



EXPEDITED CITY COUNCIL ACTION REQUEST

Department(s): City Manager	Date: 5/10/17	Coordination: City Attorney's Office and the Housing Department.	Dept. Approval: /s/ Betsy Shotwell
			CMO Approval: 

SUBJECT: AB 646 (Kalra) Rental Property: Disclosures: Flood Hazard Areas: Areas of Potential Flooding

RECOMMENDED POSITION: Support

RECOMMENDED ACTION:

1. Pursuant to the City's streamlined bill process for responding quickly to legislative proposals, reaffirm a position in support of AB 646.
2. Recommend a one-week turnaround to the May 23, 2017 City Council meeting so that the City's legislative representatives can continue to advocate the City's position in support of AB 646.

BILL SYNOPSIS:

AB 646 would require residential property owners to provide written notice to a prospective tenant of the fact that the property is located within a special flood hazard area prior to execution of a rental agreement.

With regards to this issue as it relates to the February 2017 Coyote Creek flood, the bill's author writes:

"The flood has had a significant impact on the communities along Coyote Creek in San Jose and people living in the neighborhood affected by the flooding were not notified that their property is located within a special flood hazard area or located within an area of potential flooding. The historic flooding caused \$50 million in private property damage and many occupants of those properties did not own the premises. Instead, they leased the properties and as such, many did not consider the need for flood insurance or assumed that they are covered under the property owner's policy. As a result, many tenants lost all of their possessions, including their vehicles, leaving them with little or no insurance coverage to recover from the devastating flood.

AB 646 would require that a landlord of a residential dwelling unit who has knowledge of properties located in special flood hazard areas, as designated by the Federal Emergency Management Agency, or located within areas of potential flooding shall give written notice to a prospective tenant of that knowledge prior to the execution of a rental agreement . . . Prior to experiencing flooding, tenants are oftentimes not aware if a property was prone to flooding or had experienced flooding prior to their lease of the property. Providing for the disclosure of this information to prospective tenants will help to ensure that they are aware of the threat of potential flooding and can make informed decisions as to whether to acquire flood insurance."

IMPACTS TO CITY OF SAN JOSE:

Providing for the disclosure of this information to prospective tenants in San Jose and those statewide, will help to ensure that they are aware of the threat of potential flooding and can make informed decisions as to whether to acquire flood insurance. It would also benefit the property owner by potentially protecting against liability for providing full disclosure.

POLICY ALIGNMENT:

From the Council Adopted 2017 Legislative Guiding Principles: 1.9: "Protect the City's ability to enforce, maintain and expand protections for mobilehome residents; 7.13 "Support and advance efforts to increase the health and resilience of San Jose's neighborhoods and communities."

SUPPORTERS/OPPONENTS:

Support: AIDS Legal Referral Panel; Bay Area Legal Aid; Leadership Counsel for Justice and Accountability; National Housing Law Project; Tenants Together.

Oppose unless amended to require a "generic notice providing prospective tenants with a reference to appropriate FEMA or OES websites so that the prospective tenant could access the information themselves" (Assembly Judiciary Committee analysis): Apartment Association, California Southern Cities; Apartment Association of Orange County; California Apartment Association; California Association of Realtors; East Bay Rental Housing Association; North Valley Property Owners Association.

STATUS OF BILL:

AB 646 passed the Assembly Judiciary Committee on May 9, 2017, by a vote of 10-1.

FOR QUESTIONS CONTACT: Betsy Shotwell, Dir. Of Intergovernmental Relations (408)535-8270.