

TENANT PROTECTION ACT

Assembly Bill 1482



C.A.R.
LEGAL
TOOLS

Tenant Protection Act of 2019

RENT CAP

Creates a Statewide limit on the amount an owner can increase a residential tenant's rent.

JUST CAUSE EVICTION

Lists specific reasons a residential tenant can be evicted. Owner cannot terminate a tenancy for any other reason.

EFFECTIVE DATE

January 1, 2020
Scheduled repeal date:
January 1, 2030

Rent Cap



- Tenant's rent cannot be increased more than 5% + cost of living adjustment or 10%, whichever is less, in a 12-month period.
- Only two rent increases allowed in any 12-month period. Combined total cannot exceed amount above.
- Cost of living adjustment based on U.S. Bureau of Labor Statistics or California Consumer Price Index from Department of Industrial Relations.

Rent Cap Exceptions

(Property types not subject to TPA)



- Housing issued a Certificate of Occupancy in the previous 15 years. Think of it as a rolling date that changes every year.
- Duplex where the owner occupies one of the units from beginning to end of tenancy.
- Single family home or condominium IF:
 - Not owned by a corporation
 - Not owned by an LLC in which any member is a corporation
 - Not owned by REIT (real estate investment trust)
 - Owner gives tenant a statutory notice of the property's exemption

New Tenancies

Owner can set initial rent at market level

Subsequent increases subject to TPA





Just Cause Eviction

At-fault

(tenant action as cause for eviction)

No-fault

(owner action as cause for eviction)

- Tenant fails to pay rent
- Tenant breaches a material terms of lease (if curable, tenant is given a 3-day opportunity to correct)
- Tenant commits waste, creates a nuisance, or uses property for illegal or unlawful purpose
- Tenant refuses to allow owner legal entry
- Tenant refuses to sign a new lease or extension upon termination of existing term with similar terms and compliant with law
- Tenant refuses to leave after giving owner notice of termination

At-fault reasons to evict under Just Cause





No-fault reasons to evict under Just Cause:

- Owner intends to go out of business
- Owner intends to move-in to unit or move-in close family member
- Tenant must have previously agreed in lease or addendum
- Tenant is given one-month relocation
- Owner intends to demolish or substantially remodel or to abate hazardous materials
- Cosmetic improvement alone does not qualify
- Improvements must require a permit

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 - ii. Not owned by an LLC in which any member is a corporation
 - iii. Not owned by REIT (real estate investment trust)
 - iv. Owner gives tenant a statutory notice of the property's exemption



More Just Cause Exceptions (Property types not subject to TPA)

- Single family, owner-occupied, where no more than two bedrooms or units (including ADUs) are rented
- Owner-occupied residence where owner and tenant share a bathroom or kitchen



Applicable Forms



- C.A.R. form RCJC to be attached to new leases or rentals
- C.A.R. form RCJC to be attached to extensions or renewals of existing leases or rentals

NOTE

Many C.A.R. notices to tenant: CTT (Change in terms of tenancy), NTT (Notice of termination of tenancy), PCQ (Perform Covenant of Quit) only apply to properties not covered by TPA or local rent or just cause ordinances.

Seek Counsel of Qualified Real Estate Attorney



- Interaction between TPA and local law is complicated
- Recommend clients contact a real estate attorney familiar with State and local law where the property is located

ADDITIONAL RESOURCES

Quick Guides

Rent Cap

<https://bit.ly/2MGcqga>

Just Cause

<https://bit.ly/2BzRgKj>

Legal Q&A

Rent Cap and Just Cause Eviction Law (Rent Control, AB 1482)

<https://www.car.org/riskmanagement/qa/landlord-tenant-folder/Rent-Cap-and-Just-Cause-Eviction-Law>

Facebook Live Video

Rent Cap and Just Cause Eviction Law

discussed by Jana Gardner, Esq. and Neil Kalin, Esq.

<https://www.facebook.com/CAREALTORS/videos/668997280274908/>