

### Homelessness Prevention Project

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## Homelessness Prevention Project (HPP)

A Project of:

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### RENT INCREASES



#### WHEN CAN A LANDLORD INCREASE THE RENT?

When a landlord can increase the rent depends on the type of lease you have and whether certain protections apply.

- For a fixed term lease, a landlord cannot increase the rent during the terms of the lease.
- Once a fixed term lease expires, they may increase the rent as part of the terms of a renewal of the lease.
- For a month-to-month tenancy a landlord can increase the rent as long as proper notice is given and they don't violate any statutory protections.



#### HOW MUCH CAN A LANDLORD INCREASE THE RENT?

The key question to answer for this is whether the Tenant Protection Act's (TPA) Rental Protection Applies.

- If the protection does not apply, then the landlord can theoretically increase the rent as much as they want.
- Proper notice must still be given and the amount of the increase can affect the type of notice.
- For quick reference: if the increase is greater than 10% of the lowest amount in the last 12 months, then a 90-day notice is required.
- Otherwise only a 30-day notice is required.



## WHAT ARE THE PROTECTIONS OF THE TPA? (CIVIL CODE 1947.12)

- A landlord cannot increase the rent more than 2 times within a 12-month period.
- The maximum the rent can be increased is either based on a formula or 10%, whichever is lower.
- If the TPA applies, any rent increase over 10% is facially invalid.
- The formula that is used is 5% plus the cost of living increase for the area.
- Source of cost of living is either:

  <a href="https://www.bls.gov/regions/west/california.htm">https://www.bls.gov/regions/west/california.htm</a> OR

  <a href="https://www.dir.ca.gov/OPRL/capriceindex.htm">https://www.dir.ca.gov/OPRL/capriceindex.htm</a>



## WHAT ARE THE EXCEPTIONS TO THE TPA'S RENTAL PROTECTION?

Generally, the TPA's Rental Protection applies unless one of its listed exceptions apply. The most common exceptions are listed:

- Government Assisted Housing
- Dormitories associated specifically with a college (on-campus housing)
- Housing built relatively recently (Certificate of Occupancy issued within last 15 years)



## What are the Exceptions to the TPA's Rental Protection? (Continued)

- Owner occupied duplex where the Duplex is the principal place of residence for the owner.
- Single-Family Homes or Condominiums that meet the following criteria:
  - The owner must not be a corporation, real estate investment trust, or an LLC in which at least one member is a corporation
  - The tenant must have been informed, using specific language, either by notice or in the lease that the property is excepted.
  - THIS IS COMPLICATED! We recommend contacting CCLS to assist with determining if the TPA applies.



### **NOTICES**



#### WHAT ARE NOTICES?

If there's an issue or the landlord is attempting to change the terms of a lease for a month-to-month tenancy, a notice is required

- There are many types of notices
- We will go over them in detail but here are the types of notices you would expect to see:
- 3-Day Notice to Pay Rent or Quit, 3-Day Notice to Perform or Quit, 3-Day Notice to Quit
- 30-Day Notice, 60-Day Notice to Quit, 90-Day Notice to Quit.



#### WHAT ARE NOTICES? (CONTINUED)

Tenants must comply with valid notices.

- If a tenant doesn't comply with a valid notice, they will be in violation of that notice.
- The landlord can then use that notice as the basis of an Unlawful Detainer or send a new notice based on that specific violation.
- The Unlawful Detainer case is the beginning of the eviction process.



#### 3-DAY NOTICE TO PAY RENT OR QUIT

- Notice specific to pay past rent owed.
- Required to pay amount owed or leave the property within 3 court days (does not include weekends or holidays)
- Amount in notice cannot include late fees.
- For rent requested from between March 1, 2020 and September 30, 2021, a 15-Day Notice is required instead.
- Additional protections due to COVID-19 and rent relief money are available.



#### 3-DAY NOTICE TO PERFORM OR QUIT

- Notice given to fix a lease violation
- Examples: violation of no pet lease agreement, area controlled by the tenant not clean, etc.
- Tenant has 3 calendar days to fix the issue or leave the property
- Notice must be specific with regards to what rule was violated and in what manner.
- Tenant can alleviate notice by complying with the relevant rule and fixing the issue.



#### 3-DAY NOTICE TO QUIT

- Notice for more serious violation or failure to perform as required by a previous 3-Day Notice to Perform.
- Must be specific with regards to violations and specific incidents of violation.
- Example of more serious violation that ignores 3-Day to cure: Criminal Activity
- Only option for tenant is to either move out or fight the eventual Unlawful Detainer.



#### 30-DAY OR 90-DAY NOTICE OF RENT INCREASE

- As previously mentioned, in order for a landlord to increase the rent for a month-to-month tenancy, they need to give proper notice.
- Only a 30-Day Notice is needed if the rent increase is less than 10%.
- If the rent increase is greater than 10% then a 90-Day Notice of Rent Increase is required.
- If the Rent Increase and the Notice are valid, then the tenant must either move out before the rent increases or comply with the increased rent.



#### **30-DAY NOTICE OF CHANGE OF TERMS**

- More commonly referred to as just a 30-Day Notice.
- For a month-to-month tenancy, the landlord can change the terms upon a 30-Day Notice.
- Change of terms go into effect when the 30-Day Notice expires.
- Tenant must either move-out or comply with any rules changes that occur due to the 30-Day Notice.
- Terms CANNOT be changed for a fixed term lease. Those terms are set in the lease for the entire time period.



#### 30-DAY, 60-DAY, AND 90-DAY NOTICE OF QUIT

- If the landlord wants to end the tenancy, they must give proper notice of their intent to end the tenancy.
- If the tenant has lived there less than a year, only a 30-Day Notice is required.
- If the tenant has lived there longer than a year, the TPA Just Cause provisions may apply and add additional requirements.
- If the TPA Just Cause provisions may apply, we recommend you contact CCLS to confirm the situation as there are more exceptions to the Just Cause requirement than the rent increase provision.



#### 30-DAY, 60-DAY, AND 90-DAY NOTICE OF QUIT

- Whether the TPA Just Cause provision applies or not, a tenant who has lived on the property for longer than a year is entitled to a 60-Day Notice to quit.
- If the TPA Just Cause Provision applies, they must also list a valid just cause reason within the Notice.
- For tenants in Section 8, they are entitled to a 90-Day Notice to quit.
- If the notice is valid, tenants must be out by the date the notice expires or they will face an Unlawful Detainer case to remove them.



#### TENANCY AT WILL

- If a tenant is a person who is given exclusive control
  of their tenancy but not paying rent, they can be
  what's called a "Tenancy at Will."
- Common example is a family member staying at a home by themselves and not paying rent.
- For a Tenancy at Will, only a 30-Day Notice to Quit is required, regardless of how long they have lived on the property.



### QUESTIONS AND ANSWERS



# THANK YOU FOR JOINING US! Central California Legal Services

**Homelessness Prevention Project** 

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