

Understanding the Statewide Anti-gouging and Eviction Protection Law (AB 1482) in Richmond

To address rent gouging, on Oct. 8, 2019, Gov. Gavin Newsom signed Assembly Bill 1482, enacting statewide limitations on rent increases in California, which will take effect on Jan. 1, 2020. Below is a summary of select key provisions. AB 1482 DOES NOT APPLY to Richmond's Rent Ordinance. The provisions of Richmond Rent Ordinance remain in full effect.

I HEARD CALIFORNIA NOW HAS STATE-WIDE RENT CONTROL AND EVICTION PROTECTIONS (AB 1482). IN A NUTSHELL, WHAT DOES IT DO?

Under AB 1482, annual rent increases in cities that do not have existing rent control laws will be limited to 5% plus the percentage change in the cost of living (local inflation) not to exceed a total of 10%. For example, if the inflation rate is 3.5%, a landlord could raise rent by as much as 8.5%. If the inflation rate is 6%, a landlord could only raise rent by as much as 10%.

The cost-of-living (inflationary) increase will be tied to the Consumer Price Index (CPI) in each metropolitan area. AB 1482 requires that rents be rolled back to the amount paid by the Tenant on March 15, 2019, if the rent was increased between March 15, 2019 and January 1, 2020. Whatever amount a tenant paid as of that date is the amount by which the increase will be based. Rent may not be increased more than twice over a 12-month period (total sum of such increases not to exceed the annual rent cap).

The law also prohibits evictions without Just Cause for Tenants that have lived in a unit for at least one year.

DOES THE LAW OVERRIDE RICHMOND'S RENT ORDINANCE?

AB 1482 DOES NOT OVERRIDE the Richmond Rent Ordinance and does not apply to Ordinances adopted prior to September 1, 2019, where the Ordinances restricts annual increase in the rental rate at an amount less than that provided under State law.

WHICH PROPERTIES ARE COVERED BY AB 1482?

Apartments and other multi-unit properties containing two units or more which are at least 15 years old. This is a rolling date; units built in 2006 will be covered in 2021, units built in 2007 will be covered in 2022, etc. Thus, for example, apartments constructed in the future would not fall under the rent cap until fifteen (15) years after they're built. Also single-dwelling units (i.e. some single family homes, condos, etc.) where the single dwelling unit is owned by a corporation, a real estate investment trust, or a limited liability company in which at least one member is a corporation

WHAT TYPES OF PROPERTIES IN RICHMOND WOULD BE COVERED BY AB 1482?

In Richmond, this means that multi-unit properties built between February 1, 1995 and January 1, 2005, as well as single family homes owned by a corporation, a real estate investment trust, or a limited liability company in which at least one member is a corporation would be covered by AB 1482.

WHICH PROPERTIES ARE EXEMPT FROM AB 1482?

Properties exempt from AB 1482 include:

- Single dwellings/units that can be sold separately from other units (i.e. some single family homes, condos, etc.), except when owned by a corporation, real estate investment trust, or limited liability corporation in which at least one member is a corporation.
- Duplexes are exempt when one of the units is occupied by the owner from the beginning of the tenancy seeking rent control protections.
- Buildings constructed within the past fifteen (15) years.
 - This is a rolling date; units built in 2006 will be covered in 2021, units built in 2007 will be covered in 2022, etc.

AB 1482 REQUIRES THAT LANDLORDS HAVE JUST CAUSE TO EVICT.

WHAT ARE THE JUST CAUSES UNDER AB 1482?

DO THE STATE-WIDE JUST CAUSE RULES OVERRIDE RICHMOND'S JUST CAUSE FOR EVICTION RULES?

DOES AB 1482 REQUIRE LANDLORDS TO PAY RELOCATION ASSISTANCE FOR NO-FAULT EVICTIONS?

DOES VACANCY DECONTROL STILL APPLY UNDER AB 1482?

Note: the Costa Hawkins rental housing act in pertinent part established vacancy decontrol or the ability to reset rents to market in between tenancies.

HOW DO I FIND THE ACTUAL TEXT OF THE LAW?

HOW CAN THE RICHMOND RENT PROGRAM ASSIST LANDLORDS AND TENANTS COVERED BY AB 1482?

- Thus, for example, apartments constructed in the future would not fall under the rent cap until fifteen (15) years after they're built.

AB 1482 prohibits evictions without Just Cause. For tenants that have lived in a unit for at least one year, AB 1482 prohibits evictions and non-renewals of leases without "just cause."

There are two types of "Just Cause": (1) "At Fault Just Cause," and (2) "No-Fault Just Cause."

- "At Fault Just Cause" includes (1) failure to pay rent, (2) criminal activity/nuisance, (3) tenant's refusal to extend a fixed-term lease for an additional term of similar duration with similar provisions, or (4) breach of a material term of the lease (Landlords must give the renter an opportunity to cure "curable lease violations").
- "No Fault Just Cause" includes if the (5) owner/owner's family intends to occupy the property, (6) withdrawing the property from the rental market pursuant the Ellis Act or (7) the intent to demolish or substantially remodel the property, or (8) compliance with a local ordinance or order issued by a governmental agency.

Richmond's Just Cause for Eviction rules are UNAFFECTED by the State-wide Just Cause eviction rules. In other words, Richmond's Just Cause for Eviction rules are NOT superseded or overridden by the state-wide Just Cause rules.

Yes, landlords must pay tenants one month's rent within 15 days of serving a no-fault eviction notice or if the owner intends on converting the rentals into condos. The landlord can either make a direct payment or waive in writing the payment of the final month of the tenancy, prior to the rent becoming due. Failure to pay relocation assistance renders the notice of termination void. Relocation rules do not apply to properties exempt from AB 1482.

Owners can continue to reset rents to market rate at vacancy, and then resume conforming to the annual cap of 5% plus inflation under AB 1482.

AB 1482 can be accessed at the following link:

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1482

The Rent Program assists Landlords and Tenants who own or rent units that are covered in whole or in part by the Richmond Rent Ordinance. The Rent Program provides "holistic counseling" on the Richmond Rent Ordinance and associated state laws such as AB 1482 that intersect with the Richmond Rent Ordinance. Holistic counseling is defined as providing information, referrals and options for recourse on aspects of the law related to the Richmond Rent Ordinance, including federal, state and local law. Holistic counseling recognized the interconnected relationship between local, state and federal law. A counseling session that deals with AB 1482 could touch on the fact that while a Tenant may live in a rental unit that is exempt from the rent control provisions of the Richmond Rent Ordinance, they may still fall under the Richmond's Just Cause provisions and may still be covered by the rent control portion of AB 1482.