

**Draft AH 410 New Construction
ALTERNATIVE LANGUAGE**

| No. | PAGE/LINE REFERENCE | SOURCE | PROPOSED LANGUAGE | SBE STAFF POSITION |
|-----|---------------------|--------------------------|--|--------------------|
| | 5 23-25 | Sacramento (J. Lewis) | Revise Sentence: The installation of new items that replace old items but provide a similar function is not <u>typically</u> considered new construction. Examples of normal maintenance and repair that <u>on their own</u> do not constitute new construction are: | |
| | 5 After 29 | Sacramento (J. Lewis) | Add Sentence: <u>Purchasing a property in poor condition and then replacing multiple items is not standard and typical. Timing and scope of work [as discussed at the bottom of Page 7 and on Page 27 under Table 3-2] must be considered to determine when maintenance and repair becomes rehabilitation and renovation that brings an improvement (or a portion of it) to the substantial equivalent of new. See following discussion of “Substantially Equivalent to New”.</u> [on Page 6, Line 34] | |
| | 6 1 | Sacramento (J. Lewis) | Revise Sentence: <i>Remodeling</i> is changing the plan, form, or style of a structure, to <u>correct deficiencies.</u> Comment: We don’t think a deficiency needs to exist in order for remodeling to occur. | |
| | 6 1-33 | Sacramento (J. Lewis) | Comment / Suggestion [affects much of Page 6]: We respectfully suggest changing the sequence in presenting the various new construction terms so that they form a progression from least to most likely to add value for assessable new construction. For instance, we recommend that Replacement be moved up the list, so that it would appear between Normal Maintenance and Repair and Remodeling . We also think it would be helpful to move Modernization farther down the page, to appear right before Renovation and Substantially Equivalent to New . Then Remodeling and Rehabilitation would appear together in sequence. We believe presenting the terms in this manner would help the reader’s understanding of the progression of the concepts related to assessable new construction, from “Normal Maintenance and Repair” to “Substantially Equivalent To New”. Thank you for your consideration to this suggestion! | |
| | 7 34 | Sacramento (J. Lewis) | Revise Sentence: Normal <u>maintenance</u> and repairs are typically carried out over a long period of time as the structure ages and as certain parts become worn out and need replacing. | |

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| | 8 22-23 | Sacramento (J. Lewis) | Revise Sentence: Additionally, even an alteration that does qualify as a change in use, <u>such as conversion from apartment to condominium (or vice versa)</u> will not cause reappraisal <u>reassessment</u> unless there is a substantial physical alteration leading to that change. | |
| | 9 7-9 | Sacramento (J. Lewis) | Revise / Add Sentence: <u>It is also an easily recognized major component, such as leasehold improvements in a commercial building as distinct from the building shell.</u> | |
| | 27 6-7 | Sacramento (J. Lewis) | Revise Sentence: Factors to consider may include <u>timing, scope, and</u> the amount of existing value allocated to the roll for the improvement in question. | |
| | 29 15 | Sacramento (J. Lewis) | Revise Section Title: <u>NORMAL MAINTENANCE OR RENOVATION?</u> Comment / Question: Example 3-12 does add value for assessable new construction; is it there for contrast with Examples 3-10 and 3-11, or could it be placed elsewhere? | |
| | 29 24-25 | Sacramento (J. Lewis) | Revise Sentence: The purchase price was lower than the average selling price of comparably sized homes and reflected the poor <u>fair</u> condition of the house. Comment: Our interpretation of the purpose of Example 3-10 is to illustrate that several items of maintenance and repair can be done on a structure to cure a certain amount of deferred maintenance without becoming assessable new construction. In order to keep the example most clear and unambiguous, we respectfully recommend changing some of the wording, such as the suggestion above and in our next two items on the word “remodeled”. Thank you for your consideration! | |
| | 29 27-28 | Sacramento (J. Lewis) | Revise Sentence: Remodeled all three bathrooms by installing new shower enclosures, bath fixtures, and tile floors. <u>Installed new bathroom fixtures in all three bathrooms.</u> Comment: The definition of ‘Remodeling’ given in Chapter 2 on Page 6, lines 1-6 includes provision for adding value for assessable new construction. That does not seem to be the point Example 3-10 is trying to make. We think that removing the word ‘remodeling’ and using the plainer phrasing same as in following Example 3-11 will help the readers’ understanding of Example 3-10 and alleviate confusion. | |

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| | 29 | 29-30 | Sacramento (J. Lewis) | <p>Revise Sentence: Remodeled the kitchen by replacing the old appliances with new mid-range appliances; replacing the old countertops with tile counters; and replacing the old countertops with tile counters, and replacing the old linoleum flooring with new linoleum. <u>Installed new kitchen countertops, kitchen sink, and appliances.</u></p> <p>Comment: See above comment regarding the use of the term “Remodeling”.</p> | |
| | 30 | 5-6 | Sacramento (J. Lewis) | <p>Delete Sentence: No appraisal of the base year value would be warranted.</p> <p>Add Sentence: <u>No value would be added for assessable new construction.</u></p> <p>Comment: If all the work described in Example 3-10 is determined non-assessable, there is no need to mention appraisal (?) or reassessment of the base year value. We recommend striking this sentence and adding one that simply says “no value added”.</p> | |
| | 30 | 28 | Sacramento (J. Lewis) | <p>Revise Sentence: Replacement of the unmaintained and worn items may be considered <u>normal</u> maintenance and repair.</p> <p>Comment: Recommend adding “normal” before “maintenance” for consistency of terminology.</p> | |
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