

**New Laws For 2010: What Property Owners  
And Managers Need to Know**  
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With the arrival of the New Year also come a new slew of bills from Sacramento, and landlords and property managers should be aware of these new laws for 2010. Although the budget crisis and the recession have received most of the attention from Legislators and the news media, there are several bills that will affect those in the multifamily housing business.

**Take Note of New Ordinances and Local Regulations**

Before delving into the newly enacted laws from Sacramento, landlords and property managers should be aware of recent changes in local ordinances, building codes, and city or county regulations. While State legislation is important, it is not uncommon for laws enacted in local jurisdictions – including both cities and counties – to have an even bigger effect on landlords and property owners. Take time to review newly enacted ordinances prior to commencing large projects as building codes, rent control ordinances, business license approvals, or building permit approvals may be modified without special notice to you. Just because you may have done the same project the year before does not mean the laws are the same in the upcoming year.

For example, when remodeling may not have required a permit last year may require one in the upcoming year. Therefore, it is always important to check first with your local jurisdiction to determine whether permits are needed, the cost of new permits, and what procedures are required for building permits. In addition, it is important to note whether rent control laws – if applicable to you -- have been amended (including the amount that rent can be raised in the upcoming year) and whether the procedures to renew a business license or pay business taxes have been changed from the previous year. These are just a few of the issues that may arise when it comes to the local jurisdiction where your investments are located and new laws that may have been enacted.

**Landlord-Tenant Relationships**

After considering changes in local laws, landlords should take note of important changes to statewide laws concerning the landlord-tenant relationship – one of the most heavily regulated relationships in California. In the past year, the focus of this relationship has been how it interacts with the mountain of foreclosures in the State and, while numerous bills were pending which addressed foreclosures, many failed to go to the Governor for his signature.

**The following is a summary of the key bills which did make it to the Governor's desk and were signed into law this session:**

**AB 530** (Krekorian) expands a program allowing a city prosecutor to file an unlawful detainer on the property owner's behalf when a tenant is guilty of a crime involving unlawful weapons or ammunition or illegal drug possession on the property.

**AB 568** (Lieu) declares that a non-residential property used for certain counterfeiting activities constitutes a nuisance that will be subject to public and private remedies – including abatement orders and injunctions.

**AB 1094** (Conway) creates a safe harbor provision for businesses that acquire abandoned records that contain personal information if the business complies with State law in destroying those records thus shielding the business from liability. This situation arises when an occupant leaves personal information in the unit after the tenancy has ended.

**SB 290** (Leno) requires a 60-day notice to end any tenancy that has lasted for more than one year. Thirty days notice is still allowed in certain circumstances. Previously, the sixty-day notice provision was set to expire on January 1, 2010; however, this bill extends this law indefinitely requiring 60-days' notice.

**SB 120** (Lowenthal) requires utility services to notify occupants of a property that the utility services account is in arrears and that service may be terminated when the utility customer is not the occupant of the property. This would occur when the landlord pays for the utilities. It also permits an occupant to assume responsibility for paying the utility and to deduct those charges from the amount of rent owed. This legislation was enacted in light of many tenants of foreclosed properties having their utilities shut off because their landlords stopped paying utility bills while the tenant was still paying rent.

### **Building and Construction**

Two major issues in the area of building and construction recently gained particular legislative attention in California. First, the push for “green building” has mounted, including a push for requiring green building techniques when undertaking remodeling work and new construction. In the past several years, many cities – including Santa Monica, Pasadena, Napa, and Santa Rosa – have enacted green building ordinances which either impose green building mandates or create incentives for builders who voluntarily incorporate green building techniques into their projects.

Second, policymakers have recognized California’s need to increase water conservation efforts, and these concerns will affect both landlords and tenants. For example, most cities and counties throughout the State have enacted water conservation ordinances that punish landlords who are the actual water customers for the tenant’s misuse of water. As water becomes increasingly scarce, and water quality becomes a greater concern, landlords, tenants, and other property owners will likely face further conservation requirements.

**The following is a summary of bills signed by the Governor which landlords and property owners should take note:**

**AB 210** (Hayashi) clarifies a growing yet controversial issue of green building standards imposed in local building codes. AB 210 affirms that local jurisdictions may adopt green building standards that are different from the regulations found in the California Building Code. Local jurisdictions are only allowed to modify the California Building Code for their jurisdictions if they determine that it is reasonably necessary for local climatic, geological, or topographical conditions.

**AB 1020** (Emmerson) modifies the Federal Virginia Graeme Baker Act for California properties. It preempts the field of health and safety standards at pools in apartment buildings so that local jurisdictions will not be able to adopt additional local requirements. It also requires that all pools in apartment buildings be equipped with an anti-entrapment device or other systems that meet ASME/ANSI or ASTM performance standards. Additionally, pools that have a single main drain that is not an unblockable drain must equip it with certain, approved devices. ***As a result, this bill has important implications for property owners who have swimming pools on their properties. Owners and managers should be made aware of this new law because compliance is required by mid-2010.***

**AB 1489** (Smyth) increases the amount of methamphetamine that is allowed on a property after remediation for the property to become habitable. This has important consequences because it will be a little easier to re-occupy a home contaminated by methamphetamine after remediation occurs.

In an effort to conserve water, **SB 407** (Padilla) will require all plumbing fixtures be replaced with water-conserving plumbing fixtures on or before January 1, 2019 for any residential, multifamily or commercial property. In addition, SB 407 requires any building permit applicant to replace noncompliant plumbing fixtures with water-conserving ones as a condition to receive a certificate of final completion and occupancy or approval of a final building permit for any building alterations after January 1, 2014. Local jurisdictions will be allowed to place further restrictions than those enacted by the State. ***Although this bill requires compliance in ten years, property owners and managers should become aware of what constitutes a water-conserving plumbing fixture and begin to replace when it is necessary.***

### **Know the Law to Protect Your Rights**

Although there were countless other bills that were enacted creating new laws within the State, this article provides a brief overview of some of the important ones affecting property owners and managers. Remember that not knowing the law is not a defense to breaking the law even if it was unintentional, innocent, or the law is new. The prudent landowner will take the time to understand local and state laws which affect his or her properties, and will implement measures to comply with them and maximize his or her property rights.

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