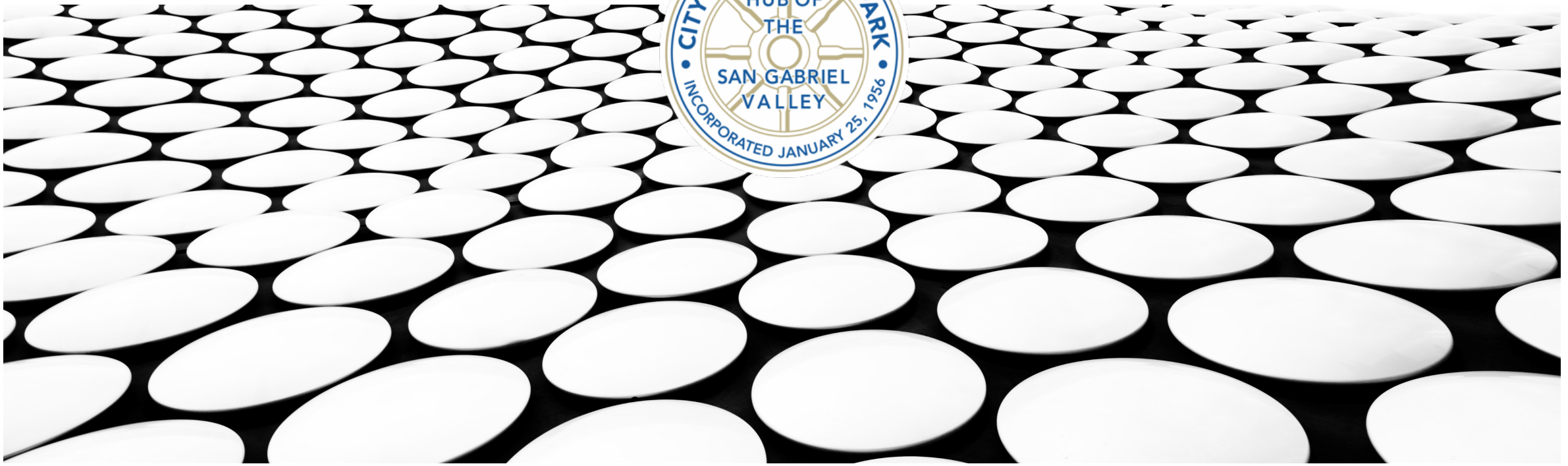
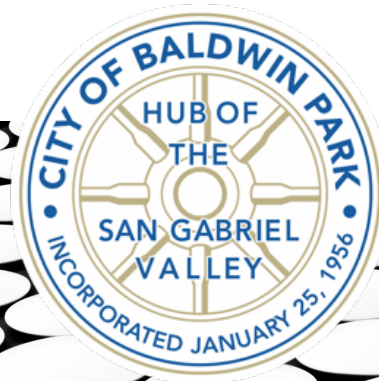


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# RENT CONTROL

CITY OF BALDWIN PARK





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# OVERVIEW OF CALIFORNIA STATEWIDE RENT LAWS

## BIG TICKET ITEMS

- Costa-Hawkins Housing Act
  - Landlord focused
  - Adopted in 1995
- AB 1482
  - Tenant focused
  - Adopted in 2019



# OVERVIEW OF CALIFORNIA STATEWIDE RENT LAWS

## ESTABLISHING THE BASELINE - COSTA-HAWKINS HOUSING ACT

- Civil Code § 1954.50 to 1954.535
- Limits the authority of Local Governments to pass rent control laws
- Applies to Residential Units<sup>1</sup>
- Protects the original occupants and those with the landlord's permission<sup>2</sup>
- General purpose is to allow Landlords to raise rents during vacancy

# OVERVIEW OF CALIFORNIA STATEWIDE RENT LAWS

## RECENT CHANGES - AB 1482

- Just Cause Eviction<sup>1</sup>
  - Applies after 12 months of occupation or 24 months for additional tenants
  - Local Government Just Cause Provisions adopted prior to September 1, 2019 control over Civil Code § 1946.2
  - Local Government Just Cause Provisions adopted or amended after September 1, 2019 must offer more protections than Civil Code § 1946.2
  - Prevents landlords from evicting tenants without “Just Cause”
- Annual rent increase capped at 5% plus local CPI or 10% whichever is lower<sup>2</sup>
- Tenant cannot waive AB 1482 rights

# OVERVIEW OF CALIFORNIA STATEWIDE RENT LAWS

## EXCEPTIONS - AB 1482

- Units constructed in the last 15 years
  - Applies on rolling basis
  - A unit constructed on February 1<sup>st</sup>, 2006 is not covered as of February 1<sup>st</sup>, 2020 but is covered as of February 1<sup>st</sup>, 2021
- Units restricted by affordable housing or similar regulatory restrictions
- Owner occupied duplexes, Privately-owned single-family homes and condominiums
  - Landlord required to notify tenant that AB 1482 does not apply
  - Does not apply to additional dwellings on the same lot



## KEY TAKEAWAYS

- Landlords have a basic right to establish the initial rate on a new tenant after vacancy
- Prohibits Commercial Rent Control
- Prevents Local Governments from forcing landlords to keep a property on the rental market
- Landlords need “Just Cause” to evict
- Rent increase capped at 5% plus CPI or 10% whichever is lower until 2030



# OVERVIEW OF LOS ANGELES COUNTY RENT LAWS

## TWO CATEGORIES OF COVERED UNITS

- Fully covered
  - “Just Cause” protections
  - Rent increase protections
- Partially covered
  - “just Cause” protections only





## **KEY TAKEAWAYS**

**Only applies to Dwelling units within the unincorporated areas  
of Los Angeles County<sup>1</sup>**



# OVERVIEW OF THE CITY OF BALDWIN PARK RENT STABILIZATION

## ORDINANCE 1447 – GENERALLY

- Applies to all residential units built prior to January 1<sup>st</sup>, 1995
- Major Exceptions<sup>1</sup>
  - Mobile homes and spaces
  - Duplexes
  - Trailers and Trailer spaces
  - Single family homes
  - Transient housing
- Lease contracts cannot waive provisions of the ordinance



# OVERVIEW OF THE CITY OF BALDWIN PARK RENT STABILIZATION

## ORDINANCE 1447 – RENT INCREASES

- Base Rent
  - Rent in effect 1 year prior to ordinance or initial rent charged
- Rent Increases
  - Increases capped at CPI
  - Maximum of 3% during any 12-month period
  - Landlord may always increase 1% in a 12-month period even if CPI is lower



# OVERVIEW OF THE CITY OF BALDWIN PARK RENT STABILIZATION

## ORDINANCE 1447 – LANDLORDS

- Posting
  - Landlord required to post maximum rent for each unit
- Registration Fee
  - \$28.00 per unit
- Landlords may petition for additional increase
- Landlords may petition to pass through improvement costs



# OVERVIEW OF THE CITY OF BALDWIN PARK RENT LAWS

## ORDINANCE 1447 – JUST CAUSE EVICTION

- Just Cause Eviction<sup>1</sup>
  - Applies to all residential units
  - Prevents landlords from evicting tenants without “Just Cause”
- Relocation and moving expenses for tenants in good standing at time of eviction<sup>2</sup>
- Tenant cannot waive AB 1482 rights

# OVERVIEW OF THE CITY OF BALDWIN PARK RENT LAWS

## ORDINANCE 1447 – PENALTIES

- Failure to post
  - \$250.00 per day fine after 7<sup>th</sup> day
- Failure to Register
  - 150% of fee (\$42.00)
- Unlawful demand for increases
  - Civil liability to tenant
  - Civil penalty of 3X unlawful amount demanded or received<sup>1</sup>
- Misdemeanor to willfully violate ordinance<sup>2</sup>

# COVID-19 RESPONSE

## FEDERAL RESPONSE

- Center for Disease Control issues order temporarily halting evictions for non-payment of rent<sup>1</sup>
- Expires on January 31, 2021<sup>2</sup>
- Applies to all residential property
- Does not apply where State or Local Government offer the same or greater protection
- Requires Tenant to fill out a CDC form and give the form to the landlord<sup>3</sup>
- Landlord can continue to charge late fees, penalties, interest, and collection fees
- Imposes severe criminal penalties on Landlords<sup>4</sup>



# COVID-19 RESPONSE

## CALIFORNIA STATEWIDE RESPONSE – AB3088

- Protects tenants who are financially impacted by Covid-19
- Eviction protection adds additional barriers for non-payment of rent
- Landlords are still allowed to provide eviction notice to tenants each month
- Rent increases are banned for tenants who are protected
- Imposes criminal penalties for violations<sup>1</sup>
- Imposes limits on local moratoriums<sup>2</sup>





## **COVID-19 RESPONSE**

### **CALIFORNIA STATEWIDE RESPONSE – AB3088**

- “Just Cause” protections of AB1482 extended to all residential units
- Demolition of unit under “Just Cause” must be necessary
- Single Family home and Condos with pending sales to an owner who intends to occupy are exempt
- Landlords cannot collect past due rent until March 1, 2021
- Unpaid rent is converted into consumer debt and collectable in small claims court
- In December, legislation was introduced to extend protections into 2022
- Rent divided into two categories

# COVID-19 RESPONSE

## CALIFORNIA STATEWIDE RESPONSE – AB3088

### Protected Time Period Rent

- Rent incurred between March 1, 2020 and August 31, 2020
- Tenant must provide documentation of COVID impact to landlord on request if tenant makes \$100,000 or 130% of local median income
- ALL unpaid rent during this period is consumer debt collectable after March 1, 2021
- Additional provisions regarding stopping eviction for past due in this time period have lapsed

### Transitional Time Period Rent

- Rent incurred between September 1, 2020 and January 31, 2021
- Tenant entitled to 15 days notice before eviction for non-payment of rent<sup>1</sup>
- During 15 days, tenant can provide a declaration which demonstrates financial distress due to COVID to stop eviction
- Tenant must pay 25% of the rent due<sup>2</sup>
- ALL unpaid rent during this period is consumer debt collectable after March 1, 2021

# COVID-19 RESPONSE

## CITY OF BALDWIN PARK RESPONSE

- March 17, 2020
  - Halt eviction for tenants impacted by COVID
  - Only applies to non-payment of rent
  - Tenant must provide documents to landlord
  - No late fees or collection fees
  - No set expiration date
- April 2, 2020
  - No rent increases for units covered by Ordinance 1447
  - Expires at the end of COVID Emergency
- April 15, 2020
  - Halt eviction for residential and commercial units impacted by COVID
  - Only applies non-payment of rent
  - Tenant must produce documents to landlord seven days prior to the day rent is due to receive protection

# COVID-19 RESPONSE SUMMARY

## Federal Response

- CDC halts all evictions
- Applies to all residential units
- Only Applies to non-payment of rent by tenant
- Requires Tenant to serve CDC form on Landlord
- Criminal Penalties if violated
- Does not apply where state or local government acts

## California State Response

- AB3088 halts eviction of tenants affected by COVID
- Freeze rent for affected tenants
- Tenants have 15 days to respond to eviction notice
- Must pay 25% of rent due from Sept through January
- Past rent collection begins March
- General protections expire on January 31, 2021

## Local Response

- Evictions halted for non-payment with burden on tenant to notify landlord
- Applies to residential and commercial units
- No late fees or collection fees for residential units
- No rent increases for units covered by Ordinance 1447
- Expires at the end of COVID Emergency\*

## ORDER OF LAWS TO APPLY

1. Do the local COVID-19 Regulations apply?
2. Does AB3088 apply?
3. Does the CDC Order apply?
4. Does Ordinance 1447 apply?
5. Does AB1482 apply?
6. Does the Costa-Hawkins Housing Act apply?

