



AB 1482 Tenant Protection Act of 2019

Status

AB 1482 enacted by Governor Newsom on October 8, 2019.

Summary

The following are the key elements of AB 1482:

- Places an upper limit on annual rent increases: five percent (5%) plus cost of living inflation,¹ or up to a maximum of 10 percent (10%) increase each year, whichever is less.
- Rent should not be increased more than two times over a 12 month period.
- Requires landlords to have and state a “just cause” to evict tenants who have occupied the premises for 12 months (or 24 months if a new roommate moves in).
- Establishes exemptions from the rent cap and the just cause provisions (see below).
- Requires that landlords notify tenants of the rent cap and just cause provisions.
- Certain evictions require landlords to provide relocation assistance to tenants.
- Establishes that the rent cap is only applicable to existing tenants. When filling vacant units, or establishing a new tenancy where no tenant from the prior lease remains, the owner can establish a new rent in any amount, and the rent cap applies thereafter.
- Goes into effect on January 1, 2020 (with some retroactive provisions).
- Sunsets on January 1, 2030.
- Does not preempt any local rent control or just cause ordinances.²

Details

Rental Types Exempt from Rent Cap:

1. Deed-restricted affordable housing for very low, low, or moderate income
2. Higher education dorms
3. Housing that has been issued a certificate of occupancy within the last 15 years
4. A duplex in which the owner occupies one of the units
5. Single family residences/condos unless owned by a real estate trust, a corporation or an LLC where at least one member is a corporation³

¹ Defined as percentage change in the regional consumer price index (CPI).

² Except that any local just cause ordinance enacted after September 1, 2019 must be at least as protective as AB 1482, and any rent regulation must still be consistent with Costa-Hawkins Rental Housing Act.

³ For this exemption, the owner must provide the tenant with written notice that the property is exempt using the following specific statement: “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 (footnote continued)



Rent Cap Retroactivity:

This bill applies to all rent increases occurring on or after March 15, 2019. If a landlord has raised the rent beyond the permissible amount between March 15, 2019 and January 1, 2020, the rent on January 1, 2020 shall be the rent as of March 15, 2019, plus the maximum increase permissible under the bill. The landlord, however, would not be required to refund any rent paid between March 15, 2019 and January 1, 2020 that exceeded the allowable increase.

Rental Types Exempt from Just Cause Requirement:

1. Transient and tourist hotel occupancy
2. Nonprofit hospital, religious facility, or extended care facility housing
3. Dorms (K-12 and higher education)
4. Housing that has been issued a certificate of occupancy within the last 15 years
5. A duplex in which the owner occupies one of the units
6. Owner-occupied residences where a tenant shares bathroom or kitchen with the owner
7. Single family residences/condos unless owned by a real estate trust, a corporation or an LLC where at least one member is a corporation⁴
8. Single-family owner-occupied residences, including when an owner-occupant rents or leases two units or bedrooms, including Accessory Dwelling Units (ADU)/Junior ADUs

Just Cause:

The following are the key elements of the “Just Cause” provisions:

- Prohibits a landlord from (1) terminating a month-to-month tenancy or (2) choosing not to renew a fixed term lease, without providing a “just cause” for termination
- Applies to both termination and non-renewal when (1) all the tenants have continuously and lawfully occupied the unit for 12 months or more or (2) when one or more tenants in the unit has continuously and lawfully occupied the unit for 24 months or more.
- Divides “just cause” into two categories: at-fault and no-fault.
- Requires a landlord who terminates the tenancy based on a no-fault cause to provide relocation assistance to the displaced tenant in an amount equal to one month’s rent,⁵

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.”

⁴ See footnote 4 above.

⁵ The owner and tenant may also agree, in lieu of direct payment, to waive the payment of rent for the month after the notice of termination of tenancy is given.



unless a court or government agency determines that the tenant caused the condition requiring the vacancy.

- Provides that tenants shall have a 3-day opportunity to remedy curable lease violations.

The following are *at-fault* just causes for terminating a tenancy:

1. Failure to pay rent
2. Material breach of the lease including sublets or assignments in violation of lease
3. Refusing to execute a lease extension or renewal for an additional term of similar duration with similar provisions
4. Maintaining a nuisance, committing waste
5. Criminal activity or using the premises for unlawful purpose
6. Refusal to allow the landlord to enter the dwelling pursuant to a lawful request
7. Failure of the tenant to vacate after giving formal notice of intent to vacate

The following are *no-fault* just causes for terminating a tenancy:

1. Owner intent to occupy the property (or their spouse, children, grandchildren, parents, or grandparents), if the tenant agrees or the lease allows for such unilateral termination
2. Withdrawal of the property from the rental market
3. Landlord's compliance with a government order or local ordinance requiring the residence be vacated
4. Intent to demolish or to substantially remodel the property where the tenant has to vacate the property for at least 30 days

No-Fault Just Cause Relocation Assistance:

No-fault just causes may be eligible for relocation assistance or a rent waiver equal to one month's rent based on the rent rate that is in effect at the time of termination of tenancy. The property owner must advise the tenant of this right when issuing a termination of tenancy. Relocation payments are due within 15 calendar days of service of the notice, otherwise the termination may be void.

Required Disclosure:

This bill requires the following notice be provided in 12 point font to all new tenants or renewed tenants starting July 1, 2020, and to existing tenants no later than August 1, 2020:

“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.”



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If a property is exempt, the following notice must be provided to tenants:

“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 (c)(5) and 1946.2 (e)(7) 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.”

Note: This document is a summary of AB 1482. For more information, including the full text of the new law, please visit <https://leginfo.legislature.ca.gov>.