TENANT RIGHT LEGAL UPDATES FOR 2023-2024

JUST-CAUSE EVICTION

The Tenant Protection Act of 2019 instituted a statewide “just cause” standard that requires landlords of covered properties to, in most cases, have a specific reason to terminate a tenancy. Typically, where a tenancy is being terminated for a reason that is not a fault of the tenant, the landlord is required to pay relocation expenses to the tenant.

The law sets out two kinds of evictions: "at fault" evictions (where the landlord moves to evict the tenant where the tenant is allegedly “at fault”) and "no fault" evictions (where the landlord moves to evict the tenant through “no fault” of the tenant).

“At fault” evictions include:

- Nonpayment of rent
- Breach of a material term of the lease
- Nuisance, waste, or using the unit for unlawful purposes
- Criminal activity on the premises or criminal activity off the premises directed at the owner or agent
- Refusal to allow lawful entry
- Refusal to execute a new lease containing similar terms

“No fault” evictions include:

- Owner move-in
- Intent to demolish or substantially remodel the unit
- Withdrawal of the unit from the rental market
- The owner complying with a government order or local law that requires the tenant to leave

Landlords can only evict a tenant for one of the reasons listed above.

The Tenant Protection Act does not apply to the following rental types:

- Single-family homes not owned or controlled by a corporation (the Act does apply to single-family homes owned or controlled by a corporation)
- Units covered by a local rent control ordinance that is more protective than the Tenant Protection Act
- Units constructed in the past 15 years (this is a rolling timeline, so tenants will gain protection once their building turns 15)
- Mobilehomes that are not owned and offered for rent by the owner or manager of a mobilehome park
- Duplexes where the owner is living in one of the units at the time the tenant moves into the other unit, but only as long as the owner continues to live there

- Housing that is restricted as affordable housing by deed, government agency agreement, or other recorded document, or that is subject to an agreement that provides housing subsidies for affordable housing
- Dorms

NEW LAW UPDATE: SB 567 closes a loophole landlords used to circumvent the 5% rent cap, plus inflation, with a 10% maximum, evicting tenants to do "substantial remodeling." Since its inception, the Tenant Protection Act of 2019 has allowed for an owner to recover possession of a rental unit to substantially remodel it. SB 567 doesn't change that; owners can still end a tenancy if they plan to substantially remodel the unit. However, under the revised law, owners who exercise this right must now include specific language in the termination notice regarding the work to be performed and the tenant's right to reoccupy the property if the work isn't commenced or completed. The new amendment to the law also requires copies of any required permits for the work to be provided with the notice of eviction to the tenant as well. Under the new law, if the reason for eviction is the landlord and/or family moving into the unit, landlords must identify the people moving in and the rental must be occupied within three months of eviction and the landlord or family of the landlord must live in the unit for at least a year. Finally, the legislation requires the notice to tell the tenant that if they are interested in reoccupying the unit following the substantial remodel, the tenant must tell the owner and provide contact information to the owner.

SECURITY DEPOSITS

California's current law limits security deposits to two months' rent for unfurnished units and three months' rent for units that are furnished.

NEW LAW UPDATE: Assembly Bill 12, just signed into law, caps security deposits at one month's rent. Smaller landlords who own no more than two properties and a total of four units will be able to request up to two months' rent under the new law. This new law goes into effect on July 1, 2024.

MOBILEHOME TENANT PROTECTIONS

Under existing law, the Mobilehome Residency Law Protection Act, established the Mobilehome Residency Law Protection Program within the Department of Housing and Community Development to assist in taking and resolving complaints from homeowners relating to the Mobilehome Residency Law. The current version of the law requires the department to refer any alleged violations of law or regulations within the department's jurisdiction to the Division of Codes and Standards. HCD is required to use good faith efforts to select the most severe, deleterious, and materially and economically impactful alleged violations, to investigate and prosecute. HCD must refer those selected violations to a non-profit legal services provider to negotiate the matter in good faith and resolve within 25 days after notice to the complaining party and property/park owner.

HCD (or local enforcement agency) is required to enter and inspect mobilehome parks, as prescribed, and requires the enforcement agency to issue a notice to correct any violations found. The Mobilehome Parks Act also imposes a $4 per lot fee to be used for inspection of mobilehomes until January 1, 2024. The Mobilehome Parks Act will incorporate additional fees that will become operative on January 1, 2024.

NEW LAW UPDATE: AB 318, just signed into law, and taking effect on January 1, 2024, removes the requirement that HCD select the most severe, deleterious, and materially and economically impactful alleged violations of investigation. HCD would now be empowered to investigate and prosecute any complaint. Notice is no longer required and the 25-day resolution period is removed. The mobilehome protection act was scheduled to terminate on January 1, 2024. AB 318 extends the act for three more years, until January 1, 2027.

AB 319 extends the imposition of the $4 per lot fee and extends the operative date for additional fees to January 1, 2025.

TENANT APPLICATIONS

Under existing law, the California Fair Employment and Housing Act, prohibits, in instances in which there is a government rent subsidy, the use of a financial or income standard in assessing eligibility for the rental of housing that is not based on the portion of the rent to be paid by the tenant.

NEW LAW UPDATE: Per SB 267, the newly enacted law will now also prohibit the use of a person's credit history as part of the application process for a rental housing accommodation without offering the applicant the option of providing lawful, verifiable alternative evidence of the applicant's reasonable ability to pay the portion of the rent to be paid by the tenant, including, but not limited to, government benefit payments, pay records, and bank statements, in instances in which there is a government rent subsidy. The bill would, if the applicant elects to provide lawful, verifiable alternative evidence of the applicant's reasonable ability to pay, require the housing provider to provide the applicant reasonable time to respond with that alternative evidence and reasonably consider that alternative evidence in lieu of the person's credit history in determining whether to offer the rental accommodation to the applicant.

CURRENT LAW (NO UPDATES)

HOUSING CONDITIONS

Landlords are responsible by law for keeping tenants' units safe and well-maintained. This is known as habitability. This includes things like providing safe and working plumbing, heating, electrical equipment, floors, and stairs; effective waterproofing; windows and doors with working locks; and keeping the property free from roaches, rats, and other vermin. (Civil Code § 1941.1.) Even if tenants knew that their unit was

not up to these standards when they moved in, it is still the landlord's responsibility to make all units habitable.

NOTICE FOR RENT INCREASES

When raising a tenant's rent, landlords must deliver the tenant a formal written notice of the change. It is not enough for a landlord to call, text, or email that they plan on raising the rent. Landlords must also give tenants sufficient warning before increasing rent. If the rent increase is less than 10%, landlords must provide notice 30 days before the increase can take effect. If the rent increase is more than 10%, the landlord must provide notice 90 days before it can take effect. (Civ. Code § 827).

LOCKOUTS

It is illegal to try to "evict" a tenant by locking them out, shutting off the water or electricity, or removing their personal property. The only lawful way to evict a tenant is to file a case in court and go through the legal process. (Civ. Code § 789.3.)

RETALIATION

Landlords may not retaliate against tenants for exercising their rights. For example, it is against the law for a landlord to try to evict a tenant who has asked for repairs or pointed out that a rent increase is unlawful, or to take away services or rights that the tenant previously enjoyed, like a storage space or parking. (Civ. Code § 1942.5.)

REASONABLE ACCOMMODATIONS

Tenants with disabilities must receive reasonable accommodations to allow them the use and enjoyment of their unit. Specifically:

- Reasonable accommodations may involve adjusting certain policies in a way that helps a person with a disability have equal access to housing. For example, a landlord is permitted to have a "no pets" policy, but must make a reasonable accommodation for a tenant with a service animal by waiving the "no pets" policy for that tenant.
- Landlords cannot charge tenants the cost of offering a reasonable accommodation.
- Additionally, landlords must allow tenants with disabilities to make reasonable physical modifications to the unit so that they have "full enjoyment of the premises." In most situations, tenants are responsible for covering the costs of the reasonable modification.

DISCRIMINATION

Landlords are prohibited from discriminating against tenants based on the tenant's race, national origin, religion, sex, gender, sexual orientation, gender expression, gender identity, ancestry, disability status, marital status, familial status, source of income, veteran status, or certain other characteristics.

- Additionally, private housing providers are prohibited from discriminating against tenants on the basis of citizenship, immigration status, primary language, age, medical condition, or any other arbitrary personal characteristic.
- In most cases, landlords are not allowed to ask a tenant or prospective tenant their immigration or citizenship status. Landlords are never allowed to threaten to disclose a tenant or occupant's immigration status in order to pressure a tenant to move out. Landlords are also never allowed to harass or retaliate against a tenant by disclosing their immigration status to law enforcement.