

What's New in 2022

BayEast / R.E.A.L. – 1/20/2022
Livermore, California



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Key Developments in 2022

- **SB 9: Major Changes to Single Family Zoning.**
- **Disclosures: Additional Disclosure and Notice Required Regarding Objectivity of Appraisals.**
- **Disclosures: Broker Must Disclose Existence of Restrictive Covenants if Actually Known to Broker.**
- **LL/T: New Rules for "Certification" of Emotional Support Animals.**
- **LL/T: Continued Protections From Eviction and Rent Collection.**
- **And a bunch of other stuff.....**



SB 9 - Major Changes to Existing Single-Family Zoning

- **SB 9: The Biggest Two Changes to SFR Zoning Made in Recent History**
 - The "Lot-Split" Provision
 - The "Duplex" provision
 - Additional Units via Existing ADU Laws
 - Major Political Issues on Both Sides
 - Which I will NOT discuss!
 - Future of Bill Remains TBD.
 - No information online for Livermore.
 - See example memo for Alameda County.



SB 9: The "Lot-Split" Provision

- **Allows Homeowners to Split Existing Lot Into Two, Creating a New Lot of Equal Size**
 - **Requirements:**
 - **Must be Zoned SFR**
 - **Must be equal in size (60/40 or better)**
 - **Must be at least 1200 square feet each (subject to local rule)**
 - **Must be within an "Urban Cluster"**
 - **Must NOT be farmland or historic property**
 - **Must NOT Demolish Existing Rental or Affordable Housing**
 - **Must NOT be mass development**
 - **Must NOT have been previously split**
 - **3-Year owner occupancy requirement**



SB 9: The Duplex Provision

- **An Independent and Separate Provision of SB 9 Allows for the Construction of a Two-Unit Building (Duplex) on Any Existing (or Split) Single Family Lot**
- **Requirements**
 - **Basically, the same as for a lot split**
 - **Single-family zoning in urban cluster**
 - **Must NOT demolish affordable or rent controlled housing**
 - **Must NOT demolish more than 25% of existing structure, unless local exception granted OR property has not been occupied by a tenant in last three years**



Why Is SB 9 Important?

- If requirements are met, City/County has little room to deny the application for split or duplex
- Creates a new, independently alienable (sellable), lot
- New Lot can potentially be improved with up to four units
- With existing ADU laws, possibility for even more units on lot, though City/County no required to perm it ADUs
- More land and houses to sell means for opportunity for home ownership and **MORE VOLUME (\$\$\$\$\$\$)**!
- Many possible negative implications as well:
 - Crowding / Loss of "character"
 - Possible impact on City services



Landlord/Tenant: New Rules for Certification of Emotional Support Animals (ESAs)

- Designed to formalize the process of certifying ESAs but does not change the underlying state and federal law.
- LL must still allow ESAs and not factor presence of ESA in evaluating application.
- However, LL can now *possibly* require certification meet new standards:
 - Must have existing patient relationship for at least 30 days prior.
 - Must conduct a clinical evaluation of need for ESA.
 - Must be licensed.
 - *Query whether consistent with existing law.....*



Landlord/Tenant: LL Must Apply For Rent Relief Prior to Eviction or Rent Collection

- Eviction moratorium ended and as of October 1, 2021, LL may collect rent due / issue special 3-Day Notice.
- Protections remain for rent due between March 2020 and October 2021 (the COVID Rent period) and 15-Day notice / Declaration of Financial Impact still applies.
- If tenant submits declaration within 15-day period, cannot evict so long as 25% of unpaid COVID rent is paid (should have been paid by September 30).
- The balance of unpaid COVID rent now, as of November 1, 2021, may be collected by small claims action, without any limit to amount.
- However, the LL must affirm that he she or has first attempted to recover rent by applying for emergency rental assistance and that the application was denied, or that the tenant did not cooperate in the application.



Landlord/Tenant: COVID Rent Issues, Continued...

- Similarly, for rent due after October 1, 2021, though LL may evict, LL *must first apply for rent relief on behalf of tenant prior to evicting.*
- There is a complex series of DIFFERENT steps included in application which govern when notice can then be served, when an eviction can be filed and when it can be granted.
- Generally, may *commence* with eviction if application for assistance is denied or if tenant does not cooperate in process for 20 days.
- Look out!: Even though an eviction may commence after application pending for 20-days, an eviction may not necessarily be *completed* until a denial happens or tenant is found to be non-cooperative.
- Obligation to apply for assistance *does not apply to new tenancies*, arising after October 1, 2021.



Disclosure: Notice Regarding Objectivity of Appraisals

- New notice required as part of the TDS law.
- Text required by statute must be included in all contracts.
- Provides affirmation of existing law that appraisals not be influenced by factors such as race and ethnicity (objectivity).
- Failure to timely deliver creates a right of rescission.
- Also required for refinance of purchase money loan on residential properties (1-4 units).



Disclosure: Actual Knowledge of Restrictive Covenants

- Restrictive Covenants place restrictions in deeds or CC&Rs which limit ownership in a community, usually targeted at certain races and ethnicities.
- Have been illegal since outlawed by the US Supreme Court in 1948.
- If already illegal, why the law? Designed to mitigate the psychological impact on homebuyers who often see the covenants at or near closing.
- If Broker knows of the existence of such covenants in a community or property, must disclose the same prior to delivery of said documents.



And also...

- **Rent Control and Just Cause Extended to mobile homes, with few exceptions (unlike the massive SFR exemption).**
- **Major changes to partition action in the form of the Uniform Partition of Heirs Property Act, which allows co-tenants a right to buy-out the demanding co-tenant prior to partition.**
- **Extension to 2032 of the right use the Revocable Transfer on Death Deed.**
- **Changes and clarifications to the implementation of Proposition 19.**



QUESTIONS?



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