Link To Presentation

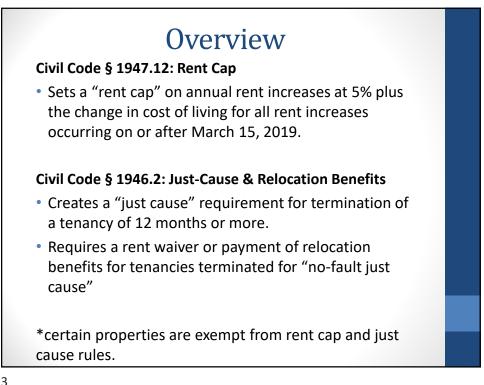
https://landlordslegalcenter.com/ 2020/02/ab1482/

Franco Simone, Esq. 3702 4th Ave. San Diego, CA 92103 (619) 235-6180 Telephone (619) 235-6392 Facsimile

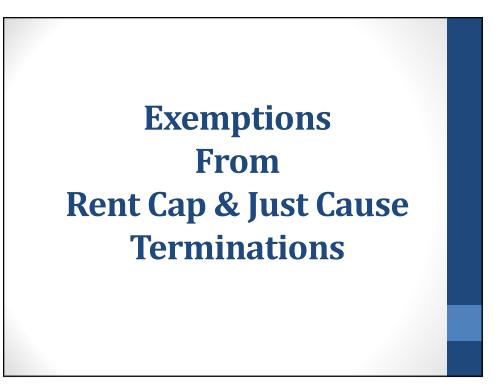


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Exemptions

Just Cause and Rent Caps do NOT apply to:

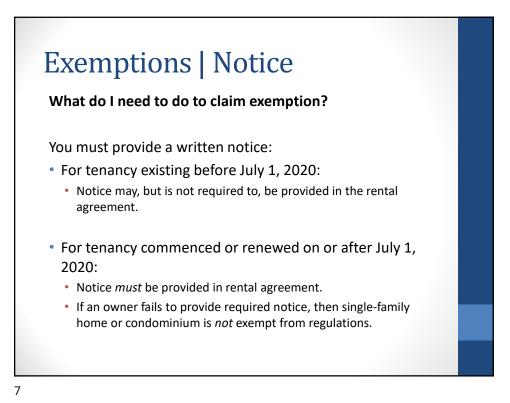
- Housing built within the last 15 years
- A duplex in which the owner occupies one of the units at the commencement of and throughout the tenancy;

Exemptions

Just Cause and Rent Caps do NOT apply to:

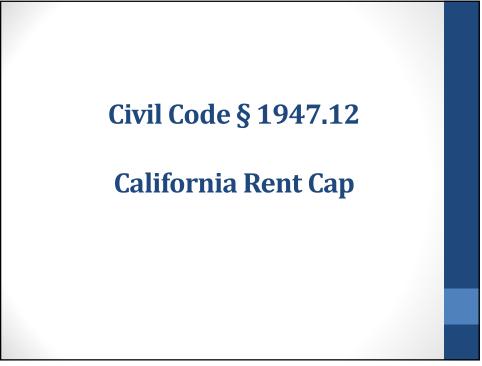
- A single-family residential property IF:
 - The owner* is not a corporation, not an LLC with at least one owner who is a corporation, and not a real estate investment trust (REIT); AND
 - The owner gives the tenant a legally required notice of exemption.

*Ownership by individuals, partnerships, individual coowners, trusts, and LLCs with no corporate owners, all qualify for the exemption.

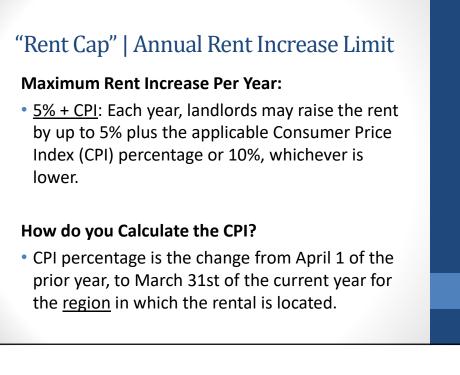


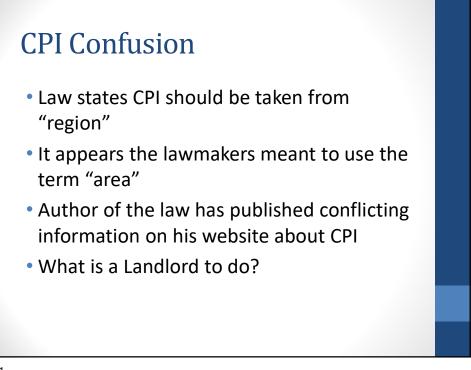
Exemptions | Notice

Exemption notice 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."*













Rent Cap Applies to Tenancies of 12 Months or More:

 For tenants who have lived in the unit for more than 12 months, landlords may increase the rent up to two times within that period, but the increase CANNOT exceed the rent cap.

When can I increase the rent to fair market value?

 Once a tenant vacates the unit, you may raise the rent to market. Future increases on that new market rent will be subject to the rent cap.



Rent Increases Made Before January 1, 2020

Rent Increase Prior to March 15, 2019:

 If you raised the rent by more than 5% plus CPI prior to March 15, 2019, that rent remains in effect.

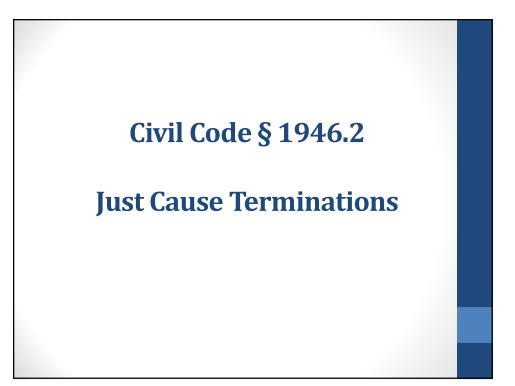
Rent Increase Between March 15, 2019 & January 1, 2020:

- If you raised the rent by <u>more</u> than 5% plus CPI <u>after</u> March 15, 2019, you will need to retroactively reduce the rent.
- The reduced rent is the amount charged on March 15, 2019 plus the allowable rent increase (5% plus CPI or 10%, whichever is less).



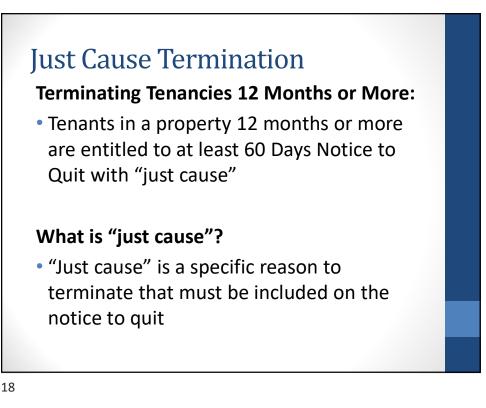
What if I charged too much rent between March 15, 2019 & January 1, 2020?

• You can keep it! Tenants are not entitled to a refund for rent charged above the rent cap that was collected from March 15, 2019 to January 1, 2020.



Just Cause | Applicable Tenancies

- As of January 1, 2020, this requirement applies to tenants who have continuously resided in the unit for 12 months or more.
- If another tenant is added to the unit, "just cause" requirement does not apply until all tenants have continuously resided in the unit for 12 months or more, or at least one tenant has continuously resided in the unit for 24 months or more.

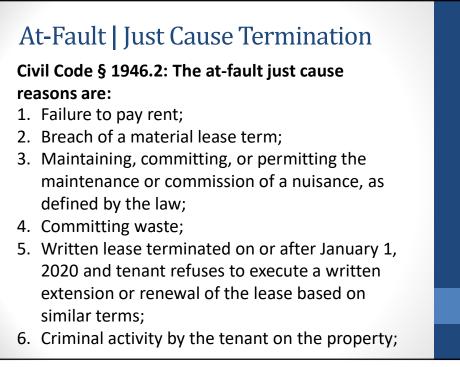




Two categories of "just cause" termination:

- 1. <u>At-Fault</u>: The tenant did something to justify termination
- <u>No-Fault</u>: The tenant did not do anything to justify termination and is entitled to relocation benefits

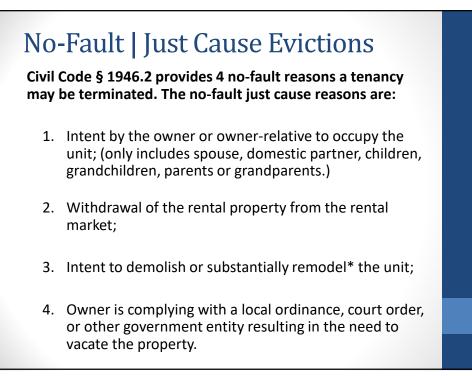




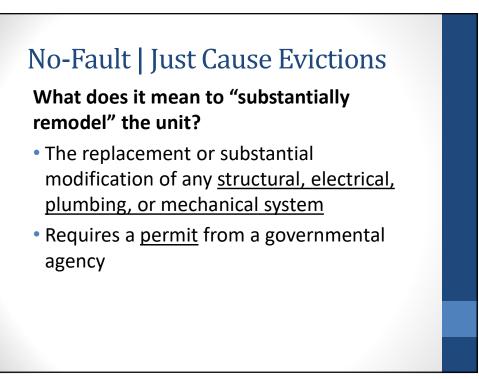
At-Fault | Just Cause Termination

Civil Code § 1946.2: The at-fault just cause reasons are:

- 7. Assigning or subletting in violation of the lease;
- 8. Refusing owner access to the unit as authorized by law;
- 9. Using premises for unlawful purposes
- 10. Resident manager's failure to vacate after termination;
- 11. Failure to deliver possession of the unit following written notice to the landlord of tenant's intention to terminate the lease.



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No-Fault | Just Cause Evictions

What does it mean to "substantially remodel" the unit?

- Abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws
- 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.



Relocation Benefits for No-Fault Just Cause

If you terminate for $\underline{\text{No-Fault}}$ Just Cause, you must pay relocation benefits

How do I pay relocation benefits?

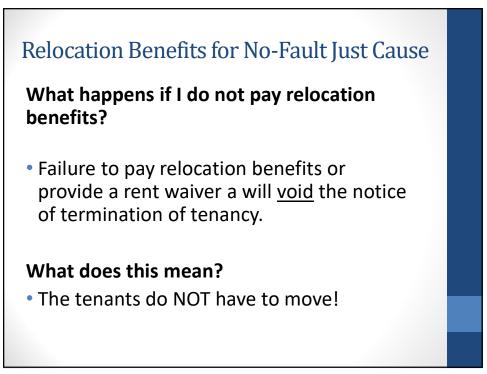
Rent Waiver

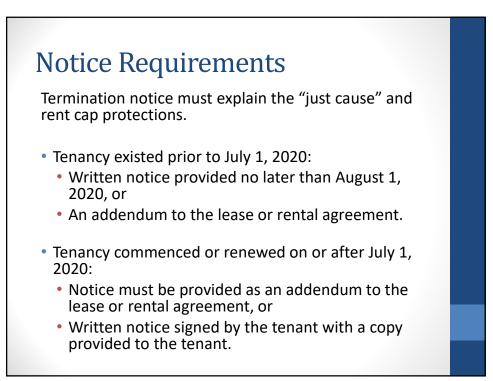
- Equal to one month of the rent in effect on the date of the notice of termination.
- Written waiver of payment must be provided to tenant prior to the rent due date.
- Notice of termination should provide the amount of the rent waiver and state that no rent is due for the last month of tenancy.

Pay Relocation Benefits

- Equal to one month of the rent in effect on the date of the notice of termination.
- Must be paid to tenant within 15 calendar days of the service of notice of termination.







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Notice Requirements

Notice Must state: "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."

