

RENT INCREASES

CIV. CODE §827 AND §1947.12

By: Gilberto M. Vera, Esq., Senior Attorney, Housing Team



Legal Aid Society of San Diego

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1-877-534-2524

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- This presentation is intended to provide general information regarding legal rights related to housing in California and is not legal advice.
- If you have questions, consult with an attorney or the appropriate agency about your rights in your specific situation.
- Legal Aid Society of San Diego 1 (877) 534-2524 or visit www.LASSD.org
- Updated December 15, 2021

Rent Increase Notice Requirements

Cal. Civ. Code § 827(b)

For month-to-month tenancies*, landlord may increase a tenant's monthly rent upon proper written notice to the tenant.

- Notice must be written and properly served on the tenant
 - **Two (2) Methods of Service:**
 1. By delivering a copy to the tenant personally; or
 2. By serving a copy by mail/fax under the procedures prescribed in section 1013 of the civil code
- For Housing Choice Voucher Tenancies/Sec. 8, a copy of the notice of increase should also be served on the public housing authority

**Written notice of rent increase is still required to be served upon a tenant if a landlord intends to increase the rent at the end of a term lease/rental agreement (i.e., upon renewal of a term lease).*

Rent Increase Notice Requirements

Cal. Civ. Code § 827(b)(2)

- What is the proper amount of notice?

If the proposed rent increase is 10% or less of the rental amount charged to that tenant at any time during the 12 months before the effective date of the increase, either by itself or combined with any other rent increase for the 12 months before the effective date of the increase, at least 30 days' notice before the effective date of the increase is required.



Rent Increase Notice Requirements

Cal. Civ. Code § 827(b)(3)(A)-(B)

- What is the proper amount of notice?

*If the proposed rent increase is **greater than 10%** of the rental amount charged to that tenant at any time during the 12 months before the effective date of the increase, **either by itself or combined with any other rent increase for the 12 months before** the effective date of the increase, **at least 90 days' notice** before the effective date of the increase is required.*

*If the proposed increase for that tenant is caused by a change in a tenant's income or family composition as determined by a recertification required by statute or regulation, at least 30 days' notice before the effective date of the increase is required.

The “Rent Cap”/AB 1482

Civil Code § 1947.12

- As of January 01, 2020, a landlord may be prohibited from raising the rent beyond a certain amount
 - *Cal. Civ. Code § 1947.12 restricts landlords from increasing a tenant’s monthly rental obligation more than 5% plus the local rate of inflation or 10% (whichever is less) in a 12-month period*



The “Rent Cap”/AB 1482

Civil Code § 1947.12

■ How to Calculate the “Rent Cap”

- *For San Diego County, necessary to use the CPI-U for the San Diego-Carlsbad metropolitan area covering the County of San Diego*
- *For rent increases that take effect before August 01 of any calendar year, the following applies:*
 - *The percentage change shall be the percentage change in the amount published for March of the immediately preceding year and the March of the year before that;*
E.g., rent increase effective April 2021, use percentage change from March 2019-March 2020.
- *For rent increases that take effect on or after August 01, of any calendar year, the following applies:*
 - *The percentage change shall be the percentage change in the amount published for March of that calendar year and March of the immediately preceding calendar year;*
E.g., rent increase effective September 2021, use percentage change from March 2020-March 2021.

**The percentage change shall be rounded to the nearest one-tenth of 1 percent.*

The “Rent Cap”/AB 1482

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■ Currently:

- For rent increases that took effect August 01, 2020, through August 01, 2021, the allowable increase was 6.8%
- For rent increases that take effect after August 01, 2021, or the current “rent cap,” the allowable increase is 9.1%



The “Rent Cap”/AB 1482

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■ Other considerations:

- *Any rent discounts, incentives, concessions, or credits offered by the landlord and accepted by the tenant shall be excluded from the tenant’s monthly rent*
 - Any owner-offered discounts, incentives, concessions, or credits shall be separately listed and identified in the lease or rental agreement or as an amendment to an existing lease or rental agreement
- *If the same tenant remains in possession of the rental unit for any 12-month period, the rent shall not be increased to the allowable amount in more than two increments*
- *When all tenants move out, i.e., no tenant from a prior tenancy remains, the landlord may establish the initial rent without subject to the “rent cap”*

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■ WHAT HOUSING IS COVERED?

- ALL rental units are covered by the “rent cap,” except:

- Single-family homes and condos, unless owned by a corporation, real estate investment trust, or limited liability corporation in which at least one member is a corporation;
**must also provide specific notice that the residential property is exempt in the lease agreement if the tenancy began on or after July 01, 2020*
- Any units covered by a local rent control ordinance that is more restrictive than the “rent cap”;
- Rental units issued a certificate of occupancy in the past 15-years;
- Duplexes if the owner lives in the other unit and is the unit the owner’s principal place of residence throughout the tenancy;
**does not include accessory dwelling units*
- Affordable housing subject to a deed restriction, regulatory agreement, or other agreement with a governmental agency, e.g., low-income housing tax credit properties; and
- School-owned housing.

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■ Rent Increases Prior to January 01, 2020 (retroactivity):

- Rent increases before March 15, 2019, are not affected by the “rent cap”;
- *Rent increases after March 15, 2019, may be valid, but if the increase exceeded that allowable “rent cap” on January 01, 2020, the rent shall be adjusted back to the prior amount, plus the allowable increase under the “rent cap” at the time (i.e., 7.2%);*
- Landlords are not required to give a tenant a rent credit for overpaid rent due to a “rent cap” violation prior to January 01, 2020.



ANY QUESTIONS?

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