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Q: Many of my rental units are in central Los Angeles, near the campus. Of course, most of my current residents are full- or part-time students. The units are large, and are typically shared by four or five room mates. I've been reading your articles, and am familiar with fair housing rules and proper tenant screening procedures, but I have been faced with a dilemma and I'm not quite sure the best way to handle it. Often, one of the roommates goes out of town for an extended period, or just plain moves out, and takes the liberty of replacing himself with another. I usually don't even know it happens until I happen to be at the building fixing something, or collecting rents. My buddies say it's best to just "look the other way" and not acknowledge the new "tenant," be happy to get the rent on time, from whoever is willing to pay it. I'm not sure that is the best way to handle the situation. Any advice?

A: It's crucial to successful ownership and management of rental units that you adhere to proper management practices.

One of the most elementary practices is good screening, coupled with proper documentation prior to and during the tenancy. Ensuring that you have a completed application, and a written rental agreement signed by all authorized adult occupants, and a set of written rules and regulations regarding conduct in and around the apartment, is an absolute must. The forms that you use should be industry standard. The best are from your local apartment association. Ensure that the rental agreements contain the standard provision that the resident cannot sublet or assign the unit without your prior written consent. Make sure that the rental agreement lists the authorized occupants by name, and does not just give blanket permission for "five occupants." If your rental agreement only lists one or two adults, but goes on to authorize a maximum of five persons, you have arguably given consent to the primary occupants to have a total of five occupants, without restriction as to who they are. Qualify each authorized person, name him or her on the agreement, have him or her sign it, and do not allow any substitution without your knowledge and written consent.

Train your residents to get permission to change roommates by strictly enforcing the terms your rental agreement. If the resident requests permission, evaluate the prospect by getting a fully

executed application. If the substitute qualifies, and you agree to the substitution, prepare a written modification to the existing rental agreement, replacing the original tenant with the new resident's name. The modification should clearly state that the original resident is vacating and is no longer entitled to possession, and he or she is surrendering his claim to any security deposit, and transferring his interest to the substitute resident. Ensure that all of the original signatories to the rental agreement and the new resident sign the modification. Of course, don't even think about doing this if the residents are in breach of the agreement, either owing rent, not maintaining the unit or some other issue. If you see a new face on the premises and learn of the substitution after the fact, you may serve a three-day notice to perform or quit, requiring the unauthorized person to vacate the premises. If the unauthorized occupant is still there on day four, immediately file the unlawful detainer. An uncured material breach by the residents will result in all of the occupants being evicted from the premises. Active and knowledgeable management is critical, especially in rent or eviction controlled areas, as eviction for a material breach is a powerful tool, and results in a rental unit that will re-rent at market value after the eviction.

Q: I've always heard that I should post my rental criteria in a conspicuous place so that applicants can plainly see whether or not they are qualified before they submit their application. I typically require that the applicants' combined income exceed three times the rent, however I might make exceptions. Also, in years past, a foreclosure on an applicant's credit report was an automatic disqualifier, but after attending your tenant screening class, I have reconsidered. With so many exceptions to my rental criteria, my sign would be huge! How do I handle this?

A: Yes, it's a good practice to post your rental criteria in a conspicuous place. The details and specifics of your rental criteria, however, do not need to be included, as these details and specifics are not necessarily static, that is, they may change or evolve over time depending on your situation.

For example, your three times income requirement may work fine if you have a single vacancy and a dozen applicants. However, it may be a bit too restrictive in the present economy or in the event you have three vacancies, and your phone hasn't rung in days, and you've only received a single application in the past two weeks. Every owner should establish the following as their general rental criteria. A qualified applicant should: i) have a verifiable and positive credit history; ii) have a verifiable and positive past tenancy history, iii) have sufficient and verifiable income to meet his or her present and future financial obligations, and iv) should not pose a risk of harm to the rental property or to others. These general rental criteria can and should be applied equally and fairly to all applicants, and in compliance with all fair housing rules. Once applied, the best applicant should be accepted, not necessarily the first to apply.

This article is presented in a general nature to address typical landlord tenant legal issues. Specific inquiries regarding a particular situation should be addressed to your attorney. The Durringer Law Group, PLC, has successfully handled over 225,000 landlord tenant matters

Apartment Association, California Southern Cities, Inc. - Roomates & Rental Criteria

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Monday, 15 December 2014 00:00 - Last Updated Monday, 15 December 2014 17:29

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