

THE CALIFORNIA APARTMENT ASSOCIATION PROTECTS RENTAL PROPERTIES FROM THE BOMBARDMENT OF LEGAL, REGULATORY AND POLITICAL CHALLENGES THAT ARE UNIQUE TO CALIFORNIA.



OPPORTUNITIES

"California has more opportunities for rental housing providers than any other state, but with these opportunities come unique political challenges."

- Laura Khouri, President, Western National

UNIQUE CHALLENGES



California is the nation's largest rental marketplace, with over 5.9 million rental units, providing homes to over 17 million rental residents. California's population is projected to grow by 6 million people in the next dozen years.

California has over 1.8 million state and local government employees, a full-time legislature, many full-time city councils, the ballot initiative process and consumer-leaning courts. It has a long history of progressive, pro-consumer political activism. This political, legal, and regulatory environment creates unique property management challenges.

1.8 MILLION
GOVERNMENT EMPLOYEES

PROTECTING MEMBERS SINCE 1941

Since 1941, CAA has vigorously protected its members' investments through political advocacy and legal representation, helping them to comply with new laws and regulations, educating members on emerging trends, legal issues, risk management and best business practices, and providing unparalleled products and services to enhance members' success.

A LEADING VOICE

"The California Apartment Association is a leading voice on public policies that affect rental property owners. Elected officials rely on their experience and trust the Association when acting on real estate issues. Without your direct involvement, the rental housing industry would suffer."

- State Senator Juan Vargas (D), 40th Senate District

HOW CAA MEMBERS DESCRIBE CAA:

VALUABLE **CONNECTED** **PROACTIVE**
ACCESSIBLE
PROFESSIONAL **TRUSTED**
INFLUENTIAL **POWERFUL** **FOCUSED** **COMPETENT**
CREDIBLE **RELEVANT**
EFFECTIVE

POLITICAL ACTION

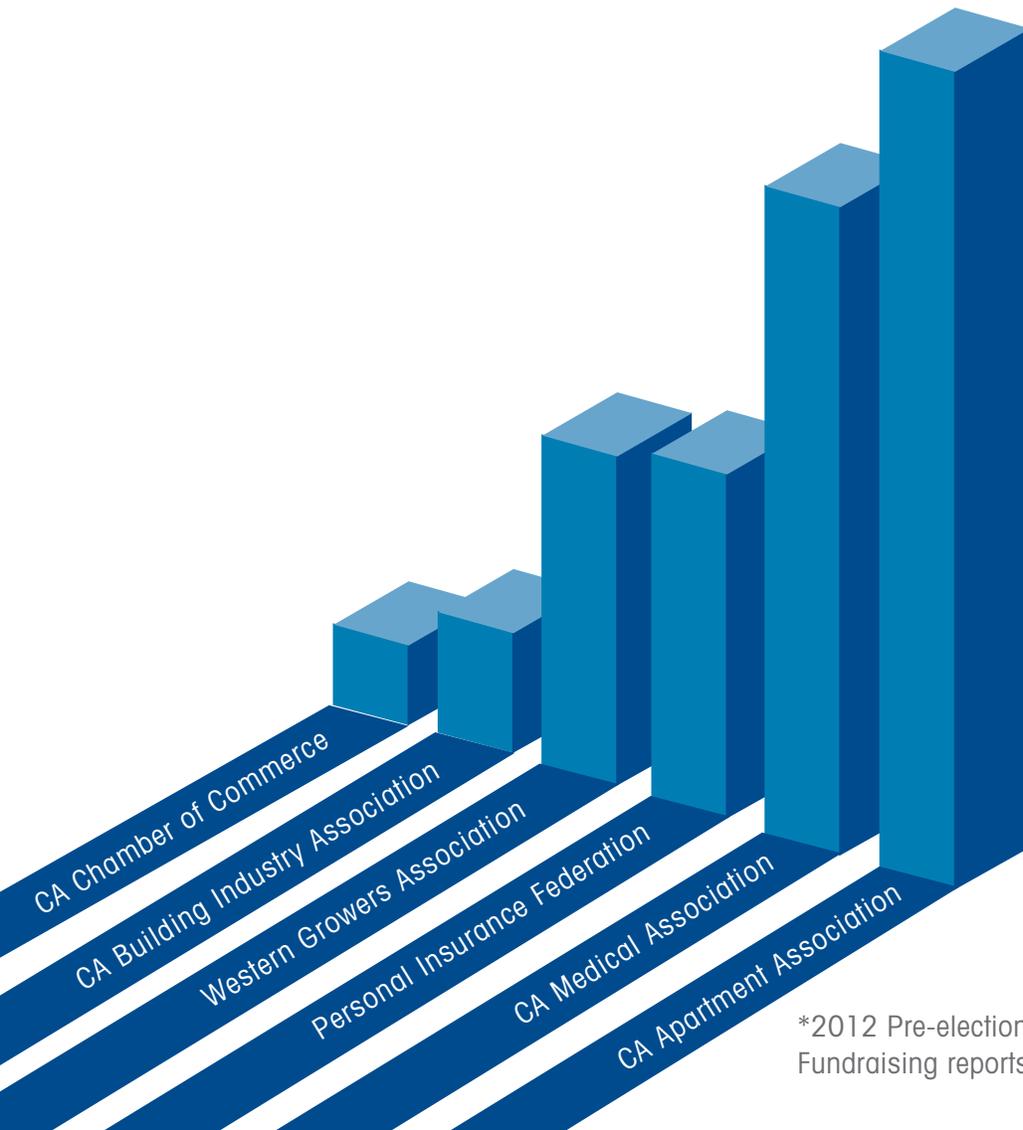
“In California, the issue is not party affiliation, but electing candidates who recognize the importance of the apartment industry to California’s economic well being. CAA’s pragmatic approach has made it a political force to be reckoned with.”

- **Connie Moore, CEO, BRE**

\$1.68M
PAC

In the 2012 election cycle, CAA political action committees invested over \$1.68 million to help elect state and local representatives who are sympathetic to rental housing industry issues. CAA political action committees rank in the top 5% of all business PACs in California, and over 92% of CAAPAC supported candidates won their races in 2012.

BUSINESS PAC COMPARISONS



CAA MADE THE DIFFERENCE

“CAA political action committee investments made the difference to ensure that candidates for public office, who are staunchly opposed to the property rights of our members, are not elected to the California Legislature.”

- **Carl Lambert, Lambert Investments**

*2012 Pre-election Fundraising reports



GOVERNOR JERRY BROWN

“The California Apartment Association is an effective organization that represents its members well.”

PROTECTING YOU AT THE STATE CAPITOL

“As a rental property owner myself, I know the challenges facing the industry. Without aggressive representation in Sacramento, our ability to continue providing quality rental housing would be greatly compromised. Make no mistake; advocacy and political action make the difference in protecting property owners from policies and regulations that could put us all out of business.”

-State Senator Roderick D. Wright (D), 25th Senate District

A SAMPLING OF RECENT CAA LEGISLATIVE VICTORIES:

SECURITY DEPOSITS

AB 1679

This CAA sponsored law allows landlords to deposit any remaining portion of a tenant's security deposit directly to a bank account. The law also allows landlords to provide a copy of the itemized security deposit statement via email.

“It might seem like a trivial change, but this will save our company thousands of dollars.”

- Jack Dickens, Equity Residential

SAN FRANCISCO RELOCATION

AB 1925

Because of this CAA-sponsored bill, California law now supersedes temporary relocation benefits for San Francisco tenants.

“This bill changes a draconian law in San Francisco. Instead of a relocation cost of \$5,500 per resident, we now have a more reasonable standard for owners. Most importantly, AB 1925 will help to ensure that property owners have the financial ability to make upgrades to their property.”

- Robert Link, President San Francisco Apartment Association



**LARGEST
ADVOCACY
TEAM**

“We rely on CAA to protect our interests in Sacramento, enabling us to serve our residents and generate a reasonable return for our investors”

- John Jones, President/CEO, Greystone Management Group

In 2012, California’s full-time legislature introduced over 4,750 bills, was in session more days than Congress, and employed 2,290 people (that’s 19 for every Senator and Assembly member.) There are more registered lobbyists in Sacramento than any other city except Washington D.C. – and CAA employs five of them, which is the largest multi-family advocacy team in all the states.

California’s rental housing providers also face a regulatory apparatus that includes over 20 agencies, controlling virtually all aspects of property management, real estate development, employment practices, utility rates, building codes, and environmental issues.

This law authorizes a landlord to prohibit the smoking of cigarettes or other tobacco products on the property, in any building, or any portion of the building, including any residential dwelling unit.

“This law keeps the decision about what works for specific rental housing properties in the hands of the owner.”

- Laura Khouri, President Western National

CAA defeated this extremely harmful bill that would have added tools to tenant attorneys in order to delay the eviction process.

“If AB 934 had become law, the cost and time to prosecute even a simple eviction would have been unimaginable.”

- Ted Kimball, Kimball, Tirey & St. John, LLP

If it weren’t for CAA’s efforts, AB 265 would have prevented evictions for non-payment of rent as long as the tenant paid rent at any time prior to the sheriff lock-out, including the owner’s attorney’s fees and costs (capped at \$350 prior to the date of trial.) The bill also would have relieved a tenant from all fees, even a minor late fee, if the tenant paid the rent prior to the time the rental property owner files the eviction action.

“This would have been a windfall for tenant delay services that brag about delaying rent payment for as long as 14 months, and would have resulted in higher security deposits, higher rents, and elimination of late payment grace periods for all renters.”

- Stephen Pahl, Pahl & McCay, PLC

TOBACCO SMOKE RENTAL HOUSING

SB 332

SUE YOUR LANDLORD LEGISLATION

AB 934

PAY RENT AS LATE AS YOU WANT

AB 265

REPRESENTING YOU BEFORE

“CAA has full-time lobbyists in every California city where we own and manage property. We depend on these professionals to watch-out for our interests, protect our rights, and defend us against unreasonable intrusions into our business.”

Mike Bissell, President, Sares-Regis Group

LOCAL GOVERNMENT

PROTECTING RENTAL HOUSING

City Councils, and other locally elected bodies, exert tremendous control over rental housing operations, regulating everything from rent control, to a large range of fees, to whether or not landscapers can use gas-powered leaf blowers (and if so, during what hours.)

CAA's management structure allows it to focus local resources on advocacy programs, rather than on administration and accounting. CAA has the largest team of professional rental housing advocates and lobbyists in the country, protecting every metropolitan area, and more than 88.6% of the rental units in the state.

CAA MEMBERSHIP

CAA local government efforts

have annually saved its members

hundreds of dollars per unit in fees,

taxes, and regulatory burdens.

PAYS FOR ITSELF

RENT CONTROL VICTORY

CAA LA stopped efforts by tenant advocates to further expand rent control laws.

\$64,000 PER UNIT TAX STOPPED

CAA Tri-County defeated a \$64,000 per unit tax on new apartment development in San Jose and Santa Clara.

INSPECTION FEES REDUCED

CAA South Coast worked with the City of Long Beach to rewrite the Residential MultiFamily Inspection Ordinance, greatly reducing the fees.

JUST CAUSE REPEALED

CAA Merced triumphed when a Just Cause Eviction ordinance was repealed by the Merced City Council.

LANDLORDS NOT LIABLE

CAA Tri-County ensured rental owners are not liable for underage drinking that takes place in a rental unit

SMOKE FREE STILL LANDLORD'S CHOICE

CAA South Coast and San Diego stopped efforts by smoke-free advocates to prohibit smoking in all multifamily communities.

DEVELOPMENT RIGHTS PROTECTED

CAA Tri-County protected a rental owner's right to redevelop or remove rental property from the market in Mountain View

RENTAL FEE REDUCED 30%

CAA Tri-County reduced the fee owners of rent controlled property in San Jose pay by nearly 30%

PROTECTING YOU IN THE COURTS

In California, tenant advocates are as active in the courts as they are at the legislature and in front of City Councils. CAA is in the courts too, and CAA's legal team monitors state and federal court decisions that impact landlord-tenant, environmental liability, property rights and labor relations law in California.

\$470K

CAA typically files four to five Amicus Briefs per year, and in the past four years has spent over \$470,000 defending member business interests. Here is a summary of some of our key victories:

SUMMARY OF KEY VICTORIES

TENANTS ASSOCIATION HAS NO FREEDOM OF SPEECH RIGHTS AT PRIVATE RESIDENTIAL RENTAL PROPERTY

GOLDEN GATEWAY CENTER V. GOLDEN GATEWAY TENANTS ASSN.

The California First District Court of Appeal agreed with CAA's brief when it found that the free speech clause of the California Constitution does not give a tenants' association the right to distribute its newsletter in a privately owned apartment complex because the complex is not freely open to the public.

RENTAL PROPERTY OWNERS MAY UTILIZE INCOME STANDARDS TO SCREEN APPLICANTS

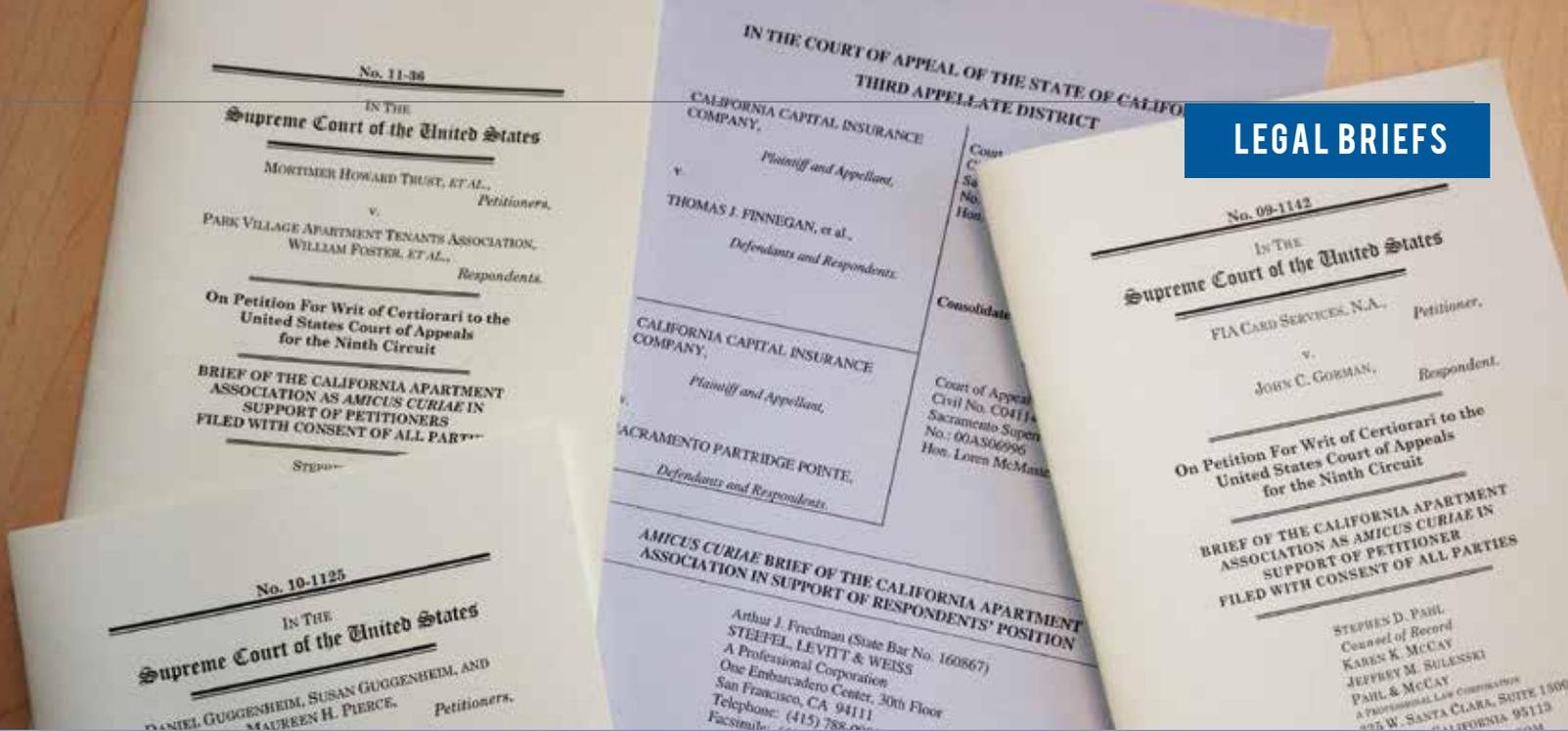
HARRIS V. CAPITAL GROWTH INVESTORS

The California Supreme Court affirmed CAA's position by upholding as nondiscriminatory the property owner's use of income indicators for screening purposes.

LOCALITY CANNOT IMPOSE RENT CONTROLS ON GRANNY UNITS

TRAVIS V. COUNTY OF SANTA CRUZ

This case challenged a zoning ordinance that prohibited owners from having a granny unit unless it was subject to certain rent limitations. After seven years, including two visits to the California Supreme Court, CAA was victorious when Santa Cruz County removed the offending provision from its ordinance and, agreed to pay attorney fee claims.



RENTAL HOUSING OWNERS ASSOCIATION OF SOUTHERN ALAMEDA COUNTY (RHOA) V. CITY OF HAYWARD

CAA and RHOA successfully challenged Hayward's inspection ordinance requirement that the property owner allow code enforcement officials into units without tenants' permission.

LANDLORDS DO NOT HAVE TO PROVIDE CITY INSPECTORS WITH ACCESS TO TENANTS' UNITS

SABI V. STERLING

The California Court of Appeal for the Second District confirmed what CAA had incorporated into California Law - rental property owners are not required to participate in the Federal Section 8 program.

RENTAL PROPERTY OWNERS DO NOT HAVE TO PARTICIPATE IN SECTION 8 VOUCHER PROGRAM

"CAA's legal Action Fund and its amicus brief program has effectively insured that the apartment industry's voice and positions have been heard in the Courts on California issues."

- Ben Lamson, Founding Partner, Bluestar Properties

INSURANCE



CAA Value Insurance Plan™ is a CAA owned insurance brokerage created to leverage the insurance buying power and loss control potential of our members.

CAA Value Insurance Plan™ is a multi-carrier program, accessible through CAA and a statewide network of insurance agents.

CAA Value Insurance Plan™ offers extremely competitive pricing on all lines of insurance including:

- **Workers' Compensation**
- **Personal Lines**
- **Renters' Insurance**
- **Property Manager Liability**
- **D & O**
- **E & O**
- **Commercial Property/Liability**
- **Tenant Liability**
- **Earthquake and Flood**

"In addition to saving our clients more than the cost of their membership, CAA's insurance program helps fund CAA's advocacy efforts."

- Mike Goldfarb, COO, Manco Abbott

FORMS

UPDATED
ANNUALLY

California and some California cities have legal and regulatory compliance requirements like nowhere else. CAA's Lease contracts and other forms are updated annually by a team of California attorneys, and they are the de facto landlord-tenant contracts recognized and upheld in courts throughout the state. No landlord using a current CAA lease contract or other form has ever lost a case because of a provision in the form.

CAA LEASE: THE CALIFORNIA LEGAL STANDARD

"Besides being the only standard lease document developed by California attorneys, we can download free copies, and paying a low, flat-rate per property for online forms saves us hundreds of dollars per year versus other options."

- Jim Reeder, Glenmoor Realty

MOVE-IN/MOVE-OUT ITEMIZED STATEMENT

Form fields include: (Name), Move in Inspection by Date, Initial Inspection by Date, Final Inspection by Date, St. #, City, State, Zip, Move out Date.

NOTICE OF RIGHT TO RECLAIM ABANDONED PERSONAL PROPERTY (Value \$700.00 or MORE)

LEASE AGREEMENT

AGREEMENT is made and entered into this _____ day of _____ (Month) _____ (Year) between _____ (Name of Owner/Agent) and _____ (Address and Telephone of Owner/Agent) "Resident."

RESIDENTS AGREE AS FOLLOWS:

UNIT: Subject to the terms and conditions of this Agreement, Owner rents to Resident and Resident rents from _____ (Street Address) _____ CA, _____ (City) _____ (Zip) Unit # (if applicable) _____

Rent is due in advance on the _____ day of each and every month, at \$ _____ per month, beginning on _____ payable to Owner/Agent at _____ (Address where payments should be delivered)

Payments made in person may be delivered to Owner/Agent between the hours of _____ and _____ on the following days of the week: _____ Monday Tuesday Wednesday Thursday Friday Saturday Sunday Other _____

Acceptable methods of payment: Personal Check Cashier's Check Money Order EFT/Credit (see Owner/Agent for details) and Cash

If it is paid after the _____ of the month, there will be a late charge of \$ _____ assessed. The part of this late fee is presumed to be the amount of damage sustained by late payment of rent. It would be impracticable to fix the actual damage. This sum represents a reasonable endeavor by the Owner/Agent to estimate compensation for any loss that may be sustained as a result of late payment of rent. Pursuant to California law, Resident passes a check on insufficient funds. Resident will be liable to Owner/Agent for the amount of the check and a service charge of \$ _____, not to exceed \$25 for the first check passed on insufficient funds, and \$35 for each subsequent check passed on insufficient funds. The Owner/Agent may refuse a personal check as the form of rent payment if a Three-Day Notice to Pay Rent or Quit is given to Owner notwithstanding any dates or other provisions to the contrary.

COMPLIANCE CHALLENGES

“We have one of the most comprehensive in-house training programs in the industry, but we rely on CAA for California-specific compliance information and guidance.”

- Brad Forester, President ConAm

SOLVED

California’s legislative, legal and regulatory environment creates unique and complicated compliance challenges for rental housing operators. CAA helps members operate legally, efficiently and profitably by providing white papers, publications, an online knowledge base, training and informational workshops.



You’ll be seeing green, not red, when you have *Managing Rental Housing* on your bookshelf. *Managing Rental Housing* is the premier publication on managing and owning rental property in California. It can help you successfully comply with California’s unique regulatory environment, often saving you weeks, if not months, and hundreds, if not thousands of dollars. Sample legal rental forms (specific to California) are provided in the book. Also included is a CD with the California laws applicable to the rental housing business. CAA also provides free access to annual MRH supplements, updated with changes to statute and applicable case law. In early 2013, *Managing Rental Housing* will be available online as an electronic publication.

THE INFORMATION YOU NEED

CAA offers the courses and webinars owners and managers need to operate efficiently and profitably while complying with California’s unique landlord-tenant, employment and environmental regulations. Professionally developed sessions are presented throughout the state on important operational topics, including annual state and local legal and legislative changes, and economic trends.

TRAINING YOUR WORKFORCE

CAA has developed the California Certified Residential Manager (CCRM) professional certification program, the only comprehensive rental housing management training program that combines sound operational training with compliance training on California’s unique laws and regulations. CCRM Professional Certification Courses can be taken individually or as a series.



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CAA Los Angeles

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 Los Angeles, CA 90004
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LARGEST RENTAL HOUSING TRADE ASSOCIATION

California's most successful property owners, management companies, developers, real estate investment trusts, and thousands of individual independent apartment owners belong to CAA, as do the state's leading supplier industry partners. With more than 17,000 members, representing more than 50,000 owners and industry professionals, CAA is the nation's largest statewide rental housing trade association. CAA is a powerful political force, and is the most respected voice for the multi-family industry in the state.

INDUSTRY LEADERS LEAD CAA



Have a Nice Place



WESTERN NATIONAL PROPERTY MANAGEMENT
A WESTERN NATIONAL GROUP COMPANY



“Now, more than ever, the California Apartment Association needs to be engaged on important real estate policy issues. Rent control, split-roll, inspection fees and other threats are real and could jeopardize property owners’ efforts to provide quality rental housing. Thanks to your Association, the industry is strong.”

- Connie Conway

34th Assembly District

Assembly Republican Leader

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