

Monthly Newsletter

October 2016

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For our clients who are expecting us to pay property taxes and who do not see those payments on their monthly financial statements, we strongly encourage them to contact us regarding the situation.

Property taxes: late after December 12 and Oceano and SLO have some extra assessments this year.

The first installment of property taxes are late after December 12 this year because December 10, the usual deadline, falls on a Saturday.

For clients who have provided us with property tax bills, we have probably already made the tax payments and, if so, the payments will be reflected on the financial statements that we send out every month.

If you are expecting California West to pay property taxes from your property's operating funds this year, and you do not see any payments on the monthly financial statements that we provide, then we strongly encourage you to contact us immediately regarding the situation. Clients who want us to make these payments need to forward us their property tax bills or change their mailing address with the County Tax Collector.

With that in mind, we have noticed a couple of line items on this year's property tax bills that warrant discussion.

First, the City of San Luis Obispo forgot to charge for Fire Department inspections of multi-family properties last year. So, for multi-family properties that are subject to Fire Department inspections in SLO, there is a double charge for that this year. This issue is worth noting but there is really nothing to do but pay the higher amount this year.

Second, the city of Oceano has decided to begin charging for sewer services on property tax bills each year. Previously, the charge would appear on a tenant's water bill.

For the Oceano situation, we are discussing with property owners the best way to recoup this additional expense from tenants who are accustomed to paying for sewer but who were previously billed by the water company for that sum.

We must now either include the sewer expense in the base rent or begin billing tenants separately for the sewer expense. This is something we are dealing with on a client-by-client and tenant-by-tenant basis.

San Luis Obispo is getting more aggressive in implementing its new rental housing inspection ordinance.

Following recent efforts to repeal the rental housing inspection ordinance through special election, by electing a new City council, and through legal action challenging the Constitutionality of the ordinance, the City is now being more aggressive in scheduling inspections and in alleging violations.

Our approach at California West is to work with the City as much as reasonably possible to implement the rental housing inspection ordinance but that is becoming a more difficult task as City staff are behaving more aggressively.

Recently, we received a stack of notices to inspect many different properties all at nearly the same time and before a new City Council can take office. We have also been getting reports from clients that City staff is now contending that various conversions which took place decades ago, and with permits at the time, are now being challenged because the City claims to be unable to find records of the previous permits.

These reports are from clients who we have known for a long time and who have pulled permits previously and who generally do things "by the book." Needless to say, this is causing much anxiety by people who have trouble proving that something happened correctly decades ago.

At California West, our approach is to work with the City as much as reasonably possible to implement the rental housing inspection ordinance, but that is starting to become a more difficult task as City staff are behaving more aggressively following recent efforts to repeal the ordinance.

Drought regulations are being strictly enforced.

As in many jurisdictions, San Luis Obispo has regulations for dealing with the current drought situation.

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People living at even numbered addresses may water their yards only on Tuesdays and Fridays. Odd numbered addresses may water on Mondays and Thursdays. For everyone, watering may be done only between 7pm-7am.

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Recently, one homeowner was contacted by the City and told that he was violating these drought regulations. This person, however, had installed an irrigation system that connects to the Internet and logs all water usage and adjusts based on the weather forecast. He knew he was in compliance.

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It turns out, the City inspector went by on a Wednesday morning to this even numbered house and found damp soil. The reason for dampness was because it was watered at 11pm the evening before and had not yet evaporated. The City apologized for their mistake.

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