

President's Message

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Foremost in our minds at this time, is the aftermath of the devastating Los Angeles fires including their effect on the rental property industry and insurance.

Governor Newsom has issued several Executive Orders [see CalRLHA Legislative Update, page 11].

Most notably, on January 17, 2025, Governor Newsom issued Executive Order N-11-25 which prohibits a housing provider from using the unlawful detainer process to evict a tenant for violating a term of his/her lease, that would otherwise prohibit him/her from sheltering one or more people displaced by the recent emergency. This order notably does NOT prohibit housing providers from enforcing other lease terms such as those regarding criminal activity or property damage. This order is in effect until March 8, 2025.

On January 27, 2025, he issued Executive Order N-14-25 that suspends certain restrictions on the length of occupancy in order to make it easier for survivors of the LA area fires to stay in hotels and other short-term rentals for more than 30 days, as well as reiterates that permitting requirements under the California Coastal Act are suspended for rebuilding efforts.

On February 4, 2025, Governor Newsom issued Executive Order N-17-25, which among other things expands rental price gouging protections to leases of any length, adds three new zip codes to prior executive orders prohibiting real estate speculation, and exempts housing in zip codes with high fair market values, which has not previously been on the rental market, from statutory rent caps.

For a full list of all actions taken by Governor Newsom in response to the LA fires, see:

<https://www.gov.ca.gov/2025/01/24/heres-all-the-actions-governor-newsom-has-taken-in-response-to-the-los-angeles-fires/>

With respect to what is happening in the Legislature, by the time you read this, the bill in-

troduction deadline will have passed (February 21, 2025).

As of now, some of the Assembly Bills that are pertinent to our industry include the following:

AB 282 (Pellerin) Discrimination: housing: source of income.

The California Fair Employment and Housing Act (FEHA) makes unlawful various practices connected to obtaining and financing housing accommodations if those practices discriminate based on source of income. This bill would provide that prioritization of applicants for tenancy who qualify for or receive rental assistance does not constitute discrimination based on source of income.

AB 311 (McKinnor) Dwelling units: persons at risk of homelessness

Prior law authorized a tenant to temporarily permit the occupancy of their dwelling unit by a person who is at risk of homelessness regardless of the terms of the lease or rental agreement. Rent could be modified by agreement of the tenant and the housing provider. This bill would reinstate these provisions until January 1, 2031 and would include certain new provisions regarding occupancy. It would include in the definition any person who is displaced from their residence as a result of a disaster in a disaster-stricken area in which a state of emergency has been proclaimed by the Governor. This would also allow such a



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temporary tenant to have one or more common household pets.

SB 9 (Arrequin) Accessory Dwelling Units: owner-occupant requirements

Currently, the Planning and Zoning Law provides for the creation of an ADU by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards. This bill would prohibit a local agency from imposing an owner-occupant requirement for a proposed or existing accessory dwelling unit whether or not the local agency has adopted a local ordinance pursuant to these provisions.

SB 52 (Perez) Housing rental rates and occupancy levels: algorithmic devices

Since Prop 33 did not pass in November, the Costa-Hawkins Rental Housing Act still prescribes statewide limits on the application of local rent control with regard to certain properties. That Act, among other things, authorizes an owner of residential real property to establish the initial and all subsequent rental rates for a dwelling unit that meets specified criteria, subject to certain limitations. This bill would make it unlawful for any person to sell,

license, or otherwise provide to a housing provider an algorithmic device, as defined, that advises on rental rates or occupancy levels for residential dwelling units, and would also make it unlawful for a housing provider to use an algorithmic device to set rental rates or occupancy levels for residential dwelling units.

What is an "algorithmic device"?

The term "algorithmic device" means a device such as a software program that uses algorithms to analyze nonpublic competitor rental data for the purposes of providing a landlord recommendations on what rent to charge for a vacant unit.

Some cities such as San Francisco have already added a code section prohibiting this to their local ordinances. This would be state-wide.

Thank you for your membership. Each of you is a valued member of our organization.

Sincerely,

Betty L. Jeppesen

President