



# NATIONAL APARTMENT ASSOCIATION REGIONAL REPORT

REPORT FOCUS: LEGISLATIVE

OMNI SHOREHAM-DC

MARCH 2014

## REGION I

### *District of Columbia*

#### **Apartment & Office Building Association**

AOBA, the NAA affiliate in the nation's capital, represents the interests of multifamily owners/managers in Washington, DC, eleven localities in suburban Maryland and twelve localities in northern Virginia. Its government affairs team is active in the legislatures and with the Executive branches of all three jurisdictions, as well as before the local governments in the region.

The following is a brief summary of some of the major legislative issues currently being addressed in the legislatures and/or local governments in all of AOBA's jurisdictions:

- State and local budgets:
  - Real property-related tax increases
  - Business income and personal property tax increases
  - **Funding for New Transportation/Maintenance of Existing Infrastructure**
  - Expanding sales tax to capture various real estate-related services (e.g. property management, landscaping, pool maintenance)
  - Court fee and/or sheriff fee increases
  - Burden-shifting by States to localities (e.g. transportation, teacher pensions), creating pressure on them to raise revenues
  - Fees for inspections
  - Funding for affordable housing
  - Water and sewer rates
- Real property tax assessment and appeals— minimum/uniform standards for valuation; qualifications to serve on appeals boards; evidentiary rules for appeals; authorizing differential classes of property and rates
- Rent control
- Liability for:
  - Dog bites on premises
  - Injuries to trespassers
  - Smoking by tenants
- Breach of lease/writ of restitution/eviction issues
- Utility rates and regulation:
  - Infrastructure replacement/upgrade charges adopted by legislatures (to whom utilities are major campaign contributors) and bypassing Public Service Commission review
  - Renewable/alternative energy proposals to be funded by add-on charges to all customer accounts
  - Service quality and reliability standards for gas and electric companies
  - Undergrounding of utility lines in DC (recently debated)

- Building code requirements and enforcement, including proposed fire and life safety retrofits in existing buildings; mandatory annual balcony inspections; mandatory adoption of ICC model codes
- Anti-Discrimination/Human Rights:
  - Source of income as a prohibited basis for decisions in real estate transactions
  - Arrest or conviction record as a prohibited basis for decisions in real estate transactions or employment decisions
  - Credit report information as a prohibited basis for a negative employment decision by a prospective or current employer
  - Sexual orientation or gender identity as a prohibited basis for decisions in real estate and employment transactions
- **Extending consumer protection laws to rental housing matters**
- Stormwater management and fees
- Mandatory energy benchmarking and public reporting by multifamily buildings
- Rental housing security deposit issues

## **Pennsylvania**

<b>Pennsylvania East</b>
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### **Landlord Retaliation Proposal Would Tie the Hands of Responsible Property Managers:**

Pennsylvania State Representative Madeleine Dean (D-Montgomery County) introduced a proposal that would severely curtail rental owners' ability to manage dangerous situations with problem residents, and would expose owners to great liability and financial hardship. Dean's proposal is in the form of an amendment to HB 1218, which deals with the death of tenants.

Under Representative Dean's amendment, actions rental owners take to decline to renew a lease or to evict tenants would be presumed to be in retaliation against a resident for complaining to agencies or authorities about alleged property or lease violations. Any action an owner takes against a resident who has joined a lawful organization, such as a tenants' group, would also be presumed to be in retaliation for the tenant joining the group. The presumption of retaliation would prohibit owners from dealing with problem residents, and it creates unlimited possibilities for unscrupulous residents, who would be given free rein to purposefully damage the premises and then contact authorities to complain.

The Pennsylvania Apartment Association is working to table the bill and keep this retaliation proposal removed from consideration.

### **Carbon Monoxide Detectors:**

#### **Pennsylvania Governor Corbett signed Act Number 121 into law in December, 2013.**

The new CO alarm law requires residences, including multifamily dwellings with a fossil fuel burning heater, appliance, fire place or attached garage to have carbon monoxide alarms in the vicinity of the bedrooms and the heater fireplace or garage by June, 2015.

The Pennsylvania Apartment Association was a major stakeholder in the talks leading up to the final passage of the Act. Our efforts secured provisions that limit the CO alarm requirements to properties with fossil fuel burning apparatuses or attached garages. We also secured an expanded timeframe of 18 months for rental owners to comply with the Act's provisions. The original bill would have required immediate compliance. Our lobbying efforts also secured a provision requiring residents to keep the CO alarm in good repair, test the device, replace batteries as needed, replace lost or stolen devices and notify the owner in writing of any deficiencies pertaining to the alarm.

### **Property Taxes and Appeals of Property Tax Assessments:**

An ever increasing number of Pennsylvania multifamily owners are seeing their property taxes rise at alarming, unconscionable rates. School districts throughout the Commonwealth are escalating their practice of appealing the property tax assessments of apartment communities. The practice of appealing the assessments of particular

properties is known as “spot appeals”. School districts often target the larger properties such as apartment communities for appeals and bypass other properties in their districts.

The Pennsylvania Apartment Association has supported efforts in past sessions to limit the use of spot appeals by taxing entities such as school districts. A bill to limit spot appeals on the sale of the property had our support last session until an amendment was added that would allow such appeals if the taxing entity stood to gain over \$10,000 through the appeal. The amendment was intended to protect single family homeowners. But its effect would have put apartment properties squarely in the sights of taxing entities. The issue is affecting a significant number of PAA members and we are escalating our efforts this session to get an acceptable ban on the practice of spot appeals passed in to law.

## Pennsylvania Central

Carbon Monoxide Alarm Standard Act, Act 121-2013 (SB 607/PN 577)

**Signed by the Governor on December 18, 2013**, this law requires that all apartment units and multifamily dwellings that use fossil fuel-burning appliances or have an attached garage have a centrally located and approved carbon monoxide alarm near bedrooms and the fossil fuel-burning appliance. The law outlines landlords’ and tenants’ obligations with regard to the alarms. In general, landlords must make sure that the alarms are present and working at the beginning of the tenancy, and the tenants are responsible for upkeep, battery replacement, replacement of the alarm if lost, stolen, removed or broken during the tenancy, and notification to landlords if the alarm is not working. The Act became effective immediately, but gives landlords 18 months (until June 2015) to become compliant.

There are a numerous legislative bills pending but none are near a vote.

### First Quarter Successes

- Community Service - Our association once again partnered with Rebuilding Together, a non-profit organization working to preserve affordable homeownership and revitalize neighborhoods by providing home repair and modification services to those in need at no cost. This year's project is for our member-volunteers to make numerous home improvements to a grandmother's home so she can raise her grandchildren in a safe home environment.
- Education - Fourteen NALP candidates drove through ice and snow to attend this year's classes.
- Associate Member Programs - "Building Relationships through E-Marketing" in February and "Selling to the Industry" in March.
- Roundtables - We conducted a total of six Property Manager's Roundtables the first quarter.
- We hired our first Director of Membership and Education Programs.

## Virginia

### Virginia Apartment & Management Association

Even after much contention from city landlords and from representatives from local apartment the week of February 10<sup>th</sup> marked the procedural halfway point in the Virginia General Assembly. This “crossover” period is the deadline by which all measures must be approved in their chamber of origin, or else fail to move forward for the year. The 2014 session of the Virginia General Assembly has been marked with partisan turmoil over broad-reaching issues such as party control of the State Senate and Medicaid expansion. Intra-party disagreements have led many to speculate that session may be extended as late as June to resolve ongoing budget deliberations. In spite of the rancorous climate, however, VAMA continues to notch legislative victories on behalf of multifamily residential property owners and managers.

The purveying political angst and power transition in the State Senate have affected the legislative session in many ways, including a sharp reduction in the number of bills introduced (down this year to about 2,600 bills from around 3,500 in a typical 60-day legislative session). In spite of this reduced workload, the VAMA Legislative Committee is tracking more than 100 pieces of legislation this year. The Committee reviews every bill introduced to determine potential impact on the industry. The Committee further actively intervenes, advocating for the passage of favorable measures and opposing and working towards the defeat of those legislative proposals that would increase costs or expand regulatory burdens placed on housing providers. The Committee does so by

meeting and communicating with Delegates and Senators on issues of interest to the association, educating key members and staff, and providing testimony to enlighten the General Assembly with regard to the impacts of the legislative proposals before them. VAMA further maintains a full-time presence at the Capitol in the form of a dedicated lobbyist registered to represent the association.

This year, VAMA has further augmented its legislative program in a very significant way by engaging new members in the policy process. In the course of the 60-day session, several groups of VAMA members have visited the Capital and General Assembly Building. In addition to educating legislators with regard to specific pieces of legislation pending before their respective committees, they have spread the good work about our growing organization and the valuable service and economic impact our members provide to the Commonwealth. This helps to personalize the issues, demonstrate the strength and numbers behind our Legislative Committee and generally foster good will by building strong relationships for future interaction.

Through these efforts, VAMA has managed to rise above the partisan acrimony and advance several positive measures to save the commercial and multifamily real estate industries on their bottom lines and protect against harmful and onerous regulation and bureaucratic red tape. Among the highlights so far of this year's legislative session, VAMA has advanced legislation to eliminate the calculation of interest on security deposits, and allow the amendment of unlawful detainers to account for all rent due (not just the amount due at the time of filing). VAMA has also saved the industry millions through its efforts by working to ensure the defeat of measures that would have prohibited employers from inquiring with regard to criminal history on employment applications, added source of income and sexual orientation to the list of protected classes under fair housing law, substantially increased the number (by a factor of five) of accessible units that must be constructed in conjunction with multifamily construction projects, allow tenants to hold up a building's conversion to condominiums, created broad-reaching retrofit requirements for carbon monoxide detectors, allowed for regressive taxation of apartments that would not have been equally applied to owner-occupied properties, and created new legal hurdles for housing providers seeking to evict tenants.

## **REGION II**

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### **Massachusetts**

#### **Rental Housing Association of the Greater Boston Real Estate Board**

The Rental Housing Association of the Greater Boston Real Estate Board is working on several issues at the state and local level. The Commonwealth of Massachusetts is in the middle of a two year legislative cycle. Only one of two bills filed at the request of the RHA has had a public hearing-legislation dealing with bed bugs. The second bill to establish a rent escrow law is scheduled at the end of February. RHA hopes to revisit several laws pushed through in 2013 by the former Mayor of Boston during the last year of his term including a rental registration ordinance and a law to require energy benchmarking.

## **REGION III**

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### **Illinois**

#### **Chicagoland Apartment Association**

##### Legislative Activities

The CAA is actively educating members about, and pursuing legislative and regulatory changes to, local public policies including:

- Amendments to the RLTO to reverse strict liability for minor and/or unintentional violations of security deposit administration, leading to exorbitant penalties, fees and fines;
- Changes to the City of Chicago energy benchmarking ordinance to exempt residential properties;
- Changes to the affordable housing development requirements, in lieu of payment to the affordable housing development fund, and proposed increases in the mandated fund contribution;
- Chicago pension reform and potential adverse impact on property taxes;

- Educating Chicago members about the December 31, 2014 deadline for life safety examination requirements;
- Status of tenant evictions in Cook County;
- Clarify rules for processing Section 8 tenant applications.

The CAA has taken a position on a number of bills introduced in the Illinois General Assembly, including:

- HB 3702 (Ford) – concerning evictions, allows that evidence for criminal activity may be based on police reports, photos, and affidavits from neighbors and tenants – SUPPORT
- HB 4211 (Franks) – prohibits landlord from requiring tenant to pay rent by electronic means – NEUTRAL
- HB 4778 (Welch) – regulates how landlords charge application fees to prospective tenants, requires landlords to provide tenants information about the grounds for denial obtained from a third party, includes civil penalties up to \$200 plus attorney’s fees – OPPOSE
- SB 2829 (Link) – provides that in any successful appeal of a decision by a local unit of government, the court shall award plaintiff all reasonable costs including court costs and attorney’s fees, and if court finds the government was clearly erroneous, costs associated with the entire case dating back to the inception of the administrative proceeding are recoverable – SUPPORT

The CAA will conduct education sessions on the topics of Illinois’ new Conceal Carry Law (February 28<sup>th</sup>) and EPA Energy Benchmarking (March 19).

Announcements/Other Activities

The following major events are planned for 2014:

- April 8 – Annual Trade Show & Education Conference
- May 16 – Annual Golf Outing
- August – Business Exchange (date TBD)
- October – Annual Preview Forecast Breakfast (date TBD)
- November – Maintenance Mania (date TBD)

Miscellaneous

- Michael Mini was hired as new Executive Vice President as of January 1, 2014 replacing Judy Roettig who held the position for the past seventeen years.

**Indiana**

**Indiana Apartment Association**

IAA is driving legislation to address local registration and inspection programs which are serving as local revenue generators. Fees vary greatly across the state but one municipality in particular charges \$80 per unit annually and only conducts inspections after receiving a complaint. One IAA member pays more than \$20,000 to this community each year to effectively sit on a list. While the bill is still moving through the process, the language would allow municipalities to charge \$5 per property annually for a registration program. It also provides an opt-out provision from local inspection programs if a property is professionally managed and can provide written verification that the rental unit or rental unit community has met or exceeded standards for which it was inspected by certain third-parties within the previous 12 months (or longer if it has undergone a HUD REAC inspection). Municipalities with current programs as well as others who considering adopting such programs in the future are adamantly opposed to the legislation and have made it one of their top priorities for the legislative session.

The General Assembly also considered legislation allowing the largest county to adopt a local ordinance for police run fees. The legislation, as introduced, would have provided for a fee of up to \$100 for every run that resulted in a police report after a property had five police runs resulting in a report filed within the past 12 months. IAA was strongly opposed to the language and successfully lobbied to have it removed from the bill. Legislators replaced the language with a request that the issue be further discussed during the interim but the bill did not receive a hearing in the other chamber which effectively killed the topic for this session.

# Michigan

## **Property Management Association of Michigan**

LICENSING. Occupations; real estate; licensing requirements for residential property management offices operated by real estate brokers; clarify, and make general revisions. Amends secs. 2501, 2503 & 2505 of 1980 PA 299 (MCL 339.2501 et seq.). We believe we have found a Republican sponsor for the legislation, we are continuing negotiations on the legislator's sponsorship. He is also willing to sit down with MAR to see if we can hammer out some differences.

SERVICE OF PROCESS. (HB 4025) Civil procedure; evictions; court procedures; make miscellaneous revisions. Amends secs. 5732 & 5739 of 1961 PA 236 (MCL 600.5732 & 600.5739) & adds sec. 5736. A follow up was sent to SCAO about the letter sent to them in November. We were told that they were still working on the issue and would provide us the information upon completion.

BEDBUGS. The bill has been introduced (SB 657) Housing; landlord and tenants; allocation of responsibilities; provide for with respect to prevention and management of bed bug infestation. Amends title & sec. 1 of 1972 PA 348 (MCL 554.601) & adds secs. 1d, 1e, 1f & 1g. LAST ACTION: Assigned to Senate Regulatory Reform. We had a conference call with the Pest Management Association. From that conversation and the organization's expressed concerns, we revised the current version of the bill to remove the presumption language and account for bedbugs not yet hatched. We have provided these changes to the sponsor and the PMA.

MEDICAL MARIJUANA. This bill will be sponsored by Sen. Rick Jones and will focus on the prohibition of smoking and growing marijuana in multifamily housing. According to his chief of staff, they are still waiting for LSB to make a minor change to the bill. As soon as that change is completed, they will send us the bill prior to introduction.

### BILLS OF INTEREST

INSPECTIONS. SB 313 Housing; inspection; inspection fees, inspection intervals, registration fees, and local units subject to housing law; modify. Amends secs. 1, 125 & 126 of 1917 PA 167 (MCL 125.401 et seq.). As a follow up to last month's report. There has been a workgroup on this bill. It does look like they're exempting college towns from this; however, more testimony will be taken on this bill.

CONTINUING EDUCATION. SB 641. This bill was fasttracked through the Senate and is presently on second reading in the House. This bill would change the licensure renewal and relicensure requirements for real estate brokers, associate brokers and salespersons and would also repeal current continuing education requirements and implement new options for continuing education. Please see attached.

SQUATTING. HB 5069-5071. These bills were reported out of senate subcommittee on Jan. 15<sup>th</sup>. PMAM did not take a position on these bills.

BLIGHT. SB 35-39 These bills were signed into law and are Pas 188-192.

CREDIT CARD CHARGES. HB 4255; SB 240 Consumer credit; credit cards; surcharge on credit card purchases; prohibit. Amends sec. 3 of 1976 PA 331 (MCL 445.903). LAST ACTION: Introduced. The bill would amend Section 3 of the Michigan Consumer Protection Act to prohibit a business from imposing a surcharge on a consumer who elects to pay for goods or services by credit card rather than in cash, by check, by debit card, or similar means.

MARIJUANA. HB 4623. Controlled substances; marihuana; possession or use of 1 ounce or less of marihuana; decriminalize under certain circumstances. Amends secs. 7403 & 7404 of 1978 PA 368 (MCL 333.7403 & 333.7404). Please see I.(e)

REQUIREMENT TO RENT. HB 4513. We did speak to the sponsor's office about this bill and let them know that this was something that was already required by law. The office is willing to work with us on a compromise. We did put in a card of opposition on this bill.

STORAGE INSURANCE. HB 4485. Occupations; insurance; sale of insurance for self-service storage units; eliminate license requirement. Amends sec. 1202 of 1956 PA 218 (MCL 500.1202). Currently, LARA has considered those who are offering this type of insurance as unlicensed insurance producers and has halted storage facilities from offering this insurance without proper licensing. This bill would exempt this group from being licensed to offer this service. If properties are involved in offering insurance for storage facilities, this would likely affect them.

MISCELLANEOUS

FORLINI APARTMENT PACKAGE. There is a delay on the introduction of this bill package due to a staffing change.

**Ohio**

**Columbus Apartment Association**

Outlined below are bills that we followed for the Ohio Apartment Association in the 130th General Assembly.

Current priority bills

HB 5: MUNICIPAL CORPORATIONS INCOME TAXES (Grossman, Henne)

11/19/2013 - Referred to Committee Senate Finance

HB 9: RECEIVER'S POWERS (Stautberg)

12/11/2013 - Consideration of Senate Amendments; Did Not Concur Vote 0-94

HB 297: DOMESTIC VIOLENCE VICTIMS (Gonzales, Driehaus)

11/13/2013 - House Judiciary, (First Hearing)

HB 371: CONDOMINIUM LAW(Grossman, Perales)

2/12/2014 - House Financial Institutions, Housing and Urban Development, (Third Hearing)

HB 382: MOTOR VEHICLE NONCONSENSUAL TOWING PENALTIES- PROCEDURES(Duffey, Bishoff)

Current Status: 2/26/2014 - SUBSTITUTE ACCEPTED, REPORTED OUT, House Commerce, Labor and Technology, (Fifth Hearing)

HB 422: TENNANT-MANUFACTURED HOME PARK RESIDENT-PUBLIC UTILITY SERVICE(Foley, Blair)

02/11/2014 Referred to Public Utilities Committee

SB 16: ABANDONED LAND (Schiavoni)

1/15/2014 - House Judiciary, (First Hearing)

SB 22: PROPERTY REMEDIATION-METHAMPHETAMINE LABS (LaRose, Beagle)

3/6/2013 - Senate Medicaid, Health and Human Services, (First Hearing)

New bills since 1.30.2014

HB 422: TENNANT-MANUFACTURED HOME PARK RESIDENT-PUBLIC UTILITY SERVICE(Foley, Blair)-To create requirements regarding the measurement and billing of tenant and manufactured home park resident public utility service.

**Full Tracking List**

House

HB 5: MUNICIPAL CORPORATIONS INCOME TAXES (Grossman, Henne) - To revise the laws governing income taxes imposed by municipal corporations.

Current Status: 11/19/2013 - Referred to Committee Senate Finance

HB 7: GAMBLING LAW (Huffman, M) - To permit the Bureau of Criminal Identification and Investigation to investigate criminal activity related to the Gambling Law, to make changes related to schemes of chance, and to require certifications related to the conduct of a sweepstakes with the use of a sweepstakes terminal device.

Current Status: 6/4/2013 - SIGNED BY GOVERNOR

HB 9: RECEIVER'S POWERS (Stautberg, P) - To add to and clarify the powers of a receiver and to provide a procedure for a receiver's sale of real property.

Current Status: 12/11/2013 - Consideration of Senate Amendments; Did Not Concur Vote 0-94

HB 31: RESIDENTIAL FIREARM STORAGE-ACCESSIBILITY (Patmon, B) - To prohibit any person from storing or leaving a firearm in the person's residence unless the firearm is secured in safe storage or rendered inoperable by a tamper-resistant lock or other safety device if the person knows or reasonably should know that a minor is able to gain access to the firearm and to provide criminal penalties if a minor gains unauthorized access to a firearm not so stored or rendered inoperable.

Current Status: 12/10/2013 - House State and Local Government, (Third Hearing)

HB 46: SMALL CLAIMS DIVISION-TAX APPEALS BOARD (Amstutz, R) - To create a small claims division of the Ohio Board of Tax Appeals, to allow for parties to file a notice of appeal to the Board by facsimile or electronic transmission using electronic mail, to require the Board to establish a case management schedule for appeals, and to authorize the Tax Commissioner to expedite and issue a final determination for residential property value appeals with written consent of the parties.

Current Status: 02/13/2013 Referred to Ways and Means Committee

HB 59: BIENNIAL BUDGET (Amstutz, R) - To make operating appropriations for the biennium beginning July 1, 2013, and ending June 30, 2015; to provide authorization and conditions for the operation of state programs.

Current Status: 6/30/2013 - SIGNED BY GOVERNOR

HB 82: OHIO'S CIVIL RIGHTS LAW EXEMPTION (Hayes, Blair) - To exempt religious corporations, associations, educational institutions, or societies from the definition of "employer" for the purpose of Ohio's Civil Rights law.

Current Status: 3/6/2013 - House Judiciary, (First Hearing)

HB 138: TAX APPEALS BOARD LAW CHANGES (McClain, Letson) - To make changes to the law governing the Board of Tax Appeals, including authorizing a small claims division within the Board, requiring the Board to institute measures to manage certain appeals, requiring the Board to receive notices of appeal and statutory transcripts electronically, providing pleading standards for appeals to the Board, granting the Board authority to grant summary judgments and consider motions, vesting hearing examiners with the authority to determine credibility of witnesses and issue statements of fact and conclusions of law separately, and authorizing the Board to require parties to engage in mediation, and to authorize the Tax Commissioner to expedite and issue a final determination for residential property value appeals with written consent of the parties.

Current Status: 7/11/2013 - SIGNED BY GOVERNOR; Eff. 10/11/2013; Some Provisions Other Dates

HB 151: RIGHT TO WORK-PRIVATE EMPLOYERS (ROEGNER K) To prohibit any requirement that employees of private employers join or pay dues to any employee organization and to establish civil and criminal penalties against employers who violate that prohibition.

Current Status: 6/4/2013 - House Manufacturing and Workforce Development, (First Hearing)

HB 163: OHIO CIVIL RIGHTS LAW EXPANSION (McGregor, Antonio) - To prohibit discrimination on the basis of sexual orientation or gender identity, to create an exception for unlawful discriminatory practices concerning admission to or membership in certain religious organizations, to add mediation to the list of informal methods by which the Ohio Civil Rights Commission must attempt to induce compliance with Ohio's Civil Rights Law before instituting a public hearing.

Current Status: 5/22/2013 - House Commerce, Labor and Technology, (First Hearing)

\*SB 125 companion bill

HB 198: TAX INCREMENT FINANCING (BUTLER, JR. J, BURKLEY T) To establish a procedure by which political subdivisions proposing a tax increment financing (TIF) incentive district are required to provide notice to the record owner of each parcel within the proposed incentive district before adopting the TIF resolution, and to permit such owners to exclude their parcels from the incentive district by submitting a written response.

Current Status: 06/25/2013 House State and Local Government, (First Hearing)

HB 223: RESIDENTIAL FORECLOSURE ACTIONS (Grossman, Curtin) - To expedite the foreclosure and transfer of unoccupied, blighted parcels and certain abandoned properties and to make other changes relative to residential foreclosure actions.

Current Status: 2/25/2014 - REPORTED OUT AS AMENDED, House Financial Institutions, Housing and Urban Development, (Sixth Hearing)

HB 289: JOINT ECONOMIC DEVELOPMENT ZONE-DISTRICT (Schuring, K) - To require subdivisions to obtain written approval from owners and lessees of real property located within a proposed or existing joint economic development zone (JEDZ) or joint economic development district (JEDD) before approving, amending, or renewing the JEDZ or JEDD contract, to require that income tax revenue derived from a JEDZ or JEDD approved, amended, or renewed after the bill's effective date be used to carry out the JEDZ or JEDD economic development plan before being used for other purposes, and to institute contiguity requirements for which subdivisions may create a JEDZ or JEDD.

Current Status: 2/26/2014 - PASSED BY HOUSE; Vote 83-7

HB 297: DOMESTIC VIOLENCE VICTIMS(Gonzales, Driehaus)-To allow an employee who is a victim of domestic violence to take unpaid leave for purposes relating to the incident of domestic violence; to allow an employee who is a victim of domestic violence to file a civil action against that employee's employer if the employer terminates the employee's employment as a result of the employee taking unpaid leave for purposes relating to the incident of domestic violence; to allow a tenant who is a victim of domestic violence to terminate a rental agreement or have the tenant's name removed from the rental agreement under certain circumstances; to require a landlord of a tenant who is a victim of domestic violence or menacing by stalking to change the lock to the dwelling unit where the tenant resides under certain circumstances; to require a metropolitan housing authority to transfer a tenant who is a victim of domestic violence or menacing by stalking if the tenant requests such a transfer and provides the metropolitan housing authority with certain specified information; and to prohibit a county, municipal corporation, township, or law enforcement agency of such a political subdivision from charging any victim of domestic violence a fee for assisting the victim.

Current Status: 11/13/2013 - House Judiciary, (First Hearing)

HB 299: PROPERTY VALUATION COMPLAINTS(Grossman, C)-To require counties, municipal corporations, townships, and school boards that file complaints against the valuation of property they do not own to pass a resolution approving the complaint and specifying the compensation paid to any person retained to represent the county, municipal corporation, township, or school board in the matter of the complaint.

Current Status: 1/14/2014 - House State and Local Government, (First Hearing)

HB 333: CIVIL ACTION REQUIREMENT(Stinziano, M)-To require an alleged aggrieved party to provide a notice of an alleged accessibility law violation in advance of filing a civil action and to declare an emergency.

Current Status: 1/22/2014 - House Judiciary, (Third Hearing)

HB 368: SMART METERS-PUBLIC UTILITY CUSTOMERS RIGHTS(Lynch, M)-To establish rights for public utility customers regarding smart meters installed on their premises.

Current Status: 1/22/2014 - House Public Utilities, (First Hearing)

HB 371: CONDOMINIUM LAW(Grossman, Perales)-To require certain unit owners association managers to hold a real estate broker's license, to make changes to the board meetings, record retention, and budget procedure requirements of the Condominium Law, and to establish a registry of condominium developments and the Ohio Condominium Dispute Resolution Commission.

Current Status: 02/12/2014 House Financial Institutions, Housing and Urban Development, (Third Hearing)

HB 382: MOTOR VEHICLE NONCONSENSUAL TOWING PENALTIES-PROCEDURES(Duffey, Bishoff)-To revise the procedures and penalties governing the nonconsensual towing of motor vehicles and to require the Public Utilities Commission to adopt certain rules regarding a for-hire motor carrier engaged in the towing of motor vehicles.

Current Status: 2/26/2014 - SUBSTITUTE BILL ACCEPTED & REPORTED OUT, House Commerce, Labor and Technology, (Fifth Hearing)

HB 422: TENANT-MANUFACTURED HOME PARK RESIDENT-PUBLIC UTILITY SERVICE(Foley, Blair)-To create requirements regarding the measurement and billing of tenant and manufactured home park resident public utility service.

Current Status: 02/11/2014 Referred to Public Utilities Committee

## Senate

SB 14: UNEMPLOYMENT COMPENSATION LAW (Kearney, E) - To authorize programs and tax credits to encourage the hiring of unemployed individuals, to make changes to the Unemployment Compensation Law, to authorize grants and tax credits for the rehabilitation of distressed areas and the expansion of broadband connections to rural areas, to create a revolving loan fund and a bonding program for small businesses, to make changes to the Minority Business Bonding Program, to levy taxes, and to make an appropriation.

Current Status: 9/24/2013 - Senate Finance, (First Hearing)

SB 16: ABANDONED LAND (Schiavoni, J) - To provide that a person is not criminally or civilly liable for trespassing on certain abandoned land or similar places of public amusement if the person enters or remains on the land or place of public amusement to remediate it and knows or has reasonable cause to believe that the land or place of public amusement is in one of those categories; to provide the property owner with immunity from liability to a person who enters or remains on the land or place of public amusement in those circumstances subject to the statute governing liability to trespassers; and to provide that a person who enters or remains on the land or place of public amusement in those circumstances is not entitled to any reimbursement for any cost of the remediation unless agreed to by the property owner.

Current Status: 1/15/2014 - House Judiciary, (First Hearing)

SB 22: PROPERTY REMEDIATION-METHAMPHETAMINE LABS (LaRose, Beagle) - To provide for the remediation of real property on which an illegal methamphetamine manufacturing laboratory has been discovered.

Current Status: 3/6/2013 - Senate Medicaid, Health and Human Services, (First Hearing)

SB 29: INCOME TAX REFUND-JUDGMENT DEBTOR TENANT (Schaffer, T) - To enable a judgment creditor landlord to obtain a court order directing the Tax Commissioner to pay the judgment debtor tenant's income tax refund to the landlord.

Current Status: 2/27/2013 - Senate Ways and Means, (First Hearing)

SB 41: SIDEWALKS AND PATHS (Gardner, R) - To authorize municipal corporations to establish districts and impose special assessments for the installation, maintenance, and improvement of sidewalks and paths.

Current Status: 2/20/2013 - Referred to Committee Senate Public Safety, Local Government and Veterans Affairs

SB 51: FLAG DISPLAYS (Coley, W) - To prohibit manufactured homes park operators, condominium associations, neighborhood associations, and landlords from restricting the display of blue star banners, gold star banners, and other service flags, and to prohibit manufactured homes park operators and landlords from restricting the display of the United States flag.

Current Status: 3/13/2013 - Senate Public Safety, Local Government and Veterans Affairs, (First Hearing)

SB 52: PROPERTY TAX COMPLAINTS (Coley, W) - To permit property tax complaints to be initiated only by the property owner.

Current Status: 6/18/2013 - Senate Ways and Means, (Fourth Hearing)

SB 125: OHIO CIVIL RIGHTS LAW EXPANSION (LaRose, Skindell) - To prohibit discrimination on the basis of sexual orientation or gender identity, to create an exception for unlawful discriminatory practices concerning admission to or membership in certain religious organizations, to add mediation to the list of informal methods by which the Ohio Civil Rights Commission must attempt to induce compliance with Ohio's Civil Rights Law before instituting a public hearing.

Current Status: 6/26/2013 - Referred to Committee Senate Civil Justice

\*HB 163 companion bill

SB 138: BED BUG-LICE INFESTATIONS (Tavares, C) - To require that employees in certain health care and other facilities be notified of bed bug or lice infestations.

Current Status: 05/29/2013 Referred to Medicaid, Health and Human Services Committee

SB 162: SCHOOLS-CARBON MONOXIDE DETECTORS (Hughes, J) - To require the State Fire Marshal and the Board of Building Standards to include in the State Fire Code and Ohio Building Code, respectively, a requirement that a public or private school must install carbon monoxide detectors within each building of the school.

Current Status: 11/6/2013 - Senate Public Safety, Local Government and Veterans Affairs, (Second Hearing)

SB 172: LAND REUTILIZATION-PROPERTY TAX FORECLOSURE LAWS (Patton, T) - To modify the laws governing land reutilization programs and property tax foreclosures.

Current Status: 2/25/2014 - REPORTED OUT AS AMENDED, House Financial Institutions, Housing and Urban Development, (Fourth Hearing)

SB 181: SMART METER INSTALLATION (Jordan, K) - To require electric distribution utilities to obtain a customer's consent prior to installing a smart meter on the customer's property

Current Status: 9/26/2013 - Referred to Committee Senate Public Utilities

SB 191: LANDLORD-FORECLOSURE ACTION NOTIFICATION (Tavares, C) - To require a landlord who has been served with notice of a foreclosure action to disclose to a prospective tenant of the property subject to that action of the action and to terminate the provisions of this act on January 1, 2018.

Current Status: 09/26/2013 Referred to Civil Justice Committee

SB 247: INCOME TAX CREDIT-RESIDENTIAL LANDLORDS(Kearney, E)-To authorize an income tax credit for residential landlords who improve a rental unit's energy efficiency.

Current Status: 1/8/2014 - Referred to Committee Senate Ways and Means

SCR 18: OHIO HARDEST HIT FUND (SCHIAVONI J) To urge the United States Department of the Treasury to allow the use of up to twenty-five per cent of the funds in the Ohio Hardest Hit Fund for demolition of vacant property.

Current Status: 9/26/2013 - Referred to Committee Senate Finance

## Wisconsin

### **Apartment Owners & Managers Association of Milwaukee**

AOMA has a new favorable landlord/tenant law in the state of Wisconsin which goes into effect March 1, 2014. In addition, a coalition was developed to ensure that maintenance personnel to continue do minor electrical work within their buildings which will save owners and managers thousands of dollars to their apartment communities. We held our 3<sup>rd</sup> Annual Maintenance Mania competition on February 18, 2014 and had another record turnout of competitors and spectators.

## **REGION IV**

## Georgia

### **Atlanta and Georgia Apartment Associations**

**The Georgia Apartment Association is currently monitoring the following issues:**

#### **Water Billing Methodology**

Several local water providers are misapplying conservation tier pricing structures in a manner that places apartment properties in the highest tier of commercial rates. The end result is that apartment residents are charged disproportionately more for water than are single family residents. The industry has worked with the Atlanta Regional Commission on guidance language clarifying that conservation tier pricing is intended for single family and if applied to multifamily should recognize the number of households served by the master meter.

#### **Landowner's Duty to Trespass**

A coalition of landowners will propose legislation to codify a landowner's duty to all who come on their land. Current law defines these obligations to invitees and licensees, but leaves duties to trespassers up to case law. The bill seeks to ensure that any duty to a trespasser is clearly defined.

#### **Comprehensive Revisions of Ad Valorem Taxes**

A bill has been introduced that provides a variety of administrative changes to the current ad valorem tax system. For example, it lowers the threshold from \$1 million down to \$750,000 for non-homesteaded property owners to appeal to an outside appraiser to determine value and a large number of other changes.

**The Atlanta Apartment Association is currently monitoring the following issues:**

**Code Updates**

Apartment Association members and staff are actively involved with various code update task forces and committees including those to update the International Property Maintenance Code, International Building Code, Accessibility Guidelines, Fire Code, and local building codes.

**Redevelopment Incentives**

One topic that comes up in almost all jurisdictions is how municipalities can incentivize redevelopment of older apartment communities. With that in mind AAA members have developed a “tool box” of incentive recommendations that local officials can use when implementing redevelopment strategies. We are hopeful that it will serve as a helpful tool to work with local governments on redevelopment incentive options.

**Local Crime Prevention Outreach**

We continue to work with municipalities across Georgia on crime prevention, and specifically have helped cities and counties implement all or parts of the National Crime Free Housing Program. We created a Crime Deterrence Lease Addendum that makes it easier for properties to participate in the program, and regularly facilitate communication between participating municipalities and property management. Feedback from participating communities has been positive, with several reporting decreases in crime in apartment communities. This program continues to build much goodwill for our industry among local elected officials, police departments, and staff.

**North Carolina**

**Piedmont Triad Apartment Association**

PTAA has three major municipalities in its territory: Greensboro, High Point and Winston-Salem, NC. For years PTAA has been an active member of the Triad Real Estate and Building Industry Coalition (TREBIC) which is comprised of other industry groups and individual companies in the real estate and building industries in Greensboro, High Point and Guilford County and whose purpose is to represent the industries’ interests with the county and municipal governments. Until now such a relationship has not existed in Winston-Salem, but this year PTAA has initiated the establishment of a working group with NAIOP, the Home Builders Association of Winston-Salem (HBAWS) and the Winston-Salem Regional Association of Realtors (WSRAR) so that our organizations can work together to represent our industries’ interests in the city of Winston-Salem and Forsyth County. The group held its first meeting in February and will meet at least quarterly moving forward. In addition to this new and exciting government/industry affairs initiative PTAA has continued to offer a well-rounded educational and events program. Education programs offered in the first quarter of 2014 include CAPS, NALP, several CPO courses, a CFC certification class and a Leasing Boot Camp. Other programs include a member dinner meeting featuring speaker Bill Nye, Maintenance Mania, an Executive Appreciation Dinner and our annual Diamond Awards Banquet.

**South Carolina**

**Charleston Apartment Association**

The Charleston Apartment Association was pleased to participate in the South Carolina Legislative Day in Columbia on February 5, 2014. The opportunity allowed key leaders to see and meet the faces of the local industry, which speaks volumes and resonates throughout the year as vital industry issues are discussed. All CAA industry allies were invited to participate by traveling to Columbia that day. The day included a legislative program and overview of current legislation affecting the multi-family housing industry followed by a luncheon with invited legislators.

## Greater Columbia Apartment Association

The Apartment Association of Greater Columbia participated in the annual SC Legislative Day hosted by the S.C. Apartment Association on February 5, 2015. We have a very successful educational session in the a.m. followed by a luncheon with members of the SC General Assembly. Members were given a tour of the SC State House following the event.

**Maintenance Mania:** Our annual Maintenance Mania competition was held on Feb. 20 at the DoubleTree by Hilton. We had 47 participants for this event and more than 150 audience members. Each participant was given a T-shirt and all winners received a gift card plus the items made possible our national sponsor, Peachtree.

**Upcoming Meeting:** The association will host our fire marshals from around the region at our March dinner meeting. The program will be moderated by our State Fire Marshal.

## Upper State Apartment Association

Legislative activities for our area include a recent ban passed regarding the use of cellphones and other handheld devices while driving within the city limits of Greenville. The ban includes exceptions for emergencies and first responders. It also permits a device to be used if it can be done so hands-free.

USAA encouraged support for the recent South Carolina Apt. Assoc. Legislative Day in Columbia by sponsoring the registration fee for USAA members and chartering a bus so that attendees could ride together. We are pleased to announce that 15 members from the area participated in this year's SCAA Legislative Day.

Other recent Association events include a successful Awards recognition night on Friday, Jan. 17. A record number of attendees turned out for this special event. In addition to member accomplishments being recognized, we were very proud to be able to donate a total of \$4,000 to two local children's charities on behalf of the USAA Crisis Outreach program. The donations are another milestone accomplishment as being the most that we have been able to "give back" to the community, as the Crisis Outreach committee efforts continue to grow each year.

## Tennessee

### Tennessee Apartment Association

The Tennessee Apartment Association is comprised of five local associations representing the most populated areas in the state. These include: Apartment Association of Greater Knoxville, Apartment Association of Greater Memphis, Chattanooga Apartment Association, Greater Nashville Apartment Association, and Tri-City Apartment Association.

This year, fifteen members from TAA will be participating in the Capitol Conference. These members will be traveling from all three regions of Tennessee, and will provide a strong, cohesive representation of Tennessee's needs overall.

#### State Legislative News

The second session of the 108th General Assembly began on Tuesday, January 14, 2014 at noon. Both the House and Senate hit the ground running with bills being heard in committee meetings the first week. While it is expected that there will be many more bills filed before the bill cut-off deadline, the Tennessee Apartment Association has only one initiative for 2014.

In June of 2013, an ordinance was proposed to the Nashville Metro Council by Councilwoman Jacobia Dowell of Antioch regarding the handling of a former tenant's personal property after an eviction. If passed, the ordinance would have required that landlords discard such property, excluding bulky items, in heavy duty trash bags or cardboard boxes in a neat and organized manner. The landlord would then be required to make arrangements for the removal and proper storage or disposal of such property within two business days of such eviction. If a landlord failed to notify the Department of Public Works and failed to remove such property in the manner set forth

in this ordinance, the landlord would be issued a citation. Additionally, in the event the personal property was not properly removed or disposed of and the Department of Public Works had to collect and dispose of the property, the landlord would be assessed the actual costs incurred by the Department for removal and disposal of such property. Each day that the discarded personal property remained on a right-of-way, easement, or property owned or maintained by the metropolitan government, in violation of this section would constitute a separate offense punishable by a fine in the amount of \$50 per offense.

Members of the Greater Nashville Apartment Association met with Councilwoman Dowell to discuss concerns with this proposal and its negative impact on the already overly-burdened landlord. As a result of this meeting, Councilwoman Dowell agreed to withdraw the legislation if TAA would pursue legislation at the state level in 2014.

Currently, the Tennessee Code Annotated is silent in regards to set-outs. House Bill 1409 (Lamberth)/Senate Bill 1732 (Overbey) creates new policy within Title 29 of the Tennessee Code Annotated relative to the disposition of a former tenant's personal property after the execution of a writ of possession. HB 1409/SB 1732 requires that, upon removing such property as a result of an eviction, the property be placed in an appropriate area clear of the entrance of the premises and at a reasonable distance from any roadway. Additionally, the bill clarifies that the former tenant's personal property must only remain on the property for 48 hours before it can be discarded. Finally, the bill temporarily suspends all actions of any local government relative to the disposition of such property for the stated 48 hour time period. There will be an amendment to the bill that clarifies a landlord is not responsible for damages to the former tenant's personal property if those damages are not a direct result of the landlord's intentional mishandling of the property.

The Tennessee Apartment Association has sought the input and support of other interested parties, and will continue to work with all interested parties to ensure that the Legislative members are aware of the importance of this bill and the positive impact it will have on the apartment and rental housing industries.

## **REGION V**

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### **Nebraska**

<b>The Apartment Association of Greater Omaha &amp; Lincoln</b>
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AAGOL continues to advocate for the apartment industry in Nebraska by engaging in public policy activities. At the federal level, AAGOL will send a delegation to the National Apartment Association's (NAA) Capitol Conference in March to meet with Nebraska's Members of Congress to discuss legislation affecting our industry. At the state level, AAGOL is partnering with the Nebraska Association of Commercial Property Owners (NACPO) to support the following legislation:

LB 427: Requiring carbon monoxide detectors to be installed starting on January 1, 2016 in new construction, in existing homes before their sale, when a change of occupancy occurs in a in multi-family dwelling, and when a building permit is required for a renovation of fuel-fired appliance is installed.

LB 455: Allowing a landlord to terminate a lease upon serving a tenant a three-day notice if the tenant creates or maintains a clear and present danger to the health and safety of the landlord, landlord's employees or other tenants.

LB 796: Providing for the disposition of personal property the death of a tenant.

AAGOL is also working with the Nebraska Department of Revenue to clarify how it interprets and applies Tax Reg 1-098.06 concerning the sales tax on services rendered by maintenance technicians at apartment communities.

Finally, AAGOL was part of a NAA work group of apartment industry professionals in 2013 to review and provide comment on a proposed revision to the Uniform Residential Landlord Tenant Act (URLTA) by the Uniform Law Commission.

## Oklahoma

### **Tulsa Apartment Association**

#### **Legislative Issues:**

So far it has been a pretty quiet legislative season for us at the state level. There are few bills that have been introduced that we are keeping an eye on, and we have already had one victory in getting a bill killed. The bill proposed would have made landlords and owners responsible for criminal activity that occurred on their properties.

We are looking forward to attending the NAA Capitol Conference and meeting with our US Senators & Representatives to talk about federal issues.

#### **Other News:**

In January we unveiled a new look for the Tulsa Apartment Association. We had a logo re-design and think that our new logo better represents our Association and re-energizes our membership.

We are looking forward to being able to participate in the database management system, event management and website development that NAA Association Executives and staff have been working hard to put in place for NAA affiliates. This will be a huge benefit to our affiliate and we are excited about the opportunity to enhance the professional management and image of our association.

We are in the process of hosting the NAA NALP, CAM & CAS designation programs. We just completed the NALP classes and had 28 students in the course – this was our largest class to date! We are looking forward to seeing what our participation in our CAM & CAS course will be.

## **REGION VI**

## Arkansas

### **Arkansas Apartment Association**

We are currently awaiting the results of a proposed ORDINANCE ESTABLISHING RECYCLING OF MULTI-FAMILY RESIDENCES in the City of Little Rock. Although all communities should be offering recycling to their residences, most of them do not. The initial plan will affect communities with 100 or more units. They will be required to provide receptacles along with resident education on recycling by the deadline date of July 1, 2014. Written documentation on resident education is to be kept on each unit. Failure to comply with the ordinance will result in fines up to \$1,000. Although recycling is a very important issue and should be offered on our communities, the majority are upset at being required to provide it – mostly due to the cost. They not only will need to provide receptacles and pick-up of the items, but may also have the expense of constructing an area for the receptacle(s). Communities with less than 100 units will eventually be added, but we do not have a date at this time. Our February luncheon agenda will include a speaker addressing the proposed ordinance for our members to ensure they fully understand what is expected and how to successfully comply.

Also at our February luncheon, our 2013 Make-A-Wish will be granted to 3 year old Tyler. We will be raising funds again this year for Make-A-Wish Mid-South Chapter.

On April 11th, we will participate in the Little Rock Relay for Life to raise funds for the fight against cancer. We hope to have at least 40 people on our team!

On April 24th, we will hold our Trade Show at the North Little Rock Chamber of Commerce from 4:00 p.m. – 8:00 p.m. We hope to have at least 30 supplier booths this year having opened it up to nonmembers. Non-member booth fees will include membership through the end of this year. The theme is The 80's, and we will have a karaoke contest, prom style pics, food, beverages, and tons of networking.

## New Mexico

### **Apartment Association of New Mexico**

The 2014 New Mexico Legislature closed February 20th. The AANM Government Affairs Committee (GAC) made some significant strides in regards to property tax lightning in the state. There were two noteworthy bills introduced in this 30-day session. AANM, having worked diligently in the interim, was there to provide feedback, support *and* opposition. The GAC requested a proposal for a tax study from one of BBER's economists at UNM. Unfortunately, the low end cost came in at \$80K. The GAC is discussing if there are other local groups that would benefit from the study and therefore contribute, but this action item remains unconfirmed at the time.

HB178 proposed a removal of a valuation cap, and AANM Executive Director as well as the Board President testified in committee against this bill. Surprisingly, the bill made it out of committee on a 12-1 vote and then passed on the House floor with a 32-30 vote. AANM is using the list of votes to strategically position our contact throughout the remainder of 2014 in preparation for the 2015 session.

SB260 as introduced was not satisfactory, but had a sponsor (Sen. Neville) that was willing to meet with our leadership and entertain amendments. The amendments were accepted, but the bill was tabled in committee. It is AANM's intention to put forth this legislation in the 2015 session.

After extensive meetings with stakeholders, the coalition group and EPA, the MS4 Permit issue in Albuquerque is currently on hold. Some work-arounds are being proposed by the City, but no resolution to date.

In 2013, after a very long dry spell of no participation, AANM members contributed to the NAAPAC and came approximately \$500 shy of our fair share goal. It is the objective of the leadership to meet the fair share goal for 2014. AANM leadership met with US Representatives Ben Ray Lujan (NM-3) and Steve Pearce (NM-2) to discuss housing finance reform and immigration reform. Additionally, campaign checks were presented to both Congressmen from the NAAPAC. Our thanks go to AAGD. It was their fundraising efforts that created a surplus for their area which they shared with New Mexico.

Newest development is the creation of a state PAC for New Mexico. AANM Board of Directors and GAC collaborated on the details, and our membership has contributed \$5,086 through a voluntary assessment included on their dues invoices.

## Texas

### **Apartment Association of Greater Dallas**

#### Local Activity

**Grand Prairie** –The City of Grand Prairie adopted an ordinance in November of 2012 that determined that all properties would be assigned a tier rating, based upon a combination of their code inspection score and the amount of police activity or calls for service that were recorded. They decided to give properties the year of 2013 to see how the program worked and to get their sample tier rating before implementing the penalties called for in the ordinance. AAGD was cautiously optimistic that this program would be viable.

However, when the applications were mailed out to individual properties in December, there was an additional form that was required – a *Criminal Background Check Authorization Form*. When AAGD was notified, we quickly called the city for an explanation and were told that because the ordinance prohibited anyone from managing an apartment property who was a registered sex offender or had a felony record within the last three years, that by default they needed a background check to establish a manager's baseline.

AAGD engaged the services of two member attorneys and met with two City Attorneys, the Housing Director, the Police Chief and the Community Police Officer. We brought to their attention that they are requiring something from individuals that is reserved for employers, not a governmental entity, and that there is no support for it in the ordinance. In a follow-up phone conversation with the Housing Director, we were told that although the city attorney is still reviewing the ordinance, the department will only require the application at this time. Chalk one up for the Constitution!

**Carrollton** – For the third time since its original adoption, the City of Carrollton revised its version of the Apartment Crime Reduction Ordinance at a Council meeting in January. AAGD weighed in on which aspects of the program we agreed with and which ones we felt had the potential for unfairly targeting an apartment owner. In a change from past programs, the crime risk index will be calculated on a city-wide basis, combining apartments into the mix along with single family neighborhoods and commercial property. Additionally, a host of offenses against a property are now excluded. Those offenses include arrests made from traffic stops at the property; offenses committed by minors; forgery and fraud; identity theft; and any incident report filed by the property “agent.”

The ordinance originally stated that a property will be designated as a crime risk if their numbers are 50% higher than the average across the city. However, two hours before the council meeting, a savvy city attorney figured out that using those numbers would eliminate all but one multifamily property from the mix. So at the council meeting, they recommended that the ratio be dropped to 1.0, meaning that any entity with one crime above the city’s average would fall into the program. Although we raised a fuss, the reality is that the new formula will only include six properties, which is much improved over the old formula, which would have included 13 properties. The six properties will remain in the program for a period of twelve months.

**Dallas Symposium** – After two years of meeting with various Police and Code staff, the long-awaited alternative to the annual *Multi-family Symposium* will be presented to the Public Safety committee on Monday, February 24<sup>th</sup>. Although we are not privy to the exact recommendations, Mr. Martin assures us that staff is pushing for the total elimination of the Symposium, stating that the Mandatory Crime Reduction program serves the same purpose. Kathy has already solicited support for our position from the various Councilmembers that serve on the committee, including the Chair and Vice Chair. Kathy Carlton will attend the meeting and be prepared to speak, but we are anticipating being able to report a big victory!

**Justice of the Peace Luncheons** – Every other year at this time, it is our custom to host luncheons for our area Justices of the Peace, in conjunction with the REDBOOK seminars. We cover eleven counties with a total of 53 judges, and individual visits are not feasible. We host a special luncheon in their honor, have one of attorneys speak on a topical issue, and distribute their complimentary REDBOOK to them at the end. We will be holding on in February and another in March at an alternate location to accommodate their schedules and the distance to travel. This is usually a well-attended event that the Judges look forward to, as it gives them an opportunity to meet and socialize with others in the same position.

**Another Successful PAC Event** – The annual AAGD PAC Auction was just held on February 19. Attendees had an opportunity to bid on a myriad of silent auction items; purchase corks for a 2-tier wine pull; or save all their money for the big ticket items auctioned off by the Executive Board in the Live Auction. Some of the items included golf outings; lunch with senior company executives; exclusive wines; and an autographed Eric Clapton guitar! We are still tallying the numbers, but it appears that the proceeds will be well in excess of \$120,000.00!!! Way to go, AAGD TEAM!

### **Apartment Association of the Panhandle**

In May 2013, Amarillo experienced the costliest storm in our history. It caused damaged with high winds and baseball size hail to nearly 75 percent of our residential properties in the Panhandle. Insurance companies have paid out around \$500 million in claim damages so far. Some of the main issues facing our members, is that if they did not have Ordinance and Law (Code Upgrades) Rider on their policies then they are being required to pay the additional \$ to bring their properties up to code at the time of repair. We have had roofing companies from all over the state of Texas come into our area to help keep up with the insurance claims. It has been great for our membership, but very hard on our members. It is now February of 2014, 9 months later, and there are still repairs happening all over town. The companies are back logged, trying to keep up with the demand.

### **Apartment Association of Tarrant County**

The Apartment Association of Tarrant County is partnering with solid waste officials in Fort Worth, TX to assist multifamily managers to comply with the city’s new apartment recycling program. Apartment properties were required to submit site-specific plans by Jan 1. In addition, On-site managers and leasing agents are now required to attend a Crime Free Multihousing class. All new hires are required to attend within 6 months of employment start dates, and beginning in 2015 at least 1-employee from each community will be required to attend a refresher course.

Regarding other association activities, AATC and AAGD are busy registering maintenance technicians from Tarrant and Dallas County for Maintenance Mania at the Arlington Convention Center on March 25. AATCs Care Team fundraiser, the Angel Wings Social is set for April 4 at Buffalo Wild Wings in Grapevine and our Spring Fling PAC Golf Tournament will tee-off at 12 noon on April 8 at Tierra Verde Golf Club. The Divas Cup, AATCs annual scholarship fundraiser is scheduled on May 2 at Westdale Hills Golf Club, and the association's new Casino Royal party is set for June 4 at Lone Star Park.

## Austin Apartment Association

### Main policy issues of past year:

- **Rental Registration**  
AAA successfully defeated rental registration, though certain members of City Council may seek to bring such a program back to the table in the future. At root, research revealed the cause of blight and dilapidation in a small percentage of rental properties was due mainly to lack of enforcement by City Officials who were aware of issues.
  
- **Affordable Housing Bonds passed**  
A majority of policy discussion in Austin is centered on affordability. An affordable housing bond package failed in November 2013, which left Council in a fairly panicked state about how to address mounting concerns from affordable housing community. A new bond package was placed on ballot Nov 2013, AAA hosted advocates to speak to Board, and PAC ultimately made modest donation.
  
- **Stealth Dorms**  
Traditional single family neighborhoods are concerned with large structured being built (often in place of smaller structures that are razed) to accommodate large numbers of students or otherwise communal living, with a large emphasis on trash, parking and noise as nuisance. Council considering reduction in occupancy limits in order to "remove economic incentive" for developers to construct stealth dorms.
  
- **Austin votes to create single member districts**  
Austin is the largest city with an all at-large city council, but will now go to a 10-district system. Voters will elect Council in Nov 2014, with 10 council members and one at-large mayor.
  
- **Bed Bug Work Group convened**  
Policymakers convened a stakeholder group to discuss what is seen as a regional issue, bedbugs. Only preliminary meetings have taken place.

## Big Country Apartment Association

At this time, we do not have any major legislative issues in our area.

In November 2013, we held our annual Thanksgiving Basket Drive - Volunteers from our membership donate a list of grocery items for a traditional Thanksgiving meal and the Big Country Apartment Association donates a turkey to complete the meals. This fall, we collected and delivered 30 Thanksgiving Meals to families less fortunate in hopes of making their Thanksgiving brighter. Our previous record was 21 so we were very proud to reach the additional families that benefitted from our drive.

Special Events: At our February general membership luncheon, our Board of Directors all donated baked goods and we held an auction at the end of our luncheon and raised just over \$500.00 for our education fund. We are very excited about this since educational opportunities are a definite area of weakness we are trying to strengthen.

## REGION VII

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### **Nevada State Apartment Association**

After a very tough year, legislatively speaking (Domestic Violence bill), the NVSAA has decided to roll out our first Legislative Policy Manual (LPM) for the State of Nevada. In recent years we have been operating in the legislative realm without any direct written guidance. Stated another way, we would react to individual issues when presented, conference our committee in on the issue(s), and then make decisions we believed were in the best interest of the association and the industry in general. The best analogy we can come up with to describe our operation would be that of a newly hired employee; we got the job, we had a job title, but we were never provided a job description. While we have no doubt that we made the right decisions, it would have been much easier to safeguard our fiduciary responsibility to the industry had there been in existence some written guidance on the association's policy stance(s).

Ultimately, we needed to dig in NVSAA's heels and build a comprehensive draft to cover the issues -- so that we know where we stand when we head into the next session (which is rapidly approaching and will be here before you know it).

As of today, we are working on finalizing our 2<sup>nd</sup> draft of our LPM for Capitol Conference and should have a hard-copy version to present to our legislators on Capitol Hill. We are proud of our accomplishments and the guidance our legal team (Karsaz Law; specifically Eric Newmark, ESQ) has provided. This will be an ever-evolving document, something we can ensure policy makers understand our position(s), concern(s) and what it takes to be endorsed or supported by our association.

## **Washington**

### **Washington Multi-Family Housing Association**

The Washington Multi-Family Housing Association (WMFHA) monitors legislative activities through our Government Affairs team which includes a state lobbyist, local lobbyist and our Government Affairs Director, who then report monthly to our Government Affairs Committee, Board of Directors and the Executive Director.

The Washington State legislature is in session. Our association partnered with the Washington Apartment Association and Rental Housing Association of Washington for our annual Day on the Hill legislative day. About 50 members of our collective associations met with legislators to discuss our legislative priorities and educate lawmakers on the importance and influence of the apartment industry.

Our bill submitted this session, addressing a recent adverse court decision that held there are two warranties of habitability in our state, sought to correct this poor decision and establish one explicit warranty of habitability. Tenant advocates strenuously oppose this measure.

We spoke in opposition to two bills introduced this year: one to require mandated replacement of battery-only smoke detectors with a new model which professes to have a 10-year, non-removable battery; and the other, a bill that would establish a portable "comprehensive screening report". We believe both of these bills will fail.

We have a goal to collect \$50,000 toward our Political Action Committee (PAC). We intend to spend that much and more in contributions to candidates whose actions and voting record favor the multifamily industry and who understand our members' business needs.

## REGION VIII

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### Colorado

#### **Apartment Association of Metro Denver Colorado Apartment Association**

The Colorado Apartment Association and the Apartment Association of Metro Denver has been active in numerous contentious issues at the state and local government levels. The following provides an overview of recent activities.

#### **STATE GOVERNMENT**

##### **SB14 – 103: Low-Efficiency Plumbing Fixtures Water Conservation Bill**

The Denver Water Board is promoting a water conservation bill which would affect residential single family, multifamily and commercial properties at the State level. SB14-103 sponsored by Senator Lucia Guzman (D-Denver) and Representative Randy Fischer (D-Fort Collins) would phase-out the sale of certain low-efficiency plumbing fixtures.

##### **SB14-10: Manufactured Home Communities Bill**

This bill, sponsored by Senator John Kefalas (D-Fort Collins) and Representative Randy Fischer (D-Fort Collins), promotes lengthening of the eviction time for residents in mobile home parks and offers an endless lease scenario. Included is a measure that would limit rent increases to one time per year demanding an explanation for the increase from the landlord to the tenant.

##### **HB14-1165: Limit on the Retainage Allowed Under a Private Construction Contract**

Senator Lois Tochtrop (D-Thornton) and Representative Randy Fischer (D-Fort Collins) are sponsoring a bill to limit the monetary amount retained by property owners to ensure the work of the subcontractor to 5%.

##### **SB14-118: Concerning Improving Protections for Individuals with Disabilities**

This bill, sponsored by Senator Pat Steadman (D-Denver) focuses on disability discrimination to the federal "Americans With Disabilities Act", including changing the term "assistance dog" to "service animal." The bill increases the fine for noncompliance from \$50 to \$3500.

##### **HB14-1136: Regulation of Continuing Professional Education Credits**

Last year a bill was passed that changed which organizations could offer continuing education credits in Colorado. HB14-1136, sponsored by Representative Dianne Primavera (D-Broomfield) would reverse last year's bill to once again allow Associations to offer continuing education credits through our classes.

##### **Colorado Housing Assistance Group**

We are working with the Colorado Housing Assistance Group which includes numerous area housing authorities, HUD, the Colorado Division of Housing, the City of Denver and many other groups to provide housing availability to recent victims of the Colorado Flood. We participated in daily briefings as well as worked with our members to display available housing units for flood victims online at ColoradoHousingSearch.com.

#### **LOCAL GOVERNMENT**

##### **Denver – Fire Conveyance Committee**

The City of Denver has recently taken oversight on conveyance issues from the state and is making several changes to the City's conveyance program. Some of the new changes would require obtaining a permit and inspection for repairs and replacement that are not currently required under the former state conveyance program. Each permit fee would cost \$175 with an additional \$150 re-inspection fee. We have been working with the Denver Fire Department on negotiating the fee to \$300 per year per conveyance.

##### **Denver – Inclusionary Housing Ordinance (IHO)**

The IHO Phase 2 will begin this fall; led by Denver City Councilwoman Robin Kneich. We expect the City to focus on increasing affordable units through various measures that may affect the multifamily industry.

##### **Denver – Residential Parking Permit Program**

Denver Public Works is no longer issuing Residential Parking Permits (RPPs) to new residents who live in multifamily communities with eight units or more. We wrote a letter addressing our concerns to Public Works, Denver City Council and Mayor Hancock. Additionally, we attended several Public Works' neighborhood policy meetings about this issue. We obtained support from the media.

### **Littleton – Multifamily Building Impact Fees**

The Littleton City Council proposed increasing their impact fee for residential development to \$5,305 per unit. The council adopted a \$3762.00 per unit fee on August 20, 2013. We plan to continue educating Littleton City Councilmembers on the benefits of multifamily and importance of having a balanced housing portfolio.

### **Federal Heights – Re-inspection and No-Show Fees**

Federal Heights reviewed a resolution to assign fees to re-inspections and inspection no-shows. They have hired a new housing inspector, Kirsten Teague. The city plans to start inspecting rental units on October 1<sup>st</sup>. Federal Heights will be reapplying for Community Development Block Grant funds at upcoming meetings to cover the initial rental inspection fees and business licensing fee of their rental inspection program for 2014.

### **Littleton – Multifamily Building Moratorium**

The City of Littleton officials were lobbied on the new “Renter Nation” and the need to offer a balanced housing portfolio for their citizens. They were looking to stall future multifamily development. A local Littleton retiree, proposed a building moratorium on multifamily development. After meeting with elected officials and educating them on the new dynamics of the multifamily industry, the proposed moratorium failed on a 7-0 vote.

## **REGION IX**

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### **Alabama**

#### **Apartment Association of North Alabama/Greater Birmingham Apartment Association**

The Alabama Apartment Association will hold its annual Legislative Reception on February 19<sup>th</sup>, 2014 in Montgomery, AL. We are holding it in conjunction with the Home Builders Association of Alabama, which is the third largest PAC in the state. We expect a great turnout from legislators, as we usually receive around 80% participation each year.

The GBAA & AAA are supporting the following legislation being introduced this session in Alabama:

#### **HB 99/SB 207 "Prohibition of Business License Tax on Individual Apartments"**

**Sponsors: Rep. Jim Patterson/Senator Vivian Figures**

**Description:** This legislation is similar to the legislation supported by the HBAA last session that would have restricted a municipality from charging an individual business license on each apartment in an apartment complex. The main difference in the 2014 version of the bill is that it is not a constitutional amendment, unlike the 2013 version.

**Status:** Signed by the Governor and Enacted as Act No. 2014-15

#### **SB 291 "Landlord Tenant"**

**Sponsor: Senator Del Marsh**

**Description:** The "Landlord Tenant" legislation is an update to current Alabama law. Among the proposed changes are provisions to increase the length of time landlords must return deposits and termination of lease for noncompliance with the rental agreement or abandonment. The HBAA is continuing to work with the Realtors and the Alabama Apartment Association to make certain all issues regarding the landlord tenant law are addressed.

**Status:** SB 291 has been assigned to the Banking and Insurance Committee. The HBAA is working with Committee Chairman, Senator Slade Blackwell, to get the bill assigned to the committee agenda as soon as possible.

#### **HB 458 "Ad Valorem/Tax Credit Housing"**

**Sponsor: Oliver Robinson**

**Description:** The legislation seeks to provide a method to determine the fair and reasonable market value of occupancy rental property on which exist restrictive covenants/laws. This deals directly with Tax Credit developed multi-family projects in rural areas. By arriving at a lower ad valorem value on the property, available tax credits will be able to stretch further and help fund additional properties.

**Status:** HB 458 will receive a public hearing next Wednesday in the House Commerce and Small Business Committee.

## **Mobile Bay Area Apartment Association**

On February 19, 2013, the Alabama Apartment Association and its affiliates in Mobile, Montgomery, Huntsville and Birmingham will join the Home Builders Association of Alabama in a joint reception for the Alabama members of the Legislature.

We felt the event to be a great success. Last year we had more than 50 Alabama Apartment Association members in attendance. There were 21 out of 35 members of the Senate in attendance and 70 out of 105 House members attended. Also in attendance were the Lieutenant Governor, Speaker of the House, and the Secretary of the Senate. Our goal is to get our name and the name of our organization in front of the legislators and make them aware of what we do and how we operate our businesses. There are no pressing issues at this time impacting our industry.

We are very proud of the efforts that the state Association is making in tracking and being involved with legislation impacting our industry and we feel more events and stronger relationships will only serve to make this process even stronger and better.

We were proud in the fall of 2013 to have funds available to us to be able to make a contribution from our local affiliate to the Bradley Burn Congressional Campaign. A contingent of our membership met with Mr. Burn and his staff members in the District, and we were able to address some of our industry concerns in a very informal setting. It was a very productive meeting.

In the Mobile Affiliate our 2014 has been in place now for about two months; we are very excited about our leadership and we feel we have a great year before us.

We have selected four charities that we will support this year as an Affiliate and we are very excited to do what we can as an association to assist these worthwhile organizations.

Our schedule of events is slated for this year with all speakers and events confirmed. Our major events of the year will be our Educational Conference and Expo in May and our Maintenance Mania in October. We will also once again participate in a PAC fundraiser in December.

In December 2013 we held our second ever PAC fundraiser offering a silent auction to our membership. We also are well on our way to 100% participation from our board for contributions to PAC. We were very proud of our affiliate PAC participation and feel it gave all of our members an opportunity to get involved in the PAC on some level. Good things are happening at the MBAAA!

## **Florida**

### **Bay Area Apartment Association**

Members of the Bay Area Apartment Association were on Capitol Hill in Tallahassee on February 5. They met with legislators and aides representing districts in the Tampa Bay area during the annual FAA Legislative Days event.

The BAAA leaders delivered a message of support for legislation encouraging residents to purchase renters insurance; bills making it easier for private companies to offer flood insurance in Florida; and for the preservation of the Sadowski Affordable Housing Trust Fund.

The 2014 legislative session does not begin until March 4. FAA's Legislative Days were scheduled this year during a week of legislative committee meetings. The more relaxed schedule provided BAAA members with a better opportunity to meet with our local legislators and their aides.

As in past years, BAAA provided complimentary transportation aboard a deluxe motor coach from Tampa to Tallahassee that included snacks, lunches, and ample networking time.

On a local level, BAAA's Government Affairs Director, Jeff Rogo, is working with association members to reduce an onerous fire services assessment fee in Hernando County. Apartment properties experienced 70 percent and greater tax increases 2013 over 2012. Apartment properties saw the dramatic increases, such as \$36,000 in one case, while many single-family homeowners received a tax reduction. The fee is particularly troubling because multi-family buildings must comply with the Florida Fire Prevention Code. The code requirements make multi-family less of a fire risk. So, apartment properties should probably pay less than single-family homes. Equally troubling, there are no new or upgraded fire services provided to property owners as a result of the increased taxes.

***In closing.....***

The more you read and observe about this Politics thing, you got to admit that each party is worse than the other. The one that's out always looks the best.

Will Rogers, *Illiterate Digest* (1924)

### **Emerald Coast Apartment Association of NW Florida**

Whitney Briones our Chair Legislative and Lisa McLemore attended 2014 FAA Legislative Days in February and we were able to talk to several representatives for the state of Florida.

**Support**

- We support encouraging residents to carry renters insurance.
- We support the continued funding of the Sadowski Affordable Housing Trust Fund and its intended purpose.
- We support tort reform efforts

**Oppose**

- We oppose the creation of additional protected classes.
- We oppose additional licensing requirements.

**Monitor/Research**

- We continue to monitor building and Fire Code revisions
- Unlicensed Maintenance Activity
- Medicinal Marijuana

### **Sun Coast Apartment Association**

At this time, we have nothing to report with regard to any legislative activities. The only thing is that we add APAC and NPAC voluntary contributions on our membership dues invoices. At the last check, we have surpassed current years with regard to what has been paid into APAC and NPAC. We are pleased that our members value the benefits of these groups.

Unfortunately, we were not able to send anyone from the SCAA to FAA's Legislative Days. This will be a first year that we were unable to do so.

## **Louisiana**

### **Acadiana Apartment Association**

The Acadiana Apartment Association in Lafayette, LA started off the year by having a Roundtable on January 23rd entitled: Affordable Housing and 30 attendees were present.

February 20th, a Fair Housing and Customer Service for Maintenance Seminar was held and over 30 in attendance - very well received.

March 13th, 2014, the 31st annual Trade Show will be held and approximately 25 booths will be presented.

April 15th, Tammy Esponge will present a Fair Housing Seminar in general for all members, and nonmembers.

May 8th, our annual Crawfish Boil and a one hour presentation by Acadian Ambulance on how to handle accidents on the properties/businesses.

July 23rd, the 10th Annual Taste of Acadiana Fundraiser to benefit the AAA and the Lafayette Council on Aging's Meals on Wheels program.

## **REGION X**

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### **California**

#### **Apartment Association of Greater Los Angeles**

On February 8, 2014 we were privileged to host L. A. City Councilmember Mitch O'Farrell at our monthly Saturday morning meeting. O'Farrell represents the 13th Council District which includes Hollywood, Silver Lake and the surrounding area. During the meeting he discussed seismic retrofit for soft first-story wood-framed apartment buildings threatened to be destroyed during a major earthquake. He also spoke on the continued effort to bring positive changes to the Housing and Community Investment Department, the amnesty for non-permitted apartment units and Capital Improvement programs

December 13, 2013

On Tuesday, December 10th, Executive Vice President Jim Clarke and AAGLA Government Relations Coordinator David Juarez met with Councilmember Paul Koretz's Deputy Chief of Staff David Hersch to discuss a motion that would change city law to increase the number of cats a city resident is allowed to have from 3 to 5. AAGLA has several concerns with regard to this issue such as there being no guidelines for apartment square footage and whether or not current leases that allow cats could be taken advantage of by renters. We want to be certain our members keep the right to refuse cats in their apartment buildings and if they do allow cats renters have to have the approval for any increase in the number.

During the meeting, other issues pertaining to the motion were also discussed such as the motion's actual wording (it didn't specify what it meant by "city resident"), health hazards, and owners' rights. We feel very confident once the motion is redrafted our concerns will be addressed.

#### **Summary of Recent Activities at California's State Capitol**

Over the years, California's legislature hasn't been particularly friendly to the rental housing business or to business, in general.

AAGLA is rarely surprised, then, by the number and scope of legislative proposals that are profoundly hostile to the interests of rental property owners.

With the deadline for introducing bills in Sacramento fast approaching, the following briefly highlights last year's legislative session and forecasts what is likely to come in 2014.

#### **Last year**

Despite the odds, AAGLA and California's rental industry was successful in beating back a number of legislative initiatives in 2013 which, if enacted, would have allowed government to get more involved in how apartment owners and managers operate their rental housing. In addition to those measures to increase court costs and increase property taxes, bills to further regulate pest control, tobacco smoking, gun storage, security deposits, credit reports, rents, water submeters, disabled access, evictions and pets were among those which threatened our interests. With one exception, all of these measures were defeated, fixed or shelved.

The one exception – ultimately vetoed by the Governor – was a bill sponsored by tenant groups which would have circumvented hard-fought restrictions on capping rents in newly constructed rental housing. It took a concerted and well-coordinated effort by a coalition of apartment owners, builders, realtors and business groups to persuade Governor Brown to veto the bill.

#### **This year**

Of course, no good deed goes unpunished and when the California legislature returned to business in January, a few lawmakers sought to resurrect a few of the vanquished bills from 2013. The rules of the institution allow a second vote on a dead bill so AAGLA was back battling a couple of measures: 1) a bill to give new powers to juries in unlawful detainer cases; and 2) a bill which could have mandated new disabled-access requirements on private rental housing. Both threats were turned back and are dead for the year.

But, the real fireworks in 2014 won't begin until late March when the Legislature commences its official consideration of this year's "new" bills – about 2,000 are expected to be introduced by Friday, February 21 – many of which will impact rental housing directly. Some really awful ones are expected, like measures from two San Francisco lawmakers which will seek to further restrict property owners who wish to do so from getting out of the rental housing business – whether through a sale or change in use of their properties.

Only in California would there be a law which sets forth conditions for businessmen and women to meet before shutting down their commercial enterprises. And, only to rental housing would such an inane law apply. But, it's true and AAGLA is well aware of plans in 2014 to make this law even tougher to overcome. That's because, powerful resident groups from the City by the Bay are asserting that the law, the Ellis Act, is being abused and a new, tougher law is needed.

What's giving rise to this push are well-publicized protests and demonstrations by these groups about a handful of evictions from some properties that plan to soon cease renting apartments. Ironically, after decades of rent control and virtually no building in the City, suddenly, residents are complaining about a housing shortage. Of course, San Francisco is legendary for its openly hostile policies and attitudes toward new housing. Now, with job growth in the area (i.e. Google, Twitter, etc.) putting even more pressure on the community's substandard housing supply, the price of developed property is lurching skyward.

But, instead of changing its policies, the City of San Francisco is asking two of its state representatives to create new legal roadblocks for property owners to quit. Expect to hear more about this effort in the weeks and months to come and those of AAGLA to defeat them.

Finally, despite the fact that California is finally enjoying budget surpluses, an effort to hike property taxes is being renewed in California. Lawmakers are going about these increases in two ways. First, some are (again) proposing that the state re-jigger its landmark law capping property taxes, Proposition 13. They want to "split" the tax roll so that owners of commercial property – including rental housing – pay a higher rate than homeowners. Despite these efforts being squashed in 2013, their supporters will be back again this year with a new variation on this tiresomely old and repudiated idea.

Lawmakers also hope to get more property tax revenues by making it easier than it is today to pass parcel taxes and special taxes. Right now in California, proponents of these local tax initiatives need 2/3 of area voters to vote yes before they're approved. Complaining that's too difficult a threshold to cross, advocates want that constitutional requirement to be lowered to 55%.

Local governments insist they "need" this money to build new roads and libraries and light rail and community centers. Rental property owners don't dispute the goals. We say, if the need is truly there – and there is no other way to finance the improvements – 2/3 of area voters will say yes. Accordingly, AAGLA will once again be working hard to defeat these new initiatives to raise taxes.

## **Apartment Association of Orange County**

One of the Apartment Association of Orange County's (AAOC) primary goals is to protect our members from laws and mandates that negatively affect the property industry.

We work proactively on issues that potentially affect our properties and our industry. We are often invited to be involved with crafting good ordinances. Conversely we can, and will, rally the troops and block the passage of bad ordinances. Sometimes we are called upon to make strategic choices and help make bad laws a little "less bad" for our industry.

It is an ongoing effort and requires constant vigilance and an ever watching eye.

Let's take a look at some of our current files.

### **ORANGE COUNTY LEGISLATIVE WATCH**

#### Orange

Permit parking ordinance: Parking is always an area of continuing concern to cities in Orange County. Subsequently, you will find it mentioned on City Council agenda somewhere on any given council night (yes, we at AAOC check all of the City Council agenda). Most recently we worked with AAOC members and the City of Orange to re-review a recent parking issue. The matter was heard by the City Council and the results were mixed. AAOC and its members in Orange got more than they had, but less than they sought. We look forward to continuing to work with the good folks at Orange City Hall.

#### Santa Ana

The Proactive Rental Enforcement Program "PREP" has been in operation since 1992. It requires the City of Santa Ana's Community Preservation Division ensure all residential rental properties in Santa Ana be maintained in full compliance with the applicable provision of Santa Ana Municipal Code as well as California code and CA Health and Safety code. The Apartment Association has a representative on the PREP Rental Housing Task Force. We have been counseling AOC members with property in Santa Ana and advising them on the program's aspects, as well as cataloging feedback from member's experience with city officials.

Anaheim

The City of Anaheim is proposing a Quality Rental Housing Program and the Apartment Association of Orange County has been keeping a watchful eye, every step of the way. One important component of the program is the routine, periodic survey of multi-family rental housing units. These surveys will allow the city to identify and work with owners to correct problems and avoid code violations. With the input from the Apartment Association of Orange County, the program has been revised since the original City Council workshop in August 2013 based on AOC concerns and objections. We will continue to work with the City of Anaheim, and their elected councilmembers, to ensure any proposed ordinance is fair, workable, and respects the rights of all stakeholders.

San Juan Capistrano, Fullerton, and Los Alamitos

All three OC cities are considering making changes in zoning that would allow moving forward to develop plans for 100-plus unit developments in the respective cities. This, of course is all subject to votes, considerations, and re-considerations. But the potential effect to inventory, as well economic effect and jobs, is huge.

As you can see, there is more than enough information to retrieve, review, and report. And the effort is ongoing here at the local government affairs office of the Apartment Association of Orange County to remain your strong voice for property rights and the rights our owners, investors, and members of the rental housing industry.

**North Valley Property Owners Association**

Social Host Ordinance

In the last few months there has been a draft ordinance presented to regulate on the underage drinking that occurs at house parties on a fairly regular basis. The council asked their assistant city attorney to draft an ordinance to make the landlord become a party that can be fined if they have residents that host a social event in their rental property. We believe we have gotten them to modify the ordinance that was originally drafted to say the party most responsible for hosting the party would be the one facing the fine at the police officers discretion. Most often this will not include a landlord unless they were participating in the party.

Garbage Franchise

The second challenge that we are facing is the City of Chico has a company working on a report to decide if the City wants to have a garbage franchise. We know they will make the decision to have a garbage franchise (it's not been voted on yet) we are going to work with Chico Chamber and Down Town Chico Business Association and possibly a few other organizations to try to minimize the impact the garbage franchise will have on our Commercial business and the possible loss of jobs for our current garbage companies and their employees. We believe there will be an outside company come in to give a bid the City will take to help re-boot our cities financial state of despair and essentially the citizens will think they are doing something good to save the streets but in the end actually have just agreed to a garbage tax. Our renters will see the end result with the forced increase in rents to operate the multi-family and residential housing industry.

**Santa Barbara Rental Property Association, Inc.**

California is facing a huge drought issue and we're waiting to see how the state and local governments will address it and how that will impact our members. Right now, Santa Barbara County is relying on a "self conservation" policy and requesting that a minimum of 20% current usage amounts be saved. Reviving an old desalination plant in Santa Barbara is being considered also.

## San Diego County Apartment Association

The last several months have been very interesting for the City of San Diego. In light of the resignation of our Mayor last summer, we found ourselves in the midst of yet another mayoral election. After months of campaigning San Diego elected City Councilmember Kevin Faulconer as Mayor. SDCAA has enjoyed a great working relationship with Mr. Faulconer over the years as he really supports business and understands our industry issues. His opponent David Alvarez, also a sitting councilmember, proposed mandatory rental inspections as part of his campaign. Concern remains that he will propose this as a councilmember. During the time the campaign was underway, our interim mayor pushed forward a lot of unfinished business, including some policies that have our industry and the business community on edge. The fee charged to businesses when they construct or expand a building was dramatically increased at a time when the economy is just recovering. The fee fund affordable housing, something that has been languishing after the loss of redevelopment dollars. Business groups concerned about the loss of jobs banded together and collected signatures to place a referendum on the ballot and let voters decide on this onerous fee. Two other smaller cities are now looking at market rate Rental Construction Fees to fund affordable housing in their communities as well, also citing the loss of redevelopment funds. The City of Carlsbad is proposing charging as much as \$20 per sq. ft. (\$20,000 per unit) to market rate developers. SDCAA is working with the local Building Industry Association to oppose this fee and suggest alternatives.

At the same time, an effort that had been dormant for a bit was rekindled. The City of San Diego's Climate Action Plan is now moving forward to the environmental review process. Despite the concerns of the regulated community, the plan calls for ordinances that would mandate retrofits of existing buildings to reduce emissions and conserve energy and water, as well as disclosures at the time of sale and lease. While meeting state goals on reducing emissions is important, there has been no study of the impact on property owners and very few proposals to help offset costs in the form of rebates and incentives. Another city in the region is now looking to update their climate plan which in the past was not onerous as it involved mostly voluntary and incentive based measures. Last but not least, California is in a drought emergency. Our regional water board recently declared a low level drought emergency focusing on voluntary reductions. Citing lessons learned, the water authority over the years has diversified supply sources and increased storage so as of now, there are no mandatory conservation measures in place in our region.

