

Updated March 12, 2024



# **CALIFORNIA "RENT CAP"**

There are limits to how often and how much your rent can be raised in a twelve-month period!

# THE DETAILS

SB 567 provided clarity on how the rent cap is calculated and Per Cal. Civ. Code § 827: provided remedies for tenants if a landlord violates rent cap provisions under the Tenant Protection Act (TPA). Under the TPA, as of January 1, 2020, California tenants are protected from unreasonable rent increases. Commonly referred to as "rent cap," Cal. Civ. Code § 1947.12 restricts your landlord from increasing your rent more than 5% + the local rate of inflation or 10% (whichever is less) in a twelve month-period.

- The "rent cap" is calculated each year and may be different based on when the rent increase is to take effect:
  - For rent increases that took effect on Aug. 01, 2021 through July 31, 2022, the allowable increase was 9.1%
  - For rent increases that took effect on Aug. 01, 2022 through July 31, 2023, the allowable increase was 10%
  - For rent increases that take effect on Aug. 01, 2023 through July 31, 2024, the allowable increase is 10%
  - For rent increases that take effect on Aug. 01, 2024 through July 31, 2025, the allowable increase is 10%
- Rent can't be raised more than 2x's in a 12-month period, and the total increase can't exceed the annual allowable amount

### **EXCLUDED HOUSING**

### The "rent cap" does not apply to:

- Housing built within the past 15 years (except mobile homes)
- Affordable housing units
- Housing subject to more protective local rent control
- Single-family homes or condos with no corporate ownership
- 1 building with 2 separate units if owner lives in the 2nd unit (neither unit can be an ADU)
- School-owned housing

- You are entitled to at least 30 days' written notice if landlord intends to raise your rent less than 10%.
- most circumstances, In you're entitled to at least 90 days' written notice if landlord intends to raise the rent more than 10% of the what rent was twelve (12) months prior.

### **Remedies for Rent Cap viola**tions:

- Injunctive relief
- Money damages for the difference between amount demanded & maximum allowable rent
- Reasonable attorney's fees and court costs
- Money damages up to 3x's the difference between amount demanded and maximum allowable rent if you show landlord acted willfully, with fraud, oppression, or malice.

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Owner Intent to Occupy

domestic

months

owner

Must be owner, owner's spouse,

partner,

grandchildren, parents or grand-

Person(s) must move in within

Person(s) must occupy the unit

for at least 12 continuous

Notice must list name(s) of who

is moving in and relationship to

Proof of relationship to owner

If intended occupant doesn't

move in within 90 days or

doesn't occupy for 12 continu-

ous months, owner must reoffer unit to tenant who vacated at

same rent and lease terms when

they left, and reimburse tenant

for reasonable moving expenses

to be provided upon request

parents who move in

90 days of tenant vacating

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**Demolish or Substantial Remodel** 

Substantial remodel is either:

1) structural, electrical, plumb-

ing, or mechanical work that

requires a permit; or 2) abating

Requires tenant to be out of

the unit for 30 consecutive

Notice must contain statement

of owners intent to demolish or

Notice must give an estimate of how long work will take or when it will be demolished

Must provide copy of permit(s)

If abating hazardous material,

need to provide copy of the

contract that details the work

Must notify tenant of option to

move back in if the remodel or

hazardous materials

days to be done safely

remodel

to be done



## CALIFORNIA "JUST CAUSE"

Starting April 1, 2024 landlords must be more transparent when evicting tenants for "no-fault" just cause!

### THE DETAILS

As of April 1, 2024, a landlord must be more transparent when evicting a tenant for the "no-fault" just causes when the owner intends to occupy the unit or intends to either demolish or substantially remodel it.

- All tenants have to lawfully & continuously live in the property for 1 year or more, or
- At least one tenant has lawfully and continuously lived in the property for 2 years or more.

children,

### EXCLUDED HOUSING

#### SB 567 does not apply to:

- Housing built within the past 15 years (not mobile homes)
- Affordable housing units
- Housing subject to local just cause protections adopted on or before 9/1/19, or subject to more protective local just cause ordinances adopted or amended after 9/1/19

-Chula Vista and San Diego more protective just cause ordinances

- Single-family homes or condos with no corporate ownership
- Owner-occupied single family homes
- Hotels, motels, and hostels intended for short-term use
- Nonprofit hospitals, religious care facilities for the elderly, and adult residential facilities
- Tenants who share bathroom or kitchen facilities with owner at owner's primary residence

### **REMEDIES FOR VIOLATIONS:**

- Injunctive relief
- Money damages for difference between amount demanded & maximum allowable rent
- Attorney's fees and court costs
- Damages up to 3x's difference in amount demanded & max allowable rent upon showing landlord acted willfully, with fraud, oppression, or malice.

### NOTICE REQUIREMENTS

demolition doesn't occur

For tenancies that start or renew <u>on or after 7/1/2020</u> (or 7/1/2022 for mobile homes), written notice of just cause protections must be given in an addendum to lease or a notice signed by tenants.

For tenancies that exist <u>prior</u> to **7/1/2020**, (or **7/1/2022** for mobile homes), notice must be given no later than **8/1/2020** (or **8/1/2022** for mobile homes) or as an addendum to lease.

\*Owners must also notify tenants if the property is exempt from 'Just Cause'

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