

Landlord Logic #56

Welcome to the Landlord Logic Show, hosted by John Tiner. John is the owner and CEO of Tiner Property Management, a three-generation family business since 1976.

Tiner Property Management expertly manages over 1,000 properties in the greater Sacramento area to place quality tenants quickly while minimizing your risk. John stays up to date on all the new laws and regulations and shares his knowledge with do-it-yourself landlords each week. The Landlord Logic Show with the Tiner Property Management Pros. Joining us now, John Tiner, along with his wife and business partner, Jenny Tiner. Welcome to the Landlord Logic Show.

We're so glad you're with us today. It's our 50th year in business, and we're doing our 50-something episodes right now, so kind of full circle. 50 years in business, so that's a long time.

For those who are tuning in now, I'm John Tiner, owner of Tiner Property Management, and we manage about 1,400 residential properties, make it turnkey and easy for landlords to own a property.

And then in the studio with me today is my wife, Jenny Tiner. Hi, everybody. And Jenny is my partner, my sales partner, and my business partner and wife.

Yeah, 24-7 couple. And fortunately, we get along very well. You know, you love the husband, but we really like each other, too. It's great.

It's wonderful. Almost seven years and still like each other. Yeah. Good job, Jenny. Yeah, good job, John. Thanks for being you. So today we wanted to dive into a topic that's a little different. We've had quite an experience with a rogue tenant. I always say John always, he just has that many years in business. I say good stories.

They're not good, but they're stories and they're learning examples. So I'll share this one with you. So has anybody ever gotten a letter from a government agency about a tenant complaint? And that just happened to us. And that's what happens if you're a do-it-yourself landlord. It happens to the big guys. It happens to the small guys. Yes. So with 1,400 doors that we manage and we reprocessed 2,400 applications, I think, last year, so we're a big target. We have a lot of exposure. And we've had these a couple of times, civil rights complaints, Better Business Bureau complaints, different agencies or government agencies. So it's not a shock for us to get this, but any landlord could get them. And so when you do, it's a little shocking, takes you back. Somebody's accusing you of something and you have to defend it. Right. So take us back, John, to how did this situation start? So we had a nice property with a good, strong applicant, and she was in there for quite some time, just short of a year. And we'd had just a little bit of complaints, not even a complaint, just a maintenance issue with the sewage backing up a little bit.

And when they called in a complaint one time, it was her boyfriend, I guess, and he was really angry about that the sewage had backed up.

You know, when the sewage backs up, sometimes it comes out, the clean out, and it comes out of the yard, and that had happened here. So we went out and we started doing the repairs, and he was very aggressive about how we were going to do them and how we were going to clean it up and really didn't have a right to.

And I guess most importantly, he wasn't our tenant. He had come along, and so we told him, you know, really you don't have any right to live here or to tell us how to do it make these repairs, right? Yeah, so you're not our tenant. But he was so aggressive with it that I had a lot of red flags and warning bells. So we served a notice on the tenant to perform covenant or quit. It's a three-day notice to perform covenant or quit, which is legally what you tell a tenant if they don't abide by the terms of the lease agreement. So you have to abide by the terms of lease. And the lease says that we're renting to the following named persons only.

It had her name. And that any person who stays more than 10 days in a calendar year is no longer considered a guest. They are a tenant, and they need to apply and be approved. So he did apply, but he was not approved for several really good reasons. He was not approvable. So we served this notice to perform, covenant or quit and said you can't keep him as a tenant.

And we're not going to respond to you by the way. And we ended up with a name for him in the office, which is Angry Man. And kind of referred to him, not so affectionately, as Angry Man. But everybody knew who we were talking about. Well, the first time that you went over there, we had our property manager go. And John went with him. I went with him because I felt like it was going to be a problem.

Which was good. Because I remember you came home and you said he followed you back out. And then he got mad because John drives a very nice car. Yeah. He said, no matter how rich you are, I don't care. I'm going to make your life a nightmare.

And he worked really hard at doing that. He said, I have a real estate license and I will. come after you in every way imaginable when I'm going to make your life miserable. He said he had a real estate license? Yes, he did. Basically, he was saying, I know enough to be dangerous. I'll pull all the levers that I can to make your life miserable. And he did. He was a man of his word. It's been the last few months, yeah. We've dealt with him for quite a lot.

I'm of the opinion, though. That just because someone threatens you and makes it feel like they will make your life miserable, it doesn't mean you should roll over and just say okay to them. I think you still need to enforce the lease. So we continued on that path. But what he did was file a civil rights complaint. And he put us on notice and he said, even though you turn me down, I have a disability. And the disability is such that I need a reasonable accommodation, which a tenant can ask for. If they have,

for example, the design for this was like a person that were in a wheelchair or something, and then they wanted to rent your house, and you had two steps to get in the front door, and they needed a ramp. They could ask for a reasonable accommodation. Well, sometimes someone may have a disorder such that would require them to have a special accommodation or be considered differently because of their disability. So he made this, but they can also file them when they're very bogus, without any supporting documents, without any supporting evidence that they need it. And so he filed a civil rights complaint because we had served this notice. And so when he does that, it kind of puts the whole... eviction process, which would have been the next step for them, on pause because you have to address this. So we had to answer the civil rights complaint. And do you know how complicated answering a civil rights complaint is? First, the letter, it can be intimidating, and we've seen them before. It requires so much documentation. Everything you say you need to prove. So you have to find the emails, find the documents, and prove it. So we did. We filed a response and did a good job with that. We've had it happen one other time with us. And so we knew our way through the process. A lot of people say, property managers say, you know, just hire an attorney immediately. But we answered both of ours without an attorney. We kind of know the rules and we were able to answer them. So we did.

But then it takes a long time before you get an answer. They don't just give you an immediate answer. So while we're waiting for an answer, then he says, He says there's mold. And we tried to get remediation done. Then he argued with the. And when we're saying he complains, it's not just one email. It literally was like 20. Oh, every time.

It was like to the point of harassment. It was bad. And turned us into the county inspector's office and, you know, everything that you could imagine to cause problems with. So we had to just kind of pick off these things one at a time, address them. and then wait for the responses. And the civil rights complaint was the longer one we had to wait for. It took a couple months for an answer. And a lot of it was, you know, we tried, we responded to... him on behalf of his accommodation request, but she's still the tenant. She's our primary point of contact. So it was very carefully navigating who you talk to. And who you won't talk to. And who you won't talk to. Right. It was very tricky.

We did that, and we walked through the process. And fortunately, Angry Man's own temper kind of was his undoing. So he got mad.

He got in a fight with a neighbor over parking or something. And he ended up in a fight with him and choked him out. And the police came and arrested him. And then his temper got him in trouble with his girlfriend.

And she ended up getting a restraining order. for him. So it made our case a lot easier with the supporting documents of nobody's getting along with this angry man.

Like we manifested the angry man to be angry and it made our case a little bit easier. One of the other property managers in town recently had a situation where a tenant called the police and

said that he had assaulted them because he served him a notice because they did something wrong, right? The police came out. They didn't hear his side of the story. They took it from the tenant. And they ended up arresting him. This is a man who was a gentleman, right? There's no way he would have assaulted anybody or done anything wrong.

So the point is, just because someone says something about you doesn't mean it's true. He ended up having to lawyer up. And of course, it's all getting dismissed. And it wasn't real. But a person can make your life a nightmare. And so you've got to be careful. Be careful. I try to say things in ways that don't make people angry. Because even if you're right, if you say it in a way that provokes them, and especially if they're mentally fragile, you can bring the worst out in somebody. Right. Even that example we gave you when the guy was walking you out to your car, you know, you were nice, but he still followed you out to your car.

Oh, yeah. He was very angry and very intimidating and threatening. But it delayed moving forward with an eviction. And then the mold issues that there was a really...

I want to say insignificant, but a small amount of elevated mold in the kitchen compared to outside. So we had to address that and address it the right way with mold.

And they made it very difficult then to have a repair person come in. They got their video camera out and yelled at them and told them how they had to do the repairs and some of these things. They ran off one vendor completely.

But in the end, we got the, you can't not address. a habitability issue when you have a tenant, even if it's a problem. So they were not able to pay rent, didn't have to pay rent, I should say, for a couple months. And then finally, we got the answer back from the civil rights complaint. They had dropped the case. They said there was just no cause. He hadn't proved his case. We had proved otherwise. So they dropped that and made us a little bit stronger. But in the meantime, the girl that lived there gave us notice and vacated. And she left us with his boat and his car in the house and a restraining order that he can't come to the house.

So that's kind of what we had in the end. And we were a little more emboldened when we realized we won the civil rights complaint case. So that was going to go away. So we served a notice of a right to reclaim abandoned property, notice of belief of abandonment, and also a 96-hour notice on the car and the boat that they would be towed. And then he responded and said, I'll get my stuff, but it's under protest. He did.

He got it all out within the four days that were required. We got possession of the property back. So it cost the owner a couple months of rent and me a lot more gray hairs.

But this is part of what a professional property management company will do for you, right? The owner through this whole process was kept updated. Yeah, we called him a lot. But we were the ones handling it. And there was a lot of details and a lot of different avenues.

And that's why we thought this was a perfect... which was a real-life story, for us to a bunch of different avenues. Legal consults. I mean, I called an attorney and walked through the best way to handle it. Yeah, we had a rate of attorney hands towards the end.

We brought them in, and they helped. We were able to settle it, but we had to consult. Right. Settled it and no cost. The other complaint we had was a year or two ago, and we did settle it. It was easier to settle it than to lawyer up and go through the whole process, which would have been required for that one. So we settled it. It cost \$10,000. And technically, the owner of the property would owe that money.

But I felt like since we were handling it for him, we should address it. And I did. I covered the whole \$10,000 for him. And this one, too, the legal costs, I covered it because we're involved with it.

We're the ones that are managing this for the owner. So that's what a good professional property management company will do. When you have 1,400 properties, you're going to occasionally get a problem. But if you're doing it yourself, you're way more likely to.

So give us a call at 916-974-6003. That's 916-974-6003. Another way is from your cell phone, you can just dial pound 250 and say the word Tiner.

That'll send you some information about our company and also ring through to us. Or you can check us out on our website, which is Tiner, that's T-I-N-E-R.com. Right.

I do want to go back to really both of these because it involved our whole office. When you get this complaint letter, they want the information based on this one property.

But they also asked for information on 1,400 other properties, too. Yeah, a lot of times if it's regarding screening an applicant and whether or not their civil rights were violated in the screening process, they can look through all your records. We gave notice to or said they had an ADA accommodation. We had to give the files for all of that.

So talk about time consuming for our office. It was a lot. And along with documentation. So this is a reminder for all of those. The documentation counts.

So if you're talking to someone, even if you talk to them over the phone, follow it by email per our phone conversation. Because sometimes things can be misconstrued in those conversations. So documentation.

documentation, documentation. When we go to the legal seminars around these issues of civil rights complaints and fair housing complaints, because both of them are similar parallel lines and how the complaints work, the number one thing that the attorneys tell the property managers is keep good notes, keep good records, document your conversations, keep your

emails, make sure that you have all the paper trail that you need because that's what we're going to be able to use to defend you.

So with both of those complaints, we came out of that. successfully. I mean, the one did cost us money, but in those terms, it was better. Sometimes you've got to pay to get out.

It's better to settle than to lawyer up. And even if you're going to win the case, if it costs you \$40,000 to win it versus \$10,000 to settle it, there's a time and a place where you just... There is. We've had a few other lawsuits that we've had to have happen like that.

Yes, but let me make a point here. The lawsuits that we've had, and we've had a few, very few, I mean, most of them are small claims court with tenants over security deposit deductions, right? That's the most of our legal issues, which are minor. But the cases that we've had, we've never been to, I'm knocking on wood a little bit, but we have never been to court with an owner because we failed to give them good representation.

It's always been with a tenant. And usually a tenant that's on the spectrum of, you know, crazy out there in their demands. And that's what this case was. Sometimes you rent to somebody and then they have a little bit of a mental break or something happens in their life where they really go off the rails.

And we don't know what was going on behind the scenes in that relationship, obviously. They got some stuff going on. So we felt bad for the girl. We really did. She's a very nice girl. I just want to be my girlfriend. Get yourself out of that situation. They also had a new baby. It was really sad. So it took a few months. I think the situation may have saved her because the pressure that's created.

It caused her to go get a restraining order and make some decisions that were probably may protect her in the long run. And I really, really hope the best for her. And I know she's now moved on. And I mean, this boat and car thing just happened like last week. And John's still involved. He makes sure he takes a different car there now. His old truck. And not my car because I got a nice car too.

So neither of those cars go when we have angry tenants. The main point we would want to say is if you need some help and you're fearful of having a rental property and having a problem like this and don't know what to do if you did, is hire professional property management. We don't like it, but we can navigate those situations. So if you'd like some help with your rental property, we'd love to hear from you. And the best ways to reach us, you can call direct at 916-974-6003. You can also check us out on our website, which is tiner.com. That's T-I. N-E-R dot com. And there's owner resources on that page. There's blogs.

There's podcasts for the show. It's all available for you on there. And then also from your cell phone, you can dial pound 250, say the word tiner. That will send you some valuable information and then also ring through to us if you'd like to talk to us.

So we're talking about a complaint that we got and walking through some of the steps. And this was just a, you know, just a. Everything was thrown at us and how we navigated through it. So kind of circling back on this, John, so this was a civil rights complaint. It also was an ADA complaint, a discrimination complaint. They called the county inspector department. Yeah. Can they live in the property? Habitability. I can't say the word. Habitability. Or tenantability. That's the other legal term. Tenantability. So how common is getting a complaint like this?

Well, there's quite a few avenues, and you just mentioned several of them where they can file a complaint. The civil rights for us is not as common. Yes, they're rare.

Fair housing is probably a little more common, but they're very similar. And you threw that at us too. I mean, you threw everything. And there are legal firms that just help tenants file these kind of complaints,

and I think they get a percentage of the settlement. And if it goes to court, they don't get anything. So they're out there trying to create some income from it too. So if you know you've been doing things right, it's a great relief. You know that you're going to be able to defend this pretty well.

If you didn't know the laws and you got that letter, that would be scary because you don't know for sure if you violate it. And a lot of times the owners will say, well, we didn't know the rule. Well, that's not an excuse. You're still going to be held liable.

It's your responsibility if you're a landlord. You need to know the rules, all the rules. Yes. Civil rights, fair housing. So there's testers that go out and they see if people are violating the rules. They filed over 100. I think there was 100 tests per month for a while last year with one of these legal firms. And what they're doing is things like, you know, they call and ask questions to see if you answer them wrong.

And they'll act like a tenant and say, I have an emotional service animal. Do you have a pet deposit? And how much would it be? And then if you don't know the rule, which is you can't charge an additional security deposit for an emotional service animal, when you respond incorrectly, bang, they're going to file a complaint against you. And it will be very expensive for you to fix it. But they're pretty common. The more you violate, the more you do things wrong, the more common they would be for you. But if you're doing things right, it's much farther in between. You can do everything perfect, and there's always some people who will falsely accuse you.

There was a whole lot of that in our case. There was a lot of false accusation. We had to prove it wasn't true. But that's – anybody can say anything. And honestly, when it comes to tenants and applicants, I should say, there are so many rules. I think there are seven federal rules of fair housing, race, and country of origin.

There are seven categories. But California has another 20-something more. on top of that. So there's a lot of ways to go wrong. So you have to be very careful to follow the rules in the first place.

But if you violate any of those, and there's marital status, and there's your sex. So if you're a man, if you have a race, if you're a woman, any of these things, if you have a family, if you don't have a family, someone could accuse you of making a decision not to rent to them based on one of those things that are protected. And then you'd have to be able to step up and defend that.

Why did I make the decision? It wasn't based on their race. It was based on their credit report, their landlord history, some of the legal things that we can still use to make a choice about whether to rent to somebody or not.

Well, there also was a sheriff involved, right? Well, certainly when the tenant that we had got in a fight with the neighbors and joked him out, there was a police report, which became necessary for us to be able to prove our case, too. And that, yeah, that helped us documentation. And then we also had a rental inspector. I mean, everything kind of came out on this property. We're using this as an example, but we've had experience with all these other avenues with different rental properties. So these are, this just happened to be the one property where it all got thrown at once. But other properties we've had, obviously, we've had rental inspections had to come, sheriff, sheriff lockouts. There's the things that we've experienced through the 50 years. So kind of circling back around, you know, kind of just to summarize what we went through. Important things. What should you do when you first get the notice? Respond carefully. Gather your documents and take care of things. So even if you have an unreasonable tenant and they say there was a maintenance issue.

Address the maintenance issue. Respond. Always take care of it. Yes. And sometimes they don't give you a month. They might give you a few weeks. You at least need, if you can't get all your documentation, at least be in touch with the person that sent it to you.

I received this. If you need an extension, they might give it to you. Ask. We've had to ask one time and they did. So that's important. Respond. Yes. Give them what they want. I would say with giving them what they want, a lot of times if you do hire an attorney, they'll say, no, you don't have to give them all that. You may only want to give them this much of it because that's all you have to give them. In our case, we didn't have anything to cover.

It was pretty straightforward for us. But that is something that would be subject to legal advice for an owner. Yeah. And so document all of that.

And then some people have asked, you know, what would you have done differently? We kind of paused the eviction with the civil rights complaint. We didn't want to proceed and have a wrongful eviction case. But we paused it probably unnecessarily.

We knew we hadn't done anything to violate this person. So we were on solid ground, but I was still afraid to pursue the eviction until we resolved that. And looking back and how it came out, I probably should have gone ahead and continued with the eviction and maybe got the lockout two months sooner. But that was a risky choice, right? Because if we had pushed with the eviction and had a wrongful eviction, it could have been very, very expensive for the owner. So we kind of took the insurance policy to stay on the safe side. Yeah. Yeah. So it's a lot to get through.

So that was one. situation one story one property one owner that we had a lot thrown out of so a good example of all of that it really happens in real life it is a pain in the booty yes usually these complaints come in one complaint for one property one thing to address and and they're not so hard but this was somebody who literally knew enough to be dangerous and he wanted to make it difficult yeah so like i said we've had some other ones we got one letter one time and it was also another unreasonable tenant first one again in 50 years we've gotten this it was from the attorney general i'm like Why is the attorney general sending us a letter like never happened? I think one of our tenants or applicant, I don't care. or what it was now, but somebody knew the attorney general. By the way, they dropped that case immediately based on lack of evidence. So if you're listening today and maybe you got a letter. Or maybe you're having a problem with the tenant. Hopefully not as extreme as this, but you want some more information. Or maybe you just don't want to get a letter, so you want to get somebody who's good at avoiding those letters, which we are. And we haven't, I don't know if we mentioned this, but we are in the Sacramento area. So we get listeners from various areas.

If we're outside our range, contact us anyways. We have... Great references and referrals to other property management companies that we can refer you to. But if you're listening and you, like we said, you need some information, give us a call at 916-974-6003 or check our website out at tiner.com.

And that's T-I-N-E-R dot com. These podcasts or these radio shows turns into podcasts. All those episodes are on here.

On there, John does a great blog. And we also have a really good video maintenance series. We have all kinds of information on there. It's all free information for you to utilize. So check that out. And then tune in next week where we'll go over some other landlord topics. Fun stuff. Remember, professional property management doesn't cost. It pays.

Would you like to learn more about the services provided by the Tiner Property Management Pros? Their professional property management team will take care of your rented home from start to finish. Simply dial pound 250 and say Tiner to learn more about the ease of managing rental properties or check out their website, tiner.com. Join us again next week for the Landlord Logic Show with John Tiner.