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## **Understanding Statewide Rent Control –Civil Code 1946.2 Major Bullet Points**

(For a complete understanding of the statute, please review Civil Code 1946.2)

### **Is My Property Covered Under Statewide Rent Control?**

If your property is subject to a local rent control ordinance, your property is *not* subject to this statute. Your property will still be subject to your local rent control ordinance. Examples of local rent control ordinances:

*Los Angeles, West Hollywood, Beverly Hills, Glendale, Unincorporated Los Angeles County, and Santa Monica*

If your property is not subject to a local rent control ordinance it will be subject to Statewide Rent Control –Civil Code 1946.2, however some property is exempt under the statewide statute.

### **Exemptions to Statewide Rent Control**

1. Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.
2. 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 a junior accessory dwelling unit. Note: Two houses on one lot are subject to this statute.
3. A duplex in which the owner occupied one of the units as the owner's principal place of residence. The owner must have been in residency at the beginning of the tenancy.
4. Housing that has been issued a certificate of occupancy within the previous 15 years.
5. Single Family Residences, Townhomes and Condominiums are exempt unless the owner is a Real Estate Investment Trust or a Corporation. Note: Title can be held in a Limited Liability Company or a Trust.

### **Important**

In order to maintain this exemption, certain notices must be given to your tenant. These forms can be obtained at: <https://www.evict123.com/statewide-rent-control>

## **Requirements If Your Property Is Subject To Statewide Rent Control**

### **Allowable Rent Increases**

1. The increase is 5% plus the Consumer Price Index (CPI), not to exceed 10% in any one year period. Currently the CPI for the West Region, including California, is 2.9%. The total rent increase for this year would be 7.9% effective January 1, 2020. The actual language of the code regarding the Consumer Price Index is stated below.

"Percentage change in the cost of living" means the percentage change from April 1 of the prior year to April 1 of the current year in the regional Consumer Price Index for the region where the residential real property is located, as published by the United States Bureau of Labor Statistics. If a regional index is not available, the

California Consumer Price Index for All Urban Consumers for all items, as determined by the Department of Industrial Relations, shall apply.

2. This shall apply to all rent increases which occurred on or after March 15, 2019. If the rent increase exceeded the allowable amount, the rental amount would be required to be decreased as of January 1, 2020.

3. There shall be no reimbursement of rent collected, in excess of the allowable amount, from March 15, 2019 through December 31, 2019.

### **Notice Required to Tenant**

If your property is subject to Statewide Rent Control, certain written notices must be given to your tenants. Those forms can be found at:

<https://www.evict123.com/statewide-rent-control>

### **Reasons To Terminate The Tenancy Under Statewide Rent Control**

*Note: No reasons to evict are required if the tenancy is within the first year, two years if a subtenant has joined the tenancy.*

### **Good Cause to Evict (Tenant is at Fault)**

Where the tenant has occupied the premises for 12 months, or 24 months if an additional tenant has joined the tenancy, good cause is required to terminate the tenancy. The reason for the termination must be stated in the termination notice. Good cause to evict is defined as:

1. Default in the payment of rent.

2. A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.

(After the service of the 3 Day Notice to Perform or Quit, a 3 Day Notice to Quit must be issued prior to filing the unlawful detainer.)

3. Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

4. Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

5. The tenant had a written lease that terminated on or after January 1, 2020, and after a written request or demand from the owner, the tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this section or any other provision of law.

6. Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the residential real property that is directed at any owner or agent of the owner of the residential real property.

7. Assigning or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

8. The tenant's refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of this code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.

9. Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

10. The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.

11. When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Section 1946 of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

### **Good Cause to Evict (Tenant is Not at Fault) -- Relocation is Required**

1. Intent to occupy the residential real property by the owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.

For leases entered into on or after July 1, 2020, clause (i) shall apply only if the tenant agrees, in writing, to the termination, or if a provision of the lease allows the owner to terminate the lease if the owner, or their spouse, domestic partner, children, grandchildren, parents, or grandparents, unilaterally decides to occupy the residential real property. Addition of a provision allowing the owner to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1).

2. Withdrawal of the residential real property from the rental market.

3. The owner complying with any of the following:

A. An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.

B. An order issued by a government agency or court to vacate the residential real property.

C. A local ordinance that necessitates vacating the residential real property.

If it is determined by any government agency or court that the tenant is at fault for the condition or conditions triggering the order or need to vacate under clause (i), the tenant shall not be entitled to relocation assistance as outlined in paragraph (3) of subdivision (d).

4. Intent to demolish or to substantially remodel the residential real property. (*This is an easy method to evict your tenant and achieve market rent.*)

For purposes of this subparagraph, "substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, that cannot be reasonably accomplished in a safe manner with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial rehabilitation.

*Relocation in the sum of one month rent must be given as relocation. This must be given within 15 days of the service of the notice or as a credit on their last month rent. The tenant must be informed of the relocation payment in the notice of termination.*