



WHEN YOU HAVE DECIDED TO RENT

Before signing a rental agreement or a lease, the parties should read it carefully so that each party understands all of its terms. What kind of terms should be included in the rental agreement or lease? Can the rental agreement or lease limit the basic rights that the law gives to all tenants? How much can the landlord require you to pay as a security deposit? This section answers these and other questions.

WHAT THE RENTAL AGREEMENT SHOULD INCLUDE

Most landlords use printed forms for their rental agreements, however, printed forms may vary from form to form. *There is no standard rental agreement.* Some agreements may have terms that are only invoked through the checking of a box, placing a party's initials or otherwise marking the agreement. Also, some sections may require filling in one or more blanks before a term is complete and understandable. Therefore, carefully read and understand the entire document before signing it. And make sure you are given a complete and exact copy to keep before signing it. Do not sign an agreement on which any relevant blanks are not completed.

The written rental agreement should contain all of the promises that the landlord or the landlord's agent has made to you and should not contain anything that contradicts what the landlord or the agent told you. If the rental agreement refers to a separate document, such as "tenant rules and regulations," get a copy and read it before you sign the written agreement.

Do not feel rushed into signing. Make sure that you understand every term before signing the rental agreement. If you do not understand something, ask the landlord to explain it to you. If you still do not understand, discuss the agreement with an attorney, legal aid organization, tenant-landlord program, or housing clinic before signing it.

Key terms

The written rental agreement should contain key terms, such as the following:

- The names of the landlord and the tenant.
- The address of the rental unit.
- The amount of the rent.
- When the rent is due, to whom it is to be paid, and where it is to be paid.
- The amount and purpose of the security deposit.
- The amount of any late charge or returned check fee.
- Whether pets are allowed. The law does not treat assistance animals and service animals as pets.
- The number of people allowed to live in the rental unit.
- Whether attorney's fees can be collected from the losing party in the event of a lawsuit between you and the landlord.
- Who is responsible for paying utilities (gas, electric, water, and trash collection).⁸⁹
- If the rental is a house or a duplex with a yard, who is responsible for taking care of the yard.
- Any promises by the landlord to make repairs, including the date by which the repairs will be completed.
- Contact information for reporting problems or necessary maintenance or repairs, including an emergency number.
- Other items, such as whether you can sublet the rental unit and the conditions under which the landlord can enter the rental unit.

In addition, the rental agreement must disclose:

- The name, address, and telephone number of the authorized manager of the rental property and an owner (or an agent of the owner) who is authorized to receive legal notices for the owner

- If you may make your rent payment in person, the rental agreement must state the usual days and hours that rent may be paid in person. Or the document may state the name, street address, and account number of the financial institution where rent payments may be made (if it is within five miles of the unit) or information necessary to establish an electronic funds transfer for paying the rent.
- The form in which rent payments must be made (for example, by check or money order).⁹⁰ Except when there has been an issuance of a 3-Day Notice to Pay Rent or Quit or a dishonored payment instrument, the landlord cannot require that you make rent payments in cash, or by electronic funds transfer, without offering other options.⁹¹ A tenant should never pay rent in cash without getting a receipt every single time.
- Certain required disclosures, including bed bugs and flood hazards.⁹²

If the rental agreement is oral, the landlord or the landlord's agent must give the tenant, within 15 days, a written statement containing the information in the foregoing three bullet points. The tenant may request a copy of this written statement each year thereafter.⁹³

Every rental agreement also must contain a written notice that the California Department of Justice maintains a website at www.meganslaw.ca.gov that provides information about specified registered sex offenders. This notice must contain the legally required language.⁹⁴

A rental agreement may contain other terms. Examples include whether you must park your car in a certain place, pool or clubhouse hours, whether storage is available, or when quiet hours begin. A landlord may lawfully prohibit smoking anywhere on the rental property. If the landlord chooses to do so, then the rental agreement must specify where on the property smoking is prohibited. If a landlord chooses to prohibit smoking after a rental agreement is entered into, the landlord must provide you with adequate notice of this change.⁹⁵ A landlord cannot prevent you from posting political signs involving, for instance, noncommercial messages associated with people or issues up for public vote. As long as the sign is less than six square feet in size and is not otherwise prohibited by law, it may be posted. If no local ordinance gives time limits for how long you may post the sign, your landlord may establish a reasonable time limit for the posting and removal of the sign. A "reasonable" time period means at least 90 days before the election or vote to which the sign refers and at least 15 days after.⁹⁶

It is important that you understand all of the terms of your rental agreement before you sign it. If you do not comply with them, the landlord may have grounds to evict you.

Do not sign a rental agreement if you think that its terms are unfair or you believe that one or more terms violate the law. If a term does not fit your needs, try to negotiate a more suitable term (for example, a smaller security deposit or a lower late fee). It is important that any agreed-upon change in terms be included in the rental agreement that both you and the landlord sign. If you and the landlord agree to change a term in the rental agreement, the change can be made in handwriting. Both you and the landlord should initial or sign in the area immediately next to the change to show your approval of the change. Alternatively, the document can be retyped with the new term included therein but will need to be signed by all the parties.

If you do not agree with a term in the rental agreement and cannot negotiate a better term, carefully consider the importance of the term, and decide whether or not you want to sign the document.

The owner of the rental unit or the person who signs the rental agreement on the owner's behalf must give you a copy of the document within 15 days after you sign it.⁹⁷ Be sure that your copy shows the signature of the owner or the owner's agent, in addition to your signature. Keep the document in a safe place and do not ever discard it. A good idea is to email a scanned copy to yourself. Tenants are also entitled to receive one copy of the lease from the landlord every calendar year upon request.

Alterations to Accommodate a Tenant with a Disability

Under fair housing laws, housing providers must make reasonable exceptions to neutral policies, practices or services, or to make certain reasonable physical modifications when necessary to provide persons with disabilities an equal opportunity to use and enjoy a dwelling. A reasonable accommodation could include changing the rental due date or waiving a no animals policy in order to allow a service or emotional support animal to reside in the unit. A landlord must also allow a tenant with a disability to make *reasonable* modifications - physical changes - to the premises to the extent necessary to allow the tenant "full enjoyment of the premises."⁹⁸ Except at properties that receive 'federal financial assistance', as that term is defined by law, the *tenant* must pay for the modifications.

However, the landlord is required to make structural modifications if required by a separate provision of the law related to structural access standards. It is important to recognize that a modification is distinct from a reasonable accommodation - a change to a policy or practice - which the property owner cannot charge for, even if they involve some costs. As a condition of making certain modifications, the landlord may require the tenant to enter into an agreement to restore the interior of the rental unit to its previous condition at the end of the tenancy. Yet, most modifications will not require restoration. The landlord cannot require an additional security deposit in this situation. However, the landlord can require that some form of financial guarantee be put in place that is sufficient to pay for the properly required restoration. This can take the form of requiring that the tenant pay into an interest bearing escrow account, over a reasonable period, a reasonable amount of money not to exceed the cost of the restorations, where the interest in any such account shall accrue to the benefit of the tenant.⁹⁹

Assistance animals and service animals, used by persons with disabilities as a reasonable accommodation for a disability, are not pets and are not subject to a no pets policy. A refusal to make reasonable accommodations in rules, policies, practices, or services when these accommodations may be necessary to afford a person with disabilities equal opportunity to use and enjoy a dwelling, violates fair housing laws.

For more information on reasonable accommodations, review

https://www.justice.gov/sites/default/files/crt/legacy/2010/12/14/joint_statement_and

https://www.hud.gov/sites/documents/reasonable_modifications_mar08.pdf.

Tenant's basic legal rights

Tenants have basic legal rights that are always present, no matter what the rental agreement states. These rights include all of the following:

- Limits on the amount of the security deposit that the landlord can require you to pay.
- As of January 1, 2020, most rental units are covered by the Tenant Protection Act which places a cap on annual rent increases equal to 5% plus inflation, or 10%, whichever is lower, and no more than two rental increases within a 12-month period.¹⁰⁰ Tenants living in cities with rent stabilization programs might have additional rent protections available to them. See Appendix 2 in this guidebook for a comprehensive list of California cities and counties with rent stabilization protections.
- Limits on the landlord's right to enter the rental unit.
- The right to a refund of the security deposit, or a written accounting of how any of it was used by the landlord, after you move out.
- The right to sue the landlord for violations of the law, or your rental agreement.
- The right to repair serious defects in the rental unit and to deduct certain repair costs from the rent, under appropriate circumstances, provided the tenant gives the landlord reasonable advance notice.
- The right to withhold rent under appropriate circumstances.
- Rights under the warranty of habitability.
- The right to the implied rental agreement covenant of 'quiet enjoyment'.
- Protection against retaliatory eviction.
- Most tenants are protected from being evicted without "just cause", which means that the landlord must have a valid legal reason for an eviction (see AB 1482 & control).
- Right to request a reasonable accommodation.
- Right to fair housing rights and protections against unlawful discrimination.

These and other rights will be discussed throughout the rest of this booklet.

The duty of good faith and fair dealing

Every rental agreement requires that the landlord and tenant deal with each other fairly and in good faith. Essentially, this means that both the landlord and the tenant must treat each other honestly and reasonably. This duty of good faith and fair dealing is implied by law in every rental agreement even though the duty is typically not expressly stated in the agreement. A typical legal description of the implied covenant of good faith and fair dealing is that neither party will do anything that will unreasonably interfere with the right of the other party to receive the benefits of the agreement. To put it another way, the implied covenant imposes upon each party the obligation to do everything that the contract presupposes they will do to accomplish its purpose.¹⁰¹

LANDLORD'S DISCLOSURES

There are many state-wide disclosures landlords are required by law to make prior to the tenancy commencing. There may be other local disclosure requirements depending on the city or county in which the rental unit is located. These required disclosures often show up as Addendums or Attachments to lease agreements. Here are some you may encounter.

Lead-based paint

If the rental unit was constructed before 1978, the landlord must comply with all of the following requirements:

- The landlord must disclose the presence of known lead-based paint and lead-based paint hazards in the dwelling before the tenant signs the rental agreement.¹⁰² The landlord must also give the tenant a copy of the federal government's pamphlet, "Protect Your Family From Lead in Your Home" (available by calling (800) 424-LEAD, or online at

<https://www.epa.gov/lead/protect-your-family-lead-your-home>), before the tenant signs the rental agreement.¹⁰³

- The landlord is not required to conduct any evaluation of the lead-based paint, or to remove it.¹⁰⁴
- The rental agreement must contain a lead warning statement in legally-required language.¹⁰⁵
- The landlord also must give tenants and potential tenants a written Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards¹⁰⁶

Periodic pest control treatments

A pest control company must give written notice to the landlord and tenants of rental property regarding pesticides to be used when the company provides an initial treatment as part of an ongoing pest-control service contract. The landlord must give a copy of this notice to every new tenant who will occupy a rental unit that will be serviced under the service contract. If the landlord fails to do so, the new tenant might be able to sue the landlord for costs incurred, moving costs, and an additional penalty of up to \$2,500.¹⁰⁷

Bed Bugs

Prior to creating a new tenancy for a dwelling unit, a landlord must provide a written notice to a prospective tenant about bed bugs. The required notice must include general information about bed bug identification, behavior and biology, the importance of cooperation for prevention and treatment, and the importance of, and for prompt written reporting of, suspected infestations to the landlord. If a landlord suspects that a rental unit contains bed bugs, or if they somehow learn of a possible bed bug infestation, the landlord must inspect the rental unit for bed bugs.¹⁰⁸ If bed bugs are found, a landlord cannot show, rent or lease the rental unit until the bed bugs are eradicated.¹⁰⁹

Asbestos

Residential property built before 1981 may contain asbestos. Landlords of properties built before 1981 must disclose the presence of asbestos whenever they discover or reasonably suspect the presence of asbestos at the property.¹¹⁰

Carcinogenic material

In 1986, California voters approved the Safe Drinking Water and Toxic Enforcement Act of 1986 (known as “Proposition 65”). The act requires any person or entity with 10 or more employees to provide a warning of possible exposure to chemicals (listed by the State of California) that cause cancer, birth defects or other reproductive harm if that person or entity knows or suspects the chemical is present at a workplace, business or rental housing. Examples of listed chemicals include, but are not limited to, arsenic, asbestos, benzene, and lead. For landlords with 10 or more employees, the landlord must provide the notice in one or more conspicuous locations at the rental property to warn tenants, prospective tenants and others of possible exposure to the listed chemical. For more information, please visit the State of California’s Proposition 65 website at <https://www.p65warnings.ca.gov/>.”

Methamphetamine contamination

Residential property that was used for methamphetamine production may be significantly contaminated.

A local health officer who inspects a rental property and finds that it is contaminated with a hazardous chemical related to methamphetamine laboratory activities must issue an order prohibiting the use or occupancy of the property. This order must be **served** on the property owner and all occupants. The owner and all occupants then must vacate the affected units until the officer sends the owner a notice that the property requires no further action.

The owner must give written notice of the health officer’s order and a copy of it to potential tenants who have completed an application to rent the contaminated property. Before signing a rental agreement, the tenant must acknowledge in writing that they received the notice and

order. The tenant may void (cancel) the rental agreement if the owner does not comply with these requirements. The owner must comply with these requirements until they receive a notice from the health officer that the property requires no further action.¹¹¹

Demolition permit

The owner of a dwelling who has applied for a permit to demolish the dwelling must give written notice of this fact to a prospective tenant *before* accepting any fee from the tenant or entering into a rental agreement with the tenant. (The owner must give notice to current tenants, including tenants who have yet to move in, before applying for a permit.) The notice must state the earliest approximate date that the owner expects the demolition to occur, and that the tenancy will end.¹¹²

Military base or explosives

A landlord who knows that a rental unit is within one mile of a closed military base in which ammunition or military explosives were used must give written notice of this fact to a prospective tenant. The landlord must give the tenant this notice before the tenant signs a rental agreement.¹¹³

Death in the rental unit

California law requires a landlord to disclose to a prospective tenant a death and the manner of such death that occurred at the rental unit within the last three years. The landlord is not required to disclose that an occupant of the rental unit was living with human immunodeficiency virus (“HIV”) or died from AIDS-related complications. The law does not protect an owner, however, from liability for making any intentional misrepresentations in response to a direct inquiry from a prospective tenant who asked about a death at the rental unit.¹¹⁴

Condominium conversion project

A rental unit may be in a condominium conversion project. A condominium conversion project is an apartment building that has been converted into condominiums or a newly constructed condominium building that replaces demolished residential housing. Before the potential tenant signs a rental agreement, the owner or subdivider of the condominium project must give the tenant written notice that:

- The unit has been approved for sale, and may be sold, to the public, and
- The tenant’s rental agreement may be terminated (ended) if the unit is sold, and
- The tenant will be informed at least 90 days before the unit is offered for sale, and
- The tenant normally will be given a first option to buy the unit.

The notice must be in legally required language. This notice requirement applies only to condominium conversion projects that have five or more dwelling units and that have received final approval.¹¹⁵ If the notice is not given, the tenant may recover actual moving expenses not exceeding \$1,100 and the first month’s rent on the tenant’s new rental unit, if any, not to exceed \$1,100. These notice provisions do not apply to projects of four dwelling units or less, or as a result of transfers due to: court order (including probate proceedings), foreclosure proceedings, or trusts.¹¹⁶

In some cities, additional requirements for condominium conversion may apply, or certain types of condominium conversions may be prohibited.

Flood Hazard

In all rental agreements entered into after July 1, 2018, if the owner has actual knowledge that the rental unit is located in a flood hazard zone, the landlord must disclose to the tenant that they live in a special flood hazard area or an area of potential flooding.¹¹⁷

Megan's Law

A landlord must include the following language in every rental agreement: "Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides."¹¹⁸

BASIC RULES GOVERNING SECURITY DEPOSITS

At the beginning of the tenancy, the landlord can, and most likely will, require you to pay a **security deposit**. The landlord can use the security deposit, for example, if you move out owing rent, damage the rental unit beyond normal wear and tear, or leave the rental unit less clean than when you moved in.¹¹⁹

Under California law, a rental agreement cannot say that a security deposit is nonrefundable.¹²⁰ This means that when the tenancy ends, the landlord must return to you any payment that is a security deposit, *unless* unless the landlord uses the deposit for a lawful purpose.

Almost all landlords charge tenants a security deposit. The security deposit may be called last month's rent, security deposit, pet deposit, key fee, or cleaning fee. The security deposit may be a combination, for example, of the last month's rent plus a specific amount for security. But note that if a tenant is living with a service or emotional support animal, they cannot be charged a separate pet deposit. No matter what these payments or fees are called, the law considers them all, as well as any other deposit or charge, to be part of the security deposit.¹²¹ The one exception to this rule is stated in the next paragraph. Tenants should not believe that they have somehow pre-paid their last month's rent if the landlord has used this term with respect to the security deposit. The landlord will almost always be able to insist a tenant pay rent for their last month or partial portion thereof.

EXCEPTION: The law allows the landlord to require a tenant to pay an application screening fee, *in addition* to the security deposit.¹²² The application screening fee is *not* part of the security deposit. However, any other fee charged by the landlord at the beginning of the tenancy to cover the landlord's costs of processing a new tenant *is* part of the security deposit.¹²³ Here are examples of the two kinds of fees:

- **Application screening fee**—A landlord might charge you an application screening fee to cover the cost of obtaining information about you, such as checking your personal references and obtaining your credit report. The application screening fee is *not* part of the security deposit. Therefore, it is not refundable as part of the security deposit.

The law limits the total amount that the landlord can require you to pay as a security deposit. The total amount allowed as security depends on whether the rental unit is unfurnished or furnished and whether you have a waterbed.

- **Unfurnished rental unit:** The total amount that the landlord requires as security cannot exceed *two months' rent*. If you have a waterbed or any other liquid-filled bedding, the total amount allowed as security can be up to two-and-a-half times the monthly rent.
- **Furnished rental unit:** The total amount that the landlord requires as security cannot exceed *three months' rent*. If you have a waterbed or any other liquid-filled bedding, the total amount allowed as security can be up to three-and-a-half times the monthly rent.
- The foregoing maximum security deposit amounts may be reduced by one month's rent if the tenant's household consists only of a service member and any of their spouse, parent, domestic partner, or dependents. Service members with a poor credit or tenant history may be charged up to the regular maximum deposit amount. The landlord can require you to pay the first month's rent *in addition* to the security deposit.¹²⁴ If you choose to pay in cash, which is not recommended, be sure to get a receipt at the time you make the payment. The above security deposit limitations and rules also apply to family child care homes.

Security deposit examples:

- Suppose that you agreed to rent an unfurnished apartment for \$1,000 a month. Before you move in, the landlord can require you to pay up to two times the amount of the monthly rent as a security deposit ($\$1,000 \times 2 = \$2,000$). The landlord also can require you to pay the first month's rent of \$1,000, plus an application screening fee of up to \$52.46, in addition to the \$2,000 security deposit. This is because the first month's rent and the application screening fee are not part of the security deposit.
- Suppose the landlord requires you to pay \$2,000 security deposit (the maximum allowed by law for an unfurnished unit when the rent is \$1,000). The landlord cannot then add to this \$2,000 deposit additional deposit fees such as another \$200 cleaning fee, \$25 key deposit, \$50 mail box deposit fee, or other similar fees. The \$2,000 plus the added fees would be prohibited by state law.

A landlord cannot require that a security deposit is nonrefundable.¹²⁵ However, when you move out of the rental, the law allows the landlord to keep all or part of the security deposit for the following:

- You owe rent;
- You leave the rental less clean than when you moved in;
- You damaged the rental beyond normal wear and tear;
- You have made alterations and did not return the unit to the original condition; or
- You fail to restore personal property (such as keys or furniture), other than because of normal wear and tear.

If none of these circumstances are present, the landlord must return the entire amount that you paid as security. However, if you left the rental very dirty or damaged beyond normal wear and tear, for example, the landlord can keep an amount that is reasonably necessary to clean or repair the rental.¹²⁶ Deductions from security deposits and the time periods when the landlord must notify the tenant of any deductions are discussed in detail later in this booklet.

Make sure that your rental agreement clearly states that you paid a security deposit to the landlord and correctly states the amount that you paid. Most landlords will give you a written receipt for all amounts that you pay as a security deposit. Keep a copy of both the receipt, if any, and your rental agreement in case of a dispute.¹²⁷

California law provides survivors of domestic violence, sexual assault, human trafficking, stalking, or elder/dependent adult abuse the ability to terminate their lease early without penalty. A landlord may not charge a tenant a penalty for breaking their lease, regardless of what is stated in their lease, if the tenant is breaking their lease because of domestic violence, sexual assault, human trafficking, stalking, or elder/dependent adult abuse. The tenant must tell the landlord in writing that they are ending the rental agreement early because of the domestic violence, sexual assault, human trafficking, stalking, or elder/dependent adult abuse they've experienced, and provide the landlord a copy of a restraining order no more than 180 days old, a police report no more than 180 days old, or a statement from a qualified third-party. Qualified third parties include domestic violence or sexual assault advocates, doctors, registered nurses, psychologists, or licensed clinical social workers. However, the landlord can require the tenant to pay rent for 14 days after providing this notice (which must be refunded if the landlord re-rents the unit within that time). Tenants can also break their lease early if it is necessary because the tenant's household member is a survivor of domestic violence, sexual assault, human trafficking, stalking, or elder/dependent adult abuse.¹²⁸ The National Housing Law Project has created an Early Lease Termination Toolkit, available at:

<https://www.nhlp.org/wp-content/uploads/00-CA-Civil-Code-1946.7-Toolkit-Jan-2016updated.pdf>.

Normal security deposit law applies in cases where a survivor has to break their lease early.¹²⁹ In addition, if the tenant is a survivor of domestic violence, a landlord may not penalize the tenant for property damage, nor deduct the cost from the security deposit to repair those damages, caused by the domestic violence survivor's abuser if the domestic violence survivor (i.e., tenant) did not invite the abuser onto the property.¹³⁰

If your building changes owners during your tenancy, your prior landlord is responsible for either transferring your security deposit to your new landlord or returning the security deposit to you, minus any lawful deductions.¹³⁰

If your landlord fails to return part or all of a security deposit without having a reason allowed by law, you may be able to recover your deposit in court, such as by filing a lawsuit in small claims court.¹³² If the landlord withheld the security deposit in bad faith, the court may award the tenant up to twice the amount of the security deposit, plus any monetary damages that the tenant suffered.¹³³

THE INVENTORY CHECKLIST

While not legally required, it is a good practice for you and the landlord, or the landlord's agent, to fill out the Inventory Checklist. Generally, the landlord will have such a form available. It is best to do this before you move in, but it can be done two or three days later, if agreed to by the landlord. You and the landlord or agent should walk through the rental unit together and note the condition of the items included in the checklist in the "Condition Upon Arrival" section. In addition to noting conditions on the checklist, it is recommended that you take pictures of conditions needing attention.

Both the landlord and tenant should sign and date the checklist, and both of you should keep a copy. Carefully completing the checklist at the beginning of the tenancy will help avoid disagreements about the condition of the unit when you move out. You should complete the Inventory Checklist and take pictures of any issues even if the landlord does not want to complete a walk through with you.

RENTER'S INSURANCE

Renter's insurance protects the tenant's personal property from losses caused by fire or theft. It also protects a tenant against liability (legal responsibility) for many claims or lawsuits filed by the landlord or others alleging that the tenant negligently (carelessly) injured another person or damaged the person's property. Renter's insurance usually only protects the policyholder. A roommate must take out his or her own renter's insurance policy to protect his or her personal property. Many landlords will require a tenant to have renter's insurance, specifically liability coverage, and will set the minimum terms of coverage. Be sure to factor the cost of this insurance into what it will cost you to live at the property.

Accidentally leaving on a portable room heater which causes a fire that destroys the rental unit, or another tenant's property, is an example of **negligence** for which the tenant could be held legally responsible.¹³⁴ The tenant could be required to pay for the losses that the landlord or other tenants suffer due to the tenant's negligence. Renter's insurance would cover some or all of your liability to pay the other party their losses. For that reason, it is recommended that a tenant purchase renter's insurance¹³⁵

Note, however, that several cases in rent control jurisdictions have held that the landlord cannot evict a tenant for the tenant's failure to purchase tenant insurance that covers their own possessions.¹³⁶

If the tenant elects to purchase renter's insurance, the tenant should make certain that it provides the protection the tenant wants, meets any requirements set by the landlord, and is reasonably priced. The tenant should check with more than one insurance company, since the price and type of coverage may differ widely among insurance companies. The price also will be affected by how much insurance protection you decide to purchase.

Your landlord probably has insurance that covers the rental unit or dwelling, but you should not assume that the landlord's insurance will protect you. If the landlord's insurance company pays the landlord for a loss that you cause, the insurance company may then sue you to recover what it has paid the landlord.

If you want to use a waterbed, or you have pets, the landlord can require you to obtain an insurance policy to cover possible property damage.¹³⁷

Landlords also cannot require that family child care providers get liability insurance. However, a family child care provider must add their landlord to their liability insurance policy if the following conditions are met:

- The family child care provider already has or is getting a liability insurance policy;
- The landlord asks in writing to be added to the family child care provider's insurance policy;
- The insurance policy will not be canceled if the landlord is added, and

- The landlord will pay the additional amount if adding them causes the family child care provider to pay a higher premium.¹³⁸

LIMITS TO RENT INCREASES AND LOCAL RENT STABILIZATION PROGRAMS

In 2019, the California Legislature approved and the Governor signed Assembly Bill (AB) 1482 (known as the Tenant Protection Act of 2019) (hereinafter referred to as the “Tenant Protection Act”), which took effect on January 1, 2020.¹³⁹ The Tenant Protection Act caps gross rental increases at covered properties within a 12-month period at 5% plus the change in the cost of living pursuant to the Consumer Price Index, or 10%, whichever is lower.¹⁴⁰ Landlords are also prohibited from increasing rent more than two times in a 12-month period.¹⁴¹

Under the new law, landlords can still establish the initial rental rate at any amount they choose. The cap on gross rental increases is only applicable to rental increases after the initial rental rate has been established,¹⁴² the rent cap does not apply to the following types of properties:

- Some types of government-subsidized housing.¹⁴³
- Housing that is limited by agreement or other restriction to providing affordable housing for persons and families of very low, low, or moderate income.
- College dormitories.
- Housing subject to a local rent stabilization law that has more restrictive limits on rent increases.
- Housing that is less than 15 years old.
- A duplex in which the owner occupied one of the units as their principal place of residence at the beginning of your tenancy and the owner still lives there.
- Single family home or condominium if the owner is not a real estate investment trust (REIT), a corporation, or an LLC in which at least one member is a corporation, and the owner gave the tenant written notice stating the unit is exempt from this law.¹⁴⁴ You can find out the members of an LLC through a search on the California Secretary of State business search website.¹⁴⁵

The rent cap applies to all rent increases occurring on or after March 15, 2019.

Tenants, however, are not entitled to a credit for rent overcharges paid between March 15, 2019 and January 1, 2020. The law expires on January 1, 2030, unless extended.

Some California cities have **rent stabilization ordinances** that limit or prohibit rent increases.¹⁴⁶ Each jurisdiction’s ordinance is different. Local rent stabilization ordinances that were enacted before September 1, 2019 will take precedence over the statewide measure, regardless whether the protections offered are stronger or weaker. Local ordinances enacted after that date take precedence over the Tenant Protection Act only if they offer stronger protections. To the extent a local ordinance applies, some local ordinances specify procedures that a landlord must follow before increasing a tenant’s rent.

Some cities have rent boards that have the power to approve or deny increases in rent. Other city ordinances allow a certain percentage increase in rent each year. Under state law, all units are subject to “vacancy decontrol.” This means that the landlord can re-rent a unit at the market rate when the tenant moves out voluntarily, abandons the unit, or when the landlord evicts a tenant because of a breach of the rental agreement, terminates the tenancy for nonpayment of rent or other allowed reasons.

A rent stabilization ordinance may impact the landlord-tenant relationship in other important ways besides those described herein. Find out if you live in a city or county with rent stabilization or other rental housing laws (see the list of cities and counties with rent stabilization in Appendix 2). Contact your local housing officials or rent stabilization program for information. Most cities and counties post information about their rent stabilization ordinances on their website (for example, information about City of Los Angeles’ rent stabilization ordinance is available at <https://hcidla.lacity.org/>).

Another law that places limits on the amount a landlord can increase rent is Penal Code section 396. This section covers the 30-day period following a state of emergency declared by the President, Governor, or local governing body vested with authority to make that declaration (i.e., City Council, Board of Supervisors, etc.) and prohibits a landlord from

increasing rental prices to existing or prospective tenants by more than 10 percent.¹⁴⁷ Known as the “anti-price gouging” statute, the protections set forth in this statute are intended to prevent sellers of goods or providers of services from charging exorbitant prices for necessities if a state of emergency is declared following a pandemic, wildfire, earthquake or other natural disaster. This rental increase prohibition does not apply if the landlord can prove that an increase of more than 10 percent is directly attributable to additional costs for repairs or additions beyond normal maintenance that were amortized over the rental term that caused the rent to increase by more than 10 percent.

⁸⁹ Civ. Code § 1942.2. If your landlord is obligated to pay utilities and has failed to pay, you may take over a utility service account if it is pending termination. This law requires utility service providers to give the termination of service notice in writing to the tenant in the following languages: English, Spanish, Chinese, Tagalog, Vietnamese, and Korean. A tenant who has made a payment to a utility pursuant to Public Utilities Code §§ 777, 777.1, 10009, 10009.1, 12822, 12822.1, or 16481 may deduct the payment from the rent.

⁹⁰ Civ. Code § 1962. Moskowitz et al, California Landlord-Tenant Practice, § 1.31 (Cont.Ed.Bar 2021); California Practice Guide, Landlord-Tenant, §§ 2:147-147.7 (Rutter Group 2021).

⁹¹ Civ. Code § 1947.3.

⁹² Civ. Code § 1954.603; Gov. Code § 8589.45.

⁹³ Civ. Code § 1962(b).

⁹⁴ Civ. Code § 2079.10a; Pen. Code § 290.46. The required language differs depending on the date of the lease or rental agreement. See Appendix 5.

⁹⁵ Civ. Code § 1947.5.

⁹⁶ Civ. Code § 1940.4.

⁹⁷ Civ. Code § 1962(a)(4).

⁹⁸ Civ. Code § 54.1(b)(3)(A), Gov. Code § 12927(c)(1).

⁹⁹ Civ. Code § 54.1(b)(3)(A); 42 U.S.C § 3604(f)(3)(A), 24 Code of Federal Regulations 100.203(a).

¹⁰⁰ The Tenant Protection Act required landlords to notify tenants before August 1, 2020 about the act’s protections for tenancies that existed before July 1, 2020 and are covered by the act. Civ. Code § 1946.2(f).

¹⁰¹ *Andrews v. Mobile Aire Estates* (2005) 125 Cal.App.4th 578, 589. A typical legal description of the implied covenant of good faith and fair dealing is that neither party will do anything that will injure the right of the other party to receive the benefits of the agreement. See the Andrews decision for a discussion of the closely related implied covenant of quiet enjoyment.

¹⁰² California Practice Guide, Landlord-Tenant, §§ 2:104.20-2:104.29 (Rutter Group 2021); 42 U.S.C §§ 4851b and 4852d (this disclosure requirement does not apply to dwellings with zero bedrooms, or to housing for elderly or disabled persons (unless a child younger than six is expected to live in the housing)); 24 Code of Federal Regulations § 35.88; Health & Saf. Code § 17920.10 (dwellings that contain lead hazards).

¹⁰³ California Practice Guide, Landlord-Tenant, §§ 2:104.25 (Rutter Group 2021).

¹⁰⁴ 24 Code of Federal Regulations § 35.88.

¹⁰⁵ 24 Code of Federal Regulations § 35.92. See Appendix 5.

¹⁰⁶ Moskowitz et al., California Landlord-Tenant Practice, § 1.40 (Cont.Ed.Bar 2021); 24 Code of Federal Regulations §§ 35.88 and 35.92. The disclosure form is available at www.epa.gov/lead/pubs/lesr_eng.pdf and is reproduced in Appendix 5.

¹⁰⁷ Bus. & Prof. Code § 8538; Civ. Code § 1940.8.

¹⁰⁸ Cal. Civ. Code § 1954.602(b).

¹⁰⁹ Cal. Civ. Code § 1954.602(a).

¹¹⁰ Weaver, California Tenants' Rights, 23rd Ed., pages 163-165 (NOLO Press 2022).

¹¹¹ Health & Saf. Code §§ 25400.10-25400.47.

¹¹² Civ. Code § 1940.6.

¹¹³ Civ. Code § 1940.7.

¹¹⁴ Civ. Code § 1710.2.

¹¹⁵ Gov. Code § 66459; California Practice Guide, Landlord-Tenant, §§ 5:306-5:313.9 (Rutter Group 2021). See Appendix 5 for the required language.

¹¹⁶ See California Practice Guide, Landlord-Tenant, § 5:313.9 (Rutter Group 2021).

¹¹⁷ Gov. Code § 8589.45.

¹¹⁸ Civ. Code § 2079.10a.

¹¹⁹ Civ. Code § 1950.5(b).

¹²⁰ Civ. Code § 1950.5(m); Weaver, California Tenants' Rights, 23rd Ed., page 230 (NOLO Press 2022).

¹²¹ Civ. Code § 1950.5(b).

¹²² Civ. Code §§ 1950.5(b) and 1950.6.

¹²³ Civ. Code § 1950.5(b).

¹²⁴ Civ. Code § 1950.5(c). These limitations do not apply to long-term leases of at least six months, in which

advance payment of six months' rent (or more) may be charged. Civ. Code § 1940.5 sets the limits on security deposits when the tenant has a waterbed or water-filled furniture. The section also allows the landlord to charge a reasonable fee to cover the landlord's administrative costs.

¹²⁵ Civ. Code § 1950.5(m).

¹²⁶ Civ. Code § 1950.5(b) and (e).

¹²⁷ Civ. Code § 1950.5(o) (describes evidence that proves the existence and amount of a security deposit).

¹²⁸ Civ. Code § 1946.7.

¹²⁹ Civ. Code § 1946.7.

¹³⁰ Gov. Code § 12955; 42 U.S.C §§ 3601-3619 (prohibiting sex discrimination); Sara K. Pratt, U.S. Dept. of Housing and Urban Dev., Office of Fair Housing & Equal Opportunity, Assessing Claims of Housing Discrimination against Victims of Domestic Violence under the Fair Housing Act and the Violence Against Women Act (2011). In the context of a number of federally assisted housing programs, the Violence Against Women Act (VAWA) offers protections from discrimination based on one's status as a victim of domestic violence, dating violence, sexual assault, or stalking. 34 U.S.C. § 12491(b). For general information about which programs are covered by VAWA, please see this pamphlet from the National Housing Law Project: <https://www.nhlp.org/wp-content/uploads/VAWA-Brochure-English-and-Spanish-combined.pdf>. An attorney can help you figure out if VAWA protections apply in your case.

¹³¹ Civ. Code § 1950.5(h).

¹³² Civ. Code § 1950.5(m).

¹³³ Civ. Code § 1950.5(l).

¹³⁴ In general, every person is responsible for damages sustained by someone else as a result of the person's carelessness. (Civ. Code § 1714).

¹³⁵ See discussion of renter's insurance in Weaver, California Tenants' Rights, 23rd Ed., pages 327-329 (NOLO Press 2022).

¹³⁶ *Boston LLC v. Juarez* (2016) 245 Cal.App.4th 75; *Nino 1 LLC v. Antunez* (2013) 217 Cal.App.4th Supp.1.

¹³⁷ Civ. Code § 1940.5(a).

¹³⁸ Health & Saf. Code § 1597.531(b).

¹³⁹ The Tenant Protection Act also addresses just cause for eviction requirements for tenants who have resided in their rental unit for 12 months or 24 months if an adult has been added to the rental agreement in the last 12 months. For more information about just cause for eviction requirements, please see pages 80-81.

¹⁴⁰ Civ. Code § 1947.12(a)(1).

¹⁴¹ *Ibid.*

¹⁴² Civ. Code § 1947.12(a)(1).

¹⁴³ Section 8 vouchers are subject to the protections of AB 1482.

¹⁴⁴ Civ. Code § 1947.12(d).

¹⁴⁵ Civ. Code § 1947.12(d).

¹⁴⁶ See list of rent control cities in Appendix 2.

¹⁴⁷ Pen. Code § 396(e).

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