

1482 NOTICE REQUIREMENTS

General info: What does AB 1482 ("the California Tenant Protection Act of 2019") do?

- Statewide law that goes into effect on January 1, 2020 and expires on January 1, 2030.
- Requires a landlord to have a "just cause" in order to terminate a tenancy.
- Limits annual rent increases to no more than 5% + local CPI (CPI = inflation rate), or 10% whichever is lower.
- A tenant may not waive their rights to these protections and any agreement to do so by the tenant is void as contrary to public policy.

What types of housing are covered?

All housing located in the state of California is covered by AB 1482 unless it falls into one of the following categories of exemptions:

Units exempt from both the "just cause" regulations and the rent cap limitations

- Units that were constructed within the last 15 years (this applies on a rolling basis - i.e., a unit constructed on January 1, 2006 is not covered as of January, 1 2020, but is covered on and after January 1, 2021).
- Units restricted by a deed, regulatory restrictions, or other recorded document limiting the affordability to low or moderate-income households.
- Certain dormitories.
- A two-unit property, provided the second unit was occupied by an owner of the property for the entire period of the tenancy.
- Single-family homes and condominiums are only exempt if both (A) and (B) apply:
 - **(A)** the property is **not** owned by one of the following:
 - (i) a real estate trust, or
 - (ii) a corporation, or
 - (iii) an LLC with at least one corporate member.

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- **(B)** The landlord notified the tenant <u>in writing</u> that the tenancy is not subject to the "just cause" and rent increase limitations as specifically described in Civil Code Sections 1946.2(e)(8)(B)(i) and 1947.12(d)(5)(B)(i). See below for more information.
- The limited exemption for single-family homes does not apply where there
 is more than one dwelling unit on the same lot, or any second residential
 unit in the building that cannot be sold separately from the subject unit
 (such as an in-law unit).

Units exempt from the <u>rent cap</u> limitations

• Units that are already subject to a local rent control ordinance that restricts annual rent increases to an amount less than 5% + CPI.

Units exempt from the "just cause" regulations

- Units that are already subject to a local ordinance that requires "just cause" to terminate a tenancy and is more protective than state law (such as the eviction protections of the San Francisco Rent Ordinance).
- Single-family, owner-occupied residences where the owner rents no more than two bedrooms or units, including accessory dwelling units and junior accessory dwelling units.
- Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner, if the owner lives at the property as their principal residence.
- Housing provided by a nonprofit hospital, church, extended care facility, licensed extended care facility for the elderly, or an adult residential facility.
- Transient and tourist hotel occupancy as defined by Civil Code Section 1940(b).

Eviction Provisions under AB 1482

- The eviction provisions only apply after all tenants have lived in the unit for 12 months or more, or where at least one tenant has occupied the unit for 24 months.
- A tenancy may not be terminated unless the landlord has one of the allowable "just cause" reasons, which must be stated in the notice terminating tenancy.
- "Just cause" reasons are categorized as either "at-fault" reasons or "no-fault" reasons. Relocation assistance is required for "no-fault" evictions.
- The mere expiration of a lease or rental agreement is not a "just cause" to terminate a tenancy.

Rent Increase Limits under AB 1482

- For covered units, annual rent increases are limited to no more than 5% plus the percentage change in the cost of living for the region in which the property is located, or 10% whichever is lower. "Percentage change in the cost of living" means the percentage change in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the metropolitan area in which the property is located, as published by the United States Bureau of Labor Statistics. If a regional index is not available, the CPI Index for All Urban Consumers for all items, as determined by the Department of Industrial Relations, shall apply (www.dir.ca.gov/OPRL/CAPriceIndex.htm).
- For rent increases that take effect before August 1 of any calendar year, the percentage change is calculated using the amount published for April (or March, if no amount is published for April) of the immediately preceding calendar year and April (or March) of the year before that.
- For rent increases that take effect on or after August 1 of any calendar year, the percentage change is calculated using the amount published for April (or March, if no amount is published for April) of that calendar year and April (or March) of the immediately preceding calendar year.
- The percentage change must be rounded to the nearest one-tenth of one percent.
- No more than two increases in a 12-month period, and the combined amount cannot exceed the 5% + CPI cap.
- If the rent was increased by more than 5% + CPI between March 15, 2019 and January 1, 2020, then on January 1, 2020 the rent will revert to the rent on March 15, 2019, plus the allowable increase of 5% + CPI. Landlords do not have to return overpayments of rent made between March 15, 2019 and January 1, 2020.
- The total rent paid by subtenants to a master tenant cannot exceed the rent charged by the landlord.
- There is no limit on the initial rent charged for a vacant unit.

What kind of notices are tenants required to receive under AB 1482?

All tenants in units covered by the state law must receive a notice explaining the "just cause" and rent cap protections. For a tenancy existing prior to July 1, 2020, the notice must be provided in writing to the tenant no later than August 1, 2020, or as an addendum to the lease or rental agreement. For any tenancy commenced or renewed on or after July 1, 2020, the 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 notice language must read:

"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."

In addition, an owner claiming an exemption from the law because the property is a single-family home or condominium <u>must</u> provide a written notice to the tenant. For a tenancy existing before July 1, 2020, this notice may, but is not required to, be provided in the rental agreement. For any tenancy commenced or renewed on or after July 1, 2020, this notice must be provided in the rental agreement. If the owner does not provide the required notice, then a single-family home or condominium is NOT exempt from the "just cause" or rent cap regulations. The notice language must read:

"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."