

PASADENA RENTAL HOUSING BOARD

JANUARY 24, 2024

Agenda Item No. 3: Annual Legislative Update

AGENDA ITEM NO. 3: PURPOSE

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Receive a presentation from the Board's counsel on updates to relevant legislation in California.

SB 567: TENANT PROTECTION ACT UPDATES

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- Tenant Protection Act of 2019 provided caps on rent increases and just cause for eviction protections for many tenancies in the state
 - ▣ TPA may apply to some tenancies not covered by Charter Amendment
 - ▣ Among just causes are “owner move-in” and “demolition or substantial remodeling”
- SB 567 imposes additional parameters on a landlord’s use of the above-mentioned just causes to close certain loopholes
- It also provides city attorney/county counsel and Attorney General with authority to enforce provisions of law
- Finally, authorizes three times damages where landlord has acted willfully or with oppression, fraud or malice

SB 567 CONT'D.

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□ Termination for Owner Move-In

- Owner or owner's spouse, domestic partner, child, grandchild, parent or parent intends to occupy as primary residence
- New definition of "owner" includes:
 - Natural person with at least 25 percent recorded ownership interest in the property
 - Natural person who has any recorded interest if 100 percent of recorded ownership is divided among owners who are related as sibling, spouse, domestic partners, child, parent, grandparent or grandchild
 - Natural person whose recorded interest in property is through LLC or partnership AND who owns 25 percent or more of equity interest in said entity

SB 567, CONT'D.

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- Termination for Owner Move-In, cont'd.
 - ▣ Cannot evict if intended occupant already resides on property or if similar unit on the property is vacant
 - ▣ Intended occupant must move in within 90 days after tenant vacates and must occupy for 12 continuous months
 - Must reoffer unit to displaced tenant at same rent and same lease terms AND pay reasonable moving expenses incurred if either of these conditions not met
 - If displaced tenant rejects offer, may re-rent unit to another tenant but only at the same rent that was in effect at time termination notice served
 - If intended occupant passes away before either condition applies, then does not constitute failure to comply with requirements

SB 567, CONT'D.

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- Termination for Demolition or Substantial Remodel
 - ▣ “Substantially Remodel” means either of the following that cannot be reasonably accomplished in a safe manner while tenant remains in unit and requires tenant to vacate for at least 30 consecutive days:
 - Replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency
 - Abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable laws

SB 567, CONT'D.

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- Termination for Demolition or Substantial Remodel, cont'd.
 - ▣ Termination notice must include certain specific information, including:
 - ▣ Statement that if substantial remodel or demolition is not commenced or completed, owner must offer opportunity to re-rent at same terms
 - ▣ Description of substantial remodel/demolition plans, including schedule
 - ▣ Copies of permits, or alternatively copies of signed contracts for planned work
 - ▣ Notification that if tenant is interested in reoccupying the unit after the substantial remodel, tenant must inform owner of said interest and provide their contact information

AB 12: SECURITY DEPOSITS

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- AB 12 prohibits a landlord from demanding or receiving a security deposit in excess of an amount equal to **one month's rent**
- If landlord is (1) a natural person and (2) owns no more than two residential rental properties, they may require security in an amount that does not exceed two month's rent
- These provisions are effective as of **July 1, 2024**

SB 267: SECTION 8 CREDIT HISTORY

- Existing law provides that where tenant has government subsidy, landlord cannot determine tenant's eligibility by using standard not based on portion of rent to be paid by tenant
- SB 267 prohibits use of a person's credit history for rental application without offering the option of providing lawful, verifiable alternative evidence of applicant's ability to pay rent
 - ▣ Alternative evidence includes government benefit payments
 - ▣ If tenant accepts, landlord must provide reasonable time for tenant to provide alternative evidence

AB 548: MULTIFAMILY BUILDING INSPECTIONS

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- Local enforcement agencies must develop policies/procedures for inspecting multifamily buildings where code enforcement officer:
 - ▣ Has determined a dwelling unit is substandard; AND
 - ▣ Has determined defects/violations have potential to affect other units
- Policies and procedures must:
 - ▣ Include criteria for determine whether condition/violation could affect other units in the building
 - ▣ Require officers to reasonably attempt to inspect additional units
 - ▣ Allow for inspection of all units if severe, buildingwide defects/violations

AB 548, CONT'D.

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- Agency must provide property owner/operator with written notice or order to repair or to abate after inspection
 - ▣ Must advise owner/operator of each violation and each action required
- Agency must schedule reinspection to verify conditions/violations have been corrected/repared
- Local jurisdictions must adopt updates by January 1, 2025

AB 1418: NUISANCE POLICIES

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- Prohibits local government from adopting/enforcing policy that:
 - ▣ Imposes or threatens to impose penalty against landlord or tenant solely for contacting law enforcement
 - ▣ Requires or encourages a landlord to or imposes a penalty on a landlord for their failure to
 - Evict or penalize tenant for tenant's association with another tenant/household member who has had contact with law enforcement
 - Evict or penalized tenant for tenant's alleged unlawful conduct or arrest
 - Include a provision in lease that provides grounds for eviction in violation of state law
 - Perform criminal background check on tenant or prospective tenant

AB 1418, CONT'D.

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- Prohibits local government from adopting/enforcing policy that:
 - ▣ Defines contact with law enforcement or request for emergency services as a nuisance
 - ▣ Requires tenant to obtain certificate of occupancy as condition of tenancy
 - ▣ Establishes, maintains or promotes a registry of tenants for the purpose of discouraging landlords from renting to said tenants
- Must stop enforcing any such policies by January 1, 2024
- Authorizes any person or nonprofit organization to bring action seeking injunction (and other relief) plus attorneys' fees and costs

AB 1620: COSTA-HAWKINS DISABILITY EXEMPTION

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- Creates exemption to Costa-Hawkins requirement that landlord is entitled to establish initial rental rate for all tenancies
- Authorizes jurisdiction to require landlord of rent-controlled property to permit a tenant who has a permanent physical disability related to mobility to move to an available comparable or smaller unit located on an accessible floor of the property at the same rent and under the same lease terms, if certain conditions are met
 - ▣ Must be no operational elevator serving tenant's current unit
- Jurisdiction must impose requirement to be applicable

AB 1218: DEMOLITION OF RESIDENTIAL UNITS

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- Expands the Housing Crisis Act (SB 330) replacement housing requirements to ALL development projects where protected units to be demolished or demolished in last 5 years
 - “Protected units” include **rent-controlled units**, deed-restricted units and units where lower-income households reside
- Right of first refusal for lower income tenants in the required replacement units
- Replacement housing must be developed prior to or concurrently with development project, if project is not a housing project
- May contract with another entity to develop replacement housing

AB 1033: ACCESSORY DWELLING UNITS

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- Local agency may adopt ordinance to permit separate conveyance of ADUs and primary dwelling units as condominiums
- The ordinance must require:
 - ▣ Development is common interest development subject to Davis-Stirling
 - ▣ Development must be created in conformance with all applicable objective requirements of Subdivision Map Act and local subdivision ordinance
 - ▣ Safety inspection of ADU conducted before recording condo plan
 - ▣ Plan cannot be recorded against property until lienholder(s) consent
 - ▣ Local agency must provide certain information about converting development into condominiums on submittal checklists and public info
 - ▣ Homeowner required to notify utility providers of condo creation
 - ▣ Property owner must get express written authorization of any existing association