



CIVIC

MULTIFAMILY

AB 1482 - CALIFORNIA
RENT CONTROL 2019



A. OVERVIEW:

1. Assembly Bill 1482, which enacts statewide rent control across California, was passed on Sept. 11th, 2019 on a 46-22 vote by the Assembly.
2. The bill will affect roughly 2.4 million apartments and up to 4.6 million households, according to estimates provided by the Turner Center for Housing Innovation at UC, Berkeley.

B. WHAT AB 1482 COVERS:

1. Caps annual rent increases throughout California at 5% plus the Consumer Price Index (otherwise known as local inflation) – historically around 3% – for a significant portion of the states multifamily housing stock.
2. Applies “just cause” eviction provisions to all qualified housing.
3. Takes effect on January 1, 2020 until 2030.
4. Rents will be rolled back to March 15, 2019, meaning that on Jan 1, 2020 all rents will be reduced (if applicable) to the rental units rate on March 15, plus the allowable increase.



C. WHO'S AFFECTED:

1. Applies rent cap to buildings that are older than 15 years (construction built before 2005 when the bill is signed into law).
2. All buildings that contain at least two units (unless the owner lives at the property where there is a duplex or an accessory unit).
3. Applies to all housing that is not currently regulated by local rent control laws under the Costa-Hawkins Rental Housing Act such as:
 - a. In cities with their own rent control laws, such as San Francisco, San Jose, and Los Angeles, AB 1482 only applies to housing that both qualifies for the annual rent cap and is also exempt from local rent control laws.
 - b. For example: In Los Angeles, rent control laws currently limit annual rent increases at 4% on buildings built on or before Oct 1, 1978. Therefore, AB 1482 will only apply to Los Angeles buildings built after Oct 1, 1978 but before 2005.

D. WHO ISN'T AFFECTED:

1. Properties that are less than 15 years old
2. Duplexes or houses with an accessory unit, IF the owner occupies one of the units
3. Properties regulated by local rent control laws under the Costa-Hawkins Rental Housing Act
4. Single-family homes, condos, and town-homes, UNLESS owned by a REIT, corporation, or LLC in which at least one member is a corporation
5. Housing subject to an agreement that provides subsidies for very low, low, or moderate-income tenants (such as Affordable Housing)

E. JUST CAUSE EVICTIONS:

1. Under the AB 1482, owners may only evict tenants under these “just cause” provisions:
 - a. Tenant failure to pay rent
 - b. Tenant violation of rental agreement/lease
 - c. Tenant is using rental unit or common areas for illegal purpose
 - d. Tenant refusal to renew lease or rental agreement of like terms and conditions
 - e. Tenant refusing access to landlord for repairs and inspections
2. The “just cause” provisions has the following restrictions for tenants:
 - a. Only applies to tenants that have been living in a unit longer than 12 months
 - b. If the renter takes a roommate within the first 24 months, the clock will reset until all renters have been in place for a full year or at least one tenant has occupied the unit for 24 months or more
3. For just cause evictions that are curable, the landlord is required to give the tenant a notice of violation with an opportunity to cure the violation in a specified timetable. If the violation is not cured, the landlord must give a 3-day notice to quit before the tenancy is terminated.

F. NO-FAULT EVICTIONS:

1. Owners may also evict tenants for the following, but these provisions must be present in the lease agreement and the landlord is responsible to pay relocation fees (either 1 months' rent or the forfeiture of the last month of rent owed by the tenant):
 - a. Landlord wants the rental unit for his own use or for a family member
 - b. Landlord wants to demolish or permanently remove the unit from rental housing use
 - c. Landlord intends to demolish or substantially remodel the residential real property
 - i. To qualify as “substantial”, there needs to be modification of any structural, electrical, plumbing, or mechanical system that required a permit from a government agency
 - ii. Must also be work that cannot be accomplished in a reasonably safe manner and that requires the tenant to vacate the property for at least 30 days
 - iii. Cosmetic upgrades, such as painting, minor repairs, or other work that does not require the tenant to vacate the property does not qualify
2. For a no-fault eviction, the landlord must give the tenant 30 days' notice in writing to vacate if they have occupied the unit for less than 12 months, or 60 days' notice if they have occupied it for 12 months or longer. The landlord must also inform the tenant of their right, at the landlords choosing, to one of the following:
 - a. Direct payment to the tenant to assist in their relocation
 - b. Waive payment for the final month of the tenancy, prior to it becoming due

Sources:

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Research provided by Christian Golden, Civic Financial Services © Civic Financial Services, 2019