



Monthly Newsletter

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Proposition 10 on the November ballot seeks to repeal statewide limits on rent control.

“If something cannot go on forever, it will stop.” - Stein’s Law

Rents cannot go on increasing faster than wages forever because at some point rents becomes unaffordable if tenants do not have the income to support those rents. Therefore, that trend will stop—at least according to Stein’s Law. In the meantime, we are starting to see political pressure to put a stop to the trend through rent control.

Proposition 10 is a ballot initiative that will be appearing on the November ballot and which attempts to repeal parts of the Costa–Hawkins Rental Housing Act. Among other things, Costa–Hawkins prohibits cities from establishing rent control over certain kinds of residential units, such as single family dwellings and condominiums and newly constructed apartment units.

Locally, we do not have any rent control ordinances other than for on mobile home space rentals. In short, a repeal of Costa–Hawkins would allow cities to impose rent control if there is local political support for such measures.

The original reason for Costa–Hawkins was to prevent municipalities from imposing ordinances that ultimately reduce the incentive to build new housing and which therefore, at least in the long run, only exacerbate the problem of having an insufficient amount of affordable housing for residents.

Most economists agree that the best long run solution to an affordable housing shortage is to build more housing. Rent control advocates tend to disagree.

In San Luis Obispo County and Santa Maria, we are unlikely to see rent control on the immediate agenda even even if Proposition 10 passes. Current leadership in our local cities seems to currently understand the need for encouraging investment in new housing as the best solution to the affordability issue. However, that could change at any time and so Proposition 10 is an important measure to watch in November.

New law gives tenants more time to delay an already lengthy eviction process.

Under a new state law that takes effect on September 1, 2019, tenants will have more time to respond to eviction lawsuits. Current law provides that tenants have five **calendar** days to respond to an eviction lawsuit while the new law provides five **court** days to respond.

The impact on the overall eviction process is to simply add more time to an already lengthy process. The way it works from the beginning is that a property owner must generally serve either a three day notice, thirty day notice, or sixty day notice to a tenant depending on the circumstances. No notice is necessary if there is a lease that expires according to its own terms.

The impact of the new law on the overall eviction process is to add more time to an already lengthy process.

The three day notice is for a breach of contract, such as failure to pay rent, and allows a tenant three days to cure the breach. Thirty and sixty day notices are to terminate a rental agreement regardless of reason. Sixty days are necessary only when a tenant has lived at a property for more than one year.

Once the notice period or lease expires, then the property owner may file an eviction lawsuit if the tenant fails to move as required. The lawsuit must then be served on the tenant, which takes at least a few days to coordinate with either a process server or the Sheriff's office, and the tenant then has five days to respond. This is the point at which the new law becomes relevant.

After the five days expires, if the tenant responds by filing papers with the court then the property owner must request a trial date. If the tenant fails to respond then the property owner may immediately file a request for entry of default and then obtain a default judgment that usually takes a few more days to process. If a trial is necessary, then that usually takes an extra 2-3 weeks depending on the court's schedule.

Once a judge enters judgment, either from trial or default, then the property owner must submit a proposed document to the court that is called a "writ of possession" and which directs the Sheriff to go to the property and physically remove the tenant. The Sheriff's office does these lockouts once a week and needs to post notice prior to doing the lockout, so this process takes some time as well.

All told, a typical eviction takes 3-4 weeks from expiration of the notice period and is a process that is best to avoid. However, California West works with its clients to hire attorneys and manage the process when necessary. The new law makes this an even longer process.

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