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Councilmember, District 4

CONSENT CALENDAR

MARCH 11, 2025

To: Honorable Mayor and Members of the City Council

From: Councilmembers Igor Tregub (Author) and Terry Taplin (Co-Sponsor)

Subject: Referral to 4 x 4 Committee: Removing On-Site Manager Exemption Loophole for Certain Multi-Family Properties that are Adjacent and/or Share the Same Common Area

**RECOMMENDATION**

Refer to the 4 x 4 Committee of the Berkeley City Council and Rent Stabilization Board a proposal related to the removal of an on-site manager exemption loophole, which is currently used by certain Berkeley properties to circumvent California Code Regulation, Title 25, Paragraph 42, for certain multi-family properties that are adjacent and/or share the same common area. If the recommended regulation is enacted, it is the intent of the referral to apply it to subject properties in a prospective manner that ensures that the rights of sitting tenants continue to be fully protected (i.e., a fully occupied property will not be required to rent to an on-site manager until at least one unit becomes vacant in accordance to all applicable state and local laws governing good cause eviction protections). The referral further requests that the 4 x 4 Committee discuss and provide recommendations as to:

- Any parameters that may limit the scope of this referral, including but not limited to situations in which one or more of the subject properties are owned by limited liability corporations (LLCs) and/or owners that own multiple other properties in Berkeley, California and/or beyond, with a total number of units or properties under ownership to be determined;
- Any exemptions to the on-site manager requirement for certain circumstances, such as for hardship of the property owner and/or LLC and/or other circumstances in which the interest of justice may supersede the public interest of this requirement;
- The enforcement mechanism and enforcing jurisdiction (i.e., City of Berkeley or Berkeley Rent Stabilization Board, with compensation by the City of Berkeley)

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that the City of Berkeley should employ in furtherance of the recommended regulation; and

- Any other provisions pertinent to the efficient, just, and fair administration of the recommended regulation.

## **CURRENT SITUATION AND ITS EFFECTS**

California Code Regulation, Title 25, Paragraph 42 (CCR 25 ¶42) includes the following requirements (germane language is emphasized in **bold**):

**“A manager, janitor, housekeeper, or other responsible person shall reside upon the premises and shall have charge of every apartment house in which there are 16 or more apartments**, and of every hotel in which there are 12 or more guest rooms, **in the event that the owner of an apartment house or hotel does not reside upon said premises**. Only one caretaker would be required for all structures under one ownership and on one contiguous parcel of land. **If the owner does not reside upon the premises of any apartment house in which there are more than four but less than 16 apartments, a notice stating the owner's name and address, or the name and address of the owner's agent in charge of the apartment house, shall be posted in a conspicuous place on the premises.**”<sup>1</sup>

Over the past several months, it has come to our attention that at several contiguous properties in Berkeley have, in total, over 16 apartments but fulfill neither the on-site “manager, janitor, housekeeper, or other responsible person” nor the “notice stating the owner’s name and address” requirement. The properties in question share an entrance, common area space, and required amenities such as garbage and recycling collection and appear to have been part of a single parcel that was, somewhere over the course of their operation as apartment buildings, subdivided into separate parcels such that, individually, the number of apartment units on each parcel numbered less than sixteen (“16”).

It is the intent of this referral to explore local pathways to close this loophole and ensure that the integrity of CCR 25 ¶42 is restored in the face of efforts to subdivide a parcel with contiguous multifamily rental properties or hotels that otherwise, based on the number of apartments or hotel rooms would be subject to the “on-site manager, housekeeper, or other responsible person” provision. While not specifically the subject of this item, in the intent of this item is to ¶reveal how, if at all, the “notice” section of CCR 25 ¶42 is being enforced for existing properties on a parcel that, in total, includes between four (“4”) and sixteen (“16”) units.

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[https://govt.westlaw.com/calregs/Document/I3F1C71434C8611ECB533000D3A7C4BC3?viewType=FullText&originContext=documenttoc&transitionType=CategoryPageItem&contextData=\(sc.Default\)&bhcp=1](https://govt.westlaw.com/calregs/Document/I3F1C71434C8611ECB533000D3A7C4BC3?viewType=FullText&originContext=documenttoc&transitionType=CategoryPageItem&contextData=(sc.Default)&bhcp=1)

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## **RATIONALE FOR RECOMMENDATION**

The lack of an on-site manager within contiguous properties have, in total, over 16 apartments but fulfill neither the on-site “manager, janitor, housekeeper, or other responsible person,” sometimes coupled with the nonexistence of a “notice stating the owner’s name and address,” in contravention to the spirit, if not the letter, of CCR 25 ¶42 has led to significant adverse impacts to the neighbors as well as the sitting occupants of the properties in question. These have included but not been limited to: poor or nonexistent garbage and/or recycling collection; slow or non-existent efforts on the part of the property owner and/or off-site manager to comply with “warranty of habitability” and/or health and safety requirements; and inability to effectively mitigate for noise violations. It is the intent of this recommendation to address a clear loophole in the state code that has been exploited by some property owners and LLCs to the detriment of the residents and neighbors of the subject properties.

## **FINANCIAL IMPLICATIONS**

Financial implications may include staff time associated with writing, reviewing, and, as necessary, enforcing the recommended language. It is the intent of this referral that discussion at the 4 x 4 Committee among members and staff from the City of Berkeley and Berkeley Rent Stabilization Board may be able to finetune these cost projections.

## **ENVIRONMENTAL SUSTAINABILITY**

Indirect environmental sustainability benefits may result from these items, particularly around improved enforcement of disaggregation between recyclable, non-recyclable, and compostable items within subject multifamily housing buildings that currently do not have an on-site manager but would be required to under language contemplated by this referral.

## **CONTACT PERSON**

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