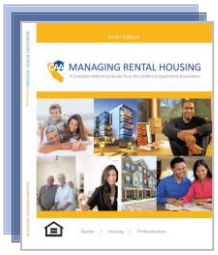


California Apartment Association's Managing Rental Housing Supplement

To Be Used with the Tenth Edition
New Laws for 2021-2024

Listed resources such as papers and forms can be found at **www.caanet.org**.
Member must be logged into CAA website in order to access.

Email Receipt Option for Screening Fee

Existing law requires a landlord or their agent to personally, or by mail, provide an applicant with a receipt for a screening and/or credit checking fees paid by the applicant, which itemizes the out-of-pocket expenses and time spent by the landlord or their agent to obtain and process the information about the applicant. Beginning January 1, 2024, the law also allows the landlord or their agent and the applicant to agree to have the landlord provide a copy of the receipt for the screening and/or credit checking fees paid by the applicant to an email account provided by the applicant.

Use of Credit History in Tenant Screening: Government Rent Subsidy Recipients

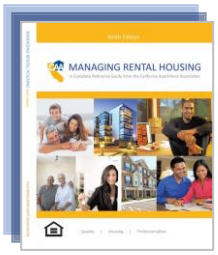
Effective January 1, 2024, California law prohibits landlords from using the credit history of an applicant who has a government rent subsidy (including, but not limited to, Section 8 vouchers) as part of the application process without the landlord offering the applicant the option, at the applicant's discretion, of providing "lawful, verifiable alternative evidence" of their reasonable ability to pay the portion of the rent to be paid by the applicant. This evidence can include, but is not limited to, government benefit payments, pay records, and bank statements. The law requires that if the applicant chooses to provide such alternative evidence of their reasonable ability to pay their portion of the rent, the landlord must: (i) provide the applicant "reasonable time to respond" with such alternative evidence; and (ii) "reasonably consider" such alternative evidence in lieu of the applicant's credit history in determining whether to offer the rental accommodation to the applicant.

Industry Insight: *Screening: Establishing Criteria – Developing Appropriate Screening Criteria*
Form CA-001: Application to Rent

Security Deposits

Beginning July 1, 2024, the law prohibits a landlord from demanding or receiving a security deposit in an amount or value in excess of an amount equal to one month's rent, regardless of whether the residential property is unfurnished or furnished. However, the law provides for a narrow exception to the one month's rent cap for "small" landlords, which permits the collection of a security deposit in an amount equal to two month's rent for either an unfurnished or furnished unit. The "small" landlord" exception applies only to a landlord who (1) is a natural person, qualifying family trust, or a limited liability corporation in which all members are natural persons, and (2) owns no more than 2 residential rental properties that collectively include no more than 4 dwelling units offered for rent. This "small" landlord exception does not apply, however, if a prospective tenant is a military service member, as defined under law.

Industry Insight: *Security Deposits: Collection and Return*



California Apartment Association's Managing Rental Housing Supplement

To Be Used with the Tenth Edition
New Laws for 2021-2024

Listed resources such as papers and forms can be found at **www.caanet.org**.
Member must be logged into CAA website in order to access.

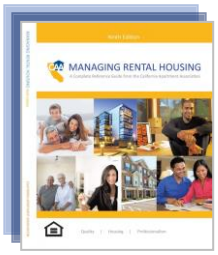
No-Fault Just Cause Termination of Tenancy under the Tenant Protection Act (AB 1482) and Additional Enforcement Provisions

The Tenant Protection Act (AB 1482) requires landlords to have "just cause" when terminating a protected tenancy. The law distinguishes between "at-fault" just cause and "no-fault" just cause. "No-fault" just causes include, but are not limited to: (i) the intent to occupy the residential real property by the owner or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents; (ii) withdrawal of the residential real property from the rental market; and (iii) the intent to demolish or to substantially remodel the residential real property. Beginning April 1, 2024, the law places new limits on these just causes.

With respect to terminating a tenancy based on the "no-fault" just cause related to an owner's intent to occupy the rental unit for themselves or for a qualifying relative has two new limitations. First, the types of owners who qualify to use the this just cause are limited to: (i) natural persons who have at least a 25-percent ownership interest in the property, (ii) natural persons who have less than 25-percent ownership, but 100-percent ownership is divided between family specified members, (iii) qualifying family trusts, and (iv) qualifying LLCs. Second, the intended occupant (i.e., the owner or their qualifying relative) must move into the residential real property within 90 days of the tenant vacating and occupy the residential real property for a minimum of 12 continuous months as their primary residence. Additionally, if the intended occupant fails to move into the subject property within 90 days or occupy the property for 12 consecutive months, the owner is required to offer the residential real property to the tenant who vacated at the same rent and lease terms that were in effect at the time the tenant vacated. Additional requirements for the notice of termination of tenancy related to these new limits also apply.

With respect to a termination of tenancy based on the "no-fault" just cause of substantially remodeling or demolishing a residential rental unit, the law requires the landlord to provide in the notice of termination specified information, including, a description of the substantial remodel to be completed, the approximate expected duration of the substantial remodel, or, if the property is to be demolished, the expected date by which the property will be demolished, together with a copy of permit(s) required to undertake the substantial remodel or demolition. Additionally, the notice of termination of tenancy must include a notification that if the tenant is interested in reoccupying the rental until following the substantial remodel, the tenant shall inform the owner of their interest in reoccupying the unit and provide the owner with their address, telephone number and email address.

In addition to the new limits on certain "just causes" as described above, the Tenant Protection Act (AB 1482) also prescribes new enforcement mechanisms, effective April 1, 2024, that impose specific penalties for violation of its rent cap and/or just cause provisions. With respect to the just cause provisions (including those described above), an owner who attempts to recover possession of a rental unit in material violation of the just cause provisions can be liable to a tenant in a civil action for actual damages, reasonable attorney's fees and costs, and if a court concludes that an owner acted willfully or fraudulently, it could impose damages in an amount of up to three times the actual damages. Additionally, the law authorizes the Attorney General and the city attorney or county counsel, in which the rental unit is located, to enforce the provisions of the Tenant Protection Act (AB 1482) by bringing an action seeking injunctive relief against the owner.



California Apartment Association's Managing Rental Housing Supplement

To Be Used with the Tenth Edition
New Laws for 2021-2024

Listed resources such as papers and forms can be found at **www.caanet.org**.
Member must be logged into CAA website in order to access.

With respect to violation of the rent cap provisions, the law subjects an owner who demands, accepts, receives, or retains any payment of rent in excess of the maximum rent increase allowed under the law to potential liability to the tenant in a civil action for injunctive relief, damages for the amount that exceeded the maximum allowable rent, and in the court's discretion, reasonable attorney's fees. Further, if a court concludes that an owner acted willfully or with oppression, fraud, or malice, the court could impose damages in an amount of up to three times the actual damages.

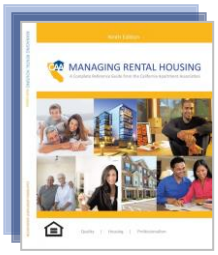
Industry Insight: *AB 1482: Questions and Answers*
Form CA-260: Notice of Termination of Tenancy Due to Owner Move-In (Properties Subject to AB 1482)

Costa-Hawkins: Comparable or Smaller Units for Individuals with Permanent Disabilities

The Costa-Hawkins Rental Housing Act generally places limits on the ability of local governments to enact the strictest forms of rent control, including by providing that landlords may, in most cases, reset the rent for a unit to market level upon unit turnover. This law, effective January 1, 2024, has been amended to allow a local government to require the owner of a residential real property that is subject a local rent control law to permit a tenant who has a permanent physical disability related to mobility to move to an available comparable or smaller unit, as defined, located on an accessible floor of the property so long as certain conditions are met.

The law requires an owner who grants a qualified tenant's request to move to an accessible unit to allow the tenant to retain their lease at the same rental rate and terms of the existing lease if the following apply:

- The move is determined to be necessary to reasonably accommodate the tenant's physical disability related to mobility after engaging in the required interactive process.
- There is no operational elevator that serves the floor of the tenant's current unit.
- The new unit is in the same building or on the same parcel with at least four other units and shares the same owner.
- The new unit does not require renovation to comply with applicable requirements of the Health and Safety Code.
- The applicable rent control board or authority determines that the owner will continue to receive a fair rate of return or offers an administrative procedure ensuring a fair rate of return for the new unit.
- The tenant is not subject to eviction for nonpayment of rent.



California Apartment Association's Managing Rental Housing Supplement

To Be Used with the Tenth Edition
New Laws for 2021-2024

Listed resources such as papers and forms can be found at **www.caanet.org**.
Member must be logged into CAA website in order to access.

Personal Micromobility Devices (Electric Bikes and Scooters)

A new law, effective January 1, 2024, provides that a landlord cannot prohibit a tenant from owning a "personal micromobility device" (such as an e-bike or scooter) or from storing and recharging in their rental unit up to one personal micromobility device per occupant of the unit, subject to certain conditions and exceptions. In order to be both stored and charged in the rental unit, each personal micromobility device must comply with the following safety standards:

- For e-bikes, UL 2849, the Standard for Electrical Systems for E-bikes, as recognized by the United States Consumer Product Safety Commission, or EN 15194, the European Standard for electrically powered assisted cycles (EPAC Bicycles).
- For e-scooters, UL 2272, the Standard for Electrical Systems for Personal E-Mobility Devices, as recognized by the United States Consumer Product Safety Commission, or EN 17128, the European Standard for personal light electric vehicles (PLEV).

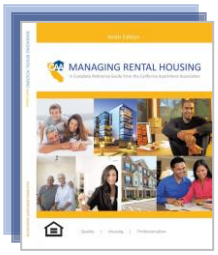
If the micromobilty device does not meet the safety standards above but is insured by the tenant under an insurance policy covering storage of the device within the tenant's unit, the landlord may prohibit the tenant from charging the device in the unit, but still must allow the tenant to store the device in the unit.

A landlord may prohibit the storage and charging of personal micromobility devices in a tenant's unit if the landlord provides "secure, long-term storage" for one personal micromobility device per occupant of the unit. "Secure, long term storage" means a location with all of the following characteristics: (1) access is limited to residents of the same housing complex; (2) it is located on the premises; (3) it is reasonably protected against precipitation; (4) it has a minimum of one standard electrical connection for each personal micromobility device that will be stored and recharged in that location; and (5) tenants are not charged for its use.

The law's restrictions on storage and charging of micromobility devices in a tenant's unit do not apply to circumstances in which an occupant of the unit requires the use of a personal micromobility device as an accommodation for a disability.

However, the law does not prohibit a landlord from doing any of the following:

- Prohibiting repair or maintenance on batteries and motors of personal micromobility devices within a dwelling unit. The tenant can, however, change a flat tire or adjusting the brakes on a personal micromobility device within the unit.
- Requiring a tenant to store a personal micromobility device in compliance with applicable fire code.
- Requiring a tenant to store a personal micromobility device in compliance with the Office of State Fire Marshal Information Bulletin 23-003 regarding lithium-ion battery safety, issued April 3, 2023, or any updated guidance issued by the Office of the State Fire Marshal regarding lithium-ion battery safety, if such bulletin or guidance is provided to the tenant by the landlord.



California Apartment Association's Managing Rental Housing Supplement

To Be Used with the Tenth Edition
New Laws for 2021-2024

Listed resources such as papers and forms can be found at **www.caanet.org**.
Member must be logged into CAA website in order to access.

Industry Insight: *Personal Micromobility Devices at Residential Rental Properties*
Form CA-102: Micromobility Device Storage Area Addendum
Form CA-162: Notice of Change of Terms of Tenancy (Personal Micromobility Devices)
Form CA-340: Personal Micromobility Device Information Request
Form CA-341: Lithium-Ion Battery Safety

Reusable Screening Reports

Beginning January 1, 2023, this law permits applicants for rental housing to purchase their own reusable credit reports and submit them to multiple landlords within a 30-day window when applying to lease an apartment or home. However, landlords are not required to accept such tenant-provided screening reports. The law provides that reusable screening reports are to include name, contact information, eviction history, employment, rental history, and last known address and permits landlords who wish to accept the reports to receive them from a third-party company that provides the service.

Sheriffs: Service of Process

Beginning on January 1, 2024, a marshal or sheriff is required to accept an electronically signed notice or other court document issued by a superior court in a civil action for service, regardless of whether the request for service contains an original "wet" signature.

Domestic Violence – New Affirmative Defenses and Partial Eviction of Perpetrator

Starting January 1, 2023, Civil Code 1174.27 provides victims of domestic violence with an affirmative defense to an unlawful detainer action based on a landlord's failure to comply with the law forbidding eviction or non-renewal of a tenancy based on domestic violence. The affirmative defense can take one of the two following forms (assuming the victim of domestic violence is not guilty of an unlawful detainer on other grounds):

(i) If the perpetrator of the domestic violence is NOT a tenant in the same dwelling unit as the victim, other household member, or immediate family member, then the law offers a complete defense for the victim to the unlawful detainer action so long as the victim does not invite the perpetrator back to the property.
(ii) If the perpetrator of the domestic violence is a tenant in the same dwelling unit as the victim, other household member, or immediate family member, then the court shall order a partial eviction of the perpetrator and allow the victim of domestic violence and other occupants not found guilty of unlawful detainer to remain in the dwelling unit.

A landlord will still be able to proceed with an eviction, even if the victim of domestic violence asserts one of the above affirmative defenses, if the perpetrator's words or actions have threatened the physical safety of the other tenants, guests, invitees or licensees, and the victim continues to voluntarily permit or consent to the perpetrator's presence on the premises after a 3-day notice that requires the victim not to do so.

If the court orders a partial eviction of the perpetrator, the court is required to do the following: (i) order the immediate removal of the perpetrator from the dwelling unit, (ii) order the landlord to change the locks and

provide the remaining occupants with the new key, and (iii) only hold the perpetrator and any other defendants found guilty of an unlawful detainer liable for holdover damages, court costs, and/or attorney's fees.

Further, if the court orders a partial eviction of the perpetrator, the court is permitted to do the following, while taking in account custody or visitation orders or arrangements and any other factors that may necessitate the temporary reentry of the perpetrator: (i) permanently bar the perpetrator from entering any portion of the residential premises, and (ii) order, as an express condition of the tenancy, that the remaining occupants shall not give permission to, or invite, the perpetrator to live in the dwelling unit.

Industry Insight: *Protections for Victims of Domestic Violence and Other Crimes*

Termination of Tenancy – Victims of Violent Crime

Effective January 1, 2021, the law allows residents to terminate their tenancy without penalty if they, an immediate family member, or household member are a victim of a violent crime or a crime causing emotional injury and the threat of physical injury. This is an expansion of the law that allows victims of domestic violence to terminate their tenancies. The law can be found at Civil Code Section 1946.7.

Industry Insight: *Protections for Victims of Domestic Violence and Other Crimes*
Form CA-250: Fourteen-Day Notice of Intent to Vacate-Domestic Violence and Special Circumstances

Credit Wage Garnishment: Prohibitions

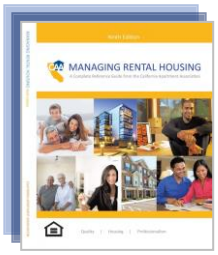
The maximum amount of wages subject to garnishment for employees against whom a judgment levy has been issued will be reduced starting September 1, 2023. Under the new law, the maximum rates of weekly garnishment shall be the lesser of: (i) 20% of the individual's disposable earnings for a week, or (ii) 40% of the amount by which the individual's disposable earnings exceed 48 times the state minimum hourly wage.

Industry Insight: *Enforcement of Judgments: Wage Garnishments (SB 1477)*

Pets: Affordable Housing

This law requires all low-income housing that is funded, in part or in whole on or after January 1, 2023, by the California Department of Housing and Community Development or the California Tax Credit Allocation Committee to allow residents to own a common household pet. Under the new law, a landlord may charge a refundable security deposit just as they have always been allowed to do under state law, but they cannot charge a separate pet fee or monthly pet charge.

Industry Insight: *Pets in Low-Income Housing*



California Apartment Association's Managing Rental Housing Supplement

To Be Used with the Tenth Edition
New Laws for 2021-2024

Listed resources such as papers and forms can be found at **www.caanet.org**.
Member must be logged into CAA website in order to access.

Restroom Access: Medical Conditions

As of January 1, 2023, a place of business that is open to the general public for the sale of goods and that has a toilet facility for its employees is required to allow any individual who is lawfully on the premises to use that toilet facility during normal business hours, even if the place of business does not normally make the employee toilet facility available to the general public, if:

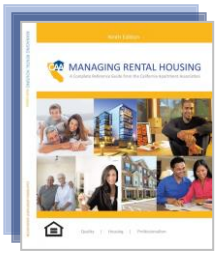
(i) The individual has an eligible medical condition or uses an ostomy device;
(ii) Three or more employees of the place of business are working onsite at the time that the individual requests use of the employee toilet facility;
(iii) The employee toilet facility is not located in an employee changing area or an area where providing access would create an obvious health or safety risk to the requesting individual or would create an obvious security risk to the place of business;
(iv) Use of the employee toilet facility would not create an obvious health or safety risk to the requesting individual; and
(v) A public restroom is not immediately accessible to the requesting individual.

If the place of business requires the requesting individual to present reasonable evidence that the individual has an eligible medical condition or uses an ostomy device, the individual may present a signed statement issued to the individual by a physician, nurse practitioner, or licensed physician assistant, on a form the Department of Public Health must develop containing specified information. Eligible medical conditions are Crohn's disease, ulcerative colitis, other inflammatory bowel disease, irritable bowel syndrome, or another medical condition that requires immediate access to a toilet facility.

Employment Discrimination: Use of Cannabis

Beginning January 1, 2024, state law protects workers, with limited exceptions, from any employment discrimination in hiring, termination, or any term or condition of employment if such prejudice is based on: (i) the person's use of cannabis off and away from work or (ii) a failed drug test that revealed nonpsychoactive cannabis metabolites in their hair, blood, urine, or bodily fluids. In other words, the new law will allow employers to take an adverse employment action against an employee only for impairment on the job or at the time of the drug screening, but may not do so only for testing positive for nonpsychoactive cannabis metabolites.

Additionally, effective January 1, 2024, it is unlawful for an employer to request information from an employee or an applicant for employment relating to the employee's or applicant's prior use of cannabis. The law also provides that if an employer obtains information about an employee or applicant's cannabis use through the employee or applicant's criminal history, the employer may not discrimination on the basis of that past use unless otherwise permitted by state or federal law.



California Apartment Association's Managing Rental Housing Supplement

To Be Used with the Tenth Edition
New Laws for 2021-2024

Listed resources such as papers and forms can be found at **www.caanet.org**.
Member must be logged into CAA website in order to access.

COVID-19 Exposure Notices

Through the end of 2023, California law requires employers to prominently display a notice of COVID-19 exposure in all places where notices to employees concerning workplace rules or regulations are usually placed. The notification must be posted within 1 day from the time that the employer receives a notice of potential exposure and must remain posted for no less than 15 calendar days, among other things.

Mandatory Mold Booklet: Information on Mold and Dampness for California Renters

Legislation enacted in 2001 (The Toxic Mold Protection Act) requires the state to create a mold information booklet for tenants. The booklet, "Information on Mold and Dampness for California Renters," was created 20 years later. Beginning January 1, 2022, this booklet must be provided to incoming residents, prior to entering into a rental agreement. While the booklet is not required for current tenants, CAA recommends providing the booklet to current tenants at renewal. The booklet has been incorporated into CAA's Rental/Lease Agreements effective December 1, 2021, and is also available at: *Information on Dampness and Mold for Renters in California Booklet*

Organic Waste Recycling Participation and Notification

A January 1, 2022, law requires all residential rental properties, including single family homes, to are required to subscribe and participate in their local jurisdiction's organics recycling service. Properties with five or more units have an option of self-hauling organic waste if allowed by the local jurisdiction. Properties with five or more units are also required to annually educate tenants about the requirements of the local organics recycling program. CAA has prepared an addendum and a notification form for compliance with this law. While it is not required for properties with four or fewer units, CAA recommends including it anyway – since the property and tenants still have to comply with the local organics recycling requirements.

Industry Insight: *California Multifamily Trash & Recycling Requirements*

Fair Housing Regulations

The California Fair Employment and Housing Council issued regulations effective January 1, 2022, that interpret California's fair housing laws with respect to source of income, discriminatory advertising, and reasonable modifications. The source of income provisions are largely focused on the California law that prohibits discrimination against Section 8 voucher holders and prohibits landlords from refusing to consider a Section 8 applicant. They also describe when you can inquire about an applicant's level or source of income; how and when to aggregate income for roommates and how to account for a government subsidy in screening tenants as it relates to applying a minimum income standard. Discriminatory advertising is defined as "written or oral statements or notices that express an illegal preference, such as discriminatory notices, statements, and advertisements that use words, phrases, photographs, illustrations, symbols or form that convey that housing is available or not available to a particular group of persons because of any protected basis under the law." One

example of something that would be illegal is an advertisement that states "No Section 8." And finally, the regulations cover requests for reasonable modifications made by residents of the property, including the confidentiality of information provided, how and when a request can be made, how to establish the necessity for a modification, and grounds for denial. For example, with limited exception, all information concerning an individual's disability, request for an accommodation or modification, or medical verification or information must be kept confidential and must not be shared with other persons who are not directly involved in the interactive process or decision making about the requested accommodation or modification.

Industry Insight: *Overview of the Section 8 Housing Choice Voucher Program*

Emotional Support Animal Sales and Documentation

Effective January 1, 2022, California law requires a person or business that sells or provides an emotional support dog to provide notice specifying that the dog does not have the special training required to be a guide, signal, or service dog. It also requires a person or business that sells or provides a certificate, tag, vest, leash, or harness for an emotional support dog to provide notice to the buyer that the material does not entitle an emotional support dog to the rights and privileges afforded to a guide, signal, or service dog. It also requires licensed health care practitioners to meet specific requirements prior to providing documentation of an individual's need for an emotional support animal. For information about a landlord's ability to verify a disability and the need for a support animal as an accommodation, and the types/sources of verification, including certificates obtained on the internet, see the paper linked below.

Industry Insight: *Service and Support Animals: Accommodating Persons with Disabilities*
Form CA-210: Support Animal Request and Documentation Packet

Document Translations – Guarantor

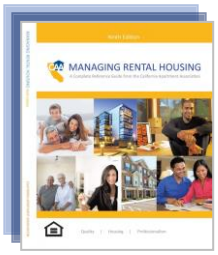
California law requires landlords who negotiate with a rental applicant or resident in Spanish, Chinese, Tagalog, Vietnamese, or Korean to provide the applicant or resident specific documents in the language spoken in the negotiation prior to signing the negotiated agreement. Effective January 1, 2021, landlords are required to provide a copy of the Agreement in the negotiating language to a prospective Guarantor. The law can be found at Civil Code Section 1632.

Industry Insight: *Foreign Language Rental Agreements and Leases*
Form CA-019: Guarantee of Rental Agreement

Pesticides Anticoagulants – Rat Poison

Effective January 1, 2021, the law prohibits – with limited exceptions - the use of second-generation anticoagulant rodenticides (SGARs). There is no exception for residential rental properties. The law can be found at Section 12978.7 of the Food and Agricultural Code.

Industry Insight: *Pesticides: Notifying Tenants When Spraying Pesticides.*



California Apartment Association's Managing Rental Housing Supplement

To Be Used with the Tenth Edition
New Laws for 2021-2024

Listed resources such as papers and forms can be found at **www.caanet.org**.
Member must be logged into CAA website in order to access.

CORRECTION TO MANGING RENTAL HOUSING GUIDE (Tenth Edition)

The first sentence of the first paragraph at the top of page 46 that starts: "If the person answers the first question with a "no," …" is incorrect and is replaced with the following:

If the person answers the first question with a "no," or the animal has not been trained to perform a disability-related task, the person is **not** entitled to have their service animal at the premises. (See *When a Request for Reasonable Accommodation or Reasonable Modification Can be Denied* earlier in this chapter for a discussion of the "direct threat" exception.)