Assembly Bill 1482 has been passed by the California legislature. It is not yet law, but Governor Newsom has signaled his approval of the bill and is expected to sign it.

Quick Summary of the law and C.A.R.'s Lease Addendum

Rent Cap

Rent increases are capped at 5 percent plus inflation, or up to a hard cap of 10 percent, whichever is lower.
All rent increases since **March 15, 2019** will count toward the rent cap, and if above the permissible rent cap, will have to be rolled back effective January 1, 2020.

Just Cause

Landlords may only evict for "just cause." There is a list of 15 reasons.
The just cause reasons are divided into two categories:

> "At fault" termination of tenancy is generally based upon a tenant's breach of the lease, among other reasons, and *does not require* the payment of relocation assistance.
>
> "At fault" reasons include non-payment of rent, nuisance, criminal activity, refusal to allow entry, and breach of a material term of the lease.
>
> "No fault" termination of tenancy is allowed when the tenant has not breached the lease and *will require* the landlord to pay one month's rent in relocation assistance.
>
> "No fault" reasons include owner occupancy, withdrawal from the rental market, substantial remodeling and compliance with government order to vacate the property,

Just cause eviction only applies to tenants who have been continuously and lawfully occupying the property for 12 months.

Exemptions

Exempts single family properties and condos if:

- Notice of the exemption is provided to the tenants and;
- The owner is not a REIT, a corporation, or an LLC where an owner is a corporation

Other exemptions include:

- Housing that has been issued a certificate of occupancy within previous last 15 years
- Owner occupied duplexes
- Owner occupied single-family properties renting no more than two bedrooms including Accessory Dwelling Units ("ADU"s). (This exemption applies only to just cause but not the rent cap).

CAR's Rent Cap and Just Cause Addendum (Form RCJC)

What do I need to provide to my tenants?
CAR's new "Rent Cap and Just Cause Addendum" (Form RCJC) – available in December pending approval of the Standard Forms Advisory Committee.

When do I provide it?
It needs to be provided by January 1, 2020.

My tenant is month to month. Does that matter?
Yes. For month to month tenants, the addendum should be incorporated into the rental agreement by providing the notice by a change in terms of tenancy. Use Form "Notice of Change in Terms of Tenancy" (Form CTT).

What about leases?
If your tenant is on a lease, then you'll provide the addendum as a stand-alone notice.

What needs to be done for new or renewed tenants?
For all tenants signing a new lease or rental agreement or a renewed lease or rental agreement after January 1, 2020, the addendum must be included.

What if the tenant whose lease has expired refuses to sign a new rental agreement with the addendum?
If the lease has expired after January 1, 2020, the owner may choose to evict on this basis. Or the owner may simply allow the tenant to go month to month and then incorporate the

addendum into the rental agreement by delivery of a notice to change terms of tenancy (Form CTT). Do not, however, sign a new or renewed lease of rental agreement without the addendum.

Table of Contents

I. Important Dates

Q1. When does this law go into effect?
A1. January 1, 2020.

Q2. Can landlords increase the rent right now before January 1, 2020?
A2. Yes. But they might be required to lower the rent at the first of the year if they exceeded the maximum rent increase. And any rent increase now may affect the amount of future rent increases. See the next two questions.

Q3. Do rent increases after March 15, 2019 but before January 1, 2020 count toward the permissible maximum rental rate?
A3. Yes. All rent increases beginning from March 15, 2019 count toward the maximum rental rate. A landlord who increased the rent on or after March 15, 2019, but prior to January 1, 2020, cannot increase the rent beyond the maximum rental rate within any 12-month period.

Q4. Is there is a rent roll back provision?
A4. Yes. A landlord who increased the rent on or after March 15, 2019, but prior to January 1,

2020, beyond the maximum rental rate would be required to roll back the rent. The rent reduction would be effective January 1, 2020.

Q5. Should a landlord provide any notice to the tenant before January 1, 2020?
A5. Yes. In order for a landlord to take advantage of certain exemptions, written notices to the tenant or new lease provisions will be necessary. C.A.R.'s Rent Cap and Just Cause Addendum (RCJC) should be provided to all tenants before January 1, 2020.
If the tenant is a month to month tenant, then the addendum should be incorporated into the rental agreement by changing the terms of tenancy. Form "Notice of Change in Terms of Tenancy" (Form CTT) may be used for this purpose. If the tenant is on a fixed term lease, then the addendum can be given to the tenant as a stand-alone notice.
For any new or renewed leases or rental agreements, **do not sign any without the addendum**. See "C.A.R.'s Rent Cap and Just Cause Addendum (Form RCJC)" above.

Q6. Is there a sunset date?
A6. Yes. This law sunsets after ten years (January 1, 2030).

II. Rent Cap

Q7. Does this law apply to commercial property?
A7. No. It's covers only residential property.

Q8. How much can a landlord raise the rent?
A8. 5% of the lowest gross rent charged during the previous 12-month period plus cost of living, or 10%, whichever is lower.

Q9. Do rent increases from 2019 count as "during any 12-month period?"
A9. Yes. All rent increases beginning from March 15, 2019 count toward the rent cap. A landlord who increased the rent on or after March 15, 2019, but prior to January 1, 2020, cannot increase the rent beyond the maximum rental rate within any 12-month period. A landlord is permitted to increase the rent two times within 12 months of March 15, 2019, but must still remain within the overall rent cap.

Q10. Which cost of living index is used?
A10. The regional Consumer Price Index published by the United States Bureau of Labor Statistics (using the 12-month period from April to April). See this link: **https://www.bls.gov/regions/subjects/consumer-price-indexes.htm#CA**

If the regional index is not available, then the California Consumer Price Index for All Urban Consumers, as determined by the California Department of Industrial Relations, shall apply. See this link: **https://www.dir.ca.gov/OPRL/CPI/EntireCCPI.PDF**

Q11. What does "lowest gross rent" mean?

A11. The "lowest gross rent" is the lowest gross rental rate charged for the dwelling unit at any time during the 12 months prior to the effective date of the increase. However, it excludes any rent discounts, incentives, concessions, or credits offered by the owner of such unit of residential real property and accepted by the tenant.

For example, if a 12-month lease stated the monthly rent was $1000.00 but the landlord offered a $200.00 incentive for the first month, the "lowest gross rent" for that period would still be 1,000.00 not $800.00.

Some landlords may be tempted to create artificial concessions which are continuously granted. Landlords who do employ some such scheme do so at their own risk since the "{L}aw respects form less than substance." (Civil Code § 3528).

Q12. Should a landlord specify the gross rent and any discounts in the lease?

A12. Yes. The gross per-month rental rate and any owner-offered discounts, incentives, concessions, or credits must be separately listed and identified in the lease or rental agreement or any amendments to an existing lease or rental agreement.

Q13. What about storage, parking or pet rent? Can they be included in "gross rent?"

A13. Nothing in the definition of "gross rent" would prohibit a landlord from including other charges as part of gross rent. However, gross rent must be separately listed and identified in the lease. Otherwise it is unclear whether these other charges could be included in a rent increase calculation.

Q14. Can an owner "bank" a rent increase? In other words, if an owner does not increase the rent at all in one year, can the rent then be increased by double the permissible amount in the next?

A14. No. An owner is limited to the rent cap maximum for any 12-month period. This 12-month period includes any rent increase beginning from March 15, 2019.

Q15. Can a landlord increase the rent as often as they like as long as the total rent increase is not more than the rent cap?

A15. No. A landlord can increase the rent no more than two times during any 12-month period.

Q16. What if a new tenant is added? Can the landlord then increase the rent by any amount?

A16. No. As long as a previous tenant continues to occupy the property, adding a tenant does not permit a rent increase beyond the maximum. The only difference adding a tenant would make is that the landlord would be permitted two more rent increases during a 12 month period as long as they comply with the overall restrictions governing gross rental rate increases.

Q17. Does this law permit vacancy decontrol?

A17. Yes. For a new tenancy in which no tenant from the prior tenancy remains in lawful possession of the residential real property, the owner may establish the initial rental rate.

Q18. I'm considering charging a tenant a very low rent on condition that the tenants waive their rights under this law. Is such an agreement enforceable?

A18. No. Neither the rent cap nor just cause eviction portions of the law are waivable. This type of rental agreement would be "void as contrary to public policy." (Civil Code §§ 1946.2(h) and 1947.12(i)).

Q19. If a landlord is exempt from this law, is the landlord then permitted to increase rent by any amount?

A19. It depends. First, an owner may be subject to a local rent control law. But even if no local rent control law is in place, a landlord may still be subject to the anti-price gouging law based upon declared states of emergency which will restrict rent increases of more than 10% for properties located in counties affected by declared states of emergency. Finally, even if no such rent limitations apply, the owner must still abide by the 30 and 60-day notice rules for raising rent.

Q20. I am the owner of a property under "Section 8," and the property is therefore exempt from the rent cap (and just cause, too). How much rent may I charge on my property if I exit the Section 8 program?

A20. The owner may establish the initial rental rate for that tenant or a new tenant, but going forward will be subject to both the rent cap and the just cause eviction rules. (Civil Code §1947.13).

III. Rent Roll Back

Q21. Can a landlord increase the rent before January 1, 2020, by any amount?

A21. Yes. Under AB 1482 there is no restriction against the landlord increasing the rent by any amount for a month to month tenant with proper notice. But the owner might have to lower the rent on the first of the year if the total rent increase exceeds the maximum permissible increase. And rent increases made now may affect the amount of future rent increases. See the following questions.

Q22. Does the rent cap law apply *only* to rent increases after January 1, 2020?

A22. No. The rent cap law applies to all rent increases occurring on or after March 15, 2019.

Q23. What is a rent roll back?

A23. It's a requirement that a landlord reduce rent. A landlord who increased the rent on or after March 15, 2019, but prior to January 1, 2020, beyond the maximum rental rate would be required to roll back the rent. The rent reduction would be effective January 1, 2020.

Q24. How much would the landlord be required to roll back the rent?

A24. By any amount above the maximum rental rate. On January 1, 2020, the applicable rent must be rolled back to no more than the rent as of March 15, 2019 plus the maximum permissible increase.

Q25. What about rent collected before January 1, 2020, which would have otherwise been too high under the rent cap law? Does an "overpayment" have to be returned?

A25. No. The landlord may keep any overpayment.

Q26. What if the rent is increased between March 15, 2019 and January 1, 2020, but not by more than the permissible rental increase? Does that restrict the ability of the landlord to raise the rent in the future?

A26. Yes. All rent increases beginning from March 15, 2019 count toward the maximum rental rate. A landlord who increased the rent on or after March 15, 2019, but prior to January 1, 2020, cannot increase the rent beyond the maximum rental rate within any 12-month period.

Q27. What if a lease had been signed? Is a roll back provision that impairs a lease even constitutional?

A27. It is constitutional. An initial rollback of rents is not an unlawful impairment of contracts under the U.S. Constitution and need not be based on market value – even where there is an existing lease. (See Berman v Downing (1986) which involved a one-year written lease entered into four months before enactment of a rent control law; and Rue-Eli v City of Berkeley (1983)

which involved a reduction in rents in existing leases).

IV. Exemptions from the Rent Cap

Q28. What types of properties are exempt from the rent cap?

A28.

1. Residential real property that is alienable separate from the title to any other dwelling unit. This generally means single-family residences and condominiums. However the exemption is only available if:
One, a notice of the exemption is given to the tenants (and after July 1, 2020, is provided in the rental agreement) and
Two, the owner is not a:

    i) Real estate investment trust;
    ii) Corporation; or
    iii) Limited liability company in which at least one member is a corporation.

2. Housing that has been issued a certificate of occupancy within the previous 15 years;

3. A duplex in which the owner occupies one of the units as his/her primary residence at the beginning of the tenancy so long as the owner continues in occupancy;

4. Housing restricted by deed for persons and families of very low, low, or moderate income, as defined, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income;

5. Dormitories constructed and maintained in connection with any higher education institution within the state for use and occupancy by students in attendance at the institution;

6. Housing subject to any form of rent or price control through a public entity's valid exercise of its police power that restricts annual increases in the rental rate to an amount less than that provided above (that is, housing already subject to a local rent control ordinance).

Q29. The first exemption is for "residential real property that is alienable separate from the title to any other dwelling unit." What does that mean? Does it include coops?
A29. It is the language drawn from Costa-Hawkins and refers generally to single family properties and condominiums. However, Costa-Hawkins additionally includes stock cooperatives, limited-equity housing cooperatives and community apartment projects as exclusions. Because these references are absent as exclusions here, coops and TICs are likely subject to the rent cap law (and the just cause portion, too, since its exclusion is identical).

Q30. In order to claim the exemption for single-family or condos a notice is required to be given to the tenant. What kind of notice is required?
A30. The notice is statutory as follows:

> *"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."*

Q31. When must this notice be provided?
A31. It should be provided by January 1, 2020.

Q32. What happens if it isn't provided?
A32. Then the landlord is not eligible for the exemption until it is provided.

Q33. Must it be added to the lease or rental agreement?
A33. It depends. Before July 1, 2020, no. But after that date, yes. As a best practice, C.A.R. is advising that it be provided by January 1, 2020. See the next question on how to do this.

Q34. How should the notice be provided?
A34. If the tenant is a month to month tenant, then the addendum should be incorporated into the rental agreement by changing the terms of tenancy. Form "Notice of Change in Terms of Tenancy" (Form CTT) may be used for this purpose. For a month to month tenant this effectively will add this provision to the lease entitling the owner to the exemption. (Civil Code § 827).
If the tenant is in a fixed term lease, then the addendum can be given to the tenant as a stand-alone notice. For any new or renewed leases or rental agreements, the best practice is not to

sign any without the addendum. See "C.A.R.'s Rent Cap and Just Cause Addendum" (Form RCJC) above.

Q35. I am a landlord. I have a tenant on a lease which will expire after July 1, 2020. I would like to have the tenant sign a new lease at that time. What should be included in it?

A35. All leases signed or renewed after July 1, 2020, must have the rent cap addendum. If the tenant refuses to sign, a landlord may accept rent after expiration of the lease and allow the tenant to go month to month but must deliver a change in the terms of tenancy (Form CTT) to include the addendum.

For leases that expired after January 1, 2020, the landlord also has the option of demanding that the tenant sign a new lease of similar duration with similar terms to include the addendum (provided that the terms do not violate the just cause eviction law or any other law) and threatening to evict if the tenant fails to do so.

Q36. If the law requires that the notice be added to the lease or rental agreement after July 1, 2020, how does providing the notice as a change in terms of tenancy constitute "addition of [the] provision" to the agreement?

A36. For a month to month tenant, a landlord may change the terms of a tenancy upon notice per Civil Code § 827. This code section states:

"The notice, when served upon the tenant, shall in and of itself operate and be effectual to create and establish, as a part of the lease, the terms, rents, and conditions specified in the notice, if the tenant shall continue to hold the premises after the notice takes effect."

In other words, 30 days after a notice to change of terms of tenancy is served and after acceptance of rent, the terms in the notice will then be treated as "part of the lease."

Q37. I thought that there was a limit of 10 single family properties that a person could own above which they no longer qualified for the exemption.

A37. That provision was struck from the final bill. There is no numerical limit to the number of single-family properties you can own and still qualify for the exemption.

Q38. What exactly is a REIT?

A38. A Real Estate Investment Trust ("REIT") is defined in Internal Revenue Code § 856. Technically a REIT can be either a corporation, trust or association. However formal qualification as a REIT requires that it must have "transferable shares"; it must be otherwise

taxable as a domestic corporation; and for each year it must file with its tax return an election to be treated as a REIT.

Q39. Does a single-family property with a detached grandmother unit qualify for the "duplex" exemption as long as the landlord occupies one of the units?

A39. There is no clear definition of "duplex." But commonly a "duplex" means a single structure divided into two units on a single lot. So, it is not clear that a single-family property with a detached grandmother unit would qualify for the exemption. However, the just cause portion of the law has broader exclusions, so this type of owner-occupied property could still be exempt from just cause eviction.

Q40. I own a duplex and rent out both units. If I decide to occupy one of them, is the other one now exempt?

A40. No. The exemption applies only to a duplex in which the owner occupied the property at the beginning of the tenancy.

Q41. Are Section 8 properties exempt from the rent cap law?

A41. Likely yes. The fourth exemption (as indicated in the list above) is not entirely clear, but it would seem to include housing that is subject to an agreement to provide subsidized housing for low income persons even if it is not "deed restricted."

Q42. Does the rent cap law preempt more restrictive local rent control laws?

A42. No. A landlord must comply with the local rent control ordinance if it is more restrictive. If the state rent cap law is more restrictive, then the landlord must comply with the state law. A landlord must comply with whichever law results in lower permissible rents.

For example, the city of Los Angeles has a rent control ordinance that applies roughly to properties built before 1979. The city issues annually a notice indicating by how much rent may be increased. This year it was 4%. So owners of property subject to the Los Angeles rent control law must abide by the 4% increase maximum.

However, properties not subject to Los Angeles rent control would come within the state law rent cap.

Q43. Are the exemptions in the rent cap portion of the law different from those in the just cause portion?

A43. Yes and no. The exemptions in the rent cap portion for new construction, owner-occupied duplexes, condos and single-family properties, and government subsidized housing are

identical with the just cause portion.
However, the just cause portion contains a few exemptions which are simply not present in the rent cap. Most significantly, the just cause portion exempts a single-family property that is owner-occupied but rents out up to two units or bedrooms even including ADUs or junior accessory units; and exempts housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner occupant.

V. Just Cause

Q44. Does this law apply to commercial property?
A44. No. It covers only residential property.

Q45. On what basis can a landlord evict?
A45. A landlord can no longer terminate a tenancy "at will" or without cause. Under AB 1482, a landlord must have "just cause."

Q46. Does just cause apply to all tenants?
A46. No. It applies only to tenants who have been continuously and lawfully occupying the property for 12 months or more.

Q47. What if an additional tenant is added before 24 months? Does just cause still apply?
A47. It depends. Just cause will the apply only if:

- All of the tenants have occupied the property continuously and lawfully for 12 months or more or
- One or more of the tenants has continuously and lawfully occupied the property for 24 months or more.

Q48. I have a month to month tenant that has been occupying the property for 10 months. Can I simply terminate this tenant by providing a 30-day notice without cause?
A48. Yes. The just cause portion of the law does not apply to this tenant. It is not necessary to state a reason for the termination. The tenancy may be terminated for no cause or any cause but not for an illegal cause. An owner may use a 30-day notice of termination for this purpose. ("Notice to Terminate Tenancy" C.A.R. form NTT).

Q49. I have a month to month tenant that I terminated after 10 months, but the tenant is still there, and it's been over a year now. I haven't accepted rent for any period beyond

the notice termination date. Is the tenant now subject to just cause eviction?

A49. No. Assuming your notice of termination was proper, the tenant was never "continuously and lawfully" occupying the property for 12 months.

Q50. What constitutes just cause under AB 1482?

A50. The law provides a list of 15 separate reasons which constitute just cause. Any termination of tenancy must be based on one of those 15 reasons.

Q51. What are the just cause reasons?

A51. The just cause reasons are divided into two categories: "At fault" and "No fault."

• "At fault" evictions are allowed when a tenant has breached their lease and *do not require* the payment of relocation assistance. "At fault" reasons include:

- Non-payment of rent
- A breach of a material term of the lease after being given notice to correct the violation
- Nuisance
- Using the property for an unlawful purpose
- Criminal activity on the property or common areas or criminal threats against the owner or agent on or off the property
- Refusal to allow entry
- "Waste" – meaning damage to the property. (By case law, this requires a showing of substantial or permanent diminishment or depreciation in the market value of the property. (Rowe v. Well Fargo (1985))
- Assigning or subletting the property in violation of the lease
- The tenant had a written lease that terminated on or after January 1, 2020, and after a written request or demand from the owner, the tenant has refused to execute a written extension or renewal for an additional term of similar duration with similar provisions, provided that those terms do not violate the just cause law or any other law.
- Failure of an employee or agent to vacate after termination of employment
- When the tenant fails to vacate after providing the owner with their own termination notice or after an agreed upon surrender.

• "No fault" evictions are allowed when the tenant has not breached the lease and *will require* the landlord to pay one month's rent in relocation assistance. "No fault" reasons include:

- "Owner occupancy" where the owner, or the spouse, domestic partner, children, grandchildren, parents or grandparents of the owner, decide to occupy the property, assuming there is a lease provision permitting it.
- Withdrawal from the rental market
- Substantial remodeling or demolition of the property
- Compliance with a government order to vacate the property

Q52. If a landlord terminates a tenancy for one of the 15 reasons, is it necessary to state the reason in the notice?

A52. Yes. (Civil Code § 1946.2(a)). The cause must be stated in every notice to terminate, and the stated reason must be one of the 15 specified reasons.

Q53. Are the notice of termination time periods different from current law?

A53. Generally no, with one major exception. In general, the notice of termination time periods are the same as, and rely upon, existing law.

The major exception is for a 3-day notice to perform covenant or quit. This notice alone cannot result in a termination of tenancy. But if the tenant fails to cure, the owner could issue a 3-day notice that could then include a termination of tenancy. The latter notice could at the owner's option be non-curable.

Additionally, under at fault terminations, there is an entirely new basis for eviction involving a tenant's failure to renew a lease upon demand. This does not have a stated time period.

Q54. Could you remind me what does current law require in terms of the time periods necessary to terminate a tenancy and which type of notice to use?

A54. It depends on the reason and the type of tenancy.

• For non-payment of rent --- a 3-day notice to pay rent or quit.

• For nuisance, using the property for an unlawful purpose, waste, or improper assigning or subletting – a 3-day notice to quit. This type of notice is non-curable: that is, the tenant has no option to perform, but must simply quit after three days or face the possibility of a suit for unlawful detainer.

• For failure of an employee or agent to vacate after termination of employment. There is no notice required after termination of employment.

• For failure of a tenant to vacate after providing the owner with their own termination notice or after an agreed upon surrender – no further notice is required. This is exactly how the current law works. Currently a landlord can rely on a tenant's written notice to vacate and bring a suit for unlawful detainer when a tenant does not vacate after expiration of the notice.

• For "owner occupancy" where the owner, or the owner's spouse, domestic partner, children, grandchildren, parents or grandparents decide to occupy the property, assuming there is a lease provision permitting it – a 60-day notice for a month to month tenant who has occupied the property for more than a year.

• For withdrawal from the rental market -- a 60-day notice for a month to month tenant who has occupied the property for more than a year.

• For substantial remodeling or demolition of the property -- a 60-day notice for a month to month tenant who has occupied the property for more than a year

Q55. Is an owner automatically entitled to terminate a tenancy based upon owner or family member occupancy?

A55. No. The "Rent Cap and Just Cause Addendum" (Form RCJC) will need to be provided. For month to month tenants, this can be incorporated into the lease with a notice of change in terms of tenancy (C.A.R. form CTT). C.A.R. recommends doing this by January 1, 2020. For tenants on a fixed term lease, it should be provided as a stand-alone notice.

As a technical matter, the requirement of adding the owner move-in provision only applies to leases entered into on or after July 1, 2020. Therefore, a landlord is not required to include this as part of the lease or rental agreement until July 1, 2020, and then only after a lease has expired and a new one is being entered into.

However, as a best practice, C.A.R. recommends that the addendum be incorporated into the lease at the first opportunity. This means that for any new or renewed lease or rental agreement signed after January 1, 2020, the addendum must be used. And for month to month tenancies, the addendum should be incorporated by January 1, 2020 by using a notice to change terms of tenancy.

Q56. I am terminating a tenancy so that my daughter may move in. How long does she have to live there?

A56. The law is silent on how much time is necessary for an owner or family member occupant to remain in the property after move in. In any case, under no circumstances should an owner terminate a tenancy on the basis of an owner move-in without intending to in fact occupy the property. Doing so is a type of fraud. Although not directly applicable to the state-wide just cause requirement, Civil Code 1947.10 sets a minimum occupancy of six months for local rent control laws.

Q57. How much notice must an owner provide to terminate a tenancy for the purpose of withdrawing the property from the rental market?

A57. 60 days for a month to month tenant. The Ellis Act, which sets permissible notice time periods by a locality, or even the state, still requires adoption of these extra notice periods by the locality. AB 1482 has not adopted these permissible Ellis Act rules, so the termination notice period is simply 60 days for any tenant that has occupied the property for more than a year.

Q58. What does it mean to "substantially remodel" the property?

A58. "Substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, that 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.

VI. Relocation Assistance

Q59. When is relocation assistance required?

A59. Whenever a tenancy is terminated based on a no-fault reason.

Q60. My tenant makes over $200,000 a year. Am I still required to pay relocation assistance?

A60. Yes. There is nothing in this law that varies the amount of relocation assistance based on any characteristic personal to the tenant.

Q61. How much is the relocation assistance?

A61. One month of rent as of the time the termination notice was issued.

Q62. What are the owner's options for how this amount is to be paid?

A62. The owner has two options:

1. The relocation assistance amount may be provided as a direct payment to the tenant with 15 calendar days of serving the termination notice. In this case, the notice of termination must notify the tenant of the tenant's right to relocation assistance. Or,

2. The owner may notify the tenant in writing that the payment of rent for the final month of the tenancy is waived, prior to it becoming due. In this case, the notice of termination must state the amount of rent waived and that no rent is due for the final month.

Q63. What happens if I do not pay the relocation assistance?

A63. The notice of termination will be rendered "void." In fact, the law states that any failure of the owner to "strictly comply" with the relocation assistance rules will render the termination notice void.

Q64. What happens if the tenant fails to vacate after expiration of the notice?

A64. Then the actual amount of the relocation assistance or rent waiver can be recouped as damages as part of an unlawful detainer action.

VII. Exemptions from Just Cause

Q65. What types of properties are exempt from the just cause eviction law?

A65.

1. Residential real property that is alienable separate from the title to any other dwelling unit. This means primarily single-family residences and condominiums. However the exemption is only available if:

One, a notice of the exemption is given to the tenants (and after July 1, 2020, is provided in the rental agreement) and

Two, the owner is not a:

i) Real estate investment trust;

ii) Corporation; or

iii) Limited liability company in which at least one member is a corporation.

2. Housing that has been issued a certificate of occupancy within the previous 15 years;

3. A duplex in which the owner occupies one of the units as his/her primary residence at the beginning of the tenancy so long as the owner continues in occupancy; and

4. Housing restricted by deed for persons and families of very low, low, or moderate income, as defined, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income.

Notice that these first four exemptions are identical to the exemptions from the rent cap portion of AB 1482. Additional exemptions include:

5. Housing accommodations where the tenant shares bathroom or kitchen facilities with an owner occupant (must be principal residence).

6. Single-family owner-occupied properties where up to two units or bedrooms are rented out. These can include an ADU or a junior ADU.

7. Vacation rentals, meaning properties that are rented out for 30 days or less.

8. School dormitories, non-profit hospitals, religious facilities, and licensed residential care facilities, among others.

Q66. If a property is exempt from just cause, can owner evict without cause?
A66. Yes. If exempted from the just cause eviction law, then no cause is required. A termination of tenancy can be based on no cause or any cause, but not an illegal cause, and the cause need not be stated in the notice. A standard 30 or 60-day notice may be used to terminate a tenancy.

Q67. What is the effect of a property being subject to the rent cap but being excluded from just cause?
A67. Exemptions listed as #5 and #6 on the above list allow for the possibility that the owner may be exempt from the just cause portion of the law while still being subject to the rent limitations.
For example, an owner may own and live in a single-family property with a detached ADU which

is rented out. This arrangement would mean that while the owner could evict the tenant in the ADU without cause, rents charged to the tenant would still be limited by the rent cap. If the owner did evict, no relocation assistance would be required to be paid.

VIII. Preemption of Just Cause

Q68. Does a local just cause eviction ordinance preempt the state law?
A68. It depends. For any real property that is subject to a local ordinance requiring just cause, that local ordinance will preempt AB 1482 as long as it was adopted on or before September 1, 2019. This is true even if the local law is less protective than AB 1482. However, a later amendment to the ordinance may mean that 1482 applies, unless the amendment is "more protective." (See below as to what "more protective" means).
For example, if a city has a weak just cause eviction law that was already in place before September 1, 2019, that weak local law will preempt AB 1482 even though AB 1482 might offer stronger protections to a tenant.

Q69. Does a local just cause eviction law adopted or amended after September 1, 2019, preempt the state law?
A69. Not necessarily. Any local just cause eviction law adopted or amended after September 1, 2019, will only preempt AB 1482 if it is "more protective" of tenant rights.

Q70. What does "more protective" mean?
A70. In order for a local just cause eviction law to be more protective it must meet three criteria:

1. The local law must be "consistent" with AB 1482.
2. The local law must provide higher relocation assistance or provide additional protections.
3. The local government has made a binding finding that their local ordinance is "more protective."

Q71. Can a property be subject to both a local just cause ordinance and AB 1482?
A71. No. It's one or the other.

Q72. If a local just cause ordinance is adopted after September 1, 2019 that is "less protective" than AB 1482, can it be enforced?
A72. No.