

The Tenant Protection Act (AB 1482): Rent Caps and Just Cause Protections for California Tenants

The Basics:

- Effective 1/1/2020, the Tenant Protection Act provides an Annual Rent Cap (5% + Consumer Price Index) and Just Cause Protections for many residential tenancies.
- Just Cause Protection requires at least 12 months of tenancy.
- These laws do not apply to all housing - for example,

rent-controlled housing in East Palo Alto, which has better local protection. See *Excluded Housing* to find out which kinds of housing are excluded from Rent Caps.

EXCLUDED HOUSING:

- New housing built within the past 15 years
- Housing with local rent control where the annual allowable increase is lower than 9%
- Government subsidized or below-market housing in which rent is set based on income level
- Single family homes or condos with no corporate ownership
- Duplexes- if the owner lives in the other unit
- College dorms
- Mobile homes and RVs in mobilehome parks that are owned by the occupant

ANNUAL RENT CAP

How does it work?

- **Civil Code 1947.12** limits annual rent increases for covered tenancies to 5% + the change in the local Consumer Price Index, or 10%, whichever is lower.

*For San Mateo County,
the current annual rent increase limits are:*

- **8.8% for increases between 4/1/21 and 3/31/22**
- **10% for increases between 4/1/22 and 3/31/23**

- Rent can not be increased more than twice in one year. The total of all rent increases within a 12 month period cannot exceed the Annual Rent Cap.



JUST CAUSE

How does it work?

- Landlords need a valid reason to evict under **Civil Code 1946.2**
- Begins to apply after 12 months of tenancy, or 24 months if a new tenant is added to the household
- If the valid reason is **No-Fault**, the **owner must pay relocation**

No-Fault Reasons for Eviction

- Owner or family member intends to occupy the unit
- Withdrawal of unit from the rental market (Ellis Act)
- Compliance with a government, court order, or local ordinance that requires vacancy
- Intent to demolish or substantially remodel the unit, with permits

At-Fault Reasons for Eviction

- Nonpayment of rent
- Breach of material lease term
- Nuisance
- Waste (damage to the property)
- Refusal to execute similar new lease
- Criminal activity
- Subletting in violation of the lease
- Denying access by landlord after proper notice of lawful entry
- Using the unit for unlawful purpose
- Employee, agent, or licensee's failure to vacate after termination as employee, agent, or licensee
- Failure to vacate after tenant provides owner written notice of intent to terminate tenancy, or after making a written offer to terminate tenancy which is accepted by landlord

RELOCATION

- Relocation payment is equal to one month's rent.
- It must be made within 15 days of the no-fault termination notice
 - **Note:** local jurisdictions may require greater relocation amounts
- Instead of making a relocation payment, an owner can waive the last month's rent in writing.
- If tenant receives a relocation payment but does not vacate, the owner can recover the payment in an eviction.

How must an owner notify tenants of their rights?

- If the property is subject to just cause protections, the owners must give tenants written notice regarding those protections:
 - If the tenancy *starts or renews on or after 7/1/20*
 - Notice must be an addendum to the lease or a notice signed by tenants, who also receive a copy.
 - If the tenancy *exists prior to 7/1/20*
 - Notice must be given no later than 8/1/20 or as an addendum to the existing lease
- Owners must also notify tenants if they are *not covered* by just cause

EXCLUDED HOUSING:

- New housing built within the past 15 years
- Government subsidized or below-market housing in which rent is set based on income level
- Single family homes or condos with no corporate ownership
- Owner-occupied single family homes with no more than two tenants (including ADUs)
- Duplexes- if owner already lives in the other unit
- Short-term stay hotels, motels, and hostels
- Non-profit hospitals, religious facilities, care for the elderly, and adult residential facilities
- Tenants who share bathroom and kitchen facilities with the owner in the owner's home
- K-12 or college dorms

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