



# NEW CALIFORNIA RENTAL HOUSING LAWS!

## RENT CAPS, JUST CAUSE AND OTHER LAWS EFFECTIVE STATEWIDE 1/1/2020

### RENT CAP BASICS:

1. In a 12-month period, total rent increases cannot exceed 5% plus the change in cost of living\* (CPI), or 10%, whichever is lower.
2. Maximum of 2 rent increases in any 12 month period (the total of which cannot exceed the rent cap).
3. If any rent increase between March 15, 2019 - January 1, 2020 was *above* the allowable Rent Cap (CPI + 5%), the landlord must *decrease* the rent on January 1, 2020 to the previous rent amount plus allowable Rent Cap (CPI + 5%). If there was a rent increase *less* than CPI + 5% since March 15, 2019, any further rent increase in 2020 would be subject to the maximum described in 2. above.

#### \* Change in cost of living / CPI

The law defines the cost of living as "the percentage change from April 1 of the prior year to April 1 of the current year in the regional Consumer Price Index ("CPI") for the region where the residential real property is located... If a regional index is not available, the California CPI, as determined by the Department of Industrial Relations, shall apply." *Civ. Code § 1947.12(g)(2)*

- For Alameda, Contra Costa, Marin, San Francisco and San Mateo counties: the regional CPI change from 4/1/2018 to 4/1/2019 was 4%; current Rent Cap is **9%** (4% + 5%) for these counties.
- All other Northern California counties: the Dept. of Industrial Relations California CPI change from 4/1/2018 to 4/1/2019 was 3.3%; current Rent Cap is **8.3%** (3.4% + 5%) for these counties.

4. Housing units where rent cap does NOT apply:
  - Hotels
  - Dorms
  - Care facilities
  - Lodgers
  - Government subsidized or below-market housing where rent is set based on income-level
  - Units that are covered by a local law with stricter limits on rent (i.e. units covered by a city's rent stabilization law)
  - Units in structures built less than 15 years ago.
  - Single family home or condos with no corporate ownership. *Landlord must provide notice of this exemption, otherwise rent cap applies!*

### OTHER NEW HOUSING LAWS EFFECTIVE 1/1/2020:

1. Where permitted, rent increases over 10% require 90 days' written notice (formerly 60 days).
2. Tenant may house a person at risk of homelessness as a "Lodger." Landlord approval required.
3. Discrimination based on Section 8 and other rental assistance prohibited.
4. Fair housing / employment laws now include veteran or military status as a protected class.
5. Fair housing laws clarified re: short-term rentals listed on hosting platforms (e.g. AirBnB).
6. Limits security deposits for active duty service members: 1x rent if unfurnished, 2x furnished, 3x poor credit.

## JUST CAUSE BASICS:

1. **"Just cause for eviction" means Landlords must specify a valid reason to evict or terminate a tenancy.**
2. **Just cause protections apply only after 12 months of tenancy or 24 months if new tenant added.**
3. **"At-fault" termination v. "No-fault" termination**
  - a. "At-fault" causes for termination/eviction:

(i) Failure to pay rent	(vii) Refusal to renew same lease terms
(ii) Nuisance	(viii) Breach of material lease term (if not cured after notice or uncureable)
(iii) Damage to Property	(ix) Lease violation re: subletting (if not cured after notice)
(iv) Criminal activity	(x) Employee termination from employee housing
(v) Using the unit for an unlawful purpose	(xi) Failure to move out after tenant gives notice (after 3 days' notice)
(vi) Refusal to allow lawful landlord entry	
  - b. "No fault" causes for termination/eviction:
    - (i) Owner or family member intends to occupy the unit
    - (ii) Withdrawal of unit from rental market (Ellis Act)
    - (iii) Government orders to vacate (e.g. habitability issues)
    - (vi) Intent to demolish or substantially remodel unit, with permits
4. **If "no-fault" of Tenant, Landlord MUST pay relocation.**
  - a. Relocation payment is equal to one month's rent.
  - b. Payment must be made within 15 days of the no-fault termination notice.
  - c. A landlord can waive the last month's rent in writing in lieu of a relocation payment.
  - d. If tenant receives a relocation payment but does not vacate, the owner can recover the payment in an eviction lawsuit.
5. **Noticing requirements**
  - a. Landlords *must* give tenants written notice of being covered by just cause and rent cap rules.
  - b. Landlords *must* give notice to tenants of single family homes or condos with no corporate ownership that they are not covered by just cause or rent cap rules. *If no notice, tenancy will not be exempt.*
  - c. For tenancies beginning or renewing on or after 7/1/2020, Notice must be an addendum to lease *or* a notice signed by the tenants (tenants receive copy of notice).
  - d. For tenancies existing prior to 7/1/2020, Notice must be given no later than 8/1/2020.

## Housing NOT COVERED by these Just Cause Rules:

- Short-term stay hotels, motels, hostels
- Dorms
- Care facilities, religious facilities, non-profit hospitals
- Government subsidized or below-market housing where rent is set based on income-level
- Units that are subject to a local just cause ordinance adopted before 9/1/2019
- Units in structures built < 15 years ago
- Single family home or condos with no corporate ownership (Notice of exemption required!)
- Owner-occupied properties where:
  - Tenant resides in other unit of duplex; or
  - Tenants share bathroom & kitchen facilities with owner; or
  - no more than two tenants (including ADUs) reside on single family property.

Have more questions? Call or visit our website.



**Project Sentinel**

(408) 720-9888 | [www.housing.org](http://www.housing.org)

**\*This flyer is for informational use only\***

Project Sentinel's Dispute Resolution Programs offer neutral counseling & mediation services, *but not legal advice or legal representation*. For legal services, please contact an attorney or a lawyer referral service.