

# As evictions soar, California law aims to close loopholes in Tenant Protection Act

By Eric He

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Four years after adopting major legislation capping rent increases and preventing unjust evictions to address the state's housing crisis, the California Legislature sought to close loopholes in the Tenant Protection Act of 2019 with a follow-up bill this year that passed amid negotiations that went down to the wire.

[SB 567](#) squeaked through as the final bill approved in this year's session after sponsors and the bill's author, Sen. [Maria Elena Durazo](#), [accepted late amendments](#) pushed by the California Apartment Association. Gov. [Gavin Newsom](#) signed the bill into law on Sept. 30.

The law — which updates [AB 1482](#) from 2019 — addresses what housing advocates say are issues over landlords taking advantage of broad language in the original Tenant Protection Act to evict tenants without cause. The bill places restrictions on property owners who cite the need to reoccupy a unit or conduct renovations as reasons for evicting a tenant, and adds enforcement mechanisms for the original measure.

Durazo's bill comes as renters across the state are feeling the impact of the end of pandemic-era protections. [According to CalMatters](#), the number of eviction filings in the state in the past year have surpassed pre-pandemic levels.

In an interview with POLITICO, Durazo said she is confident that the bill will not harm landlords, with amendments and carefully-crafted language addressing concerns from realtors.

"It's meant to help implement, help enforce what was already the law," Durazo said. "But there were too many landlords that were skirting the law."

## WHAT'S IN THE BILL?

*This Pro Bill Analysis is based on the [text of the bill](#) as chaptered on Sept. 30.*

The bill amends [Section 1946.2 of the Civil Code](#) to adjust requirements for no-fault just cause evictions, beginning in April 2024 (Secs. 1, 2).

If the owner of a property or their family member intends to reoccupy the property, they must intend to use it as their primary residence for 12 consecutive months. The eviction would not be allowed if they already live at a unit on the property or if a similar unit is already vacant. The existing tenant can request proof that the intended occupant is an owner or their relative (Sec. 2).

The intended occupant must move into the unit within 90 days of the previous tenant vacating the property. Otherwise, the owner must offer the tenant the unit again at the same rate, and pay for any moving expenses. The measure provides an exception if the intended occupant dies before they stay in the unit for 12 months.

For no-fault evictions as a result of a substantial remodel of the unit, the SB 567 adds provisions to ensure that the remodeling cannot be reasonably accomplished safely without the tenant moving out of the unit for at least 30 consecutive days. The remodeling must include either:

- Replacing or substantially modifying a structural, electrical, plumbing or mechanical system that requires a permit
- Removing hazardous materials like lead paint or asbestos from the unit.

Cosmetic improvements such as painting, decorating and minor repairs are not considered substantial remodels.

The owner is required to provide a written notice to the tenant with details of the remodel and a copy of the permits to conduct the work. If the remodel does not take place or is not completed, the owner must offer the tenant to rent the unit again at the same rate.

SB 567 also adds enforcement mechanisms to the 2019 Tenant Protection Act, allowing the Attorney General to oversee the legislation. A tenant can file a civil lawsuit against an owner who fails to comply with the measure in taking back a unit, and the owner could be liable for actual damages, punitive damages, attorney's fees and injunctive relief from the Attorney General — with a caveat that the owner could be liable for up to three times the actual damages if there's proof that they "acted willfully or with oppression, fraud or malice" (Sec. 2).

The bill adds to [Section 1947.12 of the Civil Code](#) beginning in April 2024 to allow tenants to sue owners who increase rent higher than the maximum allowed under the law. Tenants can seek damages up to three times the amount that the rent exceeds the maximum, along with injunctive relief and attorney's fees (Secs. 3, 4).

Tenants have three years to bring forth any civil lawsuits related to a violation of the measure (Sec. 4).

Both updated sections will be repealed in 2030 (Secs. 2, 4).

## WHO ARE THE POWER PLAYERS?

The same sponsors of the Tenant Protection Act of 2019 backed SB 567: **PICO California**, [Western Center on Law & Poverty](#), **California Rural Legal Assistance Foundation**, **Leadership Counsel for Justice and Accountability**, [Public Advocates](#) and the [Alliance of Californians for Community Empowerment Action](#).

The coalition brought the bill to Sen. **Maria Elena Durazo** (D-Los Angeles), who was "down for the fight," according to Tina Rosales, policy advocate at Western Center on Law and Poverty. Renters make up [more than three-fourths](#) of Durazo's district, which encompasses [several dense and diverse neighborhoods](#) near downtown Los Angeles. Former Assemblymember **David Chiu**, who authored the original Tenant Protection Act, is currently the San Francisco City Attorney.

SB 567 was co-authored by Sens. [Caroline Menjivar](#) (D-Panorama City), [Lola Smallwood-Cuevas](#) (D-Los Angeles) and [Aisha Wahab](#) (D-Hayward), and Assemblymembers [Mia Bonta](#) (D-Alameda), [Matt Haney](#) (D-San Francisco), [Ash Kalra](#) (D-San Jose), [Alex Lee](#) (D-San Jose), [Liz Ortega](#) (D-San Leandro), [Eloise Gomez Reyes](#) (D-Colton), [Tina McKinnor](#) (D-Hawthorne) and [Miguel Santiago](#) (D-Los Angeles).

The **California Association of Realtors** remained opposed to the bill until the end, while other groups like the **California Apartment Association** and **California Chamber of Commerce** [flipped from oppose to neutral](#) following amendments taken during the final week of session.

Support from Attorney General [Rob Bonta](#) in the final days also bolstered the bill's chances. Bonta, who co-authored the original measure in 2019, [said in a letter](#) through a representative that SB 567 is "urgently needed to help combat the state's burgeoning homelessness crisis and provide greater housing stability for low-income renters in California."

The bill was gradually watered down as it passed through committees, which Rosales attributed to a Legislature that has been more moderate on housing issues, with a [number of members](#) doubling as landlords. The Legislature's newly-formed renters caucus, meanwhile, [has just five members](#) — despite renters making up more than 40 percent of the state.

## WHAT'S HAPPENED SO FAR?

The negotiations for SB 567 mirrored those around AB 1482 in 2019. The Tenant Protection Act limited rent increases to either 5 percent each year plus the local inflation rate or 10 percent total — whichever is lower. It also required a "just cause" for evictions. AB 1482 allows exemptions for units constructed within the last 15 years on a rolling basis, as well as affordable housing units, single-family homes not owned by a corporation and duplexes where the property owner lives in one of the units.

Newsom, who had just been elected governor when the Tenant Protection Act rolled around, campaigned on addressing California's affordability crisis and stepped in to [negotiate a deal](#) between tenants' rights groups and the real estate industry with the bill in peril.

Much like in 2019, the California Apartment Association dropped its opposition to SB 567 following late amendments.

“That is not an easy thing to do, and I say that as the housing chair,” Assemblymember [Buffy Wicks](#) (D-Oakland) said on the floor before the bill passed the chamber on Sept. 14.

In 2022, Wicks introduced a substantially similar bill, [AB 2713](#), which was unsuccessful amid [opposition from the apartment association](#).

After Wicks’ legislation failed, the Turner Center for Housing Innovation at UC Berkeley [released a study](#) warning that lack of transparency could lead to the Tenant Protection Act being undermined. Researchers found that 60 percent of rental listings posted after a one-year lease were higher than the rent cap established by AB 1482, and the rate by which they exceeded the cap was twice the level it was in 2021 and nearly three times what it was in 2019. The study blamed lack of outreach and enforcement on issues over implementation, along with market pressure incentivizing landlords to look for loopholes around the measure.

Bonta’s letter noted evidence of tenants being evicted by landlords who were increasing rent higher than the Tenant Protection Act’s maximum, citing a [June settlement](#) with a San Jose-based developer that raised rents by an average of 151 percent.

Sponsors also pointed to eviction moratoriums due to the Covid-19 pandemic expiring this year. Los Angeles has [seen evictions spike](#) from 13,000 last year to more than 40,000 this year.

“It was like the perfect storm that hit our communities,” said Eddie Carmona, director of campaigns at PICO California, a community organizing network which works with underrepresented groups.

Carmona described the initial proposal for SB 567 as a “big, bold, ambitious bill.” Original provisions included:

- Decreasing maximum allowable annual rent increases from 10 percent to the lower of 5 percent or the percentage change in cost of living
- Requiring landlords who evict tenants because they are taking the unit off the market to withdraw all of the units in the property for at least 10 years
- Protections for tenants who are over 60, disabled or terminally ill to prevent the owner from moving in
- Mandatory payment of attorneys’ fees to a tenant if the landlord is found liable in a civil action.

Another goal of the sponsors was to apply the Tenant Protection Act to all renters, according to Rosales, of the Western Center on Law and Poverty. All of those provisions were removed from the bill as negotiations over the penalties and owner move-in stipulations went down to the final hours.

The attorneys’ fee was changed from mandatory to the discretion of a judge, and Durazo also agreed to expand the scope of landlords who could file for a just cause eviction to those who are also holding the property through a family trust or limited liability company.

The attempt to expand the Tenant Protection Act ran into “heavy opposition,” with smaller landlords complaining amid a poor economic climate, Rosales said. Proponents ultimately just wanted to ensure that the loopholes they saw being exploited were closed.

“So, we thought expanding the bill probably wasn’t the best idea, but rather ... what we know is that we have a law on the books, and right now that law isn’t being followed,” Rosales said.

## **WHAT’S NEXT?**

Durazo agreed to delay implementation of the bill until April. There also could be legislation introduced to clean up a “minor language error,” Durazo said on the Senate floor on Sept. 14. She said that despite the bill being stripped down, the core of the bill — which was to allow tenants to enforce their existing rights against unjust evictions — remained intact.

Rosales described SB567 as “minor changes that are going to have a major impact,” adding that sponsors compromised to fix up loopholes in existing law before “thinking about expanding” the Tenant Protection Act with their original proposal.

#### **WHAT ARE SOME STORIES ON THE BILL?**

[Read POLITICO news on SB 567.](#)

*Jeremy B. White contributed to this report.*