CEB®

August 22, 2023

Just Cause Protections for Termination and Eviction

Tenant Protection Act – Civil Code Section 1946.2

Speakers: Nils Rosenquest and David Wasserman

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Nils Rosenquest

Nils is the founder of Rosenquest & Associates and has practiced housing, landlord-tenant, real estate and business law since 1979 on behalf of individual landlords and tenants, small businesses, and community organizations. A graduate of Dartmouth College and UC College of the Law, San Francisco. Nils also serves as a neutral mediator in real estate and landlord tenant matters as well as a judge pro tem in the San Francisco Superior Court. He also authors or co-authors two landlord books for Nolo Press on California landlord-tenant law and procedure. In addition to helping private individuals and companies in housing and real estate matters, he represents non-profit subsidized housing developers and non-profit live-work communities.

David Wasserman

Dave Wasserman has been practicing real estate law and housing law for thirty years with industry experience even longer. Both a licensed attorney and real estate broker, he is also a landlord Rent Board Commissioner on the San Francisco Rent Board. Appointed in January, 2015, by the late Mayor Ed Lee, Mayor London Breed has re-appointed him twice, in 2019 and again in 2022. Dave is an owner and operator of multifamily and commercial/industrial investment real estate in Northern California. He is currently building, from the ground up, an 85-unit residential apartment project near Sacramento. Dave sits on the board of directors for the San Francisco Apartment Association and the Professional Property Management Association of San Francisco. He has also been an attorney representing institutional property management companies and investment groups since 1995.

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Learning Objectives

- Explain California Civil Code §1946.2
  - Identify covered properties and exemptions
  - Just Causes, At fault vs. No fault
- Summarize effects of AB 1482
- Discussing upcoming SB 567



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Attachments

- ✓ California Civil Code §1946.2
- ✓ California Senate Bill 567

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Summary (AB 1482)

The San Francisco Rent Board prepared a summary of the Tenant Protection Act of 2019 with respect to both rent control and just cause.

Link: https://sf.gov/information/california-tenant-protection-act-2019-ab-1482

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Covered Properties (C.C. § 1946.2(a))

- Every residential unit (except *exempt* units or mobilehomes) after all tenants have lived there continuously for 12 months or one tenant has lived there continuously for 24 months.

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Exemptions: Civil Code Section 1946.2(e)(1-7)

- Transient and tourist hotels
- Nonprofit hospitals, religious facilities, extended care facilities, licensed residential care facility for the elderly, or adult residential facility
- Dormitories owned and operated by higher education and lower schools (K-12)
- Shared housing with the owner, who maintains principal residence in the home.
- Single family owner-occupied residences, including (a) residence with no more than two bedrooms or ADUS rented out, and (b) a mobilehome
- Owner-occupied duplex where owner had principal residence at inception of tenancy
- New construction within previous 15 years (a rolling cut-off), except mobilehome

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Exemptions: Civil Code Section 1946.2(e)(8)

- Local city and county rent controlled properties with stronger protections
- Residential real property that is separately alienable from title, *except*
    - property owned by REIT
    - property owned by corporation
    - property owned by LLC with corporation member(s)
    - owner is a mobilehome park manager

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Exemptions, Civil Code Section 1946.2(e)(8)

- Disclaimer required in the lease or rental agreement to invoke exemption:

> "This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12 (d)(5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

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Just Causes – At Fault Just Causes (C.C. § 1946.2(b)(1))

Terminations for cause, referenced as “at fault just cause” —

- Non-payment of rent
- Breach of a material term of the lease, including uncured violations *after* written warning *and* opportunity to cure (C.C.P. § 1161(3), § 1946.2(c)))
- Nuisance (C.C.P. § 1161(4)) – typically noncurable but usually requires a prior warning to abate or cease and desist
- Waste (C.C.P. § 1161(4))
- Refusal to execute written extension or renewal of lease on similar terms
- Criminal activity *on* the property *or* criminal threats directed at the owner or owner’s agent

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Just Causes — At Fault Just Causes (C.C. § 1946.2(b)(1))

- Assigning or subletting in violation of the lease (C.C.P. §1161(4)). This applies where assignment or subletting absolutely prohibited. [Note: assignment or sublet where consent required might be a curable breach under C.C.P. § 1161(3)]
- Refusal of lawful entry (C.C.1101.5, 1954; H&S §13113.7, 17926.1)
- Use of premises for unlawful purpose (C.C.P. § 1161(4))
- Failure to vacate after termination of employment, agency, or license
- Failure to deliver possession after tenant's notice of termination or offer of surrender (C.C.P. §1161(5))

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Just Causes — No Fault Just Cause (C.C. § 1946.2(b)(2))

- Owner or certain specified relative move-in. *Note*: lease has to contain advisory that owner has reserved the right to occupy the property
- Withdrawal of the property from the residential rental market. *Note*: law does not specify but withdrawal procedure under Ellis Act (Govt § 7060 et seq.) subject of possible legislation
- Government order to vacate property, such as red tagged substandard buildings, demolition orders, or ordinance requiring vacation of property
- Intent to demolish or "substantially remodel" the property. *Note*: substantially remodel refers to replacement of structural, electrical, plumbing, or mechanical systems where work cannot be done with tenant in place. Also includes lead, mold, or asbestos abatement that will require tenant to vacate for at least 30 days.

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No Fault Just Cause — Relocation benefits (C.C. § 1946.2(d))

- If no fault just cause invoked, tenant has right to relocation assistance equal to one month's rent, paid in cash within 15 days or a last month's rent credit in the amount of the rent at the time of the notice.
- Notice of termination must include notice of tenant's rights to relocation assistance, and if rent is waived, the precise amount being waived and that "no rent is due for the final month of tenancy".
- Failure to "strictly comply" in the termination notice with subsection (d) relocation rights provisions *voids* the notice.

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Sunset?
C.C. § 1946.2(k)

- Statute expires January 1, 2030 and is repealed as of that date.
- Maybe – rent control was first adopted as an emergency measure of temporary duration in … 1979. It is now 44 years old and continuing.

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Legislative Changes

- SB-567 – in the pipeline to tighten various requirements
- Vacancy control: Statewide voter initiative to repeal Costa Hawkins Rental Housing Act (C.C. §1954.50 et seq.) to give local jurisdictions the right to control the rent on vacancy.

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Final Notes

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CEB Resources to Check Out [COMPLETED BY CEB]

- **CEB DailyNews**
  - Nate Jackson, *California AG Bonta Settles With San Jose Housing Developer Over Tenant Protection Violations* (June 17, 2023)
- **CEB Practitioner**
  - Strategy Note: *Understanding Rent Control Ordinances*
- **CEB Publications**
  - *California Landlord Tenant Practice,* Chapter 7, Practicing Under Rent and Eviction Control Laws (Updated 2023)

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History

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California Civil Code

Section 1946.2

Citing Cases 10

(a) Notwithstanding any other law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of the residential real property shall not terminate the tenancy without just cause, which shall be stated in the written notice to terminate tenancy. If any additional adult tenants are added to the lease before an existing tenant has continuously and lawfully occupied the residential real property for 24 months, then this subdivision shall only apply if either of the following are satisfied:

(1) All of the tenants have continuously and lawfully occupied the residential real property for 12 months or more.

(2) One or more tenants have continuously and lawfully occupied the residential real property for 24 months or more.

(b) For purposes of this section, "just cause" includes either of the following:

(1) At-fault just cause, which is any of the following:

(A) Default in the payment of rent.

(B) 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.

(C) 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**.

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

(E) The tenant had a written lease that terminated on or after January 1, 2020, or January 1, 2022, if the lease is for a tenancy in a mobilehome, 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.

(F) 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.

(G) 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**.

(H) 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**.

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

(J) 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**.

(K) 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**.

(2) No-fault just cause, which includes any of the following:

(A)

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

(ii) For leases entered into on or after July 1, 2020, or July 1, 2022, if the lease is for a tenancy in a mobilehome, 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).

(B) Withdrawal of the residential real property from the rental market.

(C)

(i) The owner complying with any of the following:

(I) An order issued by a government agency or court

relating to habitability that necessitates vacating the residential real property.

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

(III) A local ordinance that necessitates vacating the residential real property.

(ii) 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).

(D)

(i) Intent to demolish or to substantially remodel the residential real property.

(ii) 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.

(c) Before an owner of residential real property issues a notice to terminate a tenancy for just cause that is a curable lease violation, the owner shall first give notice of the violation to the tenant with an opportunity to cure the violation pursuant to **paragraph (3) of Section 1161 of the Code of Civil Procedure**. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.

(d)

(1) For a tenancy for which just cause is required to terminate the tenancy under subdivision (a), if an owner of residential real property issues a termination notice based on a no-fault just cause described in paragraph (2) of subdivision (b), the owner shall, regardless of the tenant's income, at the owner's option, do one of the following:

(A) Assist the tenant to relocate by providing a direct payment to the tenant as described in paragraph (3).

(B) Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

(2) If an owner issues a notice to terminate a tenancy for no-fault just cause, the owner shall notify the tenant of the tenant's right to relocation assistance or rent waiver pursuant to this section. If the owner elects to waive the rent for the final month of the tenancy as provided in subparagraph (B) of paragraph (1), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.

(3)

(A) The amount of relocation assistance or rent waiver shall be equal to one month of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy. Any relocation

assistance shall be provided within 15 calendar days of service of the notice.

(B) If a tenant fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.

(C) The relocation assistance or rent waiver required by this subdivision shall be credited against any other relocation assistance required by any other law.

(4) An owner's failure to strictly comply with this subdivision shall render the notice of termination void.

(e) This section shall not apply to the following types of residential real properties or residential circumstances:

(1) Transient and tourist hotel occupancy as defined in **subdivision (b) of Section 1940**.

(2) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in **Section 1569.2 of the Health and Safety Code**, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.

(3) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

(4) Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.

(5) Single-family owner-occupied residences, including both of the following:

(A) 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.

(B) A mobilehome.

(6) A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

(7) Housing that has been issued a certificate of occupancy within the previous 15 years, unless the housing is a mobilehome.

(8) Residential real property, including a mobilehome, that is alienable separate

from the title to any other dwelling unit, provided that both of the following apply:

(A) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(iv) Management of a mobilehome park, as defined in **Section 798.2**.

(B)

(i) The tenants have been provided written notice that the residential property is exempt from this section using the following statement:"This property is not subject to the rent limits imposed by

Section 1947.12 of the Civil Code and is not subject to the just cause requirements of **Section 1946.2 of the Civil Code**. This property meets the requirements of **Sections 1947.12 (d)(5)** and **1946.2 (e)(8) of the Civil Code** and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii)

(I) Except as provided in subclause (II), for a tenancy existing before

July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(II) For a tenancy in a mobilehome existing before July 1, 2022, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii)

(I) Except as provided in subclause (II), for any tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

(II) For any tenancy in a mobilehome commenced or renewed on or after July 1, 2022, the notice

required under clause (i) shall be provided in the rental agreement.

(iv) Addition of a provision containing the notice required under clause (i) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1) of subdivision (b).

(9) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in **Section 50093 of the Health and Safety Code**, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in **Section 50093 of the Health and Safety Code** or comparable federal statutes.

(f) An owner of residential real property subject to this section shall provide notice to the tenant as follows:

(1)

(A) Except as provided in subparagraph (B), for any tenancy commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.

(B) For a tenancy in a mobilehome commenced or renewed on or after July 1, 2022, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.

(2)

(A) Except as provided in subparagraph (B), for a tenancy existing prior to July 1, 2020, by written notice to the tenant no later than August 1, 2020, or as an addendum to the lease or rental agreement.

(B) For a tenancy in a mobilehome existing prior to July 1, 2022, by written notice to the tenant no later than August 1, 2022, or as an addendum to the lease or rental agreement.

(3) The notification or lease provision shall be in no less than 12-point type, and shall

include the following:

"California law limits the amount your rent can be increased. See **Section 1947.12 of the Civil Code** for more information. California law also provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See **Section 1946.2 of the Civil Code** for more information." The provision of the notice shall be subject to **Section 1632**.

(g)

(1) This section does not apply to the following residential real property:

(A) Residential real property subject to a local ordinance requiring just cause for termination of a residential tenancy adopted on or before September 1, 2019, in which case the local ordinance shall apply.

(B) Residential real property subject to a local ordinance requiring just cause for termination of a residential tenancy adopted or amended after September 1, 2019, that is more protective than this section, in which case the local ordinance shall apply. For purposes of this subparagraph,

an ordinance is "more protective" if it meets all of the following criteria:

(i) The just cause for termination of a residential tenancy under the local ordinance is consistent with this section.

(ii) The ordinance further limits the reasons for termination of a residential tenancy, provides for higher relocation assistance amounts, or provides additional tenant protections that are not prohibited by any other provision of law.

(iii) The local government has made a binding finding within their local ordinance that the ordinance is more protective than the provisions of this section.

(2) A residential real property shall not be subject to both a local ordinance requiring just cause for termination of a residential tenancy and this section.

(3) A local ordinance adopted after September 1, 2019, that is less protective than this section shall not be enforced unless this section is repealed.

(h) Any waiver of the rights under this section shall be void as contrary to public policy.

(i) For the purposes of this section, the following definitions shall apply:

(1) "Owner" includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner.

(2) "Residential real property" means any dwelling or unit that is intended for human habitation, including any dwelling or unit in a mobilehome park.

(3) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

(j) This section shall not apply to a homeowner of a mobilehome, as defined in **Section 798.9**.

(k) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

Amended by Stats. 2021, Ch. 125, Sec. 3. (AB 978) Effective January 1, 2022. Repealed as of January 1, 2030, by its own provisions.

SB-567 Termination of tenancy: no-fault just causes: gross rental rate increases. (2023-2024)

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AMENDED IN ASSEMBLY JULY 12, 2023

AMENDED IN ASSEMBLY JULY 05, 2023

AMENDED IN ASSEMBLY JUNE 29, 2023

AMENDED IN SENATE MAY 18, 2023

AMENDED IN SENATE MAY 01, 2023

AMENDED IN SENATE APRIL 17, 2023

AMENDED IN SENATE MARCH 20, 2023

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

SENATE BILL NO. 567

Introduced by Senator Durazo
(Coauthors: Senators Menjivar, Smallwood-Cuevas, and Wahab)
(Coauthors: Assembly Members Haney, Kalra, Lee, and McKinnor)

February 15, 2023

An act to amend Sections 1946.2 and 1947.12 of the Civil Code, relating to tenancy.

LEGISLATIVE COUNSEL'S DIGEST

SB 567, as amended, Durazo. Termination of tenancy: no-fault just causes: gross rental rate increases.

Existing law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, prohibits the owner of the residential real property from terminating the tenancy without just cause and requires that just cause to be stated in the written notice to terminate tenancy. Existing law distinguishes between at-fault just cause and no-fault just cause and defines no-fault just cause to mean intent to occupy the residential real property by the owner or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents, withdrawal of the residential real property from the rental market, the owner complying with specified government orders that necessitate vacating the real property, and intent to demolish or to substantially remodel the residential real property.

This bill would, with respect to the no-fault just cause related to an eviction based on an intent to occupy the residential real property, require, among other things, that the ~~owner~~ *owner, as defined,* or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents occupy the residential real property for a

minimum of 12 continuous months as the person's primary residence, as provided. The bill would also, with respect to the no-fault just cause related to withdrawal of the residential real property from the rental market, require that all of the rental units at the rental property be withdrawn from the rental market, as prescribed. The bill would require an owner who displaces a tenant to substantially remodel *or demolish* a unit to provide the tenant with written notice providing the tenant with specified information, including a description of the ~~repairs~~ *substantial remodel* to be ~~completed,~~ *completed and* the expected duration of the repairs, *or the expected date by which the property will be demolished,* and a copy of permits ~~necessary~~ *required* to undertake the ~~repairs,~~ *substantial remodel or demolition,* as specified.

This bill would also prescribe new enforcement mechanisms with respect to the provisions described above, including by making an owner who attempts to recover possession of a rental unit in material violation of those provisions liable to the tenant in a civil action for damages of up to 3 times the actual damages, in addition to punitive damages. The bill would authorize the Attorney General and the city attorney or county counsel, within whose jurisdiction the rental unit is located, to bring actions for injunctive relief against the owner, as specified.

Existing law, until January 1, 2030, prohibits an owner of residential real property from, over the course of any 12-month period, increasing the gross rental rate for a dwelling or a unit more than 5% plus the percentage change in the cost of living, or 10%, whichever is lower, of the lowest gross rental rate charged for that dwelling or unit at any time during the 12 months before the effective date of the increase, subject to specified conditions.

This bill would make an owner who demands, accepts, receives, or retains any payment of rent in excess of the maximum rent increase allowed, as prescribed, liable in a civil action to the tenant from whom those payments are demanded, accepted, received, or retained for certain relief, including, upon a showing that the owner has acted willfully or with oppression, fraud, or malice, damages up to 3 times the amount by which any payment demanded, accepted, received, or retained exceeds the maximum allowable rent. This bill would authorize the Attorney General and the city attorney or county counsel, within whose jurisdiction the residential property is located, to enforce the bill's provisions and bring an action for injunctive relief, as specified.

This bill would also make a technical, nonsubstantive change to those provisions.
Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1946.2 of the Civil Code is amended to read:

1946.2. (a) Notwithstanding any other law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of residential real property shall not terminate a tenancy without just cause, which shall be stated in the written notice to terminate tenancy. If any additional adult tenants are added to the lease before an existing tenant has continuously and lawfully occupied the residential real property for 24 months, then this subdivision shall only apply if either of the following are satisfied:

(1) All of the tenants have continuously and lawfully occupied the residential real property for 12 months or more.

(2) One or more tenants have continuously and lawfully occupied the residential real property for 24 months or more.

(b) For purposes of this section, "just cause" means either of the following:

(1) At-fault just cause, which means any of the following:

(A) Default in the payment of rent.

(B) 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.

(C) 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.

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

(E) The tenant had a written lease that terminated on or after January 1, 2020, or January 1, 2022, if the lease is for a tenancy in a mobilehome, 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.

(F) 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.

(G) 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.

(H) 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.

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

(J) 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.

(K) 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 owner, 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.

(2) No-fault just cause, which means any of the following:

(A) (i) Intent to occupy the residential real property by the owner or the owner's spouse, domestic partner, children, grandchildren, parents, or grandparents for a minimum of 12 continuous months as that person's primary residence.

(ii) For leases entered into on or after July 1, 2020, or July 1, 2022, if the lease is for a tenancy in a mobilehome, 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 the owner's 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).

(iii) This subparagraph does not apply if the intended occupant occupies a rental unit on the property or if a vacancy of a similar unit already exists at the property.

(iv) The written notice terminating a tenancy for a just cause pursuant to this subparagraph shall contain the name or names and relationship to the owner of the intended occupant.

(v) Clause (i) applies only if the intended occupant moves into the rental unit within 90 days after the tenant vacates and occupies the rental unit as a primary residence for at least 12 consecutive months.

(vi) (I) If the intended occupant fails to occupy the rental unit within 90 days after the tenant vacates or fails to occupy the rental unit as their primary residence for at least 12 consecutive months, the owner shall offer the unit to the tenant who vacated it at the same rent and lease terms in effect at the time the tenant vacated and shall reimburse the tenant for reasonable moving expenses incurred in excess of any relocation assistance that was paid to the tenant in connection with the written notice.

(II) If the intended occupant moves into the rental unit within 90 days after the tenant vacates, but dies before having occupied the rental unit as a primary residence for 12 months, as required by clause (vi), this will not be considered a failure to comply with this section or a material violation of this section by the owner as provided in subdivision (h).

(vii) For a new tenancy commenced during the time periods described in clause (v), the accommodations shall be offered and rented or leased at the lawful rent in effect at the time any notice of termination of

tenancy is served.

(viii) As used in this subparagraph:

(I) "Intended occupant" means the owner of the residential real property or the owner's spouse, domestic partner, child, grandchild, parent, or grandparent, as described in clause (i).

(II) "Owner" means either of the following:

(ia) An owner who is a natural person that has at least a 51-percent recorded ownership interest in the property.

(ib) An owner who is a natural person who has any recorded ownership interest in the property if 100 percent of the recorded ownership is divided among owners who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.

(III) "Natural person" includes any natural person who is a settlor or beneficiary of a family trust.

(IV) "Family trust" means a revocable living trust or irrevocable trust in which the settlors and beneficiaries of the trust are persons who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.

(B) Withdrawal of all of the rental units at the residential real property from the rental market.

(C) (i) The owner complying with any of the following:

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

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

(III) A local ordinance that necessitates vacating the residential real property.

(ii) 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).

(D) (i) Intent to demolish or to substantially remodel the residential real property.

(ii) For purposes of this subparagraph, "substantially remodel" means either of the following that cannot be reasonably accomplished in a safe manner that allows the tenant to remain living in the place and that requires the tenant to vacate the residential real property for at least 30 consecutive days:

(I) The replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency.

(II) The abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws.

(iii) For purposes of this subparagraph, a tenant is not required to vacate the residential real property on any days where a tenant could continue living in the residential real property without violating health, safety, and habitability codes and laws. 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 remodel.

~~(iii)~~

(iv) A written notice terminating a tenancy for a just cause pursuant to this subparagraph shall include all of the following information:

(I) A statement informing ~~tenants of the~~ *the tenant of the owner's* intent to demolish *the property* or substantially remodel the rental ~~unit.~~ *unit property*.

(II) The following statement:

~~"If the needed repairs are not completed on your unit, the owner must offer you the opportunity to return to~~

~~your unit with a rental agreement containing the same terms as your original rental agreement at the same rental rate."~~

"If the substantial remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the owner must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the owner at the rental rate that was in effect at the time you vacated. You must notify the owner within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the owner of your acceptance of the offer."

(III) ~~(ia)Subject to sub-subclause (ib), a~~ *A* description of the ~~repairs~~ *substantial remodel* to be completed, the approximate expected duration of the ~~repairs, and a~~ *substantial remodel, or if the property is to be demolished, the expected date by which the property will be demolished, together with one of the following:*

(ia) A copy of *the permit or* permits ~~necessary~~ *required* to undertake the ~~repairs.~~ *substantial remodel or demolition.*

(ib) Only if a notice is issued pursuant to subclause (II) of clause (ii) and the ~~repairs do~~ *remodel does* not require any permit, ~~an owner may include~~ a copy of ~~a~~ *the* signed contract with ~~a qualified~~ *the* contractor hired by the owner to complete ~~that remodel instead of a copy of permits necessary to undertake the repairs.~~ *the substantial remodel, that reasonably details the work that will be undertaken to abate the hazardous materials as described in subclause (II) of clause (ii).*

(IV) A notification that if the tenant is interested in reoccupying the rental unit following ~~repairs,~~ *the substantial remodel,* the tenant shall inform the owner of the tenant's interest in reoccupying the rental unit following ~~repairs~~ *the substantial remodel* and provide to the owner the tenant's ~~temporary~~ address, telephone number, and email address.

~~(iv)For purposes of this subparagraph, a tenant shall not be required to vacate the residential real property on any days in which a tenant could continue living in the residential real property without violating health, safety, and habitability codes and laws. 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.~~

(c) Before an owner of residential real property issues a notice to terminate a tenancy for just cause that is a curable lease violation, the owner shall first give notice of the violation to the tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.

(d) (1) For a tenancy for which just cause is required to terminate the tenancy under subdivision (a), if an owner of residential real property issues a termination notice based on a no-fault just cause described in paragraph (2) of subdivision (b), the owner shall, regardless of the tenant's income, at the owner's option, do one of the following:

(A) Assist the tenant to relocate by providing a direct payment to the tenant as described in paragraph (3).

(B) Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

(2) If an owner issues a notice to terminate a tenancy for no-fault just cause, the owner shall notify the tenant in the written termination notice of the tenant's right to relocation assistance or rent waiver pursuant to this section. If the owner elects to waive the rent for the final month of the tenancy as provided in subparagraph (B) of paragraph (1), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.

(3) (A) The amount of relocation assistance or rent waiver shall be equal to one month of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy. Any relocation assistance shall be provided within 15 calendar days of service of the notice.

(B) If a tenant fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.

(C) The relocation assistance or rent waiver required by this subdivision shall be credited against any other relocation assistance required by any other law.

(4) An owner's failure to strictly comply with this subdivision shall render the notice of termination void.

(e) This section shall not apply to the following types of residential real properties or residential circumstances:

(1) Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940.

(2) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.

(3) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

(4) Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.

(5) Single-family owner-occupied residences, including both of the following:

(A) 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.

(B) A mobilehome.

(6) A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

(7) Housing that has been issued a certificate of occupancy within the previous 15 years, unless the housing is a mobilehome.

~~(8)Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.~~

~~(9)~~

(8) Residential real property, including a mobilehome, that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:

(A) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(iv) Management of a mobilehome park, as defined in Section 798.2.

(B) (i) The tenants have been provided written notice that the residential property is exempt from this section using the following statement:

"This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12 (d)(5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real

estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii) (I) Except as provided in subclause (II), for a tenancy existing before July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(II) For a tenancy in a mobilehome existing before July 1, 2022, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii) (I) Except as provided in subclause (II), for any tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

(II) For any tenancy in a mobilehome commenced or renewed on or after July 1, 2022, the notice required under clause (i) shall be provided in the rental agreement.

(iv) Addition of a provision containing the notice required under clause (i) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1) of subdivision (b).

(9) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

(f) An owner of residential real property subject to this section shall provide notice to the tenant as follows:

(1) (A) Except as provided in subparagraph (B), for any tenancy commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.

(B) For a tenancy in a mobilehome commenced or renewed on or after July 1, 2022, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.

(2) (A) Except as provided in subparagraph (B), for a tenancy existing prior to July 1, 2020, by written notice to the tenant no later than August 1, 2020, or as an addendum to the lease or rental agreement.

(B) For a tenancy in a mobilehome existing prior to July 1, 2022, by written notice to the tenant no later than August 1, 2022, or as an addendum to the lease or rental agreement.

(3) The notification or lease provision shall be in no less than 12-point type, and shall include the following:

"California law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. California law also provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Section 1946.2 of the Civil Code for more information."

The notification or lease provision shall be subject to Section 1632.

(g) An owner's failure to comply with any provision of this section shall render the written termination notice void.

(h) (1) An owner who attempts to recover possession of a rental unit in material violation of this section shall be liable to the tenant in a civil action for all of the following:

(A) Actual damages.

(B) Reasonable attorney's fees and costs.

(C) Upon a showing that the owner has acted willfully or with oppression, fraud, or malice, up to three times the actual damages. An award may also be entered for punitive damages for the benefit of the tenant against the owner.

(2) The Attorney General, in the name of the people of the State of California, and the city attorney or county counsel in the jurisdiction in which the rental unit is located, in the name of the city or county, may seek injunctive relief based on violations of this section.

(i) (1) This section does not apply to the following residential real property:

(A) Residential real property subject to a local ordinance requiring just cause for termination of a residential tenancy adopted on or before September 1, 2019, in which case the local ordinance shall apply.

(B) Residential real property subject to a local ordinance requiring just cause for termination of a residential tenancy adopted or amended after September 1, 2019, that is more protective than this section, in which case the local ordinance shall apply. For purposes of this subparagraph, an ordinance is "more protective" if it meets all of the following criteria:

(i) The just cause for termination of a residential tenancy under the local ordinance is consistent with this section.

(ii) The ordinance further limits the reasons for termination of a residential tenancy, provides for higher relocation assistance amounts, or provides additional tenant protections that are not prohibited by any other provision of law.

(iii) The local government has made a binding finding within their local ordinance that the ordinance is more protective than the provisions of this section.

(2) A residential real property shall not be subject to both a local ordinance requiring just cause for termination of a residential tenancy and this section.

(3) A local ordinance adopted after September 1, 2019, that is less protective than this section shall not be enforced unless this section is repealed.

(j) Any waiver of the rights under this section shall be void as contrary to public policy.

(k) For the purposes of this section, the following definitions shall apply:

(1) "Owner" includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner.

(2) "Residential real property" means any dwelling or unit that is intended for human habitation, including any dwelling or unit in a mobilehome park.

(3) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

(l) This section shall not apply to a homeowner of a mobilehome, as defined in Section 798.9.

(m) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 2. Section 1947.12 of the Civil Code is amended to read:

1947.12. (a) (1) Subject to subdivision (b), an owner of residential real property shall not, over the course of any 12-month period, increase the gross rental rate for a dwelling or a unit more than 5 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower, of the lowest gross rental rate charged for that dwelling or unit at any time during the 12 months prior to the effective date of the increase. In determining the lowest gross rental amount pursuant to this section, any rent discounts, incentives, concessions, or credits offered by the owner of such unit of residential real property and accepted by the tenant shall be excluded. The gross per-month rental rate and any owner-offered discounts, incentives, concessions, or credits shall be separately listed and identified in the lease or rental agreement or any amendments to an existing lease or rental agreement.

(2) If the same tenant remains in occupancy of a unit of residential real property over any 12-month period, the gross rental rate for the unit of residential real property shall not be increased in more than two increments over that 12-month period, subject to the other restrictions of this subdivision governing gross rental rate increase.

(b) For a new tenancy in which no tenant from the prior tenancy remains in lawful possession of the residential real property, the owner may establish the initial rental rate not subject to subdivision (a). Subdivision (a) is only applicable to subsequent increases after that initial rental rate has been established.

(c) A tenant of residential real property subject to this section shall not enter into a sublease that results in a total rent for the premises that exceeds the allowable rental rate authorized by subdivision (a). Nothing in this subdivision authorizes a tenant to sublet or assign the tenant's interest where otherwise prohibited.

(d) This section shall not apply to the following residential real properties:

(1) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

(2) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

(3) Housing subject to rent or price control through a public entity's valid exercise of its police power consistent with Chapter 2.7 (commencing with Section 1954.50) that restricts annual increases in the rental rate to an amount less than that provided in subdivision (a).

(4) Housing that has been issued a certificate of occupancy within the previous 15 years, unless the housing is a mobilehome.

~~(5)A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.~~

~~(6)~~

(5) Residential real property that is alienable separate from the title to any other dwelling unit, including a mobilehome, provided that both of the following apply:

(A) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(iv) Management of a mobilehome park, as defined in Section 798.2.

(B) (i) The tenants have been provided written notice that the residential real property is exempt from this section using the following statement:

"This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12 (d)(5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii) For a tenancy existing before July 1, 2020, or July 1, 2022, if the lease is for a tenancy in a mobilehome, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii) For a tenancy commenced or renewed on or after July 1, 2020, or July 1, 2022, if the lease is for a tenancy in a mobilehome, the notice required under clause (i) must be provided in the rental agreement.

(iv) Addition of a provision containing the notice required under clause (i) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1) of subdivision (b) of Section 1946.2.

(6) A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

(e) An owner shall provide notice of any increase in the rental rate, pursuant to subdivision (a), to each tenant in accordance with Section 827.

(f) (1) On or before January 1, 2030, the Legislative Analyst's Office shall report to the Legislature regarding the effectiveness of this section and Section 1947.13. The report shall include, but not be limited to, the impact of the rental rate cap pursuant to subdivision (a) on the housing market within the state.

(2) The report required by paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(g) For the purposes of this section, the following definitions shall apply:

(1) "Consumer Price Index for All Urban Consumers for All Items" means the following:

(A) The Consumer Price Index for All Urban Consumers for All Items (CPI-U) for the metropolitan area in which the property is located, as published by the United States Bureau of Labor Statistics, which are as follows:

(i) The CPI-U for the Los Angeles-Long Beach-Anaheim metropolitan area covering the Counties of Los Angeles and Orange.

(ii) The CPI-U for the Riverside-San Bernardino-Ontario metropolitan area covering the Counties of Riverside and San Bernardino.

(iii) The CPI-U for the San Diego-Carlsbad metropolitan area covering the County of San Diego.

(iv) The CPI-U for the San Francisco-Oakland-Hayward metropolitan area covering the Counties of Alameda, Contra Costa, Marin, San Francisco, and San Mateo.

(v) Any successor metropolitan area index to any of the indexes listed in clauses (i) to (iv), inclusive.

(B) If the United States Bureau of Labor Statistics does not publish a CPI-U for the metropolitan area in which the property is located, the California Consumer Price Index for All Urban Consumers for All Items as published by the Department of Industrial Relations.

(C) On or after January 1, 2021, if the United States Bureau of Labor Statistics publishes a CPI-U index for one or more metropolitan areas not listed in subparagraph (A), that CPI-U index shall apply in those areas with respect to rent increases that take effect on or after August 1 of the calendar year in which the 12-month change in that CPI-U, as described in subparagraph (B) of paragraph (3), is first published.

(2) "Owner" includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner.

(3) (A) "Percentage change in the cost of living" means the percentage change, computed pursuant to subparagraph (B), in the applicable, as determined pursuant to paragraph (1), Consumer Price Index for All Urban Consumers for All Items.

(B) (i) For rent increases that take effect before August 1 of any calendar year, the following shall apply:

(I) The percentage change shall be the percentage change in the amount published for April of the immediately preceding calendar year and April of the year before that.

(II) If there is not an amount published in April for the applicable geographic area, the percentage change shall be the percentage change in the amount published for March of the immediately preceding calendar year and March of the year before that.

(ii) For rent increases that take effect on or after August 1 of any calendar year, the following shall apply:

(I) The percentage change shall be the percentage change in the amount published for April of that calendar year and April of the immediately preceding calendar year.

(II) If there is not an amount published in April for the applicable geographic area, the percentage change shall be the percentage change in the amount published for March of that calendar year and March of the immediately preceding calendar year.

(iii) The percentage change shall be rounded to the nearest one-tenth of 1 percent.

(4) "Residential real property" means any dwelling or unit that is intended for human habitation, including any dwelling or unit in a mobilehome park.

(5) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

(h) (1) This section shall apply to all rent increases subject to subdivision (a) occurring on or after March 15, 2019, except as provided in subdivision (i).

(2) In the event that an owner has increased the rent by more than the amount permissible under subdivision (a) between March 15, 2019, and January 1, 2020, both of the following shall apply:

(A) The applicable rent on January 1, 2020, shall be the rent as of March 15, 2019, plus the maximum permissible increase under subdivision (a).

(B) An owner shall not be liable to the tenant for any corresponding rent overpayment.

(3) An owner of residential real property subject to subdivision (a) who increased the rental rate on that residential real property on or after March 15, 2019, but prior to January 1, 2020, by an amount less than the rental rate increase permitted by subdivision (a) shall be allowed to increase the rental rate twice, as provided in paragraph (2) of subdivision (a), within 12 months of March 15, 2019, but in no event shall that rental rate increase exceed the maximum rental rate increase permitted by subdivision (a).

(i) (1) Notwithstanding subdivision (h), this section shall apply only to rent increases for a tenancy in a mobilehome subject to subdivision (a) occurring on or after February 18, 2021.

(2) In the event that an owner has increased the rent for a tenancy in a mobilehome by more than the amount permissible under subdivision (a) between February 18, 2021, and January 1, 2022, both of the following shall apply:

(A) The applicable rent on January 1, 2022, shall be the rent as of February 18, 2021, plus the maximum permissible increase under subdivision (a).

(B) An owner shall not be liable to the tenant for any corresponding rent overpayment.

(3) An owner of residential real property subject to subdivision (a) who increased the rental rate on that residential real property on or after February 18, 2021, but prior to January 1, 2022, by an amount less than the rental rate increase permitted by subdivision (a) shall be allowed to increase the rental rate twice, as provided in paragraph (2) of subdivision (a), within 12 months of February 18, 2021, but in no event shall that rental rate increase exceed the maximum rental rate increase permitted by subdivision (a).

(j) This section shall not apply to a homeowner of a mobilehome, as defined in Section 798.9.

(k) (1) An owner who demands, accepts, receives, or retains any payment of rent in excess of the maximum rent allowed by this section shall be liable in a civil action to the tenant from whom those payments are demanded, accepted, received, or retained for all of the following:

(A) Reasonable attorney's fees and costs.

(B) Injunctive relief.

(C) Damages in the amount by which any payment demanded, accepted, received, or retained exceeds the maximum allowable rent.

(D) Upon a showing that the owner has acted willfully or with oppression, fraud, or malice, damages up to three times the amount by which any payment demanded, accepted, received, or retained exceeds the maximum allowable rent.

(2) The Attorney General, in the name of the people of the State of California, and the city attorney or county counsel in the jurisdiction in which the rental unit is located, in the name of the city or county, may do both of the following:

(A) Enforce the provisions of this section.

(B) Seek injunctive relief based on violations of this section.

(3) In an action pursuant to this subdivision for injunctive relief, it shall be presumed that a tenant suffers irreparable harm through violation of this section.

(4) An action pursuant to this subdivision shall not be brought after the date that is three years from the date on which the cause of action accrued.

(l) Any waiver of the rights under this section shall be void as contrary to public policy.

(m) This section shall remain in effect until January 1, 2030, and as of that date is repealed.

(n) (1) The Legislature finds and declares 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.

(2) It is the intent of the Legislature that this section should apply only for the limited time needed to address the current statewide housing crisis, as described in paragraph (1). This section is not intended to expand or limit the authority of local governments to establish local policies regulating rents consistent with Chapter 2.7 (commencing with Section 1954.50), nor is it a statement regarding the appropriate, allowable rental rate increase when a local government adopts a policy regulating rent that is otherwise consistent with Chapter 2.7 (commencing with Section 1954.50).

(3) Nothing in this section authorizes a local government to establish limitations on any rental rate increases not otherwise permissible under Chapter 2.7 (commencing with Section 1954.50), or affects the existing authority of a local government to adopt or maintain rent controls or price controls consistent with that chapter.