

# Sacramento Tenant Protection and Relief Act: Questions and Answers

The following questions and answers provide general information to help CAA members understand the Sacramento Tenant Protection and Relief Act (the "ordinance") passed by the Sacramento City Council on August 13, 2019, and amended on January 14, 2020 and November 19, 2024. This ordinance imposes rent caps and just cause eviction requirements on some, but not all, rental properties within Sacramento city limits:

- <u>Rent caps</u>: As of January 14, 2020, the rent caps imposed under Sacramento's ordinance match those imposed under the statewide rent cap law, known as the Tenant Protection Act or AB 1482. However, AB 1482 and Sacramento have different provisions with respect to how to determine the base rent on which increases are taken, the ability to seek a larger increase, and the rollback of rents. A property may be subject to only state law, only local law, both state and local, or neither. Chart 1 at the end of this paper explains the overlap between these laws with respect to various property types in the City of Sacramento.
- <u>Just cause</u>: If a property is subject to Sacramento's just cause ordinance, the property is exempt from statewide just cause requirements under AB 1482. However, some properties are exempt from Sacramento's ordinance and covered by AB 1482's just cause requirements. For example, a rental unit built after February 1, 1995 is exempt from Sacramento's just cause requirements but is subject to AB 1482's just cause requirements unless built within the last 15 years or exempt for another reason. Also, single-family homes owned by a corporation are exempt from Sacramento's just cause requirements but subject to AB 1482's requirements unless built within the last 15 years or exempt for another reason. Chart 2 at the end of this paper explains the applicability of these just cause requirements to various property types in the City of Sacramento.

On March 30, 2021, Sacramento city staff adopted the administrative procedures implementing the local ordinance. The administrative procedures can be found <u>here</u>.

For questions not addressed by this document, contact the City of Sacramento:

Tenant Protection Program City of Sacramento Phone: 916-808-8121 Email: tpp@cityofsacramento.org Website: https://www.cityofsacramento.org/TPP

The City's website regarding the Tenant Protection Program can be found <u>here</u>. The text of the ordinance can be found <u>here</u>.



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General Q&A

# When did the Sacramento ordinance go into effect?

The ordinance took effect on September 12, 2019. When originally adopted, the ordinance had an expiration date of December 31, 2024. On November 19, 2024, the City Council extended the expiration date to December 31, 2029.

# Which rental properties must comply with the ordinance?

Any building, structure, or part thereof that is offered for use or occupancy for residential purposes under a rental housing agreement is subject to the ordinance unless specifically exempted.

Generally speaking, the ordinance applies to multifamily properties (two or more units) built on or before February 1, 1995 that are not owned, operated, or subsidized by a government entity. However, the following list identifies the specific types of properties that are exempted under the ordinance:

- Single dwelling unit located on one legal lot of record (typically a single-family home).
- Stock cooperative (also referred to as a housing co-op).
- Multifamily property (two or more units) built after February 1, 1995.
- Rental unit in a hotel, motel, inn, tourist home, or rooming and boarding house that is rented primarily to transient guests for a period of less than 30 days.
- Rental units in an institutional facility, including a hospital, medical care facility, residential care facility, asylum, group home for seniors or the disabled, transitional housing program that assists homeless persons, fraternity or sorority house affiliated with a college or university, or dormitory owned and operated by an accredited institution of higher education.
- Rental unit owned, operated, or subsidized by a government entity or subject to a covenant imposed by a government entity restricting the occupancy to families with income of 120% of the median income or below, and the rent amount paid by a tenant is restricted based on the tenant's income.<sup>1</sup>
- Rental unit in which the tenant shares a bathroom or kitchen with the property owner.
- Rental unit that the landlord or the landlord's immediately family occupy as their primary residence. "Landlord" is defined by the ordinance as a person that either (1) has more than 50% ownership of a rental unit or (2) is entitled to receive rent for the use and occupancy of the rental unit, and (3) the agent or representative of the person in (1) or (2). This means that a property management company and its employees, or a manager directly employed by the owner, would be considered the "landlord.

# Rent Cap Q&A

# What is the cap on rent increases?

Effective January 14, 2020, the maximum "annual rent adjustment" for an existing tenancy cannot exceed 5% plus the percentage of the annual increase in the cost of living adjustment within a specified 12-month period, and it cannot exceed a combined total of 10%. The cost of living adjustment is often

<sup>&</sup>lt;sup>1</sup> Based on the plain reading of the exemption, it appears that units rented to a resident with a Section 8 Housing Choice Voucher should be exempt from the ordinance's rent control and just cause provisions while the resident remains in the unit. However, that is not how the Attorney General has recently interpreted a somewhat similar exemption under AB 1482 which exempts, in part, "housing subject to an agreement that provides subsidies for affordable housing." In June 2023, the Attorney General of the State of California sent <u>a letter</u> to local Housing Authority offices across the state "confirming" that AB 1482 "applies to recipients of Section 8 Housing Choice Vouchers" and requesting their assistance "in ensuring that landlords participating in the Section 8 program do not impose unlawful rent increases on their tenants." Although the letter from the Attorney General is not a formal Attorney General opinion and is not legally binding on courts, it is possible that courts could give the letter some weight if the issue was litigated as it pertains to Sacramento's ordinance because the exemptions are somewhat similar in that they both involve subsidized units. See the section titled "Applicability of the Ordinance to Section 8 Housing Choice Voucher Tenancies" for more information.





referred to as the consumer price index or CPI. So, simply stated, the rent cap is CPI + 5% not to exceed 10%. The allowed annual increase is calculated based on the "base rent," starting with the initial base rent as defined by the ordinance. For the current annual rent adjustment, please see <u>CAA's</u> <u>Local Rent Control Chart</u>.

## How does the cap under the ordinance interact with the statewide cap under AB 1482?

Because Sacramento's ordinance provides for the same cap as AB 1482, but not a lower cap, rental properties subject to Sacramento's ordinance likely also need to comply with AB 1482's cap. Members with properties subject to Sacramento's ordinance should consult with an attorney to determine the proper base rent and before proceeding with a petition for an additional increase under Sacramento's ordinance.

## What is the initial base rent?

The ordinance states that for "tenancies commencing on or before the effective date of this chapter" the initial base rent is the "monthly rent in effect on July 1, 2019" and for "tenancies commencing after July 1, 2019, the initial base rent is the monthly rent set forth in the agreement, or if there is no rental housing agreement, the amount charged by the landlord upon initial occupancy." While there is some inconsistency in the ordinance language given that the effective date of the ordinance was later than July 1, 2019, CAA recommends that for tenancies in effect on July 1, 2019 or earlier, the rent in effect on July 1, 2019 be used as the "initial base rent" and for tenancies that started on July 2, 2019 or later, the rent in effect at the beginning of the tenancy be used as the "initial base rent."

## How is the annual increase in the cost of living adjustment established?

The annual cost of living adjustment is to be determined on April 1 of each year by reference to the California Consumer Price Index for All Urban Consumers All Items (or the Sacramento area, if an index is established for the Sacramento area) for the preceding year.

## Does this ordinance require rents to be rolled back to July 1, 2019?

No. The ordinance does not require landlords to decrease rent. However, properties subject to both the ordinance and AB 1482's rent cap provisions (see Chart 1) may need to roll back the rent as of January 1, 2020 in order to comply with AB 1482.

# What is considered "rent" under the ordinance?

"Rent" is defined as the monthly monetary payment by the tenant to the landlord for the use and occupancy of a rental unit.

### How often can rent be changed during the year?

The rent cannot be adjusted more than once in a 12-month period. This includes increases that took effect prior to the effective date of the ordinance.

### What form can I use to provide notice of a rent increase under the ordinance?

An increase in rent in accordance with the annual rent adjustment is not effective until the rental owner provides written notice to increase rent as prescribed by the ordinance and state law. According to the ordinance, the content of the notice to increase rent provided to a tenant must include the information as prescribed in the tenant protection program administrative procedures. However, such information has not been provided by city staff yet. The city has indicated that the notice language does not have to be included in rent increases until it has been made available. Until such notice language is supplied by the City, form <u>SAC-001 (Thirty-Day Notice of Change of Monthly Rent – City of Sacramento</u>) can be used to provide notice of rent increases for properties subject to Sacramento's ordinance.

### Can the rent ever exceed the cap?

Possibly. A rental owner may file a petition with the city to request a fair rate of return adjustment that exceeds the rent cap. However, the increase must be authorized by a hearing examiner.





# Can a rent increase exceed the annual limit if improvements are made to the unit or another significant cost is incurred?

An adjustment in rent that is higher than the annual rent adjustment may be granted only when the rental owner demonstrates by a preponderance of the evidence that such adjustment is necessary to provide a fair rate of return. A rental owner may file a petition to seek review by a hearing examiner. The hearing examiner's decision is final unless the rental owner timely seeks judicial review. For questions on the hearing process, contact the City.

# What factors are considered – and excluded – from the rent adjustment hearing?

The factors considered by the hearing examiner include, but are not limited to, the following:

- Increases or decreases in property taxes.
- Unavoidable increases or decreases in maintenance and operating expenses.
- The cost of planned or completed capital improvements to the rental unit, but only when necessary for compliance with the Sacramento City Code provisions affecting health and safety. Routine repair and maintenance improvements are not capital improvements. Capital costs must be amortized over the useful life of the improvement.
- Substantial deterioration of the rental unit, other than from normal wear and tear, that is not due to a lack of routine repair and maintenance.
- The pattern of rent increases or decreases during the occupancy of the tenant;
- Increases or decreases in the number of tenants occupying the rental unit.
- Increases or decreases in the cost of housing services (as defined by the ordinance).
- Failure to comply with the rental housing agreement, provide housing services, or comply with applicable laws and regulations.

The hearing examiner is prohibited from considering any of the following:

- The landlord's income taxes.
- The cost of debt service for the property where the rental unit is located unless there is a change in ownership.
- Any penalties for violation of the ordinance or any other chapter of the Sacramento City Code relating to the rental unit.
- Cost increases for the rental unit that arose before occupancy by the tenant.

# What are considered "housing services" according to the ordinance?

Housing services are services provided by the rental owner to a tenant in connection with the use and occupancy of a rental unit. They are one of the factors reviewed when a landlord seeks a rent adjustment above the allowed annual rent increase.

Housing services include, but are limited to, repairs, maintenance, and painting; providing light, heating, hot and cold water; pest control; elevator service; window shades and screens; storage; kitchen, bath, and laundry facilities and privileges if not located in the rental unit; janitor services; utility charges that are paid by the rental owner; refuse removal; furnishings; parking; and any other benefit, privilege or facility connected with the use or occupancy of any rental unit. Housing services also include the proportionate part of services provided to common facilities of the building in which the rental unit is located.

# Can the rent be adjusted between tenancies?

After a rental unit has been vacated, the rent can be adjusted without restrictions unless prohibited by another law or ordinance, such as the state anti-price gouging law that applies during a declared state of emergency. (The anti-price gouging law contains specific provisions applicable to rent increases on vacant units in rent control communities. For more information see <u>https://caanet.org/kb/anti-price-gouging-laws-states-emergency/</u>.) A new base rent will be established once new tenants sign a new





rental housing agreement. Thereafter, any increase in the rent cannot exceed the annual rent adjustment unless authorized by a hearing examiner. Hearing examiners are officials appointed by the city council to conduct an administrative hearing in accordance with the ordinance.

# What are the requirements of the rent registry?

On an annual basis, all landlords with units subject to the ordinance are required to register their units in the City's rental housing registry by submitting a completed registration form and paying the Tenant Protection Program fee. The Rent Registry is used to confirm the number of units on each parcel and to collect contact information for the landlord.

Registration packets and program fee invoices are mailed directly to landlords which must be completed and return within 30 days of receipt. The registration packets include a registration form, amended registration form and exemption application form. Landlords are required to file an amended registration form to update contact information or change of ownership. Registration can be renewed online if a property has previously been registered with the Tenant Protection Program and no corrections are required on the rental registry form. The online rental property registry renewal form can be found <u>here</u>. If a property is an exempt from the ordinance, landlords must complete and return the exemption application form included in the registration packet.

Invoices for the Tenant Protection Program Fee can be paid online at the City's website at <u>https://pay.cityofsacramento.org/posweb/</u>. The City posts <u>online</u> the current Tenant Protection Program Fee amount. For additional information on the registration process, please contact the City at <u>tpp@cityofsacramento.org</u>

# Does the state's anti-price gouging law still apply?

Yes, the state's anti-price gouging law, Penal Code section 396, applies in addition to the ordinance. Penal Code Section 396, prohibits individuals, specified industries, and service providers from raising the price of many consumer goods and services by more than 10 percent after an emergency has been declared by the President, the Governor, or local officials. The State Attorney General issued a statement that the anti-price gouging law applies in any county in which there is "increased demand" as a result of the state of emergency. That law prohibits increasing rents more than 10% cumulatively for as little as 30 days following the declaration of an emergency or in some cases up to several years, if the extended by the applicable authorities. For more information, see <u>/kb/anti-price-gouging-laws-states-emergency</u>/.

# Just Cause Q&A

# How long does a tenant have to live in a unit before they are protected by the ordinance's tenant eviction protections?

The ordinance's just cause provisions apply if any of the tenants in a unit have occupied the unit for more than 12 months pursuant to the terms of a rental housing agreement. The flip-side of this means that the ordinance's just cause protections do not apply if all of the tenants have lived in the unit for less than 12 months. For example, a landlord can serve a 30-day notice to terminate the tenancy or notice of non-renewal of an initial one-year lease as long as none of the tenants have lived there for more than 12 months. On the other hand, if one tenant has lived in the unit for more than a year but has gotten a new roommate who has lived there for less than a year, that tenancy is protected by the ordinance's just cause provisions. The landlord in this situation could not terminate the tenancy by serving a 30-day notice or notice of non-renewal but would need a just cause reason to terminate the tenancy.

Once a tenant has lived in a unit for more than 12 months, a landlord is prohibited from taking specific actions to terminate the tenancy without having a just cause. Specifically, the landlord is prohibited from (1) making a demand for possession; (2) threatening to terminate the tenancy of that tenant, whether





orally or in writing; (3) serving any notice to quit or other eviction notice; or (4) bringing any action to recover possession of the rental unit unless one of seven conditions exist.

# What are the allowed reasons for terminating a tenancy under the ordinance?

The following seven grounds are the only bases for terminating a tenancy that are protected by the ordinance:

1. Failure to pay rent

The tenant has failed, after three days from the date of receipt of a notice to quit or pay rent as provided by law (CCP 1169), to pay rent to which the rental owner is legally entitled under the rental housing agreement in compliance with the ordinance and any other state or local law.

2. Breach of rental housing agreement

After the rental owner has served the tenant with a written notice to cease, provided a reasonable period to cure the alleged violation of the rental housing agreement, and informed the tenant that failure to cure may result in the initiation of eviction proceedings, the tenant continues to violate any of the material terms of the rental housing agreement.

# 3. Criminal and nuisance activity

The tenant engages in criminal activity in the rental unit, including any common areas, in violation of a local, state, or federal criminal law; or after the rental owner has served the tenant with a notice to cease, the tenant continues to engage in conduct that is so disorderly as to destroy the peace, quiet, comfort, or safety of the other tenants in violation of a local or state nuisance law.

# 4. Failure to give access

After the rental owner has served the tenant with notice, the tenant, after receiving three dates for access, continues to violate the landlord's right of entry pursuant to California Civil Code section 1954.

California law limits the circumstances in which a landlord can enter a unit without the tenant's consent. See <u>CAA's Industry Insight – Entering the Rental Unit for more information</u>.

# 5. Necessary and substantial repairs requiring temporary vacancy

A rental owner, after having obtained all necessary permits from the city and having provided 120 days' advance written notice to the tenant, seeks in good faith to make substantial repairs<sup>2</sup> to the rental unit that are necessary to bring the rental unit into compliance with applicable local and state codes and laws affecting the health and safety of tenants of the building where the rental unit is located, provided that:

A. The repairs necessitate that the tenant vacate the rental unit because the work will make the rental unit uninhabitable for a period of not less than 30 days.

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





<sup>&</sup>lt;sup>2</sup> The November 2024 amendments added a definition for the term "substantial repairs" to clarify that it had the same meaning as "substantially remodel" under AB 1482. Accordingly, "substantial repairs" 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:

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

- B. Before the tenant is required to vacate the rental unit, the rental owner is required to offer the tenant the right to elect to do either of the following:
  - Reoccupy the vacated rental unit upon completion of the repairs at the rental rate that would have been in effect under the rental housing agreement if it had not been terminated.
  - If the rental owner owns a comparable vacant rental unit, occupy the comparable rental unit at the same rental rate as the vacated rental unit.

The City's administrative procedures provide more details and requirements which must be complied with when using this just cause eviction basis.

# 6. Owner move-in

After providing at least 120 days' advance written notice to the tenant, the rental owner seeks to recover possession of the rental unit for use and occupancy as the rental owner's primary residence or the primary residence of a member of a rental owner's immediate family<sup>3</sup> for at least 12 months. In this case, the rental owner must be a natural person with at least 51% ownership of the rental unit. The City's administrative procedures provide more details and requirements which must be complied with when using this just cause eviction basis.

7. Withdrawal of rental unit from rental market

After providing at least 120 days' advance written notice to tenant, the rental owner seeks in good faith to recover possession of the rental unit to withdraw the unit and all the rental units in the building and on the same parcel from the rental market for at least 12 months, including rental owner's intent to demolish the rental units. The rental owner must first file a rental unit withdrawal notice with the city in accordance with the administrative procedures and state law. The City's administrative procedures provide more details and requirements which must be complied with when using this just cause eviction basis.

# Does the reason for termination need to be included in the notice?

The notice to terminate a tenancy for any of the authorized conditions must state with specificity the subject matter and basis which justifies the rental owner's action to terminate the tenant's right to occupy the rental unit. CAA recommends that an attorney review the notices prior to their service on the tenant.

# Are rental owners required to pay tenant relocation payments?

The ordinance does not require rental owners to make any tenant relocation payment when a tenancy is terminated. However, if the unit must be vacated as a result of code violations, relocation payments may be required by state or local law.

# Applicability of the Ordinance and AB 1482 to Section 8 Housing Choice Voucher Tenancies

# Are government subsidized rental units or rental units subject to income restrictions exempt from the ordinance's rent cap and tenant eviction protections?

Yes. The ordinance exempts rental units that are "either owned, operated, or subsidized by a government entity or subject to a covenant imposed by a government entity restricting the occupancy to families within income of 120% of the area median income or below, and the rent amount paid by a tenant is restricted based on the tenant's income" from the ordinance's rent cap and tenant eviction protections.

<sup>&</sup>lt;sup>3</sup> An owner's immediate family is limited to his/her spouse, domestic partner, parent, grandparent, brother, sister, child and grandchild, whether related by blood, birth, adoption, marriage or registered domestic partnership.





Do residents who participate in the Section 8 Housing Choice Voucher program fall under the ordinance's exemption covering government subsidized rental units or units subject to income restrictions discussed above? Rental units occupied by residents who participate in the Section 8 Housing Choice Voucher program likely fall under the ordinance's exemption covering such kind of rental units. In that case, neither the rent cap nor tenant eviction protections of the ordinance would apply to Section 8 residents. However, that is not how the Attorney General has recently interpreted a somewhat similar, but not identical, exemption under AB 1482 (more information on the Attorney General's recent statements are not legally binding on courts and is not directly applicable to Sacramento's ordinance, it is possible that courts may interpret Sacramento's ordinance similarly since the exemptions are somewhat similar.

# Are Section 8 residents exempt from AB 1482's rent cap and just cause provisions?

Currently, it is uncertain as to whether units rented to Section 8 residents are subject to or exempt from the rent cap and just cause provisions of AB 1482. According to a plain reading of the law, units rented to Section 8 tenants should be exempt. However, as discussed below, that is not how the law has recently been interpreted by the Attorney General.

AB 1482 exempts from both its rent cap and just cause provisions certain types of affordable housing. Included in the definition of affordable housing is housing "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." The Section 8 program provides housing subsidies pursuant to an agreement with a government agency, and the program is restricted to low-income families and individuals. Thus, it appears units rented to Section 8 residents should be exempt from AB 1482's rent cap and just cause provisions for so long as the Section 8 resident continues to reside in the unit and be assisted under the program.

The Legislative Counsel Bureau has provided CAA an oral opinion that units rented to Section 8 recipients are exempt from AB 1482. However, because Legislative Counsel opinions are not legally binding it is possible a court could conclude differently if the issue was litigated.

In spite of this, in June 2023, the Attorney General of the State of California sent <u>a letter</u> to local Housing Authority offices across the state "confirming" that AB 1482 "applies to recipients of Section 8 Housing Choice Vouchers" and requesting their assistance "in ensuring that landlords participating in the Section 8 program do not impose unlawful rent increases on their tenants." This interpretation is also now included on the Attorney's General's <u>website</u>. Although the Attorney General's interpretation is not a formal Attorney General opinion and, thus, is not legally binding on courts, it is possible that the state courts will give the letter significant weight if the issue was litigated. Moreover, the Attorney General's office has taken enforcement actions against property owners for failure to comply with AB 1482 in other contexts and thus it is possible it could choose to do so on this issue as well. For these reasons, CAA recommends the more conservative approach of treating units rented to residents with a Section 8 Housing Choice Voucher as being subject to AB 1482's rent cap and just cause provisions. CAA strongly urges members to consult with attorneys experienced in landlord-tenant issues if they are considering treating units rented to Section 8 residents as exempt from AB 1482. For more information, see CAA's Industry Insight papers – <u>Overview of the Section 8 Housing Choice Voucher Program</u> and <u>AB 1482</u>: Questions & Answers.

# **Enforcement and Other Q&A**

What recourse do tenants have if they feel the rental owner has violated the ordinance? A tenant who believes a rental owner is in violation of the ordinance may file a petition to seek review by a hearing examiner. The hearing procedures are described in the City's Administrative Procedures.





# What is the penalty for violating the ordinance?

Failure to comply with any requirement of the ordinance with respect to the unit or tenancy at issue is an affirmative defense in an unlawful detainer or other action brought by a rental owner to recover possession of the rental unit. This may negate an eviction even if a tenant did not pay the rent.

Also, City staff may impose administrative penalties against landlords for violation of the ordinance, which can range from \$100 to \$25,000 per violation.

### What happens if the language in a rental agreement conflicts with the ordinance?

Any provision of a rental housing agreement that purports to waive any provision of the ordinance is void.

#### How will the new program be funded?

Rental owners subject to the ordinance shall pay a tenant protection program fee. The fee will be established by the city council on an annual basis. The fee will fund the city's cost to implement and enforce the provisions of the ordinance. The current fee level is available on the City's website <u>here</u>.

#### Where can I get more information?

Contact the City of Sacramento Tenant Protection Program: Phone: 916-808-8121 Email: tpp@cityofsacramento.org Website: https://www.cityofsacramento.org/TPP





CHART 1 - RENT CAPS						
Sacramento Tenant Protection and Relief Act (TPRA) v. AB 1482 <sup>i</sup>						
Type of Property	Covered by Both TPRA and AB 1482	Covered by TPRA Only	Covered by AB 1482 Only	Exempt from any Rent Caps <sup>ii</sup>		
Construction Date						
Built within last 15						
				Х		
years (any type) Built on or after						
			V			
2/2/95 but not			Х			
within last 15 years		X				
Built on or before	X (other than					
2/1/95	certain duplexes)	(certain				
		duplexes)				
A 66						
Affordable Housing (a	any type of property	, see definition")				
Section 8 Housing						
Choice Voucher		See er	ndnote iv			
recipients <sup>iv</sup>						
Other Affordable						
Housing (as				Х		
defined)						
Single-Family Home of	or Condo (not renting	g rooms or other u	nit on the property)			
Owned by REIT,						
corporation or LLC			Х			
with corporation as						
a member						
				X		
Other ownership				(only if certain		
•				notice is provided		
				to tenant)		
Duplex – One Unit Oc	ccupied by Owner for	r Entire Tenancy				
Built on or after				х		
2/2/95						
Built on or before		X				
2/1/95		(unless rented				
		unit is occupied				
		by owner's				
		immediate				
		family <sup>v</sup> )				
Two Units on a Parcel (Duplex, SFH & ADU, etc) – Neither Unit Occupied by Owner or Owner's Family <sup>vi</sup>						
Built within last 15				V		
years			1	Х		



Built on or after 2/2/95 but not within last 15 years		х	
Built on or before 2/1/95	Х		

CHART 2 - JUST CAUSE TPRA V. AB 1482 <sup>vii</sup>					
Type of Property	Covered by TPRA	Covered by AB 1482	Exempt from Just Cause		
Construction Data					
Construction Date					
Built within last 15 years			х		
Built on or after 2/2/95 but not within last 15 years		Х			
Built on or before 2/1/95	Х				
	ype of property, see definit	ion <sup>viii</sup> )			
Section 8 Housing Choice Voucher recipients <sup>ix</sup>		See endnote ix			
Other Affordable Housing (as defined)			X		
	ndo (not renting rooms or o	ther unit on the property)			
Owned by REIT, corporation or LLC with corporation as a member		Х			
Other ownership			X (only if certain notice provided to tenant)		
Two Units on a Parcel (Duplex, SFH and ADU, etc.) – One Unit Occupied by Owner for Entire Tenancy					
Built on or after 2/2/95			Х		
Built on or before 2/1/95	X (unless rented unit is occupied by the owner's immediate family <sup>x</sup> )				
Two Units on a Parcel (Duplex, SFH and ADU, etc.) – Neither Unit Occupied by Owner or Owner's					
Immediate Family <sup>xi</sup>			Х		





Built within last 15 years			
Built on or after 2/2/95 but not within last 15 years		Х	
Built on or before 2/1/95	Х		

ii Regardless of whether a property is subject to or exempt from AB 1482 or a local rent control ordinance, it may be subject to the state's anti-price gouging law. That law is triggered when a state of emergency is declared by the Governor or local officials and prohibits increasing rents more than 10% cumulatively over the entire period that the emergency stays in effect, which could be for as little as 30 days or may last for more than a year. The Attorney General has stated that the anti-price gouging law applies in any county in which there is "increased demand" as a result of the state of emergency. For more information, see <u>/kb/anti-price-gouging-laws-states-emergency/</u>.

iii The rent cap provisions of AB 1482 do not apply to 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 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. The TPRA does not apply to a rental unit "that is either owned, operated, or subsidized by a government entity or subject to a covenant imposed by a government entity restricting the occupancy to families within income of 120% of the area median income or below, and the rent amount paid by a tenant is restricted based on the tenant's income."

<sup>iv</sup> As discussed above, there is currently some uncertainty as to whether units rented to Section 8 residents are subject to or exempt from the rent cap and just cause provisions of AB 1482. CAA recommends the more conservative approach of treating units rented to residents with a Section 8 Housing Choice Voucher as being subject to AB 1482's rent caps and just cause provisions. CAA strongly urges members to consult with attorneys experienced in landlord-tenant issues if they are considering treating units rented to Section 8 residents as exempt from AB 1482's rent caps and/or just cause provisions. For more information, see CAA's Industry Insight papers – <u>AB 1482</u>: <u>Questions and Answers</u> and <u>Overview of the Section 8 Housing Choice Voucher</u> <u>Program</u>. Although the letter from the Attorney General is not a formal Attorney General opinion and is not legally binding on courts, it is possible that courts could give the letter some weight if the issue was litigated as it pertains to Sacramento's ordinance because the exemptions are somewhat similar in that they both involve subsidized units.

<sup>v</sup> The TPRA does not apply to a rental unit "that the landlord or the landlord's immediate family occupy as their primary residence." The TPRA defines the term "landlord" to mean "a person that either has more than 50% ownership of a rental unit or is entitled to receive rent for the use and occupancy of the rental unit, and the agent or representative of the landlord. The TPRA also defines the term "immediate family" to mean the spouse, domestic partner, parent, grandparent, brother, sister, child, and grandchild, whether related by blood, birth, adoption, marriage, or registered domestic partnership.

<sup>vi</sup> See note v, supra

<sup>vii</sup> This chart provides a general overview of common property categories. For individual properties and circumstances, seek legal counsel. This chart also does not take into account any of the following: (1) transient and tourist hotel occupancy; (2) accommodations in care facilities, convents, or monasteries; (3) fraternity or sorority accommodations; or (4) housing provided by educational institutions.





<sup>&</sup>lt;sup>i</sup> This chart provides a general overview of common property categories. For individual properties and circumstances, seek legal counsel. This chart also does not take into account any of the following: (1) transient and tourist hotel occupancy; (2) accommodations in care facilities, convents, or monasteries; (3) fraternity or sorority accommodations; or (4) housing provided by educational institutions.

<sup>viii</sup> The just cause provisions of AB 1482 do not apply to 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 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. The TPRA does not apply to a rental unit "that is either owned, operated, or subsidized by a government entity or subject to a covenant imposed by a government entity restricting the occupancy to families within income of 120% of the area median income or below, and the rent amount paid by a tenant is restricted based on the tenant's income."

<sup>ix</sup> See note iv, supra.

× See note v, supra.

<sup>xi</sup> See note v, supra.



