

AB 1482 ("TENANT PROTECTION ACT OF 2019") FREQUENTLY ASKED QUESTIONS

RENT CAP, JUST CAUSE EVICTION & RELOCATION FEES

This guidance is intended for rental properties in cities that do not currently have rent control, tenant eviction protections, or relocation fees. If your rental property is located in a jurisdiction that is currently regulated, please contact your local property owners association to receive guidance on the possible applicability of AB 1482.

ANNUAL RENT INCREASE LIMITATIONS ("RENT CAP")

How much can I raise the rent each year?

You may raise the rent up to 5% plus the applicable Consumer Price Index (CPI) or 10%, whichever is lower. Percentage change in the CPI would mean the percentage change from April 1 of the prior year, to March 31 of the current year for the region in which the rental property is located. Your calculation must be from the lowest gross rental rate charged for the unit at any time during the 12 months prior to the effective date of increase.

How many times may I increase the rent each year?

For renters who have lived in the unit for more than 12 months, you may raise the rent up to two times within that period, as long as the total increases do not exceed the state's rent cap.

What happens if I raised the rent above the allowable amount before January 1, 2020?

If you raised the rent more than 5% plus CPI *prior to March 15, 2019*, the rent remains in effect without any change needed. If you raised the rent more than 5% plus CPI *after March 15, 2019*, you will need to adjust the rent down to the March 15, 2019 rent, plus 5% plus CPI or 10% (whichever is lower **AS OF** January 1, 2020.) No refund will be due to the tenant for rent collected from March 15, 2019 to January 1, 2020. This is because the bill was written with a retroactive rent date included.

If the renter moves out, can I raise the rent to more than 5% plus CPI?

Yes, the new law does not affect your right to raise the rent to market once a tenant vacates the unit. However, once a new renter is placed in the unit, any future rent increases on that tenant will be subject to the rent cap.

What if my unit is currently vacant?

You may choose the initial rent for the new tenant. But once the new renter is in the unit, any future rent increases will be subject to the rent cap.

JUST CAUSE EVICTIONS

How do evictions work under AB 1482?

All applicable evictions must be based on "just cause" meaning the owner must have a just cause for the eviction. "Just cause" is divided into two categories - at-fault evictions and no-fault evictions. The law requires that you provide a reason for the eviction (in the notice to quit) and it must fall within the permissible reasons, as set forth by the law. You may no longer just issue a 30 or 60-day notice of termination of tenancy.

Which renters do the eviction protections apply to?

As of January 1, 2020, it applies to renters who have resided in the unit for 12 months or more. If an additional renter(s) is added to the lease (prior to an existing renter continuously residing in the unit for 24 months) then the just cause provisions do not apply until all renters have continuously resided in the unit for 12 months or more, or at least one of the renters has continuously resided in the unit for 24 months or more.

What is an "at-fault" just cause eviction?

At fault eviction causes are based on the actions or activities of the renter that fall within the scope of the permissible reasons under the law (see below for a full list of reasons).

What is a "no-fault" just cause eviction?

No fault eviction causes are when the eviction is *not* based on the actions of the renter, but rather due to the owner's actions or the owner's compliance with a government entity.

What am I required to do if I have a just cause for eviction?

If the eviction is based on a curable violation (e.g. non-payment of rent), you must provide the renter with notice of the violation, setting forth the time period in which to cure the violation. If the violation is not cured within the time period provided in the notice, a 3-day notice to quit without the opportunity to cure may be served to terminate the tenancy. If the tenant does not vacate the unit by the date of the notice to quit, the owner may move toward an Unlawful Detainer in a court of law.

"AT-FAULT" JUST CAUSES

The owner must have evidence to support the basis for the eviction based on any of the following:

1. Failure to pay rent;
2. Breach of a material lease term, as defined by the law;
3. Maintaining, committing, or permitting the maintenance or commission of a nuisance, as defined by the law;
4. Committing waste, as defined by the law;
5. Written lease terminated on or after January 1, 2020 and after a written request from the owner, the renter has refused to execute on a written extension or renewal of the lease based on similar lease terms;
6. Criminal activity by the renter on the property, including any common areas, or any criminal activity or criminal threat on or off the property that is directed at any owner or agent of the owner;
7. Assigning or subletting in the premises in violation of the lease;
8. Refusing the owner access to the unit as authorized under the law;
9. Using the premises for unlawful purposes, as defined by the law;
10. An employee (e.g. resident manager), agent or licensee's failure to vacate after their termination;
11. Failure to deliver possession of the unit following written notice to the owner of the renter's intention to terminate the lease, which the owner has accepted in writing.

"NO-FAULT" JUST CAUSES

1. Intent by the owner or owner-relative to occupy the unit. This includes the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents *only*. For leases entered into on or after July 1 2020, the owner would only be permitted to occupy the unit if the renter agrees in writing to the lease termination or the lease includes a provision providing for lease termination based on owner or owner-relative occupancy;
2. Withdrawal of the rental property from the rental market;
3. Intent to demolish or substantially remodel the unit;
4. Owner is complying with a local ordinance, court order, or other government entity resulting in the need to vacate the property.

Is selling the property a just cause for eviction?

No, it is not.

Is moving a resident manager into a unit a just cause for eviction?

No, it is not.

RELOCATION ASSISTANCE/RENT WAIVER

Under what circumstances am I required to pay relocation assistance or issue a rent waiver?

When the termination of a tenancy is based on a no-fault just cause, the renter is entitled to relocation assistance or a rent waiver. You can decide in which manner you want to compensate the tenant.

If I choose to pay relocation assistance, how much am I required to pay and when?

The relocation fee must be equal to one month of the renter's rent in effect as of the date that the notice of termination of tenancy was issued. The relocation fee must be paid to the renter within 15 calendar days of the service of notice of termination of tenancy.

If I choose to issue a rent waiver, what is the rent waiver amount and when is it issued?

The rent waiver must be equal to one month of the renter's rent in effect as of the date that the notice of termination of tenancy was issued. A written waiver of the payment of the last month's rent must be provided to the renter prior to the rent due date.

May I pay part in relocation assistance and part in a rent waiver?

No, AB 1482 does not account for this circumstance.

What happens if I fail to pay relocation assistance or provide a rent waiver?

The notice of termination of tenancy is void.

What are the notice requirements?

You are required to issue a notice of termination based on the no fault just cause, and include the renter's right to relocation assistance or a rent waiver. If you decide to issue a rent waiver, the notice should provide the amount of the rent waiver and state that no rent is due for the last month the tenancy.

Are there circumstance in which I would not be required to provide relocation assistance or a rent waiver?

Yes, if it is determined by any government agency or court that the renter is at fault for the condition or conditions triggering an order to need to vacate as set forth in the law. Under those limited circumstances, the renter would not be entitled to relocation assistance.

NOTICING REQUIREMENTS

The law sets forth several notice requirements, as follows:

Relocation Assistance

When a no fault notice of termination is served on the renter, the renter must also be informed of their right to relocation assistance or a rent waiver. In a rent waiver, the written notice should provide the amount of the rent waiver and that no rent is due for the last month of tenancy. Relocation assistance shall be provided within 15 calendar days of service of the notice to quit.

Property Exemption

Properties that are exempt from the law must provide renters with written notice stating: *“This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just-cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12 (d) (5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation.”*

This notice must be included in rental agreements that begin on or after July 1, 2020. For tenancies that started prior to July 1, 2020, the rent agreement may but does not have to include the notice provision.

Property Subject to the Law

An owner of residential property subject to the law is required to provide the following notice, in no less than 12-point type: *“California Law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. California law also provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Section 1946.2 of the Civil Code for more information.”*

For tenancies that started or were renewed on or after July 1, 2020, the above notice should be included as an addendum to the lease or as a written notice signed by the renter, with a copy of the signed written notice provided to the renter.

For tenancies that existed prior to July 1, 2020, the above notice must be provided as a written notice to the renter no later than August 1, 2020 or as an addendum to the lease.

EXEMPTIONS FROM AB 1482

Just Cause Eviction Exemptions

If your property is one of the following, it is exempt from AB 1482's just cause provisions, regardless of any local ordinance adopted after January 1, 2020:

- Transient and tourist hotel occupancy (as defined by law);
- Housing accommodations in a nonprofit hospital, religious facility, licensed residential care facility for the elderly, as defined by the law;
- Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school;
- Owner-Occupied housing accommodations in which the tenant shares a bathroom or kitchen facilities with the owner who maintains principal residence with the residential real property;
- Owner-occupied duplex in which one of the units is the owner's primary residence at the beginning of the tenancy and the owner continues in occupancy;
- New Construction -housing that was issued a certificate of occupancy within the previous 15 years. **This means some of the housing previously exempt under Costa Hawkins will now be subject to the State's rent control provisions.**
- Single-family homes and condominiums if the owner is not a real estate investment trust, a corporation, or a limited liability company in which at least one member is a corporation.

Rent Control Exemptions

If your property is included in the list below, it is exempt from AB 1482;

- Housing restricted by a deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined by the law;
- Dormitories constructed and maintained in connection with any higher education institution within the state for use or occupancy of students in attendance at the institution;
- **Housing subject to more restrictive rent control ordinances;**
- New Construction - housing that was issued a certificate of occupancy with the previous 15 years. **This means some of the housing previously exempt under Costa Hawkins will now be subject to the State's rent control provisions.**
- Owner-Occupied housing accommodations in which the tenant shares a bathroom or kitchen facilities with the owner who maintains principal residence with the residential real property;
- Owner-occupied duplex in which one of the units is the owner's primary residence at the beginning of the tenancy and the owner continues in occupancy;
- Single-family homes and condominiums if the owner is not a real estate investment trust, a corporation, or a limited liability company in which at least one member is a corporation.