Starting January 1, 2020*:
Rent Caps and Just Cause Protections for CA Tenants

The Basics:
- New laws provide an Annual Rent Cap (5% + Consumer Price Index) and Just Cause Protections for residential tenancies
- Rent Cap will take effect on 1/1/20 with a rent roll back to March 15, 2019
- Just Cause Protection requires at least 12 months of tenancy
- These new laws do not apply to all housing - for example, rent-controlled housing in East Palo Alto, which already has better protection. See below for Excluded Housing.

*Local urgency ordinances provide immediate tenant protections for residents of Daly City, Redwood City, San Mateo, San Carlos, Menlo Park and unincorporated areas of SMC:
- Daly City residents are entitled to immediate just cause eviction protections (passed on 10/28/19)
- Redwood City residents are entitled to immediate rent caps and just cause eviction protections (passed on 10/28/19)
- San Mateo residents are entitled to immediate just cause eviction protections (passed on 11/4/19)
- San Carlos residents are entitled to immediate just cause eviction protections (passed on 11/12/19)
- Menlo Park residents are entitled to immediate rent caps and just cause eviction protections (passed on 11/12/19)
- Residents of unincorporated areas of SMC are entitled to rent caps and just cause eviction protections (passed on 11/19/19)

EXCLUDED HOUSING:
- New housing built within the past 15 years
- Housing with local rent control where the annual allowable increase is lower than 9%
- Government subsidized or below-market housing in which rent is set based on income level
- Single family homes or condos with no corporate ownership
- Duplexes- if the owner lives in the other unit
- College dorms
- Mobile homes and RVs in mobilehome parks that are owned by the occupant

ANNUAL RENT CAP

How does it work?
Annual rent increases are limited to 5% + change in CPI, or 10%, whichever is lower.

- **San Mateo County Rent Cap for 3/15/19 to 4/1/2020 is 9%**

Rent can not be increased more than twice in one year.
The total rent increase can not exceed the Annual Rent Cap.

- If your rent has increased **more than 9%** between 3/15/19 and 1/1/20:
  - Starting 1/1/20, your rent reduces to what you were paying on 3/15/19, plus 9%.

- If your rent has increased **less than 9%** between 3/15/19 and 1/1/20:
  - Your rent will stay the same 1/1/20.
  - You can get up to two more increases before 3/15/20, not to exceed 9% above your 3/15/19 rent.
Just Cause

How does it work?
• Landlords/owners need a valid reason to evict
• Begins to apply after 12 months of tenancy or 24 months if a new tenant is added
• If the valid reason is No-Fault, the owner must pay relocation

No-Fault Reasons for Eviction
• Owner or family member intends to occupy the unit
• Withdrawal of unit from rental market (Ellis Act)
• Compliance with a government, court order, or local ordinance that requires vacancy
• Intent to demolish or substantially remodel the unit, with permits

At-Fault Reasons for Eviction
• Nonpayment of rent
• Breach of material lease term
• Nuisance
• Waste (damage to the property)
• Refusal to execute similar new lease
• Criminal activity
• Subletting in violation of the lease
• Denying access by landlord after proper notice of lawful entry
• Using the unit for unlawful purpose
• Employee, agent, or licensee’s failure to vacate after termination as employee, agent, or licensee
• Failure to vacate after tenant provides owner written notice of intent to terminate tenancy, or after making a written offer to terminate tenancy which is accepted by landlord

Relocation
• Relocation payment is equal to one month’s rent.
• It must be made within 15 days of the no-fault termination notice
  ▷ Note: local jurisdictions may require greater relocation amounts
• Instead of making a relocation payment, an owner can waive the last month’s rent in writing.
• If tenant receives a relocation payment but does not vacate, the owner can recover the payment in an eviction.

How must an owner notify tenants of their rights?
• If the property is subject to just cause protections, the owners must give tenants written notice regarding those protections:
  ▷ If the tenancy starts or renews on or after 7/1/20
    ◦ Notice must be an addendum to the lease or a notice signed by tenants, who also receive a copy.
  ▷ If the tenancy exists prior to 7/1/20
    ◦ Notice must be given no later than 8/1/20 or as an addendum to the lease
• Owners must also notify tenants if they are not covered by just cause

EXCLUDED HOUSING:
• New housing built within the past 15 years
• Government subsidized or below-market housing in which rent is set based on income level
• Single family homes or condos with no corporate ownership
• Owner-occupied single family homes with no more than two tenants (including ADUs)
• Duplexes - if owner already lives in the other unit
• Short-term stay hotels, motels, and hostels
• Non-profit hospitals, religious facilities, care for the elderly, and adult residential facilities
• Tenants who share bathroom and kitchen facilities with the owner in the owner’s home
• K-12 or college dorms

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• Attend a clinic: https://www.legalaidsmc.org/homesavers-project

LEGAL AID SOCIETY OF SAN MATEO COUNTY