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ELECTRONICALLY FILED
2/28/2024 9:45 AM
Kern County Superior Court
By Alejandra Velazquez, Deputy

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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF KERN

13
14 **THE PEOPLE OF THE STATE OF**
15 **CALIFORNIA,**
16 Plaintiff,
17 v.
18 **CLEMMER AND COMPANY,**
19 Defendant.

Case No. BCV-24-100689

**COMPLAINT FOR PERMANENT
INJUNCTION, CIVIL PENALTIES,
RESTITUTION, AND OTHER
EQUITABLE RELIEF**

(BUS. & PROF. CODE, § 17200 et seq.)

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22 The People of the State of California (“People”), by Rob Bonta, Attorney General of the
23 State of California, bring this action against Clemmer and Company (“Defendant”) for violating
24 the Unfair Competition Law (Bus. & Prof. Code, § 17200 et seq.), and allege the following:

25 **INTRODUCTION**

26 1. The People bring this civil enforcement action against Defendant for violations of
27 the Unfair Competition Law (“UCL”). These violations are predicated on the Tenant Protection
28 Act of 2019 (“TPA”) and the Fair Employment and Housing Act (“FEHA”).

1 also recognized that placing limits on rent increases necessitated a corresponding prohibition on
2 evictions without justification, commonly referred to as a “just cause.” (Sen. Com. On Judiciary,
3 Analysis of Assem. Bill No 1482 (2019-2020 Reg. Sess.) July 8, 2019, p. 1.) Requiring a just-
4 cause basis for eviction prevents landlords from easily evicting tenants in order to reset unit rents
5 at higher rates than the rent-increase cap allows. It also recognizes the harm that unwarranted
6 displacement may cause tenants, including struggles to find new affordable housing, moving
7 expenses, longer commute times, and so forth. As such, the Tenant Protection Act permits
8 terminating tenancies for covered tenants only where there is a statutorily enumerated cause.
9 (Civ. Code, § 1946.2, subd. (b)).

10 9. Under the TPA, a landlord may evict a tenant in order to demolish or substantially
11 remodel the property. (Civ. Code, § 1946.2 subd. (b)(2)(D).) To comply with the TPA,
12 substantial remodel work must meet certain requirements, even if the work is performed in good
13 faith and not as a deliberate pretext to evict a tenant. “Substantial remodel,” as defined by statute,
14 requires certain work—specifically, the replacement or substantial modification of an entire
15 structural, electrical, plumbing, or mechanical system that requires government permits, or the
16 abatement of hazardous materials. (*Ibid.*) Discrete plumbing or electrical work, for example, is
17 insufficient. To qualify as a substantial remodel, the work cannot reasonably be accomplished
18 safely with the tenant in place and instead must require the tenant to vacate the unit for 30 or
19 more days. (*Ibid.*) Work does not constitute a substantial remodel under the TPA if the tenant
20 could safely live in the unit without violating health, safety, or habitability laws for one or more
21 of those 30 or more days. Substantial remodel does not include cosmetic work or work that can
22 be performed safely without requiring a tenant to vacate their unit for at least 30 days. (*Ibid.*)

23 10. Landlords invoking the substantial-remodel just cause should be able to show that
24 they obtained estimates from licensed contractors about the scope and duration of work, sought
25 and received permits for the work, and actually completed work that met the statutory definition,
26 including showing that the work reasonably could not have been done with the tenant in place or
27 by relocating the tenant for a period of less than 30 days. Work that can be diligently performed
28 with a tenant absent from the unit for less than 30 days cannot form the basis of an eviction, even

1 if a landlord, property manager, or contractor chooses to perform the work at a slower pace.

2 **THE FAIR EMPLOYMENT AND HOUSING ACT**

3 11. FEHA protects Californians from housing discrimination based on protected
4 characteristics, including race, color, national origin, religion, disability, gender, gender identity,
5 familial status, and sexual orientation. Housing discrimination broadly means treating a tenant
6 differently based on the tenant’s protected status, including but not limited to refusing to rent to a
7 tenant, or evicting a tenant. (Gov. Code, § 12955.)

8 12. In 2010, FEHA was amended to add a new protected category: source of income.
9 FEHA defines source of income to mean income paid to a tenant or landlord on behalf of a tenant,
10 including federal, state, or local public assistance or housing subsidies. (Gov. Code, § 12955,
11 subd. (a).) This includes Section 8 Housing Choice Vouchers. (*Ibid.*) As a result, it is illegal in
12 California to discriminate against a tenant or potential tenant because they are a Section 8
13 Voucher recipient.

14 **DEFENDANT’S BUSINESS PRACTICES**

15 13. In its capacity as property manager, Clemmer engaged in unlawful conduct when
16 facilitating evictions for two of its property owner clients.

17 14. In 2021, Clemmer served notices to terminate tenancies on two Section 8 voucher
18 recipients living in properties it managed for one property owner, citing substantial remodel as the
19 just cause for eviction.

20 15. However, emails between Clemmer and the property owner indicate that the
21 eviction notices were issued on the basis of the tenants’ status as Section 8 Voucher recipients,
22 with Clemmer noting that, like that property owner, other property owners for whom it managed
23 properties did not accept Section 8 tenants. Yet Clemmer nonetheless proceeded to issue the
24 notices to terminate tenancy.

25 16. Clemmer and the property owner did not produce substantiation of any planned
26 substantial remodel, nor was any substantial remodel work performed.

27 17. To the contrary, Clemmer re-listed one of the units for rent as “available now”
28 within two weeks of the tenant’s departure. By definition, no work performed in the unit required

1 that tenant to vacate the unit for at least 30 days, as required by the TPA for an eviction based on
2 substantial remodel eviction.

3 18. Separately, in 2021 and 2022, Clemmer served notices to terminate tenancy in
4 over 40 units owned by a second property owner that cited substantial remodel as the just cause
5 for eviction. Clemmer coordinated the work performed in some or all of these units.

6 19. The substantial remodel notices were unlawful. First, the work did not rise to the
7 level required by the TPA to justify an eviction. In some units, Clemmer described the work that
8 needed to be completed as a “basic turn” and listed clearly cosmetic improvements, such as
9 replacing blinds and light bulbs or touching up paint. While more significant work was performed
10 on other units, including repairing water damage, replacing bathroom fixtures, or repairing floors,
11 none met the standards set forth in the TPA. Second, no permits were pulled for the work in any
12 units where a notice to terminate based on substantial remodel was served. And third, the work
13 performed did not require the tenants to vacate the units for more than 30 days. For some units,
14 new tenants moved in less than 30 days after the prior tenants vacated the unit. Although the
15 work in other units did last more than 30 days, those longer time periods were due to work being
16 performed intermittently or because a single worker was remodeling several units at the same
17 time.

18 20. For a few the units where Clemmer served notices to terminate based on
19 substantial remodel, the company later acknowledged that other tenancy issues, such as alleged
20 lease violations, were the real basis for the eviction. But substantial remodel notices cannot be
21 used as catch-all notices.

22 21. After receiving the unlawful eviction notices, most tenants moved out of their
23 homes. These unlawful eviction notices displaced dozens of tenants, creating hardship for these
24 tenants as they looked for new housing in California’s difficult housing market.

25 **FIRST CAUSE OF ACTION**

26 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**

27 (Unfair Competition)

28 22. Plaintiff realleges paragraphs 1 through 20 and incorporates these paragraphs by

1 reference as if fully set forth in this cause of action.

2 23. Defendant has engaged in business acts or practices that constitute unfair
3 competition as defined in the Unfair Competition Law, Business and Professions Code section
4 17200 et seq. These acts or practices include, but are not limited to,

- 5 a. Seeking to evict tenants without a just-cause basis in violation of the Tenant
6 Protection Act, Civil Code, § 1946.2,
- 7 b. Seeking to evict tenants without a just-cause basis in a manner that would not have
8 satisfied the Covid-19 Tenant Relief Act, Civil Code, § 1179.03.5, and
- 9 c. Evicting tenants based on their status as Section 8 Housing Choice Voucher
10 recipients in violation of Gov. Code § 12955, subd. (a).

11 **PRAYER FOR RELIEF**

12 WHEREFORE, the People pray for judgment as follows:

13 1. Under Business and Professions Code section 17203, that Defendant, and its
14 agents or representatives, be permanently enjoined from committing any unlawful, unfair, or
15 fraudulent acts of unfair competition in violation of Business and Professions Code section 17200
16 as alleged in this Complaint;

17 2. That the Court make such orders or judgments as may be necessary to prevent the
18 use or employment by Defendant of any practice that constitutes unfair competition or as may be
19 necessary to restore to any person in interest any money or property that may have been acquired
20 by means of such unfair competition, under the authority of Business and Professions Code
21 section 17203;

22 3. That the Court assess a civil penalty of \$2,500 against Defendant for each
23 violation of Business and Professions Code section 17200 in an amount according to proof, under
24 the authority of Business and Professions Code section 17206;

25 4. That the People recover its costs of suit, including costs of its investigation; and

26 5. For such other and further relief that the Court deems just and proper.

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Dated: February 28, 2024

Respectfully Submitted,

ROB BONTA
Attorney General of California



RACHEL A. FOODMAN
Deputy Attorney General