New Laws for 2021 Affecting Real Estate

Courtesy of Sheppard • Uziel Law Firm (415) 296-0900 www.sheppardlaw.com

"COVID-19 Tenant Protection Act of 2020" (residential): A statewide moratorium on evictions for non-payment of rent is in effect from March 1, 2020, through January 31, 2021, and it may be further extended. And just cause eviction rules apply to all properties. Most residential tenants may remain in possession through January 2021 as long as the tenant provides a Declaration under penalty of perjury to avoid eviction for non-payment of rent because of circumstances related to COVID-19. For rent that comes due between September 1, 2020, and January 31, 2021, the tenant is responsible for paying at least 25% by January 31, 2021. Otherwise, the tenant can be evicted for non-payment of rent starting February 1, 2021. The balance of the unpaid rent is still owed (see item below). The procedure for a landlord demanding payment of overdue rent has been dramatically altered. For example, instead of a 3-day notice, the owner must serve a 15 business-day notice.

Collection of Rent under the new COVID-19 Rent Debt law: Claims for unpaid rent against Covid-impacted residential tenants may be brought by a landlord in Small Claims Court starting March 1, 2021. A landlord can sue in Small Claims Courts even if the landlord is seeking an amount normally beyond the standard Small Claims Court limits (\$10,000) or has brought multiple cases in the past year. Landlords retain the option of bringing a suit seeking rent in Superior Court at any time.

<u>New Retaliation Law:</u> Illegal landlord retaliation against a tenant includes bringing an Unlawful Detainer lawsuit against a tenant because the tenant owes "COVID-19 rental debt." New penalties against landlords are increased.

Rent Cap and Just Cause Eviction: The statewide Tenant Protection Act of 2019 now specifies how to calculate the Consumer Price Index for an applicable geographic area, giving the owner greater assurance that a rent increase is legally permissible. Duplexes can be exempt from state law rent increases and evictions.

<u>Termination of Tenancy by Crime Victims - Rights Expanded:</u> A tenant may terminate his/her tenancy when that tenant (or a household member) was a victim of a crime which caused bodily injury or death of another tenant, a crime involving firearms or other deadly weapons or instruments, or a crime involving the use of, or threat of, force against the tenant. This law applies if an immediate family member of the tenant is a victim of an eligible crime. This law expands the previous rights of victims of domestic violence or elder abuse.

<u>Unlawful Detainer Shielding:</u> Unlawful Detainer "shielding" (sealing from public records) is extended for eviction actions based on COVID rental debt.

<u>Foreclosure and Notice of Tenants' Rights:</u> When there is a foreclosure, a notice of tenants' rights must be posted on the property and sent to tenants whenever a Notice of Trustee's Sale is posted on the property. The notice must inform the tenants that the foreclosure process has begun on the property and must specify the rights the tenants have.

<u>Landlord Credit Reporting of "Assisted Housing Development":</u> Landlords of an Assisted Housing Development must offer tenants in default the option of having overdue rental payments reported to a consumer reporting agency, and, if accepted by the tenant, can require the tenant to pay a fee not to exceed the lesser of the actual cost to the landlord to provide the reporting service or \$10 per month.

Sheppard • Uziel Law Firm

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Real Estate Law Transactions Trials & Litigation Dispute Resolution/Mediations

For-Sale-By-Owner ("FSBO") Transaction Work



(Jaime Uziel, Partner)

(When Buyer and Seller Have Already Found Each Other)

In a low-cost, high quality way, Sheppard • Uziel can do all the work for sellers and buyers of real estate (houses, condominiums, apartment buildings, tenancy-in-common interests, etc.). We do the real estate agent/broker/legal work for these For-Sale-By-Owner ("FSBO") transactions, saving our clients thousands of dollars in seller commissions (e.g, 5% to 6%).

Sheppard • Uziel has carved a niche as a law firm performing the necessary work to streamline a FSBO transaction through the close of escrow.

Attorneys Jaime Uziel and Larry Sussman spearhead the FSBO work for sellers and buyers of real estate. Jaime is a licensed California Real Estate Broker, has been licensed in real estate since 1990, and is the former Chair of the San Francisco Association of Realtors® Standard Forms Committee. Larry has more than 33 years experience in practicing real estate law, and formerly was a licensed California Real Estate Broker.

Mr. Uziel's and Mr. Sussman's decades of experience as Real Estate Brokers and seasoned Real Estate lawyers help facilitate smooth escrow closings.

FSBO transactions usually take between 8 - 12 attorney hours, depending on the individual transaction and whether or not complications arise.* The fees expended can save many thousands of dollars in real estate commissions - - see chart on reverse side.

* * * * * * *

Please call Attorney Jaime Uziel (ext. 38) or Attorney Larry Sussman (ext. 25) at 415-296-0900 for additional information. Please also feel free to visit our law firm's website (www.sheppardlaw.com) so you can learn more about us. Our law firm does not conduct public marketing of properties or searches for properties. You should hire a real estate broker if you want to market your property for sale or if you are looking for property to purchase.

Our FSBO (For-Sale-By-Owner) Work in a Nutshell:

- * We provide a service to both buyers and sellers of real property in the San Francisco Bay Area (and occasionally, beyond), whereby we facilitate purchase and sale transactions through negotiations (if necessary), contract formation, document drafting, disclosure completion/execution/review, tenant notifications, etc.
- * We work in conjunction with local, reputable escrow companies which hold deposit funds and deal with escrow-related matters.

* The FSBO transactions we handle typically result from situations where the buyer and seller have reached a verbal agreement on "deal points" and need qualified, competent

professionals to handle the details (i.e., to draft transaction documents, prepare legally-required disclosure documents, work with escrow companies, review all documents with clients, etc.). That's where we step into the picture.

* When we are retained, we are retained by one side of the transaction - either buyer or seller - to avoid a conflict of interest. We can refer the other party to competent legal counsel (at reasonable rates), upon request.



* Consider: Assume a property's purchase price is \$1,000,000. A 5% commission rate would amount to \$5

commission rate would amount to \$50,000. A seller would likely pay Sheppard • Uziel between \$3,600 to \$6,000* to handle the transaction (depending on the circumstances of the particular transaction), thereby potentially saving the seller up to \$47,000 on a \$1,000,000 transaction.

- * We do not charge a flat fee; rather, we ask for a reasonable up-front retainer and we bill against that retainer. Any funds left over are returned to the client. If our fees exceed the retainer (e.g., due to unforeseen circumstances), then we ask for a "refresher retainer" or bill for the excess, depending on the situation.
- * We are also skilled in conflict-resolution and have, on many occasions, succeeded in getting deposit monies released to our purchaser-clients when they have decided not to proceed with the transaction due to a failed condition. We are also experienced litigators, and we are ready to battle for our clients in court or arbitration, if necessary.

^{*} There are no guarantees, of course, and a transaction may cost more to complete, depending on the circumstances and whether any complications arise.

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- * Bob Sheppard is recognized by other lawyers as a "Northern California Super Lawyer" in the field of Mediations/ADR. (Nominated by Blue Ribbon Panel; Ballots sent to over 50,000 lawyers)
 - * Bob Sheppard served as **President** of **The Mediation Society** in 2012 and 2013 and served on the Board of Directors of **The Mediation Society** from 2007 to 2014

Robert J. Sheppard Jaime C. Uziel Jerod Hendrickson Stephen J. Sherman Peter Hadiaris Lawrence R. Sussman, Sr. Of Counsel Jeffrey S. Rosen (1958 - 2009)

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LITIGATION MATTERS

(Real Estate, Landlord-Tenant, Business, Tort, Etc.)

and

TRANSACTIONAL MATTERS:

- ► Real Estate Purchase/Sale, and For-Sale-By Owner ("FSBO") Transactions
- ► Tenancy Buy-Outs
- Real Property Co-Owner Buy-Outs (in lieu of Partition litigation)
- Draft/Negotiate:



Commercial Leases
Residential Leases
Parking, Storage, and Pet Agreements
Lease Extensions/Renewals
Leases W/Options to Purchase
Tenancy-In-Common ("TIC") Agreements
Owner-Contractor/Architect/Engineer Contracts
Business Sales/Lease Assignments
Easements/Licenses
Landlord-Tenant Legal Notices, Eviction Notices,
Ellis Act Eviction Notices, etc.

- Negotiate Homeowners Association ("HOA") Disputes and Modifications/Amendments to HOA Governing Documents
- Condominium Conversions
- Private Loans (Notes/Deeds of Trust)
- Foreclosures and Related Negotiations
- "Hybrid Cases": Owner Move-In Eviction ("OMI") -> FSBO; OMI ->TIC;
 Litigation -> Purchase; Condo Conversion -> Tenant Purchases Property;
 Family Inheritance -> Beneficiary Purchases Property; etc.
- Trusts, Estates, Probate Matters, Nomination of Guardians, etc.