

BERKELEY RENT BOARD

Buying and Selling Rental Property in Berkeley

April 7, 2021

*Berkeley Rent Board Housing Counselors
Moni T. Law and Carla Orozco*

AGENDA

- Rent Control Basics
- Registration Requirements (fully covered and MM)
- Preparing to Sell a Property
- Considerations When Buying a Property
- Good Cause for Eviction
- Tenant Buyout Agreements
- Security Deposit Interest

CONSIDERATIONS WHEN PURCHASING

- Tenant Occupied?
- Lease Terms for the Tenant?
- Security Deposit Interest Owed? (annual)
- Penalties Owed to the Berkeley Rent Board?

DUTY TO PAY SECURITY DEPOSIT INTEREST

- The Berkeley Rent Stabilization Ordinance requires landlords to pay tenants interest on their security deposits while being held by the landlord.
- Property Owners use the Berkeley Bank Rate. Interest rate to be paid in December 2020 for deposits held November 1, 2019- October 31, 2020: 0.2%

Rent Control Basics in Berkeley

Rent Control and Eviction Protections

RENT CONTROL: FULLY COVERED UNITS

	MULTI-UNIT PROPERTIES BUILT BEFORE JUNE 1980	ROOMING HOUSES	SINGLE FAMILY HOMES WITH TENANTS WHO MOVED IN BEFORE 1996
Registration?	Yes	Yes	Yes
Rent Control?	Yes	Yes	Yes
Eviction Protections?	Yes	Yes	Yes
Security Deposit Interest?	Yes	Yes	Yes

RENT CONTROL: PARTIALLY COVERED UNITS

	SINGLE FAMILY HOMES RE-RENTED AFTER 1/1/96	MOST CONDOMINIUMS	NEW CONSTRUCTION (Regulation 510)
Registration?	YES: Measure MM	Yes: MM	Yes: MM
Rent Control?	No	No	No
Eviction Protections?	Yes	Yes	Yes
Security Deposit Interest?	Yes	Yes	Yes

RENT CONTROL: FULLY EXEMPT UNITS

	TENANT SHARES KITCHEN OR BATH WITH PROPERTY OWNER	“GOLDEN DUPLEX”	TENANCIES STARTED AFTER 11/7/18 WHERE ONE UNIT IS AN ADU & EITHER UNIT IS OWNER-OCCUPIED
Registration?	No	No	No
Rent Control?	No	No	No
Eviction Protections?	No	No	No
Security Deposit Interest?	No	No	No

REGISTRATION FOR FULLY COVERED UNITS

- Registration Fee is \$250 per unit for the 2020/2021 Fiscal Year
- File Initial Registration Statement if property never registered
- Submit Amended Registration Statement within 60 days of transfer
- Contact the Rent Board and inquire BEFORE you close
- Registration Fees and Penalties: Debt passes to new owner

NEW LAW: RENT BOARD REGISTRATION OF UNITS UNDER MEASURE MM

- The following units must be registered by April 15th if they are rented:
 - Single Family Homes
 - Condos
 - New Construction (Certificate of Occupancy post-1980)

PRIMARY EXEMPTIONS

- Owner occupied, maintained for owner's use only, or occupied rent free
- Section 8 or Shelter Plus tenancies

SINGLE FAMILY HOME/CONDO EXEMPTION

- IF rented for up to two years AND you:
 - Own no more than 1 residential unit in Berkeley;
 - Lived in the unit as your primary residence for at least 365 consecutive days immediately prior to rental;
 - Will reoccupy the unit as primary residence;
 - Specify rent term, not to exceed 24 months, in the lease

QUALIFIED ADUS ARE FULLY EXEMPT

- Not subject to rent control protections
- Not registered with the Board
- No Good Cause for eviction protections
- Does not receive security deposit interest
- Owner-occupied 2-unit properties with tenancy starting after 11/7/2018

SHOWING UNITS DURING COVID PANDEMIC

- What are the Rules? Check Public Health Director's Shelter-in- Place Orders on website: <https://www.cityofberkeley.info/covid19/>
- The City of Berkeley's Public Health Department is aligned with the State of California Industry Guidance found at:
<https://files.covid19.ca.gov/pdf/guidance-real-estate--en.pdf>

SERVE PROPER NOTICE

- California Civil Code 1954
- At least 24 Hours in Advance
- During Normal Business Hours
- For Purpose of Renting or Selling

EVICTION MORATORIUM

- State of Emergency declared at national, state, local levels in response to COVID-19 global pandemic
- City of Berkeley: COVID-19 Emergency Response Ordinance bans most evictions during local state of emergency
- State of California: COVID-19 Tenant Relief Act (AB 3088) and SB 91 prohibits landlords from evicting tenants due to COVID-19-related financial distress

LIMITATIONS ON EVICTIONS IN BERKELEY

During Eviction Moratorium

- Evictions are permitted in the following cases:
 - Ellis Act Evictions
 - Evictions that are necessary for the health and safety of residents (The health and safety exception cannot be the resident's actual or suspected COVID-19 illness or exposure)
 - Some instances of nonpayment of rent (AB 3088/SB91)

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WHEN EVICTION MORATORIUM ENDS: 12 GOOD CAUSES (sale of property NOT good cause)

- 1) Non-Payment of Rent
- 2) Violating a Material Term of the Lease
- 3) Willfully causing substantial damage and refusing to pay for repairs
- 4) Refusal to sign a substantially similar lease upon expiration
- 5) Disturbing peace and quiet of others
- 6) Refusal to allow access to show, inspect or repair after receiving 24 hr notice
- 7) Temporary Relocation for Substantial Repairs
- 8) Demolition Permit
- 9) Owner/Relative Move-In for self, spouse, parent or child
- 10) "Sabbatical Leave" allowing return to primary residence
- 11) Refused to vacate temporary housing offered after repairs completed
- 12) Tenant engages in unlawful activity on the premises

INCREASED RELOCATION PAYMENTS (13.76.130.A.9.g)

- Ellis and OMI Relocation Payments are now the same (1/1/2021):
 - \$16,341 in standard relocation
 - \$5,447 in additional relocation to certain tenants

ELIGIBILITY FOR ADDITIONAL \$5,447

- Low-income tenants
- Disabled tenants
- Elderly tenants
- Minor Children
- Tenants whose tenancy began prior to January 1, 1999

SCHOOL-YEAR PROTECTION FOR FAMILIES WITH CHILDREN (13.76.130.A.9.k)(OMI ONLY)

- Landlord may not recover possession of unit if:
 - Tenants in unit for 12 months or more with a minor child and
 - If effective date of termination falls within the school year (published on Berkeley Unified School District website)

TENANT BUYOUT AGREEMENTS: 5 REQUIREMENTS

- The right not to enter into a buyout agreement;
- The right to consult an attorney before signing;
- The right to rescind the agreement at any time up to 30 days after signing;
- The right to consult the Rent Stabilization Board; AND
- Mandatory language in the agreement to reflect these four rights.

ADDITIONAL BUYOUT REQUIREMENTS

- Give the tenant a copy of the agreement;
- File a copy of the fully executed agreement with the Rent Board between 31-60 days after signature; AND
- Complete the Mandatory “Buyout Agreement Disclosure Form” - keep copy at least five years after all parties sign

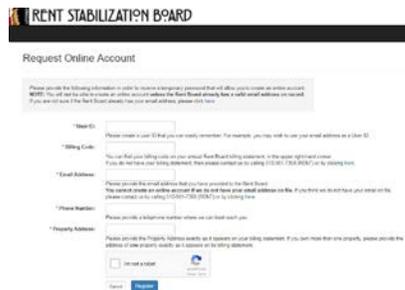
CITY'S RESIDENTIAL HOUSING SAFETY PROGRAM (RHSP) SCHEDULE A

- RHSP Registration Fee Annually, and Self-Certified Safety Checklist due by July 1 each year, copy to all tenants
- Includes decks, stairwells and balconies

https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Housing_Code_Enforcement/SCH-A20%20FORM%20-%20Fillable.pdf

ONLINE REGISTRATION IS NOW AVAILABLE

SET UP AN ACCOUNT TODAY



The screenshot shows the 'Request Online Account' form on the Rent Stabilization Board's website. The form includes fields for Name, Billing Code, Email Address, Phone Number, and Property Address. There are also checkboxes for 'I read a notice' and 'I am a tenant'.

Have an email on file with the Rent Board? \

REGISTER TENANCIES



From your kitchen table!

File vacancy registration forms or change unit status online from anywhere!

PAY REGISTRATION FEES



From the beach!

You can pay for one property at a time or multiple properties all at once!

Visit our website to find a link to Online Registration:

www.cityofberkeley.info/rent

VISIT OUR WEBSITE

cityofberkeley.info/rent

- ❑ Tenant Information
- ❑ Laws & Regulations
- ❑ Workshops & Seminars
- ❑ Mediation & Petition Forms
- ❑ Rent Board Commission Meetings

The screenshot shows the City of Berkeley Rent Stabilization Board website. The header includes navigation links for Home, Residents, Businesses, COVID-19, Services, and Elected Officials. The main content area is titled "RENT STABILIZATION BOARD" and provides contact information: 2125 Milvia Street, Berkeley, CA 94704; TEL: (510) 981-7368, TDD: (510) 981-6903, FAX: (510) 981-4910; Office Hours: M,Tu,Th,F 9 a.m. to 4:45 p.m., Wed 12 p.m. to 6:30 p.m.; Email: rent@cityofberkeley.info. A search bar is located in the top right. Below the header, there are six icons representing different services: Landlord Information, Tenant Information, Forms, Elected Rent Board, Laws & Regulations, and Data & Reports. The main content area features a section titled "WHAT IS RENT CONTROL? ... and How Does It Affect Me?" and a "HOW CAN WE HELP YOU?" section with several links: Know Your Rights & Responsibilities as a Landlord or Tenant, Register Your Residential Rental Unit, Check Your Unit's Rent Ceiling, Understand Lawful Rent Increases (including AGAs), Understand the Eviction Process in Berkeley, File a Petition and Understand the Hearings Process, Mediate Landlord-Tenant Issues, and Calculate Interest on Security Deposits. On the right side, there is a "IMPORTANT COVID-19 INFORMATION" section for Landlords & Tenants, a "Register Online" button, and an "Upcoming Meetings & Events" calendar for April 2021. The calendar shows dates from Sun to Sat, with the 1st, 2nd, and 3rd highlighted. Below the calendar, there are two meeting dates: April 7 @ 10am (Buying & Selling Rental Property in Berkeley Webinar (Virtual)) and April 14 @ 10am. A "Join Our Email Lists!" button is located at the bottom right of the calendar section. The left sidebar contains a "WELCOME" section with links to Home, About Us, Contact Us, and FAQ. Below that is a "WHAT'S NEW" section with links to Registration, AGA, Rent Board Services during COVID-19, Budget Info FY 2020-2021, New Laws & Regulations, Tenant Protection Ordinance, Bed Bug Notification, Green Lease Addendum, Security Deposit Interest, Tenant Buyout Ordinance, and My Rent Ceiling. The "POPULAR TOPICS" section includes links to Berkeley Rental News, Civil Grand Jury Report, Client Feedback Page, Data & Reports, Ellis Information, Events, Evictions, Fire Safety, Forms, Guide to Rent Control, Habitability & Repairs, Laws and Regulations, Mediation: Info and Forms, Moving In/Moving Out Guide, and Other Sources. The "QUICK LINKS" section includes links to 2021 Board Meetings, RSB Committee Meetings, Meet/Contact the Board, RSB Attendance Records, and Rent Board Email Lists.

510-981-7368 (RENT)
rent@cityofberkeley.info

JOIN OUR EMAIL LISTS

- Annual General Adjustment
- Billing & Registration
- Newsletters & Announcements
- Rent Board Agendas
- Rent Board Committee Agendas
- Workshops and Seminars for Property Owners
- Workshops and Seminars for Tenants



Join Our
Email Lists!

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COMPLETE AN EVALUATION



BERKELEY RENT BOARD

Berkeley Rent Board Events Evaluation

Please fill out this evaluation and return to us. Thank you!

Event Title: _____

Event Presenter: _____

Please rate the quality of the presentation.

1 2 3 4 5

Disappointing

Exceptional

COMMENTS:

Please rate the length of the presentation.

1 2 3 4 5

Disappointing

Exceptional

COMMENTS:

Did you learn what you expected from this event?

1 2 3 4 5

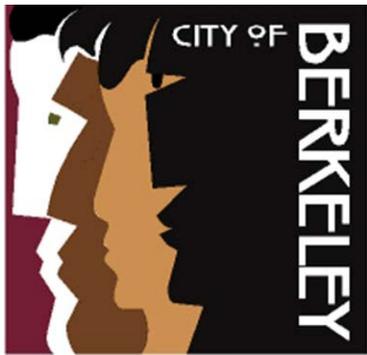
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QUESTIONS? CONTACT US!



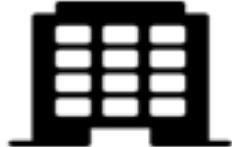
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