ARTICLE:

CALIFORNIA'S NEW STATEWIDE "JUST CAUSE EVICTION" AND "ANTI-RENT GOUGING" LAW

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With the enactment of Assembly Bill 1482, signed by Governor Newsom in October 2019, the California legislature imposed a "just cause" limitation on lease terminations, non-renewals, or evictions for most California residential landlords, and also imposed a cap on the amount of annual rent increases allowable for many of the same landlords.[1] Although several large California cities have long-standing rent control ordinances that impose varying degrees of rent increase protection for tenants and typically include "just cause eviction" limitations, this is the first state-wide limitation of this nature.

Neither the rent increase caps nor the just cause eviction standards are optional with local governments. They operate directly as limitations on landlords and their agents in the conduct of residential rental leasing transactions and evictions, and they also do not involve the creation of a new administrative agency either at the state level or at the local level. The new law does not supersede existing just cause eviction and rent control ordinances that are lawfully adopted at the local level, however, whether retrospectively or prospectively, to the extent these local ordinances are more protective of tenants' rights. Also, although AB 1482 does not lift the restrictions of the Costa-Hawkins law on the adoption of local rent control for new construction, it does exempt leases of housing from both the rent increase limitations and the "just cause eviction" limitations of the new statute for a period of 15 years after issuance of a Certificate of Occupancy, whether the Certificate of Occupancy was issued prior to the effective date or after the effective date of the statute.

As a number of journalists and other commentators have noted, the anti-gouging limitations on annual rent increases are not particularly restrictive. They still allow annual increases of five percent plus the percentage change in the cost of living, or up to ten percent of the gross rental amount payable in the preceding 12 months, whichever is less. In most rental markets and most years, this restriction is unlikely to affect the vast majority of landlords on renewal or renegotiation of an existing lease. The less widely understood and highly

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complicated limitations on "no fault" or "at fault" terminations imposed under the "just cause termination" provisions of the new legislation are likely to have more pervasive effect on the residential rental industry than the rent increase cap will have. Both provisions are highly detailed, with specific exemptions applicable to some "mom and pop" landlords, and are summarized separately in the remaining portions of this article.

1. THE ANNUAL RENT INCREASE LIMITATIONS OF CIVIL CODE SECTION 1947.12:

The anti-gouging provisions of AB 1482 are contained in a new section 1947.12 of the Civil Code, which both defines the extent of allowable increases and provides for the exemption of certain tenancies, properties, and owners from these limitations. The applicable rent limitations also are subject to a phase-in provision allowing "catchup" rental increases for certain pre-existing tenancies that have not recently been imposed prior to the date the legislation becomes effective. The law does not provide for operating expense increases or costs of repair to be passed through to tenants over and above the rent cap, whether as additional rent or otherwise.

In order to determine how the new law affects a particular leasing transaction, it is necessary to review (a) the nature of the property, and in some cases, its ownership structure, (b) the existence and duration of the particular occupant's tenancy in the property, (c) the amount of prior rent increase as well as the factors used in determining the specific cap, and (d) the existence of any applicable local rent control ordinance that may supersede the state law limitations. These topics are discussed separately below.

a. Properties and Owners Affected:

The rent increase limitations apply to all "residential real property" as defined, with certain exceptions also defined in the statute. "Residential real property" is defined with reference to Civ. Code, § 1954.51[2] and means "any dwelling or unit that is intended for human habitation."[3] Thus, the law does not apply to commercial, industrial, agricultural, or other real property not containing a dwelling unit. However, if such a commercial, industrial, or agricultural property also includes a dwelling unit, then that dwelling unit, at least, would constitute "residential real property" that is subject to the restrictions on rent increases. The operative language of the rent cap under § 1947.12, subd. (a)(1) only restricts the owner from imposing rent increases as to a "dwelling or unit."[4]

The implication is that only the residential portions of such a multi-use property are affected by the rent increase caps, but the law contains no explicit statement to that effect; rather, the terms "dwelling" or "unit" are not defined in § 1947.12, although they are used in the definition of "residential real property" in § 1954.51, subd. (e).

Several types of residential real property are expressly exempted from the rent cap provisions of § 1947.12; they are as follows:

(1) Mobilehomes and mobilehome parks. Only the "owners" of "residential real property" and their agents are subject to the limitations of § 1947.12, and the terms "owner" and "residential real property" are defined by cross-reference to § 1954.51.[5] The latter provision expressly excludes the owners and operators of mobilehome parks and the owners of a mobilehome or their agents.[6] As a result, the rent increase cap provisions of AB 1482 are not applicable to mobilehomes and mobilehome parks, even if they are used as residential dwellings for human habitation.

(2) Rent-restricted affordable housing. The rent increase cap does not apply to housing that is restricted by deed, regulatory restriction contained in an agreement with a governmental agency, or other recorded document, as further defined (including property subject to an agreement for housing subsidies for affordable housing for families and persons of very low, low, or moderate income).[7] Additional provisions allow establishment of an initial unassisted rental rate for units in assisted housing developments that demonstrate compliance with affordable housing restrictions of the Government Code "under penalty of perjury," as well as for the mechanism for the first rental increase after expiration of a deed restriction or regulatory restriction on an affordable housing unit.[8]

(3) College dormitories. The rent increase cap does not apply to dormitories constructed and maintained "in connection with any higher education institution within the state" for use and occupancy "by students in attendance at the institution."[9] The law does not define the nature of the "connection" with the institution of higher learning that may be required, but presumably the exemption could extend not only to dormitories constructed by and owned or managed by the institution of higher learning, but also to privately owned and financed dormitories that have been constructed specifically as student housing, as distinguished from apartment houses and other rental property available for

occupancy by the general population. The term "higher education institution" is not defined in § 1947.12, but likely means colleges, universities, and other types of institutions offering post-secondary education as distinguished from the K-12 institutions that are expressly included in the definition of exempt dormitories under the "just cause eviction" provisions of § 1946.2, also enacted by AB 1482.[10]

(4) Housing subject to more restrictive local ordinances. Housing that is subject to lawfully enacted local rent control ordinances that restrict annual increases to an amount less than that provided in the statute are exempt (in other words, the higher cap of the statute does not apply, but the lower rent restriction of the local ordinance still applies).[11]

(5) Recently-constructed housing. Housing that has been issued a Certificate of Occupancy within the previous 15 years (i.e., new construction) is not restricted during that initial 15-year period.[12] Under this provision, a property that was, for example, issued a Certificate of Occupancy in 2008 could have rent increases without regard to the anti-gouging cap imposed AB 1482 until 15 years after the Certificate of Occupancy would have lapsed, i.e., 2023, after which subsequent rent increases would be subject to the cap. (Significantly, such housing is also exempt from the "just cause eviction" restrictions of § 1946.2, discussed later in this article.[13]) Left unstated is whether a substantial renovation, remodel, or addition that requires a new certificate of occupancy triggers a new 15-year period, at least as to the affected dwelling units, but the statute does not expressly limit the 15-year period to the "first" certificate of occupancy if there has been more than one such certificate.

(6) Owner-occupied duplexes. A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy is exempt, so long as the owner continues in occupancy.[14] This "duplex exemption" would not apply if the owner did not occupy one of the units as a "principal residence" at inception of the renter's tenancy, and although the statute is not entirely explicit, this would seem to preclude an owner from moving into one unit of a duplex after renting out the other unit and creating a tenancy as a means of avoiding the rent cap restriction.

(7) Single family homes, including condominiums or other "separately alienable" real property. "Separately alienable residential real property" is exempt unless it is owned by a real estate investment trust, a corporation, or a limited li-

ability company of which at least one member is a corporation.[15] The term "separately alienable" is not specifically defined, but the statutory language requires that the real property be "alienable separate from the title to any other dwelling unit" and seemingly means a single family residence on a separate lot or an attached unit that may be separately conveyed in compliance with the Subdivision Map Act and applicable local ordinances, such as a condominium or townhouse in a planned development.[16] It would not extend to co-op apartments or tenancies in common with exclusive rights to occupy because title to the real estate comprising the dwelling unit is not segregated from other dwelling units under these ownership regimes.

The language of this exemption qualifying the definition of "owner" would seem to allow for such "separately alienable" dwelling units to be exempt even where owned by a partnership of any type or by a limited liability company comprised of partnerships or individuals (but not corporations), as well as properties owned directly by individuals. It is not clear why the statute is so focused on the corporate form of ownership, when many rental properties are held by limited partnerships or limited liability companies that are indirectly managed by corporate entities but without corporate members. For purposes of § 1947.12, the term "owner" is defined with reference to § 1954.51, which in turn defines "owner" as "any person, acting as principal or through an agent, having the right to offer real property for rent,"[17] which may imply that use of an incorporated leasing agent to act for the ownership entity or group may result in loss of the exemption even if the holder of title to the property does not include any corporation.

What is clear with regard to such "separately alienable property" is that the tenants must have been provided a written notice that the property is exempt from the restrictions of § 1947.12, utilizing a specific statutory language, and in a particular format. Otherwise, the exemption does not apply regardless of the nature of the ownership of the property. This is a result of the operation of § 1947.12, subd. (d)(5)(B), which requires a notice to be provided to the tenants using the specified language:

> "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 requirement of Sections 1947.12(c)(5) and 1946.2(e)(7) 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."[18]

This notice can be provided in the rental agreement for a tenancy that exists "before July 1, 2020," but for a tenancy commenced or renewed on or after July 1, 2020, it must be provided in the rental agreement. In connection with existing tenancies prior to July 1, 2020, the tenant must be "provided" the written notice in a separate document at some point, and then subsequently must include it in the rental agreement on renewal of the lease. It seems possible, although the statute does not provide, that a landlord can cure a failure to give such a notice in connection with the first renewal if it complies with the notice requirement in the next renewal, but in the meantime the property would be subject to the rent cap restrictions of § 1947.12 because the exemption would not exist so long as the required notice was not given.

(8) Summary of properties exempt from the rent increase cap. The list of exemptions from the rent gouging restriction is narrower than the list of exemptions contained in the "just cause eviction" portion of the statute (discussed below) although some of the identified exemptions, particularly the "separately alienable unit" exemption and the "mobilehomes and mobilehome parks" exclusion, are the same for both statutes. Thus, although a particular dwelling unit may be subject to the restriction on rent increases, it does not necessarily mean that the "just cause eviction" restrictions apply. The reverse is not true, however. A property that is exempt from the rent increase cap imposed by § 1947.12 through the operation of subdivision (d) ordinarily will be exempt from the just cause eviction provision, as well, because all of the foregoing exemptions (1) through (7), except the "dormitories . . . in connection with an institution of higher learning" referred to in item (3), are also contained in § 1946.2 in substantially identical language.

b. Tenants and Tenancies Affected:

The rent increase cap applies, in general, only upon a continuation of an existing tenancy (regardless of when entered into) by a particular tenant (or its defined successors). The rent increase cap specifically does not apply to the initial rent established under a new tenancy in which no tenant from the prior tenancy remains in lawful possession of the property.[19] For subsequent increases, however, if the same tenant remains in occupancy of a unit of a residential real property over any 12-month period, then the gross rental rate is subject to the limits set for in the statute.[20]

(1) Notification requirements. Prior to enactment of § 1947.12 pursuant to AB 1482, Civ. Code, § 827 expressly provided (and still provides) that a landlord can change the terms of a lease upon giving the requisite notice specified in § 827 "or as otherwise provided in the written terms of the lease or rental agreement."[21] For residential leases, the required notifications in connection with a *rent increase* are further detailed in § 827 by requiring either personal delivery or mailed notice of the rent increase to the tenant.[22] If the proposed increase is more than ten percent of the prior rental amount, then § 827 requires a further period of notice (not less than 30 days), with certain exceptions for rent increase caused by a change in the tenant's income or family composition.[23] (These notice periods may be shorter or longer if required by other state or federal laws or applicable regulatory agreements.[24])

The new law (Civ. Code, § 1946.2) provides that each tenant must be given notice of any rent increase in the same manner provided in § 827.[25] Thus, even though AB 1482 caps the rental increase at an amount that is similar to the "breakpoint" between the minimum required notice of 30 days and the additional 30-day notice requirement, there will be circumstances in which the rent increase, as defined in § 827, is greater than ten percent even though the increase in the gross rental amount under § 1947.12, subd. (a) is within the limits set forth in AB 1482.

(2) Multiple tenant situations. Because the rent increase restriction of § 1947.12, subd. (a) applies if the "same tenant remains in occupancy" under subdivision (a)(2), but not "for a new tenancy in which no tenant from the prior tenancy remains in lawful possession" under subdivision (b), it will be necessary to review any changes in the identity of tenants over the preceding 12-month period for each lease or sublease. This can be difficult to administer where multiple occupants are in possession but not all are signatories to the lease. Subdivision (c) of § 1947.12 prohibits "any tenant of residential property subject to this section" from entering into "a sublease that results in total rent for the premises exceeding the allowable rental rate authorized by subdivision (a)."[26] That provision goes on to provide, however, that "nothing in this subdivision authorizes a tenant to sublet or assign the tenant's interest where otherwise prohibited."[27] The new law does not specifically define the term "tenant" and merely defines "tenancy" as "the lawful occupation of residential real property" including "a lease or sublease."[28]

The "tracing" of tenancies as the adult occupants of multi-tenant leased

premises change over time has been a subject of litigation under rent control ordinances[29] and similar litigation can be expected under § 1947.12 due to the lack of any express requirement that a "tenant" be an actual signatory of a written lease as distinguished from a person in "lawful occupancy" or "lawful possession," which is the language of the statute. In this regard, the "just cause eviction" statute that was enacted as part of AB 1482 (Civ. Code, § 1946.2, subd. (a)) contains a more explicit mechanism for determining its application where adult tenants are added during the course of the lease, as discussed below in this article. There is no such clarifying language in § 1947.12.

c. Operation of the Rent Cap for Existing Tenancies:

(1) Amount and calculation of permissible rent increases. For a new lease as to which no previous occupant of the premises continues in possession, there is no limit on the amount of rent that can be charged in connection with the execution of the new lease, under § 1947.12.[30] Otherwise, however, an owner of residential real property covered by the statute may not, over the course of any 12-month period, increase the gross rental rate for a dwelling or unit by more than five percent plus the percentage change in the cost of living, or ten percent whichever is lower, of the gross rental rate charged for that dwelling or unit at any time during the 12 months prior to the effective date of the increase.[31] The "cost of living" index applicable under this formula is defined as the percentage change from April 1 of the preceding year to April 1 of the current year in the reasonable consumer price index for the region where the property is located, as published by the United States Bureau of Labor Statistics, or if there is no such regional index, the California Consumer Price Index for all urban consumers for all items, as determined by the Department of Industrial Relations.[32]

The cap is based on the previous "gross rental rate," but excludes "any rent discounts, incentives, concessions or credits offered by the owner of the unit and accepted by the tenant." This gross per month rental rate and any owner offered discounts, incentives, concessions, or credits must be separately listed and identified in the lease or rental agreement or amendments thereto.[33] The statutory language does not address add-on items such as utilities or parking charges, recreation facility charges, tax reimbursements, and the like, as to whether they are included or excluded from the "gross rental rate" or in any way limited by the cap on rental increases imposed by the statute. It may be assumed, although the statute is not explicit, that a tenant could defend against a rent increase based on a purported gross rental amount that is not supported by

the detailed listing in compliance with the statute. Also, a landlord's effort to cause a tenant to agree that various concessions or discounts had been included in prior rent amount may be met by a reference to the anti-waiver provisions of the statute. Under subdivision (i) of § 1947.12, any waiver of "the rights under this section" is void as contrary to public policy.[34]

(2) Dispute resolution and waivers. Unlike many local rent control ordinances, § 1947.12 leaves the numerical calculations of rent caps and permitted increases to the landlord, and a tenant who disputes the increase will not have recourse to a rent board or other administrative agency to assist in contesting the amount—nor will a landlord have access to any governmental authority to determine whether a particular increase is lawful. Coupled with the "anti-waiver" provision just mentioned, it is likely that litigation over rent increases will result in many instances, especially where large numbers of tenants are affected by a single landlord's decisions.

(3) The "twice a year" rent increase limitation. In addition to the amount of rental increases, the statute limits the number of rental increases that can occur in any 12-month period to two. The gross rental rate for a unit of residential property may not be increased in more than two increments over any 12-month period,[35] meaning that a landlord who realizes after a second rent increase that there is still a "unused" portion of the cap that could be implemented due to increased cost of living or other reasons cannot make a third "catchup" increase to the full amount that would have been permitted by the cap. This is unlikely to be a major concern in most cases, but in specific instances where tracing the identity of the tenants of a particular unit may be complicated by changes in occupancy, this restriction could affect the landlord's ability to implement a rent change. This is because the "twice a year" limitation applies "if the same tenant remains in occupancy"; if one of three individual tenants has left and been replaced with another, the other two tenants, as well as the new tenant, all would be in a position to argue that the "same tenant" remains in occupancy due to the inconsistent language of subdivision (b) of § 1947.12, which lifts the rent cap only at the time of establishing the initial rental for "a new tenancy in which no tenant from the prior tenancy remains in possession."[36]

(4) Transition provisions for existing leases. The new law includes a transition provision applicable during the initial months in which the statute is in effect. Under subdivision (h) of § 1947.12, it applies to all rent increases occurring on or after March 15, 2019, but becomes operative January 1, 2020. In the

event an owner had increased the rent by more than the permissible cap (five percent plus the cost of living or ten percent, whichever is lower) between March 15, 2019, and January 1, 2020, then the rent effective January 1, 2020, must be rolled back to the maximum permissible increase from the rent in effect on March 15, 2019, but the owner is not liable to the tenant for any rent "overpayment" resulting from this rollback provision.[37] Conversely, if the owner had not raised rent after March 15, 2019, but prior to January 1, 2020, by the full amount permitted by the cap, then that landlord can increase the rate twice within 12 months of March 15, 2019, (i.e., by March 15, 2020), but the aggregate rental increases over that time cannot exceed the maximum rental rate increase that would have been provided if the cap had been adhered to.[38] Also, in many cases, due to the advance notice requirements of § 827, it may be too late to initiate such a "catch-up" rent increase if notice of the increase was not given prior to December 1, 2019.

2. THE "JUST CAUSE" AND "NO FAULT" EVICTION LIMITATIONS OF AB 1482:

AB 1482 adds another new section to Civ. Code, § 1946.2, which sets forth the procedure and standards whereby a landlord can terminate a residential tenancy and evict the tenant. As with the "rent increase cap" provisions discussed in the preceding part of this article, determining the applicability and effect of the law in a given situation requires an analysis of both (a) the nature of the property and its ownership, and (b) the nature of the tenancy that is the target of the prospective eviction; but it also requires the analysis of a third component, (c) the circumstances in which the nonrenewal is to be carried out and the grounds, if any, articulated by the landlord in carrying out the action. The specific enumeration of property types and tenancy types affected by § 1946.2 are similar, although not identical, to the parallel provisions of § 1947.12 concerning a rent cap, and they are sufficiently different to warrant separate discussion here. Also, this part of the statute leaves intact local just cause eviction ordinances that are more protective of tenants' rights than the state statute, whether the ordinance is currently in existence or enacted after the effective date.[39] The law also includes specific language requirements for the contents of most residential leases (whether or not they are exempt from the limitations on eviction that it imposes).[40] The law also effectively creates procedural and substantive standards governing the landlord's ability to renew or not renew an existing tenancy. These issues are addressed in the following subdivisions of the article.

a. Properties and Ownership Affected:

The just cause eviction and no fault nonrenewal provisions of § 1946.2 apply only to "owners" of property that is "residential real property." As with § 1947.12, the terms "owner" and "residential real property" are defined in § 1946.2, subd. (i), by reference to existing provisions of § 1954.51[41] which in turn defines "residential real property" as including "any dwelling or unit that is intended for human habitation" and "owner" as including "any person, acting as principal or through an agent, having the right to offer residential real property for rent."[42]

Section 1946.2 also does not supersede the existing provisions of § 827, governing changes in the terms of existing leases, which generally do not restrict amendments or renewals of commercial, industrial, or agricultural tenancies except to the extent of requiring particular notices to the tenant of a change of terms.[43] However, with respect to residential real property, the more restrictive terms of § 1947.12 will apply unless the property falls within one of several narrowly defined types of exempt residential real property.[44]

The following types of property are exempt from the just cause eviction provisions of the statute:

(1) Mobilehomes and mobilehome parks. As with the rent increase cap, the just cause eviction statute applies only to "owners" of "residential real property,"[45] which are defined in § 1946.2 by reference to § 1951.54, and therefore expressly exclude owners of mobilehomes and mobilehome parks, even if residential in nature.[46]

(2) Tourist hotels. "Transient and tourist hotel occupancy" properties, as defined in another specified provision of law, are exempt from the "just cause" eviction restrictions.[47]

(3) Hospitals and residential care facilities. Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined, or adult residential facility, as defined, are exempt from the just cause eviction restrictions.[48]

(4) College and K-12 school dormitories. Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school,[49] are exempt from the just cause eviction restrictions. (Note

that this provision is a broader exemption than the exception for dormitories from the "rent increase cap" law, § 1947.12, because the § 1946.2 exemption includes K through 12 schools, not mentioned in § 1947.12, but it is also narrower than that other provision, in that the § 1946.2 exemption only applies where the dormitory is "owned and operated" by the educational institution and not also to dormitories "connected with" an educational institution, which is the looser definition in § 1947.12, discussed above.)

(5) Housing shared with an owner occupant. Several types of owner-occupied housing are exempt from the just cause eviction restrictions. These include:

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

(B) Single family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.[50]

(C) A duplex 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.[51]

(6) Newly constructed housing. Housing that has been issued a Certificate of Occupancy within the previous 15 years is exempt from the just-cause eviction restrictions during that 15 year period.[52] (Note that this provision of § 1946.2, as with the similar exemption in the rent cap statute, § 1947.12, is ambiguous insofar as it does not clearly address the potential of Certificates of Occupancy to have been issued upon substantial remodeling or additions to an existing residential structure and the effect of this on the "15 years" during which supposedly new construction is exempt.)

(7) Deed-restricted affordable housing. Certain affordable housing earmarked for families of low, very low, or moderate income and restricted by deed, regulatory restriction, or other recorded document, all as further defined in the statute, is exempt from the just cause eviction law.[53]

(8) Single-family homes and other "separately alienable" restricted units. Separately alienable residential real property (i.e., residential real property that

is alienable separate from the title to any other dwelling unit), is exempt from the just cause eviction restrictions but only if two separate requirements are satisfied:[54]

(a) The owner may not be a real estate investment trust, a corporation, or a limited liability company in which at least one member is a corporation;

(b) The tenants must have been provided a specified written notice that the unit is exempt from §§ 1946.2 and 1947.12, either in the lease itself or in a separate written notice, depending on when the lease was executed.[55]

The form of the notice, and the circumstances in which the notice must be included either in the lease or in a separate written notice to the tenant, is identical to the parallel provision in the rent increase statute (§ 1947.12), and the required notice references both statutes, so only a single notice is required to fall within the exemption under both statutes, provided the notice is actually given as required. The form of the notice is as follows:

> 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.[56]

If the tenancy existed before July 1, 2020, the notice can be included in the rental agreement but if it is not so included, it must be a separate written notice furnished to the tenant. If the tenancy is commenced or renewed on or after July 1, 2020, the notice must be included in the rental agreement.[57] The same issues and qualifications may exist under § 1946.2 as in § 1947.12 with regard to the availability of this exemption for an otherwise-eligible owner of a condominium, single family residence, or townhouse-type of product that is separately alienable from any other dwelling but who fails to provide the requisite notice in the manner provided by the statute, and the statute also provides that any waiver of rights under this section is void as contrary to public policy.[58] (See the discussion of this issue in Part 1 of this article.) It also appears unlikely, as with the rent increase cap provision, that the owner of a unit in a residential cooperative or a tenancy in common with exclusive occupancy privileges can claim that his or her unit is exempt from the "just cause" requirements of § 1946.2, due to the express requirement that it must be alienable "separate from the title

to any other dwelling unit," since in a cooperative apartment regime, title is held by a nonprofit corporation, not the individual unit owner, and in the case of a tenancy in common, the title is not separate from any other unit even if the owner of an undivided interest in the property has the exclusive right to occupy one of the units under a separate arrangement.

b. Types of Tenancies Affected:

The "just cause" termination or nonrenewal provisions of § 1946.2 apply only after a tenant has "continuously and lawfully occupied a residential real property from 12 months."[59] If there have been additional adult tenants added to the lease before an existing tenant had continuously occupied the property for 24 months, however, then these just cause provisions apply only if (1) all of the tenants have continuously and lawfully occupied the unit for 12 months or more, or (2) one or more of them have continuously occupied the property for 24 months or more.[60]

The term "tenant" is not defined in § 1946.2, but the term "tenancy" is defined as meaning "the lawful occupation of residential real property [including] a lease or sublease."[61] There is no requirement that a tenant or occupant be an actual signatory to the lease in order to meet this standard, nor is there an express requirement that there even be a written lease, only that there be "lawful occupation" of the property. (However, a tenant's assignment or subleasing of the premises in violation of the terms of the lease may be "just cause" for termination, under another provision of the statute.)[62]

In the context of multiple-tenant residential occupancies, where two or more adult tenants are in occupancy of the same unit, additional complications exist under the "just cause" provisions of the statute. This is because the "at fault" eviction standards (some of which involve criminal conduct or other misconduct such as committing waste or allowing a nuisance to occur) may only involve the conduct or activities of a single occupant and not those of the other occupant or occupants. The statute only allows for termination of the "tenancy" of a "tenant" (see § 1946.2, subd. (a)), and clearly contemplates the possibility that more than one tenant may be in occupancy, and only the offending tenant can be terminated or non-renewed while the other tenants may remain in occupancy. This is not simply a semantic issue; earlier drafts of AB 1482 restricted the grounds for termination of the lease, not the "tenancy," without just cause.[63] This language was amended in the final version of AB 1482 to read as it now

does, which is "shall not terminate the tenancy without just cause . . .,"[64] thus clarifying that only a particular tenant's right to occupy may be affected by a particular activity that would otherwise be grounds for termination of the lease as to all of the tenants.

c. Overview of the Just Cause Termination Standards and Relationship to "Nonrenewal" of a Lease:

Probably the most significant aspect of AB 1482 is that it eliminates a residential landlord's right to simply not offer or accept a proposal for renewal of an existing lease in order to terminate an unwanted tenancy. This aspect of the law, embodied in the "just cause" eviction restrictions of § 1946.2, effectively alters the legal relationship between the parties. Ordinarily, a lease is a contract that requires a mutual agreement of the landlord and the tenant.[65] In most other contexts, a landlord can choose not to offer a lease renewal or to accept tenant's request for a lease renewal, whether at the same rent or any other terms, if the landlord chooses not to do so. Although a local ordinance may provide otherwise,[66] ordinarily the parties are free to renew or not renew a lease except where the tenant or landlord has a specific option or right of first refusal to the contrary. A landlord also has the right to evict a tenant at the end of a fixed term lease, because the tenancy automatically expires at the end of the specified term and there is no obligation to offer an extension.[67] In the case of a periodic tenancy (such as a month-to-month tenancy) a specified notice may be required but there is no limitation on the landlord's right to give such a notice in order to bring the tenancy to an end.[68]

The fundamental right of a landlord to allow an existing lease to expire and not offer a renewal has been affirmed many times in the context of tenant options to extend, which are generally enforced strictly against a tenant who fails to exercise the option within the time or in the manner required under the lease.[69] The provisions of § 1946.2 requiring that the landlord have "just cause" to terminate a tenancy disrupt these long-established principles.

Under the new statute, where it applies, a landlord may only terminate an existing tenancy, which includes nonrenewal of the tenancy, for "just cause."[70] The law provides two alternative notions of "just cause." One is "at fault just cause," which consists of various matters that typically would be considered default by a tenant and are discussed separately below.[71] The other type of "just cause" is "no fault just cause," which is also extensively defined in the statute

and allows for certain actions by the landlord to retake possession for its own occupancy, for substantial remodels, to end participation in the rental market, or other specific limited purposes.[72] If neither an "at fault just cause" nor a "no fault just cause" basis for terminating the lease exists, the landlord cannot "terminate the tenancy."[73]

The effect of this is to preclude a landlord from simply refusing to renew a lease, and the only option afforded to a landlord in such circumstances is to offer a continued lease or renewed lease at a rental rate that is in compliance with the rent cap restrictions of § 1947.12 or of any other applicable rent control ordinance, and for a similar period of time and on similar terms and conditions as the existing lease or rental agreement.[74] Except in the limited circumstance of certain "owner move" in, "withdrawal from the rental market," "compliance with habitability orders," or "intent to demolish" grounds for termination, there is no right not to renew without cause; and there is no right to simply "buy out" a tenant because the provisions for paying a tenant's relocation costs and other expenses, or rent waivers, under subdivision (d) of § 1946.2, apply only to such expressly specified grounds for termination.[75] The restrictions on termination or eviction without "just cause," as so defined, are not waivable, and any waiver is void as a matter of law.[76]

d. Termination for "At Fault Just Cause":

Section 1946.2's authorization of landlord's terminations of existing tenancies (if not otherwise exempt from the law) requires the identification of a permissible "at fault" cause for termination.[77] Any notice of termination, whether for "at fault just cause" or "no fault just cause" requires written notice to terminate given to the tenant, and the "just cause" in any case "shall be stated in the written notice to terminate tenancy."[78] In addition, if the just cause for termination is a "curable lease violation," the owner must first give notice of the violation to the tenant with an opportunity to cure the violation pursuant to paragraph (3) of § 1161 of the Code of Civil Procedure. Thereafter, if the violation is not cured within the time frame set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.[79]

The statute contains an unfortunate lack of clarity on the specific procedure to be followed in termination for an "at fault" just cause, because the two-step notice and opportunity to cure followed by a three-day notice, contained in

subdivision (c) of the statute, is not directly linked to the requisite "written notice of termination" that must set forth the "just cause" basis for termination under subdivision (a) of the statute.[80] As a result, the prudent course for a landlord seeking to terminate for "just cause" based on an "at fault" type of just cause is first, to determine whether the basis for termination is a "curable breach" under the lease. If it is a breach of the lease that is not curable, then § 1946.2, subd. (a) would simply require a termination notice to be given in the required manner, including a written statement of the basis for termination, and then the termination could be followed by a three-day notice to quit and summary eviction proceedings if the tenant does not move out voluntarily. On the other hand, if the default is a breach of lease that may be curable, the landlord will need to give, first, a written notice and opportunity to cure, for the minimum period required by the lease or some other law, second, a notice of termination specifying the basis for termination, and then third, if the tenant has not left the premises voluntarily, a further three-day notice to quit followed by summary eviction proceedings. There does not seem to be a reading of the statute that would allow the written notice stating the grounds for termination required under subdivision (a) to be combined with either the written notice and opportunity to cure or the subsequent three-day notice to quit the premises. Unless the statute is clarified, this is potentially an area that cannot be resolved without litigation, if the landlord wishes to avoid a three-step procedure.

The statute also defines the "at fault" grounds for just cause termination, specifying 11 alternative grounds (A) through (K) in subdivision (b)(1) of § 1946.2. These are set forth in the statute as follows:[81]

> (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, 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.

Most of these provisions are self-explanatory. Most noteworthy is Item (E), which indicates that if the written lease of a tenant is terminated after January 1, 2020, the notice of termination cannot be given unless both (1) the landlord has given a tenant a written request or demand to execute a written extension or renewal of the lease, and (2) the terms of the extension or renewal that the landlord offered are "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."[82] Among other things, this provision will require a landlord to weigh very carefully whether a particular form of lease or renewal in fact is on the "same or similar terms" and for a "same or similar duration," and would require the landlord to offer a rental that is within the permissible rent increase cap allowed under § 1947.2, assuming it is applicable.

The landlord is not required to offer a "move out" incentive or any form of rent waiver or monetary payment as a condition of terminating for "at fault just cause" under the above-enumerated provisions. (Such payments and other

incentives may be required for "no fault just cause" as discussed below.) However, as with other portions of this statute, a landlord also cannot require a waiver of any rights under this section, and any such waiver is void as contrary to public policy.[83] This renders the entire "at fault" type of just cause eviction potentially not subject to compromise in the course of an eviction proceeding by monetary payments or other inducements to cause a tenant to leave the premises, if this new statute is given the same type of interpretation as has been applied in cases involving similar settlements under "just cause" eviction ordinances adopted by municipalities.[84]

An additional issue for any "at fault" just cause termination or eviction proceeding will be the provisions of subdivision (g) of § 1946.2, which in some cases allow a local just cause eviction ordinance that is more protective of tenants' rights to trump the provisions of § 1946.2. In such instances, a careful review of the just cause eviction ordinance and the above-referenced "at fault" types of "just cause" identified in the statute will be necessary. This topic is addressed further in section f. of Part 2 of this article, below.

e. "No Fault Just Cause" Terminations:

The statute uses a term, "no fault just cause" to allow terminations of leases despite the absence of a tenant default, lease expiration, or other cause, in a narrowly circumscribed group of circumstances, all of which require the landlord, in addition to providing the requisite notices, to also provide certain monetary payments or credits as a condition of an effective termination of the tenancy. Termination for "no fault just cause" requires, first, a termination notice given under § 1946.2, subdivision (a), which must be a written notice setting forth the "just cause" upon which the landlord is relying. The no fault just cause conditions allowed by the statute are very specifically defined as follows:[85]

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

("Substantially remodel" is further defined, as set forth in a footnote to this article, by § 1946.2, subd. (b)(2)(D)(ii)).[86]

As noted, none of the foregoing grounds for termination "without fault" includes the mere lapse or termination of an existing lease.

f. Compensation and Further Notification Requirements for "No Fault" Just Cause Termination:

The notice of termination specifying the basis for the "no fault" just cause termination[87] also is not effective unless the landlord/owner provides certain rental assistance or other monetary concessions, detailed in the statute, and further notifications to the tenant of the availability of these concessions, or else the notice of termination is void.[88] The law requires "strict compliance" with these requirements and states:

> An owner's failure to strictly comply with this subdivision [i.e., subdivision (d) of § 1946.2 of the Civil Code] shall render the notice of termination void.[89]

The owner, at the owner's option and regardless of the tenant's income, must either "assist the tenant to relocate by providing a direct payment to the tenant, which must be an amount equal to one month of the tenant's rent in effect when the owner issues the notice to terminate"[90]; or else the landlord must expressly waive in writing the payment of rent for the final month of the tenancy prior to the rent becoming due. In the latter event, the notice of termination must state the amount of rent waived and that no rent is due for the final month of the tenancy.[91] On the other hand, if the landlord elects to provide the direct payment of relocation assistance payments, the landlord must provide the amount of relocation assistance within 15 calendar days of service of the notice of termination, and the amount of relocation assistance must be equal to one month of the tenant's rent that was in effect when the owner issued the notice

to terminate the tenancy.[92] There is no provision allowing a landlord to recoup a relocation assistance payment made without a valid "no fault" basis for termination, so most landlords will opt for the rent waiver in lieu of a cash payment.

If the landlord has complied with the requirements giving notice specifying the nature of the basis for the "no fault just cause termination," and actually has met the requirements of one of the four alternative grounds for "no fault just cause termination," and has further included the necessary provisions in the notice concerning relocation assistance or rent waivers, as provided, and actually paid any amounts required, the landlord presumably is in compliance with § 1946.2, subd. (a) and can effectively terminate the lease. However, due to the "strict compliance" requirement of subdivision (4) of subsection 1946.2, subd. (d), if the landlord fails to properly notify the tenant of the compensation (rent waiver or direct payment) or does not make a timely payment of compensation where required, or does not have or specify a lawful "no fault" cause for termination authorized by the statute, the whole notice of termination is void. There is no provision to recoup a rent waiver or payment of relocation assistance if for some reason the landlord's notification or grounds for termination turn out not to be in compliance with the statute. On the other hand, if the landlord has proceeded in compliance with the statute for a valid "no fault" just cause termination reason allowed by the statute, and the tenant then does not vacate after expiration of the notice to terminate, then the actual amount of any relocation assistance or rent waiver provided by the landlord is recoverable as damages in the landlord's action to recover possession.[93] Any relocation or rent waiver that is required under the statute also may be credited against any other relocation assistance required by any other law.[94]

g. Applicability and Operation of Section 1946.2 If There Is A Local "Just Cause Eviction" Ordinance in Effect in the Local Jurisdiction:

As noted at the outset of this article, AB 1482 imposes statewide requirements that apply to all affected residential landlords, leases, and tenancies, and is not dependent on the existence of a local rent control ordinance or a local just cause eviction ordinance for its operation. In those jurisdictions where there is no local rent control or just cause eviction ordinance (which are the vast majority of cities and counties in the state), the procedures and standards whereby a landlord can effect a termination of existing residential tenancies either due to

"no fault just cause" or for "at fault just cause" will be governed by the new statute and the existing applicable state laws governing the relationship between residential landlords and tenants and the eviction process. However, in those jurisdictions where the local municipality has adopted a just cause eviction ordinance, either on a standalone basis or coupled with a specific rent control regime, the determination of the proper procedure and grounds for termination may be considerably more complicated. This is because § 1946.2, subd. (g) contains a convoluted "exemption" from the operation of the remainder of the state statute in jurisdictions where there is a local ordinance requiring just cause for termination of a residential tenancy.

If there was a local ordinance requiring just cause for termination of a residential tenancy that was adopted on or before September 1, 2019, the local ordinance, rather than § 1946.2, is solely applicable,[95] and a residential real property cannot be subject to both a local ordinance requiring just cause for termination and the state law.[96] If the local ordinance is adopted after September 1, 2019, however, then a more complicated evaluation must be made as to whether it or the terms of § 1946.2, subd. (a) will apply. In that event, the local ordinance is not enforceable if it is "less protective" than § 1946.2.[97] If the local ordinance is "more protective" than § 1946.2, then the local ordinance applies.[98] The statute makes an effort to define "more protective," as meaning "if it meets all of the following criteria," and lists them as follows:

(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.[99]

It may be assumed that a local ordinance is "less protective" if it does not meet all of these standards, but this may be a close question in specific instances and will have to be determined on a case by case basis, leaving landlords and tenants in jurisdictions that have local "just cause" eviction or termination ordinances in some level of uncertainty. The law also does not define the term "bind-

ing finding." It seems clear that in order for such a "binding finding" to exist, the local legislative body must amend its existing ordinance to add such an express "finding" or include the finding as part of any new just cause eviction ordinance it adopts. However, there is no specific mechanism to determine what is "binding" nor does the statute indicate whether such a "finding" can be challenged, either by landlords or by tenants.

3. EVALUATION AND DURATION OF AB 1482 AND FINAL COMMENTS:

Both provisions of AB 1482, i.e., the "just cause" termination statute and the "rent increase cap" statute provide that they remain in effect only until January 1, 2030, and as of that date are repealed.[100] Section 1947.12 also contains a recital that it is not intended to expand or limit the authority of local governments to establish local policies regulating rents, nor a statement regarding the appropriate, allowable rental rate increase if the local government adopts a "policy" regulating rent that is otherwise consistent with state law.[101] It specifically provides for the authority of a local government to adopt or maintain rent controls or price controls consistent with the Costa-Hawkins Act (Chapter 2.7 of the Civil Code, sections 1954.50 et seq.) but does not allow rents in violation of that statute.[102]

The tendency of the legislature has been to amend statutes that contain internal sunset dates by later deleting those dates by innocuous legislation that renders a supposedly temporary statute permanent. Whether this will occur with AB 1482, or whether, as seems more plausible in the current political environment, it will be amended further to make its effects even more tenant-protective than the initial statute appears, will remain to be seen. In the meantime, all California residential landlords will need to adapt their leasing, lease renewal, and lease termination or eviction procedures to conform with the new statute. The rent increase cap statute, § 1947.12 also requires the legislative analyst's office to report on the effectiveness of its provisions (and the related provisions of § 1947.13), including any effect on the housing market within the state, on or before January 1, 2030.[103] It may be assumed that unless the legislative analyst's office determines that the rent increase cap provisions effectively suppressed construction of new rental housing in California, a future legislature will be inclined to continue its provisions in effect indefinitely.

It is also possible that this legislation will be the "camel's nose under the tent" leading to even more onerous (from the landlord's perspective) regulation of

residential rental housing businesses in future legislative sessions. Among other things, the numerous areas of both the rent increase cap and the just cause eviction laws that require interpretation or that potentially could lead to disputes in specific cases would suggest a future need for a state or local administrative agency or board to issue regulations and resolve issues without necessitating litigation in every instance.

ENDNOTES:

[1]2019 Cal. Stats., Ch. 597 (AB 1482).

[2]Civ. Code, § 1947.12, subd. (g)(1).

[3]Civ. Code, § 1954.51, subd. (e).

[4]Civ. Code, § 1947.12, subd. (a)(1).

[5]Civ. Code, § 1947.12, subds. (a)(1), (g)(1).

[6]Civ. Code, § 1954.51, subds. (b), (e).

[7]Civ. Code, § 1947.12, subd. (d)(1).

[8]Civ. Code, § 1947.13.

[9]Civ. Code, § 1947.12, subd. (d)(2).

[10]Civ. Code, § 1946.2, subd. (e)(3). See discussion in Section a. of Part 2, of this article, below.

[11]Civ. Code, § 1947.12, subd. (d)(3), (c); also Civ. Code § 1947.12, subd. (k), recognizing local government rent control authority.

[12]Civ. Code, § 1947.12, subd. (d)(4).

[13]See Civ. Code, § 1946.2, subd. (e)(7).

[14]Civ. Code, § 1947.12, subd. (d)(6).

[15]Civ. Code, § 1947.12, subd. (d)(5).

[16]Civ. Code, § 1947.12, subd. (d)(5).

[17]Civ. Code, § 1954.51, subd. (b), as referenced in Civ. Code, § 1947.12, subd. (d)(5).

[18]Civ. Code, § 1947.12, subd. (d)(5)(B).

[19]Civ. Code, § 1947.12, subd. (b).

[20]Civ. Code, § 1947.12, subd. (a)(2).

[21]Civ. Code, § 827, subd. (a).

[22]Civ. Code, § 827, subds. (b)(1), (b)(2).

[23]Civ. Code, § 827, subds. (b)(1), (b)(3).

[24]Civ. Code, § 827, subd. (c).

[25]Civ. Code, § 1947.12, subd. (e).

[26]Civ. Code, § 1947.12, subd. (c).

[27]Civ. Code, § 1947.12, subd. (c).

[28]Civ. Code, § 1947.12, subd. (g)(3).

[29]See, e.g., *Mosser Companies v. San Francisco Rent Stabilization & Arbitration Bd.*, 233 Cal. App. 4th 505, 509, 182 Cal. Rptr. 3d 619 (1st Dist. 2015); *Little v. Guadron*, 187 Cal. App. 3d Supp. 1, 232 Cal. Rptr. 516 (App. Dep't Super. Ct. 1986).

[30]Civ. Code, § 1947.12, subd. (b).

[31]Civ. Code, § 1947.12, subd. (a)(1).

[32]Civ. Code, § 1947.12, subd. (g)(2).

[33]Civ. Code, § 1947.12, subd. (a)(1).

[34]Civ. Code, § 1947.12, subd. (i).

[35]Civ. Code, § 1947.12, subd. (a)(2).

[36]See Civ. Code, § 1947.12, subd. (b).

[37]Civ. Code, § 1947.12, subd. (h)(2).

[38]Civ. Code, § 1947.12, subd. (h)(3).

[39]See Civ. Code, § 1946.2, subd. (g).

[40]See Civ. Code, § 1946.2, subds. (e)(8), (f)(3).

[41]See Civ. Code, § 1946.2, subd. (i)(1).

[42]Civ. Code, § 1954.51, subds. (b), (e).

[43]Civ. Code, § 827, subds. (a), (b).

[44]See Civ. Code, § 1946.2, subd. (e)(1) to (e)(9).

[45]Civ. Code, § 1946.2, subds. (a), (i)(1).

[46]Civ. Code, § 1951.51, subds. (b), (e).

[47]Civ. Code, § 1946.2, subd. (e)(1), referencing Civ. Code § 1940, subd. (b).

[48]Civ. Code, § 1946.2, subd. (e)(2), also referencing Health & Safety Code § 1569.2 with regard to licensed residential care facilities for the elderly, and Chapter 6 of Division 6 of Title 2 of the Manual Policies and Procedures published by the State Department of Social Services, with respect to the definition of "adult residential facility."

[49]Civ. Code, § 1946.2, subd. (e)(3).

[50]Civ. Code, § 1946.2, subd. (e)(5).

[51]Civ. Code, § 1946.2, subd. (e)(6).

[52]Civ. Code, § 1946.2, subd. (e)(7).

[53]Civ. Code, § 1946.2, subd. (e)(9).

[54]Civ. Code, § 1946.2, subd. (e)(8).

[55]Civ. Code, § 1946.2, subds. (e)(8)(A), (B).

[56]Civ. Code, § 1946.2, subd. (e)(8)(B)(i).

[57]Civ. Code, § 1946.2, subds. (e)(8)(B)(ii), (iii). The statute goes on to provide in clause (iv) that such a provision is a "similar provision" for purposes of the provision of the statute governing "new or renewed rental agreement or fixed term lease agreements."

[58]See Civ. Code, § 1946.2, subd. (i).

[59]Civ. Code, § 1946.2, subd. (a).

[60]Civ. Code, § 1946.2, subd. (a).

[61]Civ. Code, § 1946.2, subd. (i)(2).

[62]Civ. Code, § 1946.2, subd. (b)(1)(G). See Civ. Proc. Code, § 1161, subd. (4).

[63]See prior version of Civ. Code, § 1946.2, subd. (a), in Assembly Bill 1482, § 1, as amended in the Senate July 11, 2019.

[64]Civ. Code, § 1946.2, subd. (a), as enacted, stats. 2019, Ch. 597 (AB 1452), § 1.

[65]See 10 Miller & Starr, California Real Estate 4th, § 34:16 (4th ed. 2018).

[66]See Civ. Code, § 1951.31 (pertaining to commercial leases, requiring a "negotiation notice" and a "no obligation" opportunity to negotiate an extension if the local ordinance so provides). See also 10 Miller & Starr, California Real Estate 4th, § 34:261 (4th ed. 2018) (discussing "just cause eviction ordinances" in the context of residential occupancies).

[67]See 10 Miller & Starr, California Real Estate 4th, § 34:175 (4th ed. 2018).

[68]See Civ. Code, §§ 1946, 1946.1; *Vavuris v. Pinelli*, 147 Cal. App. 2d 390, 394, 305 P.2d 149 (1st Dist. 1957); *Dorn v. Oppenheim*, 45 Cal. App. 312, 313, 187 P. 462 (1st Dist. 1919).

[69]See, e.g., *Bekins Moving & Storage Co. v. Prudential Ins. Co.*, 176 Cal. App. 3d 245, 251, 221 Cal. Rptr. 738 (2d Dist. 1985); *Simons v. Young*, 93 Cal. App. 3d 170, 186, 155 Cal. Rptr. 460 (4th Dist. 1979).

[70]Civ. Code, § 1946.2, subd. (a).

[71]See Civ. Code, § 1946.2, subd. (b)(1), discussed at length in section (d) of Part 2 of this Article.

[72]Civ. Code, § 1946.2, subd. (b)(2), discussed in section (e) of Part 2 of this Article.

[73]Civ. Code, § 1946.2, subd. (a).

[74]See Civ. Code, § 1946.2, subd. (b)(1)(E).

[75]Civ. Code, § 1946.2, subd. (d).

[76]Civ. Code, § 1946.2, subd. (h).

[77]Civ. Code, § 1946.2, subds. (b), (c).

[78]Civ. Code, § 1946.2, subd. (a).

[79]Civ. Code, § 1946.2, subd. (c).

[80]See Civ. Code, § 1946.2, subds. (a), (c).

[81]Civ. Code, § 1946.2, subd. (b)(1).

[82]Civ. Code, § 1946.2, subd. (b)(1)(E).

[83]Civ. Code, § 1946.2, subd. (h).

[84]See, e.g., *Carter v. Cohen*, 188 Cal. App. 4th 1038, 1050, 116 Cal. Rptr. 3d 303 (2d Dist. 2010); *Gombiner v. Swartz*, 167 Cal. App. 4th 1365, 1372, 85 Cal. Rptr. 3d 83 (2d Dist. 2008).

[85]Civ. Code, § 1946.2, subd. (b)(2).

[86]See Civ. Code, § 1946.2, subd. (b)(2)(D)(ii), which defines "substantially remodel" as "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."

[87]Civ. Code, § 1946.2, subds. (a), (b)(2).

[88]Civ. Code, § 1946.2, subd. (d)(4).

[89]Civ. Code, § 1946.2, subd. (d)(4).

[90]Civ. Code, § 1946.2, subds. (d)(2), (3)(A).

[91]Civ. Code, § 1946.2, subds. (d)(1)(B), (2).

[92]Civ. Code, § 1946.2, subds. (d)(2), (3)(A).

[93]Civ. Code, § 1946.2, subd. (d)(3)(B).

[94]Civ. Code, § 1946.2, subd. (d)(3)(C).

[95]Civ. Code, § 1946.2, subd. (g)(1)(A).

[96]Civ. Code, § 1946.2, subd. (g)(2).

[97]Civ. Code, § 1946.2, subd. (g)(3) (also providing that if § 1946.2 is repealed, the local ordinance becomes enforceable thereafter).

[98]Civ. Code, § 1946.2, subd. (g)(1)(B).

[99]Civ. Code, § 1946.2, subd. (g)(1)(B).

[100]Civ. Code, §§ 1946.2, subd. (j), 1947.12, subd. (j). The third section added by AB 1482, Civ. Code § 1947.13 also sunsets on the same date, January

1, 2030, under subdivision (c).

[101]Civ. Code, § 1947.12, subd. (k).

[102]Civ. Code, § 1947.12, subds. (k)(2), (3).

[103]Civ. Code, § 1947.12, subd. (f).

