

AB-646 Rental Property: disclosures: flood hazard areas: areas of potential flooding

SECTION 1. The Legislature finds and declares the following:

(a) In February 2017, several neighborhoods within the City of San Jose experienced severe flooding that forced the evacuation of 14,000 residents and caused significant damage to public and private property throughout the city. A number of communities and mobile home parks along Coyote Creek were submerged when a series of storms brought heavy rain to the Coyote watershed that exceeded the capacities of both the Anderson Reservoir and Coyote Creek.

(b) The flood had significant impact on the communities along Coyote Creek in the City of San Jose, and tenants living within the neighborhoods that were impacted were not aware that the properties they rented are located within a special flood hazard area or an area of potential flooding.

(c) Sections 8589.3 and 8589.4 of the Government Code require a person acting as an agent for a transferor of real property, or the transferor if he or she is acting without an agent, who has actual knowledge that the property is located within a special flood hazard area or an area of potential flooding to disclose that fact to a prospective transferee.

(d) The disclosures required by this act are warranted solely by (1) the fact that residential rental properties located within an inundation area or an area of potential flooding is known by landlords and (2) the ability of a landlord to disclose this information for the safety of the tenants.

8589.45. (a) In every lease or rental agreement for residential property entered into on or after July 1, 2018, the owner or person offering the property for rent shall disclose to a tenant, in no smaller than eight point type, the following:

(1) That the property is located in a special flood hazard area or an area of potential flooding, if the owner has actual knowledge of that fact. For purposes of this section, “actual knowledge” includes the following:

(A) The owner has received written notice from any public agency stating that the property is located in a special flood hazard area or an area of potential flooding.

(B) The property is located in an area in which the owner’s mortgage holder requires the owner to carry flood insurance.

(C) The owner currently carries flood insurance.

(2) That the tenant may obtain information about hazards, including flood hazards from the Internet Web site of the Office of Emergency Services. The disclosure shall include the Internet Web site address for the MyHazards tool maintained by the office.

(3) That the owner’s insurance does not cover the loss of the tenant’s personal possessions and it is recommended that the tenant consider purchasing renter’s insurance and flood insurance to insure his or her possessions from loss due to fire, flood, or other risk of loss.

(4) That the owner is not required to provide additional information concerning the flood hazards to the property and that the information provided pursuant to this section is deemed adequate to inform the tenant.

(b) The disclosures required by this section are subject to the requirements of Section 1632 of the Civil Code.