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October 31, 2019

**VERY IMPORTANT INFORMATION:**

Dear Valued Clients;

You may have heard by now that **Assembly Bill 1482** was passed and signed by Governor Newsom. Beginning January 1, 2020, this rent cap bill limits annual rent increases to 5% plus CPI and applies to most multi-family properties and apartment buildings. The bill does NOT apply to single family homes or apartments built within the last 15 years, unless they are owned by a REIT, a corporation, or an LLC in which at least one member is a corporation.

With the current CPI being approximately 3% in both Fresno and Madera County, this puts a cap of about 8% on any rental rate increase during a 12 month period. There are many other components to AB 1482, so I encourage you to either go to the California Apartment Association's website, [www.caanet.org](http://www.caanet.org) or <http://leginfo.legislature.ca.gov> to read more about the new legislation.

Another bill recently signed, **SB 329**, states that beginning January 1, 2020, it is illegal to reject a prospective tenant solely based on the applicant's use of a Section 8 federal housing voucher. In other words, we cannot state, "this property does not take Section 8" and we cannot advertise a property with the terms, "No Section 8". Please understand that we still have very high standards and specific qualifications that an applicant must meet – Section 8 or market tenant – which provide us with the ability to reject a voucher-holder after giving them a fair vetting. For additional information about SB 329, please visit <http://leginfo.legislature.ca.gov>.

The **City Baseline Inspections** have been performed for a majority of the multi-family properties we manage (duplexes, tri-plexes, 4-plexes, etc...) and so far we have had great success. I'm proud to say all rentals managed by Fox Property Management remain classified as Tier 1.

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The City Baseline Inspections for single family homes haven't begun yet but I'm guessing it's only a matter of time before they do. We will continue to "pre-inspect" properties with upcoming inspections in order to retain their Tier 1 status.

The Department of Real Estate makes it mandatory for my corporate "dba" broker's license number as well as my personal broker's license number be on the management agreement between Owner and Fox Property Management. As such, please attach the enclosed "Addendum" to your existing management contract. **This shall act as my Official Notification to you of this change.** If you don't have a copy of your management agreement or can't find it, please let me know and I'll be happy to send you a copy.

Thank you for your continued business and please don't hesitate to call if you have any questions or concerns.

Sincerely,

Chris M. Darling  
Owner/Broker  
DRE License #00958933  
For: Remarc, Inc.  
Dba: Fox Property Management  
DRE License #02044668

Enclosure: Management Addendum