



EXPEDITED CITY COUNCIL ACTION REQUEST

Department(s): Housing	Date: 8/6/2018	Coordination: City Attorney's Office and City Manager's Office	Dept. Approval: /s/ Jacky Morales-Ferrand
			CMO Approval:

SUBJECT: AB 2219 (Ting) Landlord-tenant: 3rd-party payments.

RECOMMENDED POSITION: Support

RECOMMENDED ACTION:

- (a) Pursuant to the City's streamlined bill process for responding quickly to legislative proposals, re-affirm a support position for AB 2219 (Ting) Landlord-tenant: 3rd-party payments.
- (b) Recommend a one-week turnaround to the City Council so that the City's legislative representative can continue to advocate the City's support position in for AB 2219.

BILL SYNOPSIS:

AB 2219, if passed, would require a landlord or the landlord's agent to allow a tenant to pay rent through a third party provided that the third party sign an acknowledgment to the landlord or landlord's agent acknowledging that the third party is not currently a tenant of the premises for which the rent payment is being made, and that the acceptance of the rent payment does not create a new tenancy with the third party. AB 2219 does not require a landlord or landlord's agent to enter into a contract in connection with a federal, state, or local housing assistance program.

The landlord or landlord's agent may require a signed acknowledgment for each rent payment made by the third party. A landlord or landlord's agent and the third party may agree that one acknowledgment shall be sufficient for when the third party makes more than one rent payment during a period of time.

The landlord or landlord's agent may, but is not required to, provide a form acknowledgment to be used by third parties. Failure by a third party to provide a signed acknowledgment to the landlord or landlord's agent shall void the obligation of a landlord or landlord's agent to accept a tenant's rent tendered by a third party.

AB 2219 does not diminish a landlord's or landlord's agent's legal right to terminate a tenancy. Nor is this bill intended to extend the due date for any rent payment or to require a landlord or landlord's agent to accept tender of rent beyond the due date.

IMPACTS TO CITY OF SAN JOSE:

Rent assistance programs providing third-party rent payments help lower-income tenants afford their rent and help prevent evictions for nonpayment, which often leads to homelessness. These programs may include ongoing rental assistance provided by mental health and social service agencies (if the program does not require a landlord contract or lease rider) and one-time payments of rent to help a tenant remain housed. Homelessness prevention programs generally do not provide funds directly to tenants; instead they typically arrange to make the payment directly to the landlord on behalf of the tenant. Some tenants may rely on less formal arrangements to ensure that their rent gets paid, such as a caretaker who manages the finances of a

disabled tenant, or a religious institution willing to pay accrued rent for a tenant who has fallen behind on payments.

The City of San José recently observed landlords refusing to accept third party payments. In 2017, landlords and landlord agents refused to accept third-party rent payments from agencies attempting to assist displaced victims of the Coyote Creek flood.

Having landlords in our market accept payments that benefit low-income and formerly homeless people is critical to preventing homelessness in our City. The passage of AB 2219 would help more vulnerable residents in San José find and keep housing in the private market.

POLICY ALIGNMENT:

These bills directly address one of the City's adopted 2018 Legislative Guiding Principles, which is to "Support legislation which ... protects the rights and housing opportunities for residents of areas undergoing development and at risk of displacement."

SUPPORTERS/OPPONENTS:

Support

Western Center on Law and Poverty (co-sponsor)
California Rural Legal Assistance Foundation (co-sponsor)
Disability Rights California
Los Angeles Homeless Services Authority (LAHSA)
San Diego County Apartment Association (Support after recent amendments)

Opposition

Apartment Association, California Southern Cities
Apartment Association of Orange County
East Bay Rental Housing Association
North Valley Property Owners Association
Western Manufactured Housing Communities Association (WMA)

STATUS OF BILLS:

AB 2219 has passed both the Senate and Assembly. The bill is currently in the Assembly, pending concurrence for a technical, non-substantive amendment made in the Senate.

FOR QUESTIONS CONTACT: Jacky Morales-Ferrand, Director of Housing, 408-535-3851