



Monthly Newsletter

September 2020

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California and Federal law prohibit eviction for non-payment of rent through the end of 2020.

Under new California and Federal law, property owners are prohibited from evicting tenants for non-payment of rent if tenants certify that they've been impacted by Covid-19. This is in effect a prohibition on all evictions for non-payment of rent since everyone has been impacted by Covid-19 in one way or another.

New California law goes further than Federal law by extending the rent control and just cause eviction protections that were enacted into law last year, and which are often referred to as AB 1482, to protect renters of all residential dwellings through the end of the year.

In addition to this, the just cause requirement of AB 1482 allows a property owner to terminate a tenancy for substantial rehabilitation of a property but that allowance is limited by new law to include only rehabilitation for true health and safety issues such as code violations.

At California West, we have a small handful of tenants who are taking advantage of the pandemic and who will be asked to leave once Covid-19 is behind us but none of whom can be asked to leave at the present time.

The rental market remains robust and in more ordinary times we would be advising clients to press for rent raises in all but our student rentals where we presently have an unacceptable number of vacancies, particularly in two bedroom apartments. In these times, though, we are advising clients to exercise caution and leave well enough alone. For most of our inventory, occupancy is high, vacancy is low, and collections are relatively normal. There is no sense in rocking the boat in 2020.

The tenants who we will ask to leave once Covid-19 is behind us are not really Covid-19 impacted situations, though they certainly qualify for protection under new law. The people who are truly impacted by Covid-19 are working with us on payment plans and are obtaining government assistance and are keeping us informed of their situations. We will likely continue renting to those sorts of people even after the pandemic is over because they will eventually sort out their life in a responsible manner.

Pismo Beach joins other local cities in conducting annual fire inspections of multi-family properties.

The California Health & Safety Code requires fire departments to conduct annual inspections of multi-family dwellings. Until this year, the City of Pismo Beach had never contacted us to conduct such inspections though most other local jurisdictions routinely have.

Unlike other local jurisdictions, Pismo Beach is not yet charging a fee to property owners to reimburse for their cost of conducting these annual inspections. In the words of Ben Franklin, though, “[i]n this world nothing can be said to be certain, except death and taxes.” If he is right then Pismo Beach property owners should expect to pay for these inspections in coming years.

Property owners face a slew of propositions that are on the November 2020 ballot and that if passed will negatively impact them in coming years.

A handful of propositions impacting property owners will be appearing on the November 2020 ballot in California.

Property owners face a slew of propositions that are on the November 2020 ballot and that if passed will negatively impact them in coming years. Those propositions are as follows:

Proposition 15. This proposition partly repeals some of the benefits arising from Proposition 13 that was passed by voters in 1978. If Proposition 15 passes then non-residential commercial properties with a value of greater than \$3 million will be reassessed each year for the purpose of determining property tax liability and people who own multiple such properties whose aggregate value is greater than \$3 million will also be subject to reassessment on each of their properties regardless of how much any individual property is worth.

Proposition 19. This proposition partly repeals some of the benefits arising from Proposition 13 that was passed by voters in 1978. If Proposition 19 passes then parent to child and grandparent to grandchild transfers of real property in California will no longer potentially be exempt from reassessment for property tax purposes.

Proposition 21. This proposition repeals part of the 1995 Costa Hawkins law that prohibits local jurisdictions from implementing various rent control measures including what’s called “vacancy control” which is an extreme form of rent control that prohibits property owners from raising rent to market value upon the turnover of a property.

Propositions 15 and 19 are supported by Governor Newsom while he opposes Proposition 21. As a management company, our only editorializing on these propositions is that if Proposition 21 passes then it will lead to different rent control rules in every City and County in the state and that will cause nothing but confusion.

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