

New Laws & Emerging Trends 2024 - 2025

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OVERVIEW OF TOPICS

- LEGISLATION WE WON
- BILLS PASSED INTO LAW - BY CATEGORY
 - General Landlord Tenant Laws
 - Fair Housing Laws
 - Affordable Housing Laws
 - Buildings, Health & Safety, Etc.
 - Miscellaneous
- EXPANDING & EMERGING TRENDS
 - Increased Landlord Obligations, Liabilities, & Potential Penalties
 - Increased Rent Control/ Just Cause/Tenant Protections
 - Right To Counsel
 - VAWA
- PITFALLS TO AVOID
- **STRATEGIES** FOR SUCCESS



WE WON!

- Proposition 33
 - Michael Weinstien's Third Attempt At Rent Control
 - Would Have Repealed Costa Hawkins
 - Permitted Rent & Vacancy Control on Every Single Rental Unit In CA
 - Defeated With 60% Voting "NO"
 - Will California Respond?
- Balcony Inspections
 - Inspection Due Date Extended To December 31, 2025
 - Civil Engineers Added To Acceptable List of Inspectors



GENERAL LANDLORD TENANT LAWS



AB 2493

Screening Fees, Screening Policies & Credit Reports

- Prohibitions On Screening Fees
 - Landlords Prohibited From Charging Screening Fees If:
 - They Know Or Should Have Known:
 - No Unit Is Available Now; Or
 - No Unit Will Be Available Within A Reasonable Period Of Time
- Mandatory Screening Policies – Pick Your Policy
 - **Option 1:** Landlord May Only Charge Application Fees When:
 - Applicants Are Provided Written Rental Criteria Together With The Application Form
 - Landlord Processes Applications On A First Come, First Qualified Basis
 - **Option 2:** Landlord Are Not Required To Accept The First Qualified Applicant, Provided:
 - Landlord Returns The Fee To Any Applicant Who Is Not Selected Within The Lesser Of Seven (7) Days After Tenant Selection Or Thirty (30) Days
- Mandatory Credit Reports
 - Required To Provide The Applicant A Copy Of Any Consumer Credit Report Obtained
 - Within Seven (7) Days Of Receiving The Report
 - May Be Sent By Personal Delivery, Mail, Or Email



AB 2801

Security Deposit Accounting Changes

- Limits Permissible Claims Against Tenants Or Their Security Deposits To:
 - Only Those Cleaning Services And Repairs “Reasonably Necessary” To Restore The Unit To The Same Condition It Was In When It Was Given To The Tenant, Exclusive Of Ordinary Wear And Tear
- “Reasonably Necessary” Limitations Apply To:
 - Materials And/Or Supplies
 - Labor Provided By The Landlord, Their Employee / Contractor / Carpet Cleaner
- New Photo Requirements:
 - Landlords Required To Take Three Separate Sets Of Pictures
- Two Trigger Dates
 - April 1, 2025: Photos Of The Unit
 - Within A Reasonable Amount After The Tenant Vacates But Prior To Any Repairs Or Cleaning Being Undertaken
 - After The Cleaning And Repairs Have Been Completed
 - July 1, 2025: Photos Of The Premises Immediately Prior To Or At The Inception Of The Tenancy
- Itemized Deductions Still Required
 - Must Now Include Photos And A Written Explanation For The Costs Of Repairs Or Cleaning
 - Parties Can Agree (After Termination of Tenancy) Accounting May Be Sent By Email



AB 2747 & SB 924

Mandatory Offer Of Positive Credit Reporting

- Requires Landlords Of All Residential Properties To Extend To All Tenants An Offer To Report Positive Rental Payments To At Least One Nationwide Consumer Credit Reporting Agency
- Trigger Dates:
 - Leases In Existence As Of Jan 1, 2025**
On Or Before April 1, 2025 And Annually Thereafter
 - Leases entered into on/after Apr 1, 2025**
Upon Execution Of Lease And Annually Thereafter
- Offer May Be Provided By Mail Or Through Email
 - If By Mail: Must Provide Self-addressed Stamped Envelope
- Recovery of Costs:
 - Lessor Of Actual Costs Or \$10.00 Month If Tenant Opts Out Or Fails To Pay The Fee, (6) Month Waiting Period To Opt In
- Remedy For Tenants' Failure To Pay Reporting Fee
 - Landlord Permitted To Terminate Reporting If The Fee Remains Unpaid For Thirty Days
 - Landlord Prohibited From: Using Rent Or Security Deposit To Cover Fee Or Filing An Eviction For The Failure To Pay The Fee
- Exemptions:
 - Landlords Who Own A Property With 14 Or Less Units, Unless **Both** Apply:
 - Landlord Owns More Than One Residential Rental Building; And
 - Landlord Is A REIT, Corporation, An LLC With A Corporate Member
- Approach When Tenant Utilizing Repair & Deduct or Withholding Rent
 - Must Notify The Landlord, In Writing, Prior To The Date On Which Rent Is Due
 - Otherwise, No Requirement To Report Positive Payment



SB 1051

Domestic Violence – Changing Locks

- Applies To Leases Executed On Or After January 1, 2011
- Requires Landlords To Change Locks To The Victim Tenant's Rental Unit
- Requirements:
 - 1) Eligible Tenant 2) Written Request 3) Required Documentation
- Eligible tenant is defined as either:
 - Tenant, Immediate Family Member, Or Household Member Who Is A Victim Of Abuse Or Violence
- Written Request Must Be Accompanied By:
 - TRO, Emergency Or Permanent Protective Order
 - A Written Police Report
 - 3rd Party Documentation Establishing Physical Or Mental Injuries From Abuse Or Violence; Or
 - Documentation That Reasonably Verifies The Abuse Or Violence
- Failure To Change The Locks Within 24 Hours
 - Tenant Permitted To Replace The Locks With Similar/ Better Quality Lock
 - Tenant Must:
 - Notify The Landlord Locks Have Been Changed
 - Provide A Key Within 24 Hours
 - Landlord Must Reimburse Tenant Within Twenty-One Days



AB 2347

Eviction Delays

- January 1, 2025
- Defendants' Time To Respond To Evictions Extended From 5 Days After Personal Service To 10 Days (Excluding Saturdays, Sundays, And Other Judicial Holidays)
- Streamlines Motion Process For Motions Filed By Defendants
 - Demurrers and Motions to Strike
 - Requires Hearings Within Five To Seven Days Rather Than 30 Days
 - Allows Oral Rather Than Written Oppositions
 - Written Oppositions Still Permitted



SB 611

PROHIBITION ON FEES

- Prohibits Landlords From Charging Tenants Fees For:
 - Serving Any Kind Of Termination Notice;
 - Paying The Rent Or Security Deposit By Check
- Protection Extended For “Qualified Commercial Tenants”
- Defined As Either:
 - A Micro Enterprise,
 - 5 Or Fewer Employees (Including The Owner) And
 - Business Does Not Have Access To Loans Or Financial Funding
 - A Restaurant With Fewer Than 10 Employees
 - A Non-Profit With Fewer Than 20 Employees
- Requirements:
 - Tenant Must Provide Written Notice Stating
 - They Are A Qualified Commercial Tenant
 - Number Of Employees
 - Notice Must Be Provided Within The Previous Twelve (12) Months
 - Made At Execution Of Lease And Annually Thereafter
- Remember: Civil Code § 1947.3 (Methods of Payment)



SB 1103

COMMERCIAL TENANCIES – RENT INCREASES/LEASES/CAMS

- Notice Periods For Rent Increases Model Residential Requirements
 - Increases Of 10% Of Less Require 30 Day Notices With “Information On The Provisions” Of The Law
 - Increases Greater Than 10% Require 90 Day Notices & “Information On The Provisions” Of The Law
- Mandatory Copy of Translated Lease Must Be Provided
 - Must Provide Translated Lease For “Qualifying Commercial Tenant” Upon Execution Of Lease
 - No Exception For Tenants Who Negotiate Through Their Own Interpreter
 - Notice Posting Requirements:
 - Must Be Posted In Office In Which Lease Is Signed
 - Must Be In Language In Which The Agreement Was Negotiated
 - Must State: “The Lessor Is Required To Provide A Contract Or Agreement In The Language In Which The Contract Or Agreement Was Negotiated, Or A Translation Of The Disclosures Required By Law In The Language In Which The Contract Or Agreement Was Negotiated”
 - Failure To Comply = Tenant May Rescind Lease
- Civ. Code 1950.9
 - Prohibits Fees To Recover Building Operating Costs Unless:
 - Costs Are Allocated Proportionately Amongst All Tenants
 - Tenants Are Provided Supporting Documentation
 - Failure To Comply = Affirmative Defense In An Eviction For Non-Payment Of Those Charges



FAIR HOUSING LAWS



SB 1137

DISCRIMINATION BASED ON COMBINATIONS OF CHARACTERISTICS

- Expands Protections Against Discrimination
- Provides A Declaratory Statement That Discrimination May Be Based On “Intersectionality” – (i.e., A Combination Of Protected Classes, Rather Than A Single, Protected Class)
- Therefore, When A Claim For Discrimination Is Filed Based On Multiple Protected Classes, It Cannot Be Separated Into Distinct Categories And Should Be Investigated To Determine Whether Discrimination Or Harassment Occurred Based On A Combination Of The Protected Characteristics



AB 1815

DISCRIMINATION BASED ON HAIR STYLES

- Expands the Unruh Civil Rights Act
- Provides Declaratory Statement That The Protected Class Of “Race” Includes Additional Traits Associated With A Specific Race
- Includes, But Is Not Limited To
 - Hair Texture
 - Protective Hairstyles
 - Braids, Locs, And Twists



AFFORDABLE HOUSING LAWS



AB 846

Rent Increase Limitations - Tax Credit Projects

California Tax Credit Allocation Committee (CTCAC) Now Required To Implement Regulations Regarding Maximum Rent Increases For Tax Credit Properties

Regulations Limiting Annual Rent Increases Must Be In Place On Or Before June 30, 2025 For Specific Tax Credit Properties Who:

- Received Their Allocation Of Tax Credits Prior To April 3, 2024; And
- Are Subject To A Regulatory Agreement

Mandates That Tax Credit Properties That Received A Tax Credit Reservation Letter In 2025 Or After Must Comply With The Tenant Protection Act On Rent Increases (5% + CPI)



CTCAC Must Assess Rent Increase Limit Before June 30, 2026, And Annually Thereafter

AB 653

Reporting Requirements For Housing Authorities

- July 1, 2025, And Annually Thereafter, All Public Housing Authorities Must Publish:
 - Data Regarding Monthly Success Rate
 - Payment Standards Being Used
 - Inspection Wait Times For Lease Ups
 - Search Times For New Voucher Holders To Obtain Housing
- Required To Be Publicly Available As Of January 1, 2026
- Purpose: To Create Opportunities For Recommendations Across Authorities To Improve Efficiency



AB 2430

Removal of City Monitoring Fees

- Prohibits Cities And Counties From Charging Monitoring Fees To Oversee And Ensure Affordability Of Certain Housing Developments
- Applies Exclusively To Projects That Have 100% Of Units Reserved For Low Income Households Or Up To 20% Of Units For Moderate Households
- Several Conditions That The Project Will Need To Comply With In Order To Qualify For This Protection
- Current Projects With Monitoring Fees Will Have Them Removed



BUILDINGS & HEALTH & SAFETY



AB 2533

STREAMLINED ADU PERMITS

- Expands Current Program Which Allows Specific Unpermitted Accessory Dwelling Units (ADU's) To Become Permitted By Including Unpermitted Junior ADU's Built Prior To 2020
- Requires Local Agencies To Provide Public With Information About:
 - The Process Of Permitting The Unpermitted Units
 - Checklists Of What Would Make The ADU Or JADU Substandard
 - Advisory Information About The Right To Have A Confidential Inspection By A Third-party Contractor To Determine The Condition Of The Unit Prior To Submitting An Application
- Limits Fees And Penalties To Facilitate Bringing Unpermitted JADUs Into Compliance



AB 2684

HOUSING ELEMENTS - EXTREME HEAT

- Amends Government Code By Adding “Extreme Heat” Hazards For Review In Connection With Housing Elements Or Local Hazard Plans
- Next Revision - January 1, 2028
- Will Require Review And Updates Addressing Hazards Of Extreme Heat
- Extreme Heat Means Increasing Temperatures Resulting In A Heat Wave, Heat Health Event, Heat Watch Or Warning, Or A Proclamation Of A State Of Emergency
- Precursor To Future Mandates To Install Air Conditioning Or HVAC Systems



SB 1465

SUBSTANDARD BUILDINGS

- Mandates New Inspection Requirements By Local Entities
- Expands And Clarifies Definition Of Substandard Buildings
- Expands The Definition Of “Residential Units”
- And Provides Relocation Assistance To Tenants Who Must Vacate As A Result Of An Order To Vacate By A Local Enforcement Agency
- Requires Enforcement Agencies To Institute Actions Or Proceedings For Uncured Violations Or Nuisance Conditions
 - **Exception:** Where Building Deemed Substandard Solely On Being Illegally Occupied
- Authorizes Enforcement Agency, Tenant, Or Tenant Association To Seek, Appointment Of A Receiver If The Owner Fails To Comply
- Court May Retain Jurisdiction Up To 18 Months Receiver Discharged
- Subsequent Purchasers Subject To Order To Abate & Costs And Fees Of Any Receiver Appointed Or Enforcement Agency



MISCELLANEOUS LAWS



SB 479

Tenant Protection Act – Clarifying Law

- Amends And Clarifies Definition Of “Natural Person” For Owner Occupancy Terminations Under The Tenant Protection Act Of 2019.
- “Natural Person” Now Defined As:
 - A Beneficial Owner With At Least Twenty-five Percent (25%) Ownership Interest In The Property



AB 2622

Contractor Requirements

- Increased Threshold Amount
- Old Law:
 - Licensed Contractor Was Required For Maintenance, Repairs, And/Or Improvements Where Labor And Materials Was \$500 Or Greater
- New Law:
 - Licensed Contractor Is Required For Maintenance, Repairs, And/Or Improvements Where Labor And Materials Is \$1,000 Or Greater



AB 2454

MANDATORY WATER WELL TESTING

- Owners Of Rental Properties Which Use Domestic Water Wells For Drinking Water Must Test The Well For Primary Drinking Standards
- Test Results And Information Regarding How To Read Results Must Be Provided To The Residents Of The Rental Property Within Ten (10) Days Of Receiving The Results
- Prohibits Rent Increases Or Other Charges To Tenant To Offset Testing Requirements



AB 2898

EXEMPTIONS TO UNBUNDLED PARKING

- 2024 Law
 - Required Landlords With Buildings In Alameda, Fresno, Los Angeles, Riverside, Sacramento, San Bernardino, San Joaquin, Santa Clara, Shasta, And Ventura Counties That Were Issued A Certificate Of Occupancy On Or After January 1, 2025 To:
 - Unbundle Parking Charges From The Lease
 - Include Parking Charges In A Separate Contract Or Addendum
- The Amendment Exempts Landlords With Tenants Who Receive Either Section 8 Or VASH Funds From The Obligation To Unbundle Parking



EXPANDING & EMERGING TRENDS



EXPANDING & EMERGING TRENDS

- Continued Expansion Of
 - Landlord Obligations & Tenant Rights
 - Burbank: Increase Relocation Fees And Mandated Seismic Retrofit
 - City of Los Angeles: A Multitude Of New Ordinances (Too Many To List)
 - County of Los Angeles: Reduced Rent Caps And Created An Inspection Program
 - Huntington Park: Passed Rent Control and Created A Rent Registry
 - Oxnard: Increased Trash Hauling Rate By 54% and Mandated 2 Year Minimums For Owner Occupancy
 - Pasadena: Increased Trash Hauling Rate Between 21% and 63%
 - Santa Monica: Multiple New Restrictions & Tenant Protections
 - South Pasadena: Prohibition on Substantial Remodel Evictions
 - Ventura: Funding for “Right to Counsel” & Ready To Provide Increased Funds
 - West Hollywood: Imposed Minimum One Year Lease Terms
 - PC 396 – Applied To Section 8 Tenancies
 - Check Any Rent Increase Given During Last 4 Years
 - Violence Against Women Act Requirements
 - Federal Notices Must Be Provided To Sec. 8 Tenants
 - At Inception of Lease
 - Upon Termination Of Tenancy For Non-Payment of Rent
 - Failure To Comply = Defense To Eviction
 - Right To Counsel – 2025 – Los Angeles County – See Next Slide



RIGHT TO COUNSEL MOVEMENT

- Effective **January 1, 2025**
 - Unincorporated Areas Los Angeles County
 - Free Attorneys For Low Income Tenants (All Tenants)
 - \$21M Budget For 1 Year
 - For **ALL** Residential Unit Types (e.g., A Bedroom In SFR)
 - **Expanded to Entire County by 2030**
- Notice Requirements
 - Must Use County Drafted Form
 - Must Provide Upon Service Of Any Termination Notice
 - Lease In Another Language = Notice in Other & English
 - Must Be Posted:
 - In An Accessible Area Of Property, and
 - In Onsite Management Office (If Any)



STRATEGIES FOR SUCCESSFUL EVICTIONS

- Successful Eviction Defined
 - One That Never Occurred
 - Stay Current With Evolving Laws (Take Classes / Seminars)
 - Deeper Screening Techniques & Processes
 - More Stringent Rental Criteria (FICO, Rent Multipliers, Financials, Etc.)
 - Cash for Keys (Be Careful! Anti-Tenant Harassment Laws)
 - Success In Evictions
 - Strict Compliance With Legal / Administrative Requirements FIRST
- Strategies For Success
 - Stay Positive – You CAN Win – But It Takes Work!
 - Work With A Landlord Attorney - Be Strategic & Patient
 - Prepare In Advance For Eviction
 - Digitize All Tenant Files
 - Prepare for Discovery In Advance
 - Document Everything Throughout Relationship



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