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INTRODUCTION

Daniel Yukelson, Executive Director & Chief Executive Officer
 Apartment Association of Greater Los Angeles (AAGLA)
<https://aacla.org/>

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"Legislators cannot help tenants by destroying the incomes of those who provide much-needed rental housing."
 • Steven Greenhut, Orange County Register (April 2020)





Rental Housing Regulatory Update

Daniel Yukelson, Executive Director | Dan@aacla.org | (213) 384-4131


Updated 3/21/24

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LEGAL DISCLAIMER

THE INFORMATION YOU ARE ABOUT TO HEAR IS FOR GENERAL INFORMATION PURPOSES ONLY. NO ONE WILL BE PROVIDING YOU WITH LEGAL ADVICE. BEAR IN MIND THAT EVERY SITUATION IS UNIQUE, AND THE LAWS, RULES AND REGULATIONS MAY HAVE CHANGED BEFORE, DURING OR EVEN AFTER THIS WEBINAR. SO, BEFORE ACTING, BE SURE TO OBTAIN TAX AND / OR LEGAL ADVICE FROM YOUR LICENSED PROFESSIONAL.

THE OPINIONS AND VIEWPOINTS EXPRESSED DURING THIS WEBINAR ARE THOSE OF THE PRESENTERS. THESE OPINIONS AND VIEWPOINTS DO NOT REFLECT THE OPINIONS OR VIEWS OF AAGLA OR ITS MEMBERS.



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THE BENEFITS OF MEMBERSHIP

Join the Apartment Association of Greater L.A. Today!

- FREE access to AAGLA's Online Legal Forms Library, with 100+ forms that are routinely updated to comply with changing state laws and local ordinances. The library includes rental agreements, notices, and other forms needed to manage your rental property.
- FREE operational advice on weekdays between 8:30 a.m. and 4:30 p.m.
- Legislative advocacy at the local, state, and national levels of government.
- Education and networking opportunities including seminars, classes, events, and webinars.
- FREE subscription to monthly, award-winning, *Apartment Age* magazine
- Member-exclusive email updates that keep you informed on the latest regulations and breaking industry news affecting your investment.
- Member-exclusive discount programs and vendor referrals, including workers compensation and property insurance, tenant screening, contractors, legal services, real estate brokerage, National Apartment Association (NAA) Group Insurance Program for Businesses, special discounts at Home Depot, and much more.
- FREE membership in the California Rental Housing Association (CalRHA) and National Apartment Association (NAA).

JOIN TODAY!
<https://aagla.org/membership/>

Fighting for YOUR Private Property Rights

“ We are always here for you, standing by your side, monitoring and aggressively fighting back against the tyranny of ill-conceived state and local regulations. ”

- Daniel Yukelson, Executive Director



Apartment Association of Greater Los Angeles
 621 South Westmoreland Avenue
 Los Angeles, California 90005
 Telephone: (213) 384-4131
 Email: info@aagla.org

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GET READY!

FOR AAGLA'S BIGGEST EVENT OF THE YEAR

IPM Expo

INCOME PROPERTY MANAGEMENT EXPO

MAY 15, 2024
PASADENA CONVENTION CENTER
 Learn More and Register at IPMExpo.com

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Where Do Rent Regulations Exist Today?	
States With Rent Control (7+1)	California*, District of Columbia, New York, Maine, Minnesota (St. Paul), New Jersey, Oregon* and Maryland <small>* Rent Control at State level.</small>
States That Prohibit Rent Control (33)	Alabama, Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin and Wyoming <small>[RED = Rent Control Threats]</small>
States With No Rent Control / No Pre-emption (10)	Alaska, Delaware, Hawaii, Montana, Nebraska, Nevada, Ohio, Pennsylvania, Rhode Island, West Virginia <small>[RED = Rent Control Threats]</small>
California Cities With Rent Control ...and GROWING!	Alameda, Baldwin Park, Bell Gardens (New), Berkeley, Beverly Hills, Campbell, Concord (New), Cudahy (New), Culver City, East Palo Alto, Fremont, Gardena*, Hayward, Inglewood, Los Angeles (City and Unincorporated County), Los Gatos, Maywood, Mountain View, Oakland, Ojai (New), Oxnard, Pacifica, Palm Springs, Pasadena (Measure H), Pomona, Richmond, Sacramento, San Anselmo, San Francisco, San Jose, Santa Ana, Santa Monica, Stockton, Thousand Oaks, Vallejo, West Hollywood <ul style="list-style-type: none"> Failed Ballot Initiative: Burbank Relocation for Excess Increase: Glendale (7%), Long Beach (10%) <small>* In Gardena, rent increase >5% subject to mediation.</small>


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Local Conditions
It's All About Tenants' Rights

- **3+ Years of "Temporary" COVID-related Regulations / Protections:**
 - *Wall St. Journal:* Over \$1B in Lost Rent / Past Due COVID Rent
 - *AAGLA:* \$3B in Lost Rent Increases in L.A. City
- **Explosion of Local Rent Control/Rent Stabilization Ordinances**
 - *Recently Passed:* Bell Gardens, Cudahy, Ojai, Oxnard, Maywood, Pasadena (By Ballot Initiative), Pomona (Urgency Ordinance), Oxnard (*Partial List...*)
 - *Being Considered:* Claremont, Maywood (Rent Freeze), South Pasadena
 - *Failed to Move Forward:* City of San Bernardino, Burbank and Port Hueneme
 - *Tenant Unions:* Well organized – "The Rent is Too Damn High"
- **Latest: Property Insurance Market in Crisis**
- **Constant Threats and Future Complications: Proposed Regulations:**
 - Limits on Tenant Screening (criminal background check & credit reports)
 - Funding for "Free" Tenant Attorneys – a/k/a, "Right to Counsel"
 - Tenant Opportunity to Purchase Act ("T.O.P.A.")
 - Cooling in Multifamily – Habitability Issue (City of Los Angeles)
 - Lower and Lower Rent "Caps" (e.g., Santa Monica at 3% up to \$70 per Month)
 - Electrification and Anti-Carbon (e.g., Prohibition Against Gas Heaters & Appliances)
 - Limitations on No-Fault Evictions for Substantial Remodel or Owner Move-Ins
 - Higher Fees - Increased Waste Hauling Fees (Glendale, Santa Monica)
 - State Ballot Initiative Impacting Single-Family, Condominiums, ADUs, and New Construction
- **"D.S.P." (Socialist) Sponsored Candidates Being Elected**


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Selected New State Laws (2023)

- **Assembly Bill 12 (Haney): Security Deposits** - Prohibits a landlord from accepting a security deposit in an amount that is in excess of one month's rent (30-days maximum). Exemption for certain small owners (< 4 Units / < 2 Properties).
- **Assembly Bill 1317 (Carillo): Unbundled Parking** – Requires owners of newly constructed multi-unit properties with 16 or more rental units that provide parking to unbundle parking from the price of rent ("unbundled parking" means selling or leasing parking spaces separate from the lease of the residential use).
- **Assembly Bill 1620 (Zbur): Tenants With Permanent Disabilities Right to Relocate to Comparable Units** –Permits a local jurisdiction with rent control to impose a requirement on a property owner of any rent-controlled unit to allow a tenant with a permanent physical disability to relocate to an available comparable or smaller unit located on an accessible floor of the property and retain their same rental rate.
- **Senate Bill 267 (Eggman): Credit Checks of Persons Receiving Government Subsidies** –Prohibits the use of a person's credit history as part of the application process *without offering an applicant the option of providing alternative evidence* of ability to pay *only* in instances where there is a government rent subsidy. Requires housing providers to consider alternative evidence in lieu of credit history.


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Selected New State Laws (2023)

- **Senate Bill 567 (Durazo): Expansion of Just Cause Eviction Rules** –Expands the no-fault, just cause eviction provisions of the Tenant Protection Act of 2019 (a/k/a, Assembly Bill 1482) and provides additional enforcement mechanisms for violations of restrictions on rent increases and no-fault just cause evictions. This new law will take effect April 1, 2024.
 - **Substantial Remodel** - Tenancy termination notices must detail the planned work and inform the tenant of their right to reoccupy the rental unit
 - **Owner Move-Ins** – Owner must occupy unit for at least 12 months and move in within 90 days. To qualify as an "Owner," may hold title to their properties as individuals (with family members), in family trusts, or through a partnership or LLC, and must hold at least 25% or more.
 - **Ellis Act** - Owner must withdraw all the rental units at the property from the rental market. For demolition, tenant not required to move when still able to occupy the unit safely.
- **Senate Bill 712 (Portantino): Electronic Micro-Mobility Devices** –Prohibits property owners from preventing a tenant from owning personal, micro-mobility devices or from storing and recharging up to one personal micro-mobility device in their rental unit for each person occupying the unit. Electric micro-mobility devices include any small, low-speed, electric-powered transportation device, including electric-assist bicycles (e-bikes), electric scooters (e-scooters), and other small, lightweight, wheeled electric-powered conveyances.

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2024's
Proposed
State
Housing Bills
(Partial List)

- **Shallow Rent Subsidies: Assembly Bill 1823 (Support)** – Establishes senior tenant *shallow subsidy* up to \$500 per month for up to 18 months, and **Assembly Bill 2498 (Support)** – Would provide a *housing subsidy* of up to \$2,000 per month under a 2-year pilot program in four counties.
- **Balcony Inspections: Assembly Bill 2114 (Support)** – Allows *inspections of balconies* and elevated external elements by a licensed civil engineer.
 - **DEADLINE:** January 1, 2025
- **Household Pets: Assembly Bill 2216 (Oppose)** – Restricts a landlord's ability to prohibit *common household pets*.
- **CPI / Rent Increases: Assembly Bill 2278 (Support)** – Would require the Department of Housing and Community Development to publish *the maximum allowable rent increase* by August 1 of each year.
- **Response to Unlawful Detainer: Assembly Bill 2347 (Oppose)** – Extends time to respond to unlawful detainer from 5-to-10 days.
- **Credit Reporting: Assembly Bill 2747 (Oppose)** – Requires positive (only) rental payment reporting to credit bureau.
- **Security Deposit Interest: Assembly Bill 2785 (Oppose)** – Would require landlords to *deposit security deposits in an account* and require return of the security deposit with interest at end of tenancy if deposited in interest-bearing account.
- **Cleaning Fees: Assembly Bill 2801 (Oppose)** – Would *limit landlord claims for deductions* against a tenant's security deposit, including a prohibition for charging certain *cleaning fees*.

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DON'T Forget to
Inspect Your
EEE's
(Exterior Elevated
Elements)

- S.B. 721 (2019) – Balcony Inspections:
 - Inspection of "Exterior Elevated Elements" by January 1, 2025
 - Any Wood Structure Above 3-Foot Extending Outside of 4-Walls of Building
 - Balconies, Walkways, Decks, Porches, Stairways, etc.
 - Applicable for More Than 2-Units
 - Inspection by Licensed Contractor, Structural Engineer, Architect or Building Inspector With At Least 5 Years of Experience



*Sticker labels: #1010 02290101-#
Ehuhhdi / #02290101#
Exterior Elevated Elements / #6348*

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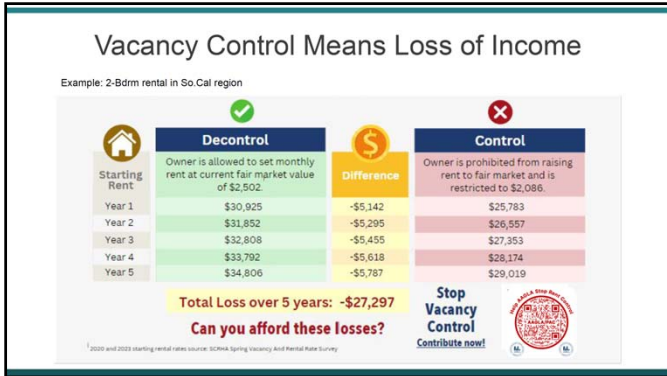


Important
Upcoming
Ballot
Initiatives in
November '24

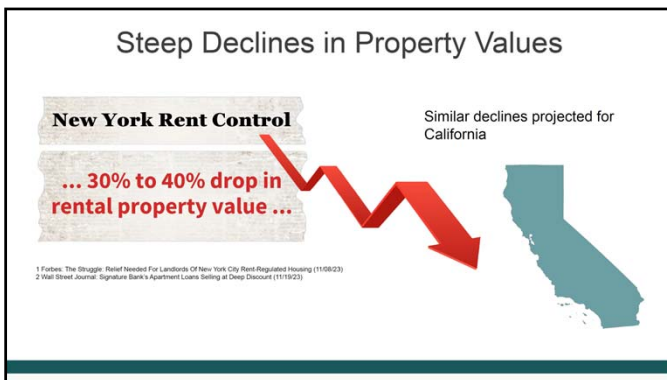
- **Taxpayer Protection and Government Accountability Act***
 - Will give voters the right to vote on all future state taxes and holds politicians accountable for new fees and other increased costs.
 - Mandates that any new or higher tax revenue be spent on its intended purpose.
 - **Gives Voters a Voice** - requires any state legislation imposing any new or higher taxes to be approved by a majority of voters in a statewide election.
 - **Closes Local Loophole** - requires two-thirds (2/3) approval for any new or higher "special taxes" approved by ballot initiative in a local election.
 - **Strengthens Proposition 13** – property taxes must remain in county where collected.
 - **Eliminates Hidden Taxes** – legislators will be required to vote on new fees created by unelected bureaucrats to fund "aspirational" legislation.
 - Eliminates Recently Passed Transfer Taxes – if passed, effective date will be January 1, 2022, which would cancel City of L.A. and City of Santa Monica real estate transfer taxes passed with less than two-thirds vote.
- **Justice for Renters Act***
 - Repeals the Costa-Hawkins Rental Housing Act ("Costa-Hawkins")
 - Prohibits state from restricting local governments' right to maintain, enact or expand residential rent control.
 - Costa Hawkins limits local rent control:
 - Mandates "Vacancy Decontrol" – increase rent to "market" upon vacancy of rental unit.
 - Exempts new construction and properties built after local rent control is enacted (e.g., City of L.A. post February 1978 buildings are exempt from local rent control).
 - Exempts single-family and condominiums.

* - Signatures certified.

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Got Questions?

Daniel M. Yuke|son
Executive Director
Apartment Association of Greater Los Angeles

Telephone: (213) 384-4131; Ext. 322
Email: dan@aagla.org
Website: www.aagla.org
Twitter: @AAGLA1917


Join AAGLA Today as a Rental Property Owner:

Join AAGLA Today as a Real Estate Professional:

Thank you to:


Housing Authority of the County of San Bernardino
Building Opportunities Together

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REQUEST FOR TENANCY APPROVAL & CONTRACT PROCESS

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GENERAL OVERVIEW OF LEASE UP PROCESS

- Landlord will screen and approve a potential resident
- Submission of RFTA and Ownership Packet to assigned HACSB Staff
- The assigned Housing Services Specialist will request an inspection of the unit, within 3-5 business days of receipt.
- Inspection will be completed within 3-5 business days.
- Housing Assistance Payment Contract will be processed within several days of confirmation of move-in date.
- A Contract / Lease Agreement can begin any day of the month and payments are released twice a month.
- After the initial month, Housing Assistance Payments will be deposited on the 1st business day of each month.

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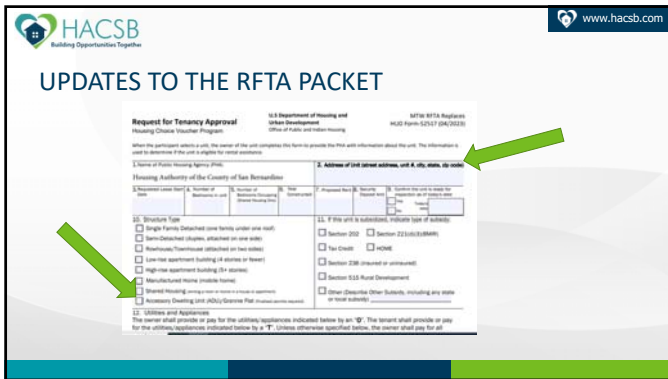


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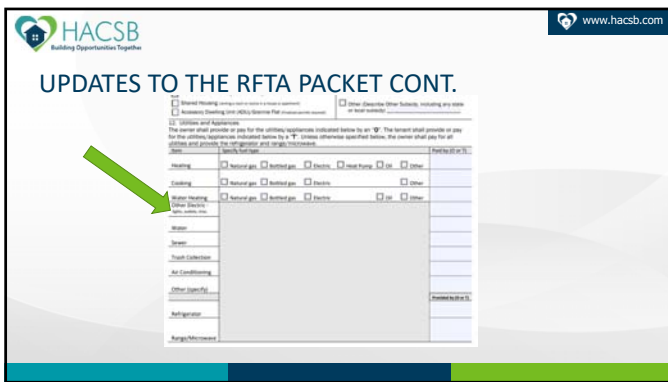
REQUEST FOR TENANCY APPROVAL (RFTA) PACKET

<p>The RFTA lets HACSB know:</p> <ul style="list-style-type: none"> • Which unit to inspect • Property type • What the asking rent is • Who is paying what utilities <ul style="list-style-type: none"> • The utilities MUST be on at the time of inspection • Other key information 	<p>Ownership Documents include:</p> <ul style="list-style-type: none"> • Statement of Property Ownership/Authorization • W-9 Tax ID Form • Grant Deed, current property tax bill, or Closing Escrow Statement • Management Agreement • Voided Check (all payments are made by direct deposit) • LLCs must attach legal articles identifying all partners • Trusts must attach legal documentation listing all trustees
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HOW DO I DETERMINE THE PAYMENT STANDARD FOR MY UNIT?

Moving to Work Local Payment Standards

2. Locate the submarket and bedroom size for the unit in the table below to determine the MFW Local Payment Standard for the unit.

Submarket	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
1	\$1,827	\$1,874	\$1,739	\$4,739	\$4,090	\$2,464	\$4,737
2	\$1,040	\$1,201	\$1,709	\$2,318	\$2,730	\$3,067	\$3,575
3	\$1,090	\$1,300	\$1,760	\$2,345	\$2,590	\$3,063	\$3,490
4	\$1,300	\$1,590	\$2,220	\$3,050	\$3,300	\$3,790	\$4,390
5	\$1,320	\$1,590	\$2,070	\$2,990	\$3,220	\$3,510	\$4,100
6	\$1,570	\$1,890	\$2,560	\$3,970	\$4,520	\$4,910	\$5,790
7	\$1,630	\$2,084	\$2,951	\$4,796	\$5,620	\$6,090	\$6,710
8	\$1,510	\$2,477	\$3,510	\$5,410	\$6,260	\$6,740	\$7,740
9	\$1,576	\$2,790	\$3,810	\$5,990	\$6,810	\$7,300	\$8,400

Example: You have a 2-bedroom unit in zip code 92371. The submarket for that zip code is submarket 2. Using the table, we see that the Payment Standard for the unit is **\$1769***.

**This is not a guaranteed rent amount. We will still consider the condition of the unit, amenities offered, the area and rent reasonableness.*

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INSPECTION

If the RFTA is approved, a unit inspection is requested

- You and your prospective tenant will be notified of the date of the inspection by telephone or email
- You will need to be present, and the tenant may be present but not required
- The utilities **MUST** be on at the time of inspection
- Unit should be clean and rent ready
- A rent reasonableness determination will be completed
- If the unit does not pass initial inspection, the inspection team will inform you of the corrections needed
- You will have approximately 14 days to correct items and a second inspection will be conducted

DO NOT LET A TENANT MOVE IN UNTIL THE UNIT PASSES INSPECTION AND THE CONTRACT RENT HAS BEEN APPROVED

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INSPECTION (CONTINUED)

Some Common Fail Items:

- Water heater missing PTRV discharge pipe or improper material, earthquake straps
- Smoke detectors and carbon monoxide detectors
- Infestation (roaches or mice)
- Outlets within 6 feet of sinks not having GFCI protected circuit
- Weather stripping
- Loose toilets
- Missing window locks
- Double keyed locks on doors
- Lack of permanent source of cooling and heat

For a complete list of all the Housing Quality Standards, please visit: <http://www.hacsb.com/landlords>.

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HAP CONTRACT & LEASE

After unit passes inspection and the rent is approved, HACSB prepares the Housing Assistance Payment (HAP) Contract for execution

- The effective date of the lease and contract is the date the resident takes possession of the unit **AFTER** it has passed inspection
- The HACSB **does not** determine the move in date (you and the tenant must agree to that on your own terms)
- The Contract specifies:
 - Who is authorized to live in the unit
 - Who pays what utilities
 - Approved contract rent & Housing Authority portion
 - Owner responsibility to maintain unit
 - The term of the Contract - The initial term is for a minimum of one year, except for shared housing

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HAP CONTRACT & LEASE (CONTINUED)

- Owner **executes a lease with the tenant**
 - You use your own lease agreement
 - Effective date of the lease and Contract must match
 - Attach HACSB's Tenancy Addendum to the lease
 - Attach State required tenancy addendums or incorporate into your lease (checklist and samples provided)
 - Provide copy to HACSB
- Housing Assistance Payments will begin when signed lease and contract are received and approved

If the tenant takes possession of the unit PRIOR to the completion of the lease and contract process, he/she will be responsible for the full rent to the owner from the move in date until the effective date of the contract

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CONTRACT/LEASE CHECK LIST

Check Leases must include the following items:

- LEASE EFFECTIVE DATE** - use the date indicated in section 4 of the contract
- LEASE SIGNATURE** - use the date indicated in section 4 of the contract
- STATEMENT OF WORKING CONDITIONS** - see the state required addendum at the end of the contract
- COMPLETE LEASE ADDRESS** - verify residence's location in the contract
- LEASE MONTHLY PAYMENT** - amount indicated in section 4 of the contract
- LEASE SECURITY DEPOSIT** - amount indicated in section 4 of the contract (if not included in your lease, you may use the attached contract addendum)
- STATEMENT OF RESPONSIBILITY** - amount indicated in section 4 of the contract (if not included in your lease, you may use the attached contract addendum)
- STATEMENT OF WORKING CONDITIONS** - The owner of the unit must complete this section of the contract. Tenancy addendum must be attached to the lease agreement.
- LEASE SIGNATURE** - If not included in your lease, you may bring a separate addendum page to be signed and attached to the lease at the time you sign your lease agreement.
- LEASE ADDRESS** - If not included in your lease, you may bring a separate addendum page to be signed and attached to the lease at the time you sign your lease agreement.
- LEASE SECURITY DEPOSIT** - If not included in your lease, you may bring a separate addendum page to be signed and attached to the lease at the time you sign your lease agreement.
- LEASE STATEMENT OF RESPONSIBILITY** - If not included in your lease, you may bring a separate addendum page to be signed and attached to the lease at the time you sign your lease agreement.

The following HACSB Contract pages must be attached:

- CONTRACT ADDENDUM PAGE
- STATEMENT OF WORKING CONDITIONS PAGE
- STATEMENT OF RESPONSIBILITY PAGE AND/OR LEASE STATEMENT PAGE

HACSB does not warrant that the sample provided meet all state and local requirements. You are encouraged to use your own forms.
Important: The Housing Assistance Payment cannot be released until the lease is submitted and approved by HACSB and the contract documents are signed and returned to HACSB. Therefore, prompt submission of the forms requested is appreciated.

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OWNER RESPONSIBILITIES


Collect	Enforce	Maintain	Comply	Refrain
Collect any security deposit required under the lease, the participant's portion of rent, and charges for any damages caused by the participant	Enforce your lease and house rules <ul style="list-style-type: none"> • Provide HACSB with copies of all notices and actions • If you suspect there are unauthorized tenants or drug/criminal activity, please notify us in writing 	Maintain the condition of the unit and premises <ul style="list-style-type: none"> • Make reasonable modifications for participants with disabilities 	Comply with equal opportunity, Violence Against Women Act (VAWA), and Fair Housing requirements	Refrain from entering the unit without tenant's permission and proper notice, except for emergencies

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HOUSING AUTHORITY UPDATES

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HOUSING AUTHORITY UPDATES

- Status of NSPIRE Inspection Standards – August 2024 implementation (tentative)
- Signing Bonus Program ended May 1, 2024
- Income Property Expo May 15 in Pasadena – Visit the HACSB Booth
 - Register: <https://ipmexpo.com/>
- Landlord Workshop – 1st Thursday of each month at 2pm – contact landlordinfo@hacsb.com to reserve your spot

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