

Richmond Rent Program
Community Workshop:
**Understanding the California Anti-
Gouging and Eviction Protection
Law (AB 1482) in Richmond**

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What is AB 1482?

- ▶ **To address rent gouging, on October 8, 2019, Governor Gavin Newsom signed Assembly Bill 1482 (“AB 1482”), enacting statewide limitations on rent increases in California, which took effect January 1, 2020.**
- ▶ **AB 1482 is an anti-rent gouging law that places rent caps and the requirement to have just cause to evict for tenancies of 12 months or more.**

What are the Purposes of the Rent Ordinance and AB 1482?

- ▶ **The purpose or mission of the Richmond Rent Ordinance and Program is to promote neighborhood and community stability, healthy housing, and affordability for Richmond tenants through the regulating of those landlord/tenant matters that reasonably relate to rents and evictions, while maintaining a landlord’s right to a fair return.**
- ▶ **For AB 1482, the California legislature states that, “the unique circumstances of the current housing crisis require a statewide response to address rent gouging by establishing statewide limitations on gross rental rate increases.”**
- ▶ **Thus, the key difference in purpose between these two laws is that one is to maintain healthy housing and stability in Richmond and the other is to prevent rent gouging and address the statewide housing crisis.**

How Did AB 1482 Change the Law?

▶ AB 1482 added three new California Civil Codes:

Civil Code 1946.2 – Mainly discusses just causes for eviction and relocation payment(s).

Civil Code 1947.12 – Mainly discusses rent increase limitations.

Civil Code 1947.13 – Mainly discusses initial rental rates for affordable housing.

What Does AB 1482 Require?

- ▶ **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) but not to exceed a total of 10%.
 - ▶ The cost-of-living increase will be tied to the Consumer Price Index (CPI) in each metropolitan area.
 - ▶ 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%.
 - ▶ AB 1482 requires that rents be rolled back to the amount paid by the Tenant on March 15, 2019.
 - ▶ Rent may not be increased more than twice over a 12-month period (unless the total sum of such increases does not exceed the annual rent cap).
 - ▶ Evictions are prohibited without Just Cause for Tenants that have lived in a unit for at least one year.

Does AB 1482 Overrule the Richmond Rent Ordinance?

AB 1482 DOES NOT:

- ▶ **Overrule or affect the Richmond Rent Ordinance.**
- ▶ **Apply to Rent Ordinances adopted prior to September 1, 2019. (This is specific to eviction protections). This is also true for Ordinances adopted or amended after September 1, 2019, if that Ordinance's just causes are "more protective." (Criteria for this is expressly stated in the law.)**
- ▶ **Affect Ordinances that restrict annual increases in the rental rate at an amount less than that provided under the new State law. (This is specific to rent restrictions).**

Which properties are covered by AB 1482?

VERY IMPORTANT!!

- **Properties must first be fully or partially exempt from the Richmond Rent Ordinance to be potentially covered by AB 1482.**
- **In other words, if a property is fully covered by the Richmond Rent Ordinance, AB 1482 will not apply.**

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. For example, units built in 2006 will be covered in 2021, units built in 2007 will be covered in 2022, etc.
- ▶ Thus, apartments constructed in the future would not fall under the rent cap until fifteen (15) years after they are built.

Which properties are covered by AB 1482?

Corporate Owned Single Units

- ▶ **Single-dwelling units (i.e some single family homes, condominiums, etc.) where the single dwelling unit is owned by a corporation, a real estate investment trust (REIT), or a limited liability company in which at least one member is a corporation.**

Which properties are covered by AB 1482?

Properties that are at least 15 years old

- ▶ This means that in Richmond, for properties that are generally exempt from the rent control provisions of the Ordinance, as of January 1, 2020, properties built on or before March 5, 2005, would be potentially covered by AB 1482.

**WHICH PROPERTIES ARE
EXEMPT FROM AB 1482?**

Which properties are exempt from AB 1482?

Non-corporate owned single family homes and condos are exempt

- ▶ Single dwellings/units that can be sold separately from other units (i.e. single family homes, condominiums, etc.).
 - ▶ This is true except when the single unit is owned by a corporation, real estate investment trust, or limited liability corporation in which at least one member is a corporation.
 - ▶ Notice of the exempt status must be provided to the tenant(s). This requirement only applicable for tenancies commenced or renewed on or after July 1, 2020, otherwise such notice is optional.

Which properties are exempt from AB 1482?

Various Owner Occupied properties are exempt

- ▶ Duplexes are exempt when one of the units is occupied by the owner from the beginning of the tenancy.
- ▶ Housing accommodations where the tenant shares bathroom or kitchen facilities with the owner who maintains the property as their principal residence.
- ▶ Single family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including but not limited to, an accessory dwelling unit or junior accessory dwelling unit.

Which properties are exempt from AB 1482?

Building younger than 15 years are exempt

- ▶ Buildings constructed within the past fifteen (15) years.
 - ▶ This is a rolling date. For example, units built in 2006 will be covered in 2021, units built in 2007 will be covered in 2022, etc.
 - ▶ Thus, apartments constructed in the future would not fall under the rent cap until fifteen (15) years after they are built.

Which properties are exempt from AB 1482?

Other Exemptions

- ▶ Dormitories for any school, hotels, non-profit hospitals, religious facilities, extended care facilities, licensed care facilities for the elderly, adult residential facilities, transient and tourist hotels, subsidized housing and affordable housing.
- ▶ **REMEMBER!** - Any properties that fall under the rent control provisions of the Richmond Rent Ordinance.

Can a property be (partially) covered by both the Richmond Rent Ordinance and AB 1482?

YES! But in limited circumstances.

- ▶ **Example #1** – A single family home in the city of Richmond that is owned by an Limited Liability Company (LLC). Here, the allowable rent would be regulated by AB 1482 but the tenants would be protected by the Just Cause for Eviction sections of the Richmond Rent Ordinance.
- ▶ **Example #2** – An apartment complex that is built between 1996 and 2005. Here, the allowable rent would be regulated by AB 1482 but the tenants would be protected by the Just Cause for Eviction sections of the Richmond Rent Ordinance.

AB 1482 Requires Landlords to Have Just Cause to Evict

- ▶ **For properties covered by AB 1482, evictions without “just cause” are prohibited for tenancies that are at least one year.**

There are two types of just cause:

- ▶ **(1) At-fault**
- ▶ **(2) No-fault**

AB 1482 Requires Landlords to Have Just Cause to Evict

“At Fault” Just Causes include:

- 1) Default in payment of rent
- 2) Breach of a material term of the lease
- 3) Maintaining, committing, or permitting a nuisance
- 4) Committing waste
- 5) Tenant refuses to execute extension or renewal of lease for additional term of similar duration with similar provisions (if lease terminated on or after 1/1/2020)
- 6) Criminal activity
- 7) Assignment or subletting in violation of the lease
- 8) Refusal to allow the owner entry if authorized under Civ. Codes 1954 or 1101.5
- 9) Using the premises for an unlawful purpose as described in CCP § 1161(4)
- 10) Employee, agent or licensee’s failure to vacate after termination
- 11) When tenant fails to deliver possession after providing written notice of their intent to terminate or when the tenant makes an offer to surrender that is accepted by the landlord and fails to deliver possession

AB 1482 Requires Landlords to Have Just Cause to Evict

“No Fault” Just Causes include:

- 1) Owner/owner’s family (spouse, domestic partner, children, grandchildren, parents or grandparents) intend to occupy the property*
- 2) Withdrawing the property from the rental market (Ellis Act)
- 3) Owner’s compliance with: an order issued by a government agency or court relating to habitability that necessitates vacating, an order by a government agency or court to vacate, or a local ordinance that necessitates vacating the property
- 4) The intent to demolish or substantially remodel the property

AB 1482 Requires Landlords to Pay Relocation Assistance Directly to Tenants for Certain Evictions

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- ▶ **This requirement only applies to properties covered by AB 1482 where a “no fault” eviction takes place.**
- ▶ **The amount of relocation assistance shall be equal to one month’s rent that was in effect when the owner issued the notice to terminate the tenancy.**
- ▶ **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.**
- ▶ **Any relocation assistance shall be provided within 15 calendar days of service of the notice.**

2020 RICHMOND RENT PROGRAM COMMUNITY WORKSHOPS

City Council Chambers
440 Civic Center Plaza
Richmond, CA 94804
10:00 AM - 12:00 PM

WORKSHOP	DATE (Saturday)
Understanding the Statewide Anti-gouging and Eviction Protection Law (AB 1482) in Richmond	January 18
Rights and Responsibilities for Richmond Tenants	February 1
Rights and Responsibilities for Richmond Landlords and Property Managers	February 29
Navigating the Eviction Process in Richmond	March 28
Security Deposits – Rights and Responsibilities for Richmond Landlords and Tenants	April 18
Understanding the Richmond Rent Ordinance for Realtors	May 30
How to Raise Rents in Richmond	June 27
Rights and Responsibilities for Richmond Tenants	July 18
Navigating the Eviction Process in Richmond	August 29
How to File a Rent Decrease Petition	September 26
Handling Habitability Problems (Tenant Oriented)	October 17
Handling Habitability Problems (Landlord Oriented)	November 14



Space is limited - RSVP today:
<https://rentprogram.eventbrite.com>
richmondrent.org/workshops
rent@ci.richmond.ca.us



THANK YOU

For more information, contact the Richmond Rent Program

Phone: (510) 234-7368

Email: rent@ci.richmond.ca.us

- ❖ Request an appointment
- ❖ Attend our workshops
- ❖ Visit our website: www.richmondrent.org
- ❖ Open Monday – Friday
9:00am – 12:00pm and 1:00pm – 4:00pm