



AB 1482 (Chiu) Tenant Protection Act of 2019: Rent Caps Quick Facts

As you know, Governor Newsom called for statewide rent control in his State of the State Address in January. Throughout the year, CalRHA has engaged in ongoing negotiations with the Governor and Legislature on this issue. Ultimately, the Governor pushed a deal through the Legislature via AB 1482, which will cap annual rent increases in California at 5% plus CPI and require landlords to have “just cause” in order to evict tenants. The bill passed out of the Senate on September 10th on a 25/10 vote, then passed out of the Assembly on 48/26 vote. The Governor will sign the bill soon, but no later than October 13th (the bill signing deadline). Below is an analysis of the new law:

KEY PROVISIONS

- Caps annual rent increases at 5% plus the change in cost of living, as measured by the Consumer Price Index (CPI), for all rent increases occurring on or after March 15, 2019
- If a landlord increases rent by more than this cap between March 15, 2019 and January 1, 2020, the rent on January 1, 2020 must be what the rent was on March 15, 2019, plus 5% plus CPI
- Authorizes landlords who increased rent by less than 5% plus CPI between March 15, 2019 and January 1, 2020 to increase the rent twice within 12 months of March 15, 2019, but not more than 5% plus CPI
- Beginning January 1, 2020, requires landlords to have just cause in order to evict tenants for tenants who have occupied a unit for at least 12 months, or up to 24 months when an adult tenant adds onto a lease (change in roommates)
- Landlords will still be able to evict for at-fault reasons, e.g. failure to pay rent, breach of lease, criminal activity, creating a nuisance, committing waste, refusal to execute a written extension or lease renewal, refusal to allow owner to enter
- Landlords can also evict for no-fault reasons, e.g. when the owner or their family plans to occupy the property, if they want to remove the property from the rental market, if they intend to substantially remodel the property, if they are ordered to vacate by a government agency or court
- Requires landlords to provide relocation assistance via one month’s rent or rent waiver for no-fault evictions within 15 calendar days of serving notice, and to notify tenants of the relocation assistance

- Does not amend Costa Hawkins, so local governments cannot apply a local rent cap to units not covered by Costa Hawkins (i.e. single family homes, multi-family units built after 1995)
- Does not contain vacancy decontrol provisions, so units can return to market rent prices when vacated
- Contains a 10-year sunset, so the requirements in the bill will expire in 2030

EXEMPTIONS

Owners of exempt properties must provide tenants with a specific notice regarding the exemption starting July 1, 2020. For tenancies existing before July 1, 2020, this notice may be provided in the rental agreement, but written notice must be provided by August 1, 2020, or as an addendum to the lease or rental agreement. For tenancies starting or renewed on or after July 1, 2020, this notice must be provided as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.

The following residential properties are exempt from the requirements in AB 1482:

- Units subject to existing rent control or just cause eviction requirements
- Deed-restricted affordable housing and dormitories
- Single-family homes, except for those owned by corporations, REIs or LLCs with at least one corporate member
- Owner-occupied duplexes (this would include ADUs)
- New construction for 15 years (all units for 15 years after receiving their first certificate of occupancy)

Please click here for a copy of the new law:

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1482

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