issued by the City of Oakland entitled "City of Oakland Building Services Construction Valuation for Building Permits", states if the renovation work were done in 2009, the square foot cost would be \$127.00 (Apartment R2 Remodel; Category V-

⁶ O.M.C. Section 8.22.030(B)(2)

wood frame).⁷ This amount multiplied by 3,400 equals \$431,800. This figure is then reduced, using the Cost Index Table as follows:

$$\begin{aligned} \text{Year 2004} &= 2126.8 \\ \text{Year 2009} &= 2572.3 \\ &= 82.7\% \end{aligned}$$

82.7% is \$357,099. 50% of \$357,099 is \$178,549.30. Therefore, if the owner expended \$178,549.30 on the construction project, the building is exempt from the Rent Ordinance.

The following expenses totaling \$336,860 are disallowed:

Crew meals, legal fees, interest charges, and loan settlement charges are not construction costs. Of the amount claimed for labor, \$61,246 is allowed. Payroll taxes, and overhead costs such as taxes and insurance costs are disallowed. There is no proof of payment for miscellaneous labor and this cost is disallowed. There is no proof of payment for a management fee of \$80,000 for the general contractor, and this cost is disallowed. The contractor's overhead costs of \$70,899 are not construction costs and are disallowed.

Item	Cost	
1. Loan interest, taxes, insurance	\$89,513.48	Ex. 1
2. Workers compensation, payroll Taxes	\$25,462.78	
3. Legal Fees	\$ 630.00	
4. Labor for J. Ackerman	\$ 24,304	
This appears to be an administrative overhead cost		
5. Miscellaneous labor	\$46,000	
6. Copy charges	\$51.11	
7. Overhead costs	\$70,899	
8. Management fee	\$80,000	\$336,860

The following expenses are allowed:

1. Design, engineering, permit fees	\$29,865
2. Concrete work-foundation/slab	\$16,602
3. Construction materials	\$102,164
4. Insulation	\$9,313
5. Cabinets	\$5,416
6. Rental equipment	\$10,654
7. Plumbing, mechanical, HVAC	\$64,363
8. Electrical and security system	\$37,727
9. Roof and flooring	\$48,060

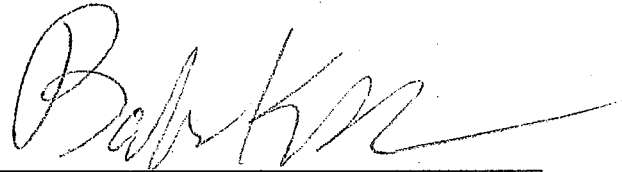
10. Painting	\$ 52,790
11. Utilities	\$3,762
12. Labor	\$61,246

The owner has substantiated expenses of \$441,962, which exceeds the 50% threshold of \$178,549.30 for new construction. Therefore, the building has been "substantially rehabilitated." The rental units in the building are exempt from the Rent Ordinance.

ORDER

1. The tenant petition is denied.
2. The subject building is a "substantially rehabilitated" building and exempt from the Rent Adjustment Ordinance. A certificate of exemption for the subject building shall be issued when this decision becomes final.
3. **Right to Appeal:** **This decision is the final decision of the Rent Adjustment Program Staff.** Either party may appeal this decision by filing a properly completed appeal using the form provided by the Rent Adjustment Program. The appeal must be received within twenty (20) days after service of this decision. The date of service is shown on the attached Proof of Service. If the last day to file is a weekend or holiday, the appeal may be filed on the next business day.

Dated: November 4, 2014



BARBARA KONG-BROWN, ESQ.
 Senior Hearing Officer
 Rent Adjustment Program

PROOF OF SERVICE

Case Number T14-0197

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

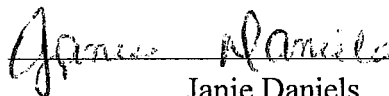
Tenants

Sarah Kidder
350 24th St
Oakland, CA 94612

Uriah Duffy
350 24th St
Oakland, CA 94612

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on November 05, 2014 in Oakland, CA.



Janie Daniels
Oakland Rent Adjustment Program

PROOF OF SERVICE

Case Number T14-0197

I am a resident of the State of California at least eighteen years of age. I am not a party to the Residential Rent Adjustment Program case listed above. I am employed in Alameda County, California. My business address is 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California 94612.

Today, I served the attached Hearing Decision by placing a true copy of it in a sealed envelope in City of Oakland mail collection receptacle for mailing on the below date at 250 Frank H. Ogawa Plaza, Suite 5313, 5th Floor, Oakland, California, addressed to:

Owner

Jill Martensen
3352 Walnut Lane
Lafayette, CA 94549

Michael McDonald
3352 Walnut Lane
Lafayette, CA 94549

I am readily familiar with the City of Oakland's practice of collection and processing correspondence for mailing. Under that practice an envelope placed in the mail collection receptacle described above would be deposited in the United States mail with the U.S. Postal Service on that same day with first class postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on November 05, 2014 in Oakland, CA.



Janie Daniels

Oakland Rent Adjustment Program