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Update on Wildfires

- Wildfires killed 29 people and destroyed at least 16,000 structures and public infrastructure.
 - Now apparently 100% contained – It’s raining!
 - Angelenos getting back to survey the damage – still weeks or months away to begin rebuilding
 - Cleanup crews first work to clear toxic debris – E.P.A. offering assistance (Est. ~\$100,000 to ~\$125,000 per parcel).
 - Environmental issues due to electric vehicles, solar panels, burns 2-feet below ground.
 - Recently, Los Angeles Mayor Karen Bass reversed course and will keep in place the checkpoints blocking off the Pacific Palisades area.
 - Governor Newsom signs series of executive orders to fast-track relief for LA fire survivors, including cutting “red-tape” to rebuild, providing mortgage and tax relief, etc.
- Losses:
 - Risk analysis firms, Verisk - losses to the Palisades Fire and the Eaton Fire covered by insurance would total between \$28 billion and \$35 billion.
 - CoreLogic, a property analytics company, estimates losses between \$35 billion and \$45 billion.
 - UCLA ~\$164 Billion!

Update on Wildfires

- Insurance:
 - State Farm, California's largest insurer, said it has already paid out \$1 billion across 8,700 claims.
 - About 1,600 policies in Pacific Palisades were dropped by State Farm in July, and last year dropped more than 2,000 policies in Los Angeles ZIP codes.
 - State Farm has requested an emergency interim rate hike averaging 22% for homeowners from state officials (Plus: requesting >30% increase for rental properties).
 - “Insurer of Last Resort” - The California FAIR Plan reports that it has only \$200 million in reserves and \$2.5 billion in reinsurance - **~4,000+ Claims**
 - Insurance Commissioner: one-year moratorium non-renewals and cancellations.
- Recent Regulations:
 - A.B. 246 – Proposed rent freeze and eviction moratorium for ~one-year for Los Angeles County (First committee hearing in February)
 - Would suspend Costa-Hawkins Rental Housing Act
 - County of Los Angeles – Requirement to allow additional occupants and pets of wildfire victims (Unincorporated L.A. County).
 - City of Los Angeles – Housing & Homelessness Committee review of motion to impose rent increase freeze and eviction moratorium for one year within City.
 - Wildfire Pets and Additional Occupants Permitted
 - Anti-price gauging (No more than 10% unless costs increased)
 - Executive Order to allow higher end home exemptions

Update on Wildfires: Property Owners Should Know

- Fraudulent Activity
 - Contractors offering priority to re-build – don't be pressured to sign or pay cash up-front.
 - High pressure sales tactics, going “door-to-door” or cash up-front signs of fraud.
 - Due diligence is “key” – verify license, insurance, etc. (*“Apartment Age” February Issue*)
 - Squatters – don't feel compelled to help someone in apparent need without first checking them out.
 - Avoid renting illegal (“bootleg”) units.
 - Due diligence is “key” – do not let guard down on tenant screening practices.
 - Many months to remove – typically handled as a Civil matter in California.

• Property Damage: See Resource Page

(<https://members.aagla.org/news/resources-to-help-victims-of-los-angeles-wildfires> or **Google “AAGLA Wildfire Resource Page”**)

- Call insurance agent or insurance company. File claim.
 - Do not necessarily need public adjuster or attorney – do not need to accept first offer.
 - Beverly Hills Bar Association Webinar on Resources Page
- Owner responsible for mitigating smoke and chemicals resulting from fire.
 - Make insurance claim to get abatement company to certify property for occupancy.
 - Owner not responsible for tenant property – covered by renters' insurance.
 - If property completely destroyed or severely damaged, tenancy terminates on date of destruction – pro rate rent and refund security deposit within 21 days.

Got Questions?

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