

# Frequently Asked Questions on 1482 RENT CAP

## ANNUAL RENT INCREASE LIMITATIONS (“RENT CAP”)

*Q: How much can I raise the rent each year?*

A: You may raise the rent up to 5% plus the applicable Consumer Price Index (CPI) or 10%, whichever is lower. Percentage change in the CPI would mean the percentage change from April 1 of the prior year, to March 31 of the current year for the region in which the rental property is located. Your calculation must be from the lowest gross rental rate charged for the unit at any time during the 12 months prior to the effective date of increase.

Currently, owners in Santa Barbara County should use the “All California” CPI of 3.34%. The CPI will be recalculated in April every year.

### CONSUMER PRICE INDEX – ALL URBAN CONSUMERS<sup>(1)</sup>

	All California	Los Angeles Long Beach Anaheim	San Francisco Oakland Hayward	San Diego Carlsbad <sup>(2)</sup>	Riverside San Bernadino Ontario <sup>(3)</sup>
<b>April 2018</b>	271.210	265.095	283.422	—	—
<b>May 2019</b>	—	—	—	289.243	102.929
<b>April 2019</b>	280.275	273.945	294.801	—	—
<b>May 2019</b>	—	—	—	300.303	105.959
	3.34%	3.34%	4.01%	3.82%	2.94%

<sup>(1)</sup> Source, U.S. Department of Labor, Bureau of Labor Statistics.

<sup>(2)</sup> Beginning with November 2017 data, indexes for San Diego-Carlsbad are published bi-monthly on odd-numbered months only (January, March, etc.) and, therefore, the month of May is used.

<sup>(3)</sup> Indexes for San Bernardino-Riverside are published bi-monthly on odd-numbered months only (January, March, etc.) and therefore, the month of May is used.

*Q: How many times may I increase the rent each year?*

A: For renters who have lived in the unit for more than 12 months, you may raise the rent up to two times within that period, as long as the total increases do not exceed the state's rent cap.

*Q: What happens if I raised the rent above the allowable amount before January 1, 2020?*

A: If you raised the rent more than 5% plus CPI prior to March 15, 2019, the rent remains in effect without any change needed. If you raised the rent more than 5% plus CPI after March 15, 2019, you will need to adjust the rent down to the March 15, 2019 rent, plus 5% plus CPI or 10% (whichever is lower AS OF January 1, 2020.) No refund will be due to the tenant for rent collected from March 15, 2019 to January 1, 2020. This is because the bill was written with a retroactive rent date included.

*Q: If the renter moves out, can I raise the rent to more than 5% plus CPI?*

A: Yes, the new law does not affect your right to raise the rent to market once a tenant vacates the unit. However, once a new renter is placed in the unit, any future rent increases on that tenant will be subject to the rent cap.

*Q: What if my unit is currently vacant?*

A: You may choose the initial rent for the new tenant. But once the new renter is in the unit, any future rent increases will be subject to the rent cap.

# JUST CAUSE EVICTIONS



*Q: How do evictions work under AB 1482?*

A: All applicable evictions must be based on “just cause” meaning the owner must have a just cause for the eviction. “Just cause” is divided into two categories – at-fault evictions and no-fault evictions. The law requires that you provide a reason for the eviction (in the notice to quit) and it must fall within the permissible reasons, as set forth by the law. You may no longer just issue a 30 or 60-day notice of termination of tenancy.

*Q: Which renters do the eviction protections apply to?*

A: As of January 1, 2020, it applies to renters who have resided in the unit for 12 months or more. If an additional renter(s) is added to the lease (prior to an existing renter continuously residing in the unit for 24 months) then the just cause provisions do not apply until all renters have continuously resided in the unit for 12 months or more, or at least one of the renters has continuously resided in the unit for 24 months or more.

*Q: What is an “at-fault” just cause eviction?*

A: At fault eviction causes are based on the actions or activities of the renter that fall within the scope of the permissible reasons under the law (see below for a full list of reasons).

*Q: What is a “no-fault” just cause eviction?*

A: No fault eviction causes are when the eviction is not based on the actions of the renter, but rather due to the owner’s actions or the owner’s compliance with a government entity.

*Q: What am I required to do if I have a just cause for eviction?*

A: If the eviction is based on a curable violation (e.g. non-payment of rent), you must provide the renter with notice of the violation, setting forth the time period in which to cure the violation. If the violation is not cured within the time period provided in the notice, a 3-day notice to quit without the opportunity to cure may be served to terminate the tenancy. If the tenant does not vacate the unit by the date of the notice to quit, the owner may move toward an Unlawful Detainer in a court of law.

*Q: May I pay part in relocation assistance and part in a rent waiver?*

A: No

*Q: How do you calculate “one month’s rent” if different rent amounts have been paid?*

A: It is the rent rate in effect as of the date that the notice of termination of tenancy was issued.

*Q: What happens if I fail to pay relocation assistance or provide a rent waiver?*

A: The notice of termination of tenancy is void.

*Q: What are the notice requirements?*

A: You are required to issue a notice of termination based on the no fault just cause and include the renter’s right to relocation assistance or a rent waiver. If you decide to issue a rent waiver, the notice should provide the amount of the rent waiver and state that no rent is due for the last month the tenancy.

## JUST CAUSE EVICTIONS (continued)



*Q: Are there circumstance in which I would not be required to provide relocation assistance or a rent waiver?*

A: Yes, if it is determined by any government agency or court that the renter is at fault for the condition or conditions triggering an order to need to vacate as set forth in the law. Under those limited circumstances, the renter would not be entitled to relocation assistance.

*Q: If I do a no-fault eviction on a Section 8 tenant, do you I have to pay them the one month relocation fee?*

A: Yes, as they are subject to the Just Cause portion of AB 1482.

*Q: Do I pay the Section 8 tenant one month of their portion of the rent or one month of the total rent? Am I required to pay the Housing Authority their portion of one month's rent as a relocation fee?*

A: While we don't have a legal opinion on the matter, we recommend paying the tenant a fee equivalent to one month of the total rent received by the owner and that there is no payment due to the Housing Authority or subsidy program.

*Q: Is there a difference between a Rent "CAP" and Rent "CONTROL"?*

A: Yes, with a rent CAP you have vacancy decontrol. This means that if the renter moves out, you can raise the rent to more than 5% plus CPI. You can raise the rent to market rate.

*Q: What is a "Substantial Remodel"?*

A: "The replacement or substantial modification of any structural, electrical, plumbing or mechanical system that requires a permit from a government agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state and local laws, they cannot be reasonably accomplished in a safe manner with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial rehabilitation."

*Q: Is selling the property a "no-fault" cause for terminating a tenancy?*

A: No

*Q: Is moving a resident manager into a unit a "no-fault" cause for terminating a tenancy?*

A: No

*Q: Is preparing to sell the property a "no-fault" cause for terminating a tenancy?*

A: No

# 1482 NEW NOTICE REQUIREMENTS



*Q: To whom do you give notice?*

**A: CURRENT TENANTS**

(For tenancies that exist prior to July 1, 2020)

Notice must be provided as a written notice to the renter no later than August 1, 2020 or as an addendum to the lease.

**NEW OR RENEWING TENANTS AS OF JULY 1, 2020**

(For tenancies that start or renew on or after July 1, 2020)

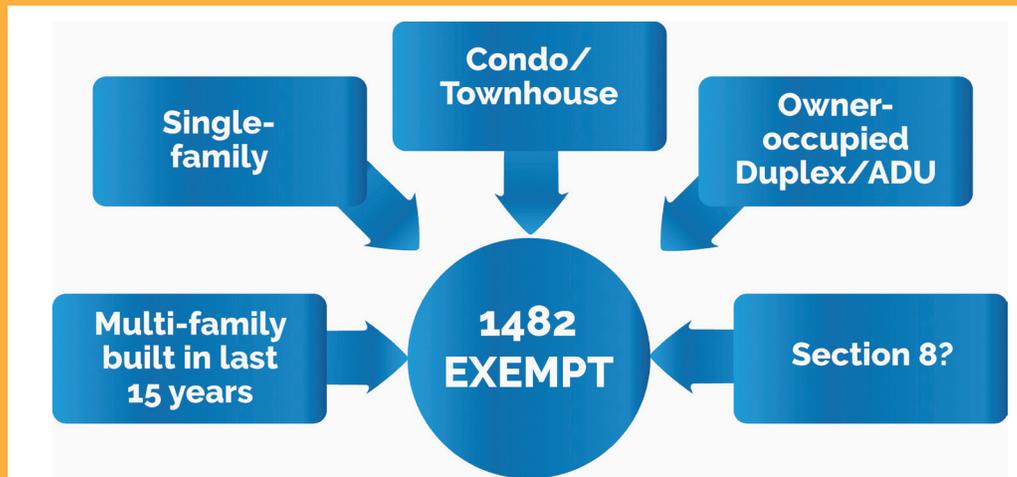
Use the 2020 SBRPA Lease which contains the necessary legal notifications.

Otherwise, provide the [SBRPA 1482 Notice Form](#) as a written notice signed by the renter, with a copy of the signed written notice provided to the renter.

*Q: Which Notice do you give them?*

A: First, determine whether your property is:  Subject to 1482, or  Exempt from 1482.

The following are EXEMPT from 1482



Give them the appropriate 1482 Notice. (These two forms are on the SBRPA Website.)

## 1. PROPERTY SUBJECT TO 1482

Beginning July 1, 2020, non-exempt properties must include in rental agreements:

*"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."*

## 2. PROPERTY EXEMPT FROM 1482

*"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."*