Starting January 1, 2020: Rent Caps and Just Cause Protections for CA Tenants

The Basics:
- New laws provide an Annual Rent Cap (5% + Consumer Price Index) and Just Cause Protections for residential tenancies
- Rent Cap will take effect on 1/1/20 with a rent roll back to March 15, 2019
- Just Cause Protection requires at least 12 months of tenancy
- These new laws do not apply to all housing - for example, rent-controlled housing in East Palo Alto, which already has better protection. See below for Excluded Housing.

EXCLUDED HOUSING:
- New housing built within the past 15 years
- Housing with local rent control where the annual allowable increase is lower than 9%
- Government subsidized or below-market housing in which rent is set based on income level
- Single family homes or condos with no corporate ownership
- Duplexes - if the owner lives in the other unit
- College dorms
- Mobile homes and RVs in mobilehome parks that are owned by the occupant

ANNUAL RENT CAP

How does it work?
Annual rent increases are limited to 5% + change in CPI, or 10%, whichever is lower.

- **San Mateo County Rent Cap for 3/15/19 to 4/1/2020 is 9%**

Rent can not be increased more than twice in one year. The total rent increase can not exceed the Annual Rent Cap.

- If your rent has increased **more than 9%** between 3/15/19 and 1/1/20:
  - Starting 1/1/20, your rent reduces to what you were paying on 3/15/19, plus 9%.

- If your rent has increased **less than 9%** between 3/15/19 and 1/1/20:
  - Your rent will stay the same 1/1/20.
  - You can get up to two more increases before 3/15/20, not to exceed 9% above your 3/15/19 rent.
**JUST CAUSE**

**How does it work?**
- Landlords/owners need a valid reason to evict
- Begins to apply after 12 months of tenancy or 24 months if a new tenant is added
- If the valid reason is **No-Fault**, the owner must pay relocation

**No-Fault Reasons for Eviction**
- Owner or family member intends to occupy the unit
- Withdrawal of unit from rental market (Ellis Act)
- Compliance with a government, court order, or local ordinance that requires vacancy
- Intent to demolish or substantially remodel the unit, with permits

**At-Fault Reasons for Eviction**
- Nonpayment of rent
- Breach of material lease term
- Nuisance
- Waste (damage to the property)
- Refusal to execute similar new lease
- Criminal activity
- Subletting in violation of the lease
- Denying access by landlord after proper notice of lawful entry
- Using the unit for unlawful purpose
- Employee, agent, or licensee’s failure to vacate after termination as employee, agent, or licensee
- Failure to vacate after tenant provides owner written notice of intent to terminate tenancy, or after making a written offer to terminate tenancy which is accepted by landlord

**RELOCATION**
- Relocation payment is equal to one month’s rent.
- It must be made within 15 days of the no-fault termination notice
  - *Note: local jurisdictions may require greater relocation amounts*
- Instead of making a relocation payment, an owner can waive the last month’s rent in writing.
- If tenant receives a relocation payment but does not vacate, the owner can recover the payment in an eviction.

**How must an owner notify tenants of their rights?**
- If the property is subject to just cause protections, the owners must give tenants written notice regarding those protections:
  - If the tenancy starts or renews on or after 7/1/20
    - Notice must be an addendum to the lease or a notice signed by tenants, who also receive a copy.
  - If the tenancy exists prior to 7/1/20
    - Notice must be given no later than 8/1/20 or as an addendum to the lease
- Owners must also notify tenants if they are not covered by just cause

**EXCLUDED HOUSING:**
- New housing built within the past 15 years
- Government subsidized or below-market housing in which rent is set based on income level
- Single family homes or condos with no corporate ownership
- Owner-occupied single family homes with no more than two tenants (including ADUs)
- Duplexes - if owner already lives in the other unit
- Short-term stay hotels, motels, and hostels
- Non-profit hospitals, religious facilities, care for the elderly, and adult residential facilities
- Tenants who share bathroom and kitchen facilities with the owner in the owner’s home
- K-12 or college dorms

**GET FREE CONSULTATION!**
- Call us at: 650-517-8911
  Monday to Friday
  9:00AM to 5:00PM
- Attend a clinic: https://www.legalaidsmc.org/homesavers-project