



## CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE ▪ BEVERLY HILLS, CALIFORNIA 90210

Robert Wunderlich, Mayor

March 30, 2022

The Honorable Richard Bloom  
California State Assembly, 50th District  
1021 O. St, Suite 8130  
Sacramento, CA 95814

Re: AB 2386 (Bloom) Planning and zoning: tenancy in common subject to an exclusive occupancy agreement.  
City of Beverly Hills – SUPPORT

Dear Assemblymember Bloom,

On behalf of the City of Beverly Hills, I write to inform you of our SUPPORT for your measure AB 2386, which would authorize a legislative body of a local agency to adopt ordinances to regulate the design and improvement of any multifamily property held under a tenancy in common subject to an exclusive occupancy agreement.

A tenancy in common is a form of co-ownership in which an interest is owned by several individuals, not in joint ownership or partnership. Tenants in common are permitted to own varying shares of the property, but all co-owners have an equal right to enjoy the entire property. This type of ownership model is often used by family members residing on the same property. If used for the conversion of duplexes and triplexes, tenancy in common offers a unique and affordable option for homeownership.

Unfortunately, tenancy in common conversions have been used as a loophole in real estate transactions to effectively turn multi-family housing into condominiums, encouraging speculator purchases and the displacement of long-term tenants. Speculators are targeting existing multi-family properties and advertising the sale of unit ownership to prospective buyers looking to become homeowners in expensive markets. Since a tenancy in common structure is currently not defined as a common interest development in state law, speculators are not required to adequately

disclose the state of the property, the laws protecting existing tenants, and the potential risks with the transaction— protections and guidelines that are typical of condominium conversions.

AB 2386 will address this issue by allowing local agencies to regulate the conversion of multi-family units to tenancy in common developments. This measure will allow local governments to close the current loophole in real estate purchases that have led to speculator purchases of multi-family housing and the displacement of long-term tenants.

For these reasons, the City of Beverly Hills is pleased to SUPPORT your AB 2386. Thank you for authoring this important piece of legislation.

Sincerely,



Robert Wunderlich

Mayor, City of Beverly Hills

Cc: The Honorable Ben Allen, Senator 26thDistrict  
Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange