

California Community Colleges  
Real Estate Education Center Conference

Legal Update

April 19, 2024

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C.A.R. Assistant General Counsel

# 2024 Important New Laws

## Taking Effect April 1<sup>st</sup>

- Updates to the Tenant Protection Act (TPA)

## Taking Effect July 1<sup>st</sup>

- New “Flipper” Disclosure
- New Security Deposit Limits
- Vacation Rental Mandatory Fee Disclosures

## Already in Effect but Don't Forget About ...

- New Cap on Exclusive Listing Periods
- New Small Claims Court Limits
- Right to cancel short term rental
- ADUs. Condo conversions allowed, owner occupancy cannot be required
- Tenant right to demand alternative to credit report



# Updates to the Tenant Protection Act (TPA) Effective April 1st

## Damages

- For years people have asked about the consequences of violating the TPA. As of April 1st, 2024, we know the answer.
- An owner who materially violates the TPA by improperly terminating a tenancy or by raising the rent beyond the maximum amount is liable for:
  - Actual damages;
  - Reasonable attorney's fees and costs (at the discretion of the judge);
  - Up to three times actual damages for willful violations;
  - Punitive damages; and
  - The Attorney General may seek injunctive relief.



# NOTICE OF TERMINATION OF TENANCY INSTRUCTIONS

**THE TENANT PROTECTION ACT OF 2019, aka AB 1482, ("TPA"):** The TPA (i) imposed limits on the amount a property owner can increase rent to a residential tenant ("Rent Cap") and (ii) identified a limited number of reasons that a property owner may terminate a tenancy and evict a tenant ("Just Cause"). Exemptions exist to both the Rent Cap and Just Cause laws.

**Common Exemptions:** Under the TPA, the most common exemptions from just cause eviction laws are: (1) separately alienable single-family dwellings, including a condominium, as long as the property is not owned by ● a corporation; ● a limited liability company with a corporate member; or ● a real estate investment trust. For this exemption to apply, the Housing Provider must first give the tenant applicable notice of the exemption; (2) dwellings built in the previous 15 years prior to this notice; (3) a duplex in which one of the units was owner occupied at the commencement and throughout the tenancy; (4) single family owner occupied residences in which the owner rents no more than two units or bedrooms, including accessory dwelling units or junior accessory dwelling units; and (5) housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner. Other exemptions may be applicable.

**USE OF FORM:** In paragraph 1, identify if the Property or tenancy is covered by the TPA. If it is, fill out paragraph 2. If Property or tenancy is NOT covered by the TPA, fill out paragraph 3.

**LOCAL RENT AND EVICTION CONTROL WARNING:** If the property where the Premises is located is subject to a city or county rent or eviction control ordinance or any eviction moratorium, additional notice or other requirements may apply. Penalties may exist for non-compliance with such laws.

**RECOMMENDATION TO SEEK LEGAL ADVICE:** There are substantial penalties for attempting to evict a tenant in violation of the TPA. Before serving this Notice, Housing Provider is advised to seek the advice of a qualified California real estate attorney who has experience with the tenant eviction process in California and who is familiar with the laws where the Premises is located if property owner is uncertain: (i) whether the property or tenancy is exempt from the TPA; (ii) how to comply with the TPA; (iii) whether the property or tenancy is subject to a city or county rent or eviction control ordinance or moratorium; or (iii) how to comply with any such local law.

**OTHER TENANCY TERMINATION FORMS:** Housing Provider is advised to use the form identified below for a termination of tenancy for the following reasons:

**Pay Rent or Quit (C.A.R. form PRQ):** Default in the payment of rent;

**Cure or Perform Covenant (C.A.R. form PCQ):** Breach of a material term of the lease or rental; Upon termination of an existing lease, tenant fails to execute a written extension or renewal of a lease for similar terms and duration of an existing lease; Tenant fails to deliver possession of the Premises after giving Housing Provider written notice of intent to terminate; and Tenant refuses to allow owner the right to enter the premises after being given proper notice;

**Notice to Quit (C.A.R. form NTQ):** Tenant maintains or causes a nuisance, waste, criminal activity; makes a criminal threat against the owner or agent; uses the Premises for an unlawful purpose; or where the tenant's employment or hiring by the owner or agent has been terminated; OR when the tenant has failed to cure a breach of the lease or rental by the time specified in a notice to cure or notice to perform covenant or quit previously provided to tenant.

## REMOVE THIS INSTRUCTION PAGE BEFORE SERVING THE ATTACHED 2-PAGE FORM.



## NOTICE OF TERMINATION OF TENANCY (Intended to be Used for Periodic Tenancies) (C.A.R. Form NTT, Revised 3/24)

To: \_\_\_\_\_ ("Tenant")  
and any other occupant(s) in possession of the premises located at: \_\_\_\_\_  
(Unit/Apartment #) \_\_\_\_\_ (City) \_\_\_\_\_ (State) \_\_\_\_\_ (Zip Code) \_\_\_\_\_ ("Premises").

**YOUR TENANCY IN THE PREMISES IS TERMINATED AS STATED BELOW. (CHECK THE BOX THAT APPLIES.)**

**1. APPLICABILITY OF THE TENANT PROTECTION ACT OF 2019, aka AB 1482, ("TPA"):**

- The Property or tenancy IS covered by the TPA. See paragraph 2.
- The Property and tenancy are NOT covered by the TPA. See paragraph 3.

**\*\* NOTE: COMPLETE PARAGRAPH 2 OR 3. DO NOT COMPLETE BOTH. \*\***

**2.  PROPERTIES OR TENANCIES COVERED BY THE TPA:** Housing Provider is advised to seek counsel from a qualified California real estate attorney before issuing a notice to terminate tenancy.

If any box in 2A or 2B is CHECKED, paragraph 3 does NOT apply and only the Notice checked in paragraph 2A or 2B shall be in effect.

**A.** Your tenancy, if any, in the Premises is terminated **60 days** from service of this Notice, or on \_\_\_\_\_ (whichever is later), for the following reason:

- (1)  Family Move-In. Owner, or owner's spouse, domestic partner, parents, grandparents, children or grandchildren, intend to occupy the Premises. Tenant has previously agreed that owner may unilaterally terminate the tenancy for such a reason (C.A.R. Form RCJC dated \_\_\_\_\_). See NTT-FM for additional terms.
- (2)  Owner intends to withdraw the Premises from the rental market.
- (3)  Owner intends to demolish or substantially remodel the Premises. See NTT-RD for additional terms.
- (4)  Owner intends to comply with (i) an order of a government agency or court regarding habitability of the Premises, or direction to vacate OR (ii) a local ordinance that mandates the Premises be vacated.

**RELOCATION FEES:** Whether (1)-(4) applies, tenant is entitled to relocation assistance in an amount equal to one-month's rent. Owner elects to compensate tenant by waiving rent for the final month of tenancy, and the amount of rent due, which is waived, is \$ \_\_\_\_\_, and no payment of rent is due for the final month of the tenancy, or, if checked,  by providing direct payment to tenant within 15 calendar days of providing this notice. However, no payment is required if a court or government agency has determined that the tenant is the cause of reason for the notice in 2A(4).

**ORB.**  Your tenancy, if any, in the Premises is terminated **30 days** from service of this Notice, or on \_\_\_\_\_ (whichever is later).

Only applies if (i) all tenants have occupied the Premises for less than 12 months OR (ii) at least one tenant has occupied the Premises for less than 12 months and no other tenant has occupied the property for 24 months or more.

**3.  PROPERTIES OR TENANCIES NOT SUBJECT TO THE TPA:** Housing Provider is strongly advised to seek counsel from a qualified California real estate attorney who is familiar with the TPA before selecting any of the options below.

If any box is CHECKED below, paragraph 2 does NOT apply and only the Notice checked in paragraph 3A, B, C or D shall be in effect.

**A.**  Your tenancy, if any, in the Premises is terminated **60 days** from service of this Notice, or on \_\_\_\_\_ (whichever is later).

**ORB.**  Your tenancy, if any, in the Premises is terminated **30 days** from service of this Notice, or on \_\_\_\_\_ (whichever is later). Only applies if at least one tenant or resident has resided in the Premises for less than one year.

**ORC.**  Your tenancy, if any, in the Premises is terminated **90 days** from service of this Notice, or on \_\_\_\_\_ (whichever is later). Applies if Tenant is a beneficiary of, and the tenancy is subject to, a government agency rental housing assistant program.





## Service of Notice of Termination of Tenancy

### 6. DELIVERY OF NOTICE/PROOF OF SERVICE:

This Notice was served by \_\_\_\_\_, on \_\_\_\_\_ (date)  
In the following manner: (if mailed, a copy was mailed at \_\_\_\_\_ (Location)  
on \_\_\_\_\_ (enter date, if different from date on first line of this paragraph))

Emailing a notice does not satisfy the requirements of Code of Civil Procedure §§ 1162(a) or 1162(b).

To comply with state law, service attempts must be done in the following order: A, then B, then C. As an alternative to that procedure, service may be done by completing D, but additional time should be provided to the notice.

- A.  Personal service. A copy of the Notice was personally delivered to the above named Tenant.
- B. **NOTE: SUBSTITUTED SERVICE MAY BE USED IF THE TENANT IS ABSENT FROM THE TENANT'S RESIDENCE OR USUAL PLACE OF BUSINESS**  
 Substituted service. A copy of the Notice was left with a person of suitable age and discretion at the Tenant's residence or usual place of business and a copy was mailed to the Tenant at the Premises.
- C. **NOTE: POSTING AND MAILING OF THE NOTICE MAY BE USED ONLY IF THE TENANT'S RESIDENCE OR USUAL PLACE OF BUSINESS CANNOT BE ASCERTAINED OR IF KNOWN THEN ONLY IF NO PERSON OF SUITABLE AGE AND DISCRETION CAN BE FOUND AT THOSE LOCATIONS.**  
 Post and mail. A copy of the Notice was affixed to a conspicuous place on the Premises and a copy was mailed to the Tenant at the Premises.
- D. **NOTE: IN THE ALTERNATIVE TO THE ABOVE OPTIONS FOR SERVING THIS NOTICE, A TENANT MAY BE SERVED BY CERTIFIED OR REGISTERED MAIL.**  
 Certified/Registered mail. A copy of the Notice was mailed to the Tenant at the Premises by Certified or Registered mail. Before filing a legal action based on this notice, a tenant should be given five (5) additional days if served in California, ten (10) additional days if served in another state, twenty (20) additional days if served outside of the United States.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

\_\_\_\_\_  
(Signature of person serving Notice)

\_\_\_\_\_  
(Date)

## Service of Notice of Change in Terms of Tenancy

### 5. DELIVERY OF NOTICE/PROOF OF SERVICE:

This Notice was served by \_\_\_\_\_, on \_\_\_\_\_ (date)  
In the following manner: (if mailed, a copy was mailed at \_\_\_\_\_ (Location),  
on \_\_\_\_\_ (enter date, if different from date on first line of this paragraph))  
Emailing a notice does not satisfy the requirements of Code of Civil Procedure §§ 1162(a) or 1162(b).

If this notice is being used solely to change the amount of rent to be paid, the service should be done by either option A1 or A2, below. If this notice includes any change to the terms other than rent (even if rent is also being changed), then, to comply with state law, service attempts must be done in the following order: A1, then B, then C.

- A1.  Personal service. A copy of the Notice was personally delivered to the above named Tenant.
- A2.  Service by first class mail (for changes to rent only). A copy of the Notice was sent by first class mail, postage prepaid. Five additional days were provided for in the notice above.
- B. **NOTE: SUBSTITUTED SERVICE MAY BE USED IF THE TENANT IS ABSENT FROM THE TENANT'S RESIDENCE OR USUAL PLACE OF BUSINESS.**  
 Substituted service (if change includes something other than rent). A copy of the Notice was left with a person of suitable age and discretion at the Tenant's residence or usual place of business and a copy was mailed, by first class mail, postage prepaid, to the Tenant at the Premises.
- C. **NOTE: POSTING AND MAILING OF THE NOTICE MAY BE USED ONLY IF THE TENANT'S RESIDENCE OR USUAL PLACE OF BUSINESS CANNOT BE ASCERTAINED OR IF KNOWN THEN ONLY IF NO PERSON OF SUITABLE AGE AND DISCRETION CAN BE FOUND AT THOSE LOCATIONS.**  
 Post and mail (if change includes something other than rent). A copy of the Notice was affixed to a conspicuous place on the Premises and a copy was mailed, by first class mail, postage prepaid, to the Tenant at the Premises.

\_\_\_\_\_  
(Signature of person serving Notice)

\_\_\_\_\_  
(Date)

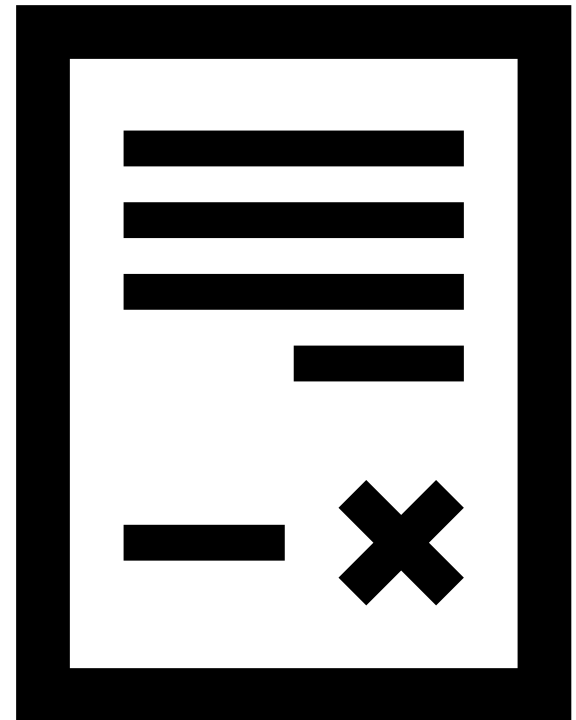
\_\_\_\_\_  
(Print Name)

# Updates to the Tenant Protection Act (TPA) Effective April 1st

## Termination for Owner/Family Move-In

Under the new law, the termination notice must

1. State the name and relationship of the person moving in; and
2. Inform the tenant that they can demand proof that the soon-to-be occupant owns the property or is related to the owner.



# Updates to the Tenant Protection Act (TPA) Effective April 1st

## Termination for Owner/Family Move-In

Occupant must

1. Move in within 90 days after the tenant vacates
2. Remain in the property for more than one year.

If the occupant doesn't move in within 90 days or stay for at least 12 months, the owner must offer the unit back to the tenant under the same terms and pay for reasonable moving expenses in excess of any relocation assistance paid.





**FAMILY MOVE-IN DISCLOSURE AND ADDENDUM**  
(To Be Used With A Notice of Termination of Tenancy)  
(C.A.R. Form NTT-FM, 3/24)

This is a disclosure and addendum to the Notice of Termination of Tenancy dated \_\_\_\_\_, on property known as \_\_\_\_\_ ("Premises"), in which \_\_\_\_\_ is referred to as Housing Provider, and \_\_\_\_\_ is referred to as Tenant.

1. **INTENT TO MAKE UNIT AVAILABLE FOR FAMILY MEMBER OF OWNER:** For properties subject to the Tenant Protection Act, California Civil Code § 1946.2 allows a Housing Provider to terminate a residential tenancy for specified reasons. Tenant is hereby notified that the owner intends to use the Premises for occupancy by a family member OR  Owner is moving in.

2. **NAME(S) OF FAMILY MEMBER AND RELATIONSHIP TO OWNER:** Identify intended occupant as one of the following, as applicable: Owner, owner's spouse, domestic partner, child, grandchild, parent, or grandparent. Attach additional sheets if necessary.

- Occupant #1:  
Name: \_\_\_\_\_  
Relation: \_\_\_\_\_
- Occupant #2:  
Name: \_\_\_\_\_  
Relation: \_\_\_\_\_
- Occupant #3:  
Name: \_\_\_\_\_  
Relation: \_\_\_\_\_
- Occupant #4:  
Name: \_\_\_\_\_  
Relation: \_\_\_\_\_

3. **OPTION TO REQUEST FURTHER INFORMATION:** Tenant may request that Housing Provider provide proof that the intended occupant is an owner or related to the owner. Housing Provider shall provide proof upon request, and such proof may include an operating agreement or other non-public documents.

4. **Definitions:** For purpose of this requirement, the following definitions apply:
- A. "Owner" means any of the following
    - (1) An owner who is a natural person that has at least a 25-percent recorded ownership interest in the property
    - (2) An owner who is a natural person who has any recorded ownership interest in the property if 100 percent of the recorded ownership is divided among owners who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.
    - (3) An owner who is a natural person whose recorded interest in the property is owned through a limited liability company or partnership.
  - B. For purposes of paragraph 4A, "natural person" includes any of the following:
    - (1) A natural person who is a settlor or beneficiary of a family trust.
    - (2) If the property is owned by a limited liability company or partnership, a natural person with a 25-percent ownership interest in the property.
  - C. For purposes of paragraph 4B(1), "Family trust" means a revocable living trust or irrevocable trust in which the settlors and beneficiaries of the trust are persons who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.

Housing Provider (Owner or Agent) \_\_\_\_\_ Date \_\_\_\_\_

Housing Provider (Owner or Agent) \_\_\_\_\_ Date \_\_\_\_\_

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NTT-FM 3/24 (PAGE 1 OF 1)





# Updates to the Tenant Protection Act (TPA) Effective April 1st

## **Termination for Substantial Remodel**

- Rehabilitation work must prevent the tenant from safely remaining in occupancy and require the tenant to vacate for 30 consecutive days
- If at any point a tenant could continue living in the property without violating health, safety, and habitability codes, then the tenant is not “required to vacate” and the 30 days restarts.



# Updates to the Tenant Protection Act (TPA) Effective April 1st

## **Termination for Substantial Remodel**

- The notice of termination for substantial remodel must now:
  - Include a statutory notice which must be written verbatim;
  - Explain that the tenant will have a right to re-rent on the same terms if the renovation is not completed; describe the remodeling to be completed and the approximate expected duration;
  - Include a copy of the permit(s) required to undertake the substantial remodel (or demolition); and
  - Include a notification that if the tenant is interested in reoccupying the rental unit following the substantial remodel, the tenant shall inform the owner of the tenant's interest in reoccupying the rental unit following the substantial remodel and provide to the owner the tenant's address, telephone number, and email address.



**SUBSTANTIAL REMODEL OR DEMOLITION DISCLOSURE AND ADDENDUM**  
(To Be Used With A Notice Of Termination Of Tenancy)  
(C.A.R. Form NTT-RD, 3/24)

This is a disclosure and addendum to the Notice of Termination of Tenancy dated \_\_\_\_\_, on property known as \_\_\_\_\_ ("Premises"), in which \_\_\_\_\_ is referred to as Housing Provider, and \_\_\_\_\_ is referred to as Tenant.

- 1. **INTENT TO DEMOLISH OR SUBSTANTIALLY REMODEL:** For properties subject to the Tenant Protection Act, California Civil Code § 1946.2 allows a Housing Provider to terminate a residential tenancy for specified reasons. Tenant is hereby notified that the owner intends to demolish or substantially remodel the property.
- 2. **STATUTORY STATEMENT:**  
"If the substantial remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the owner must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the owner at the rental rate that was in effect at the time you vacated. You must notify the owner within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the owner of your acceptance of the offer."
- 3. **DESCRIPTION OF SUBSTANTIAL REMODEL OR DEMOLITION:** The remodel under A or B or both cannot be reasonably accomplished in a safe manner that allows the tenant to remain living in the Premises and requires Tenant to vacate for at least 30 consecutive days (complete 3A, 3B or both, and 3D) OR  the property will be demolished (complete 3E)
  - A.  The replacement or substantial modification of the following structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency: \_\_\_\_\_
  - B.  The abatement of the following hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws: \_\_\_\_\_

If a permit is not required for the work described in 3B, Housing Provider shall attach a copy of the signed contract with the contractor hired to complete the substantial remodel that reasonably details the work to be undertaken to abate the hazardous materials described in 3B.

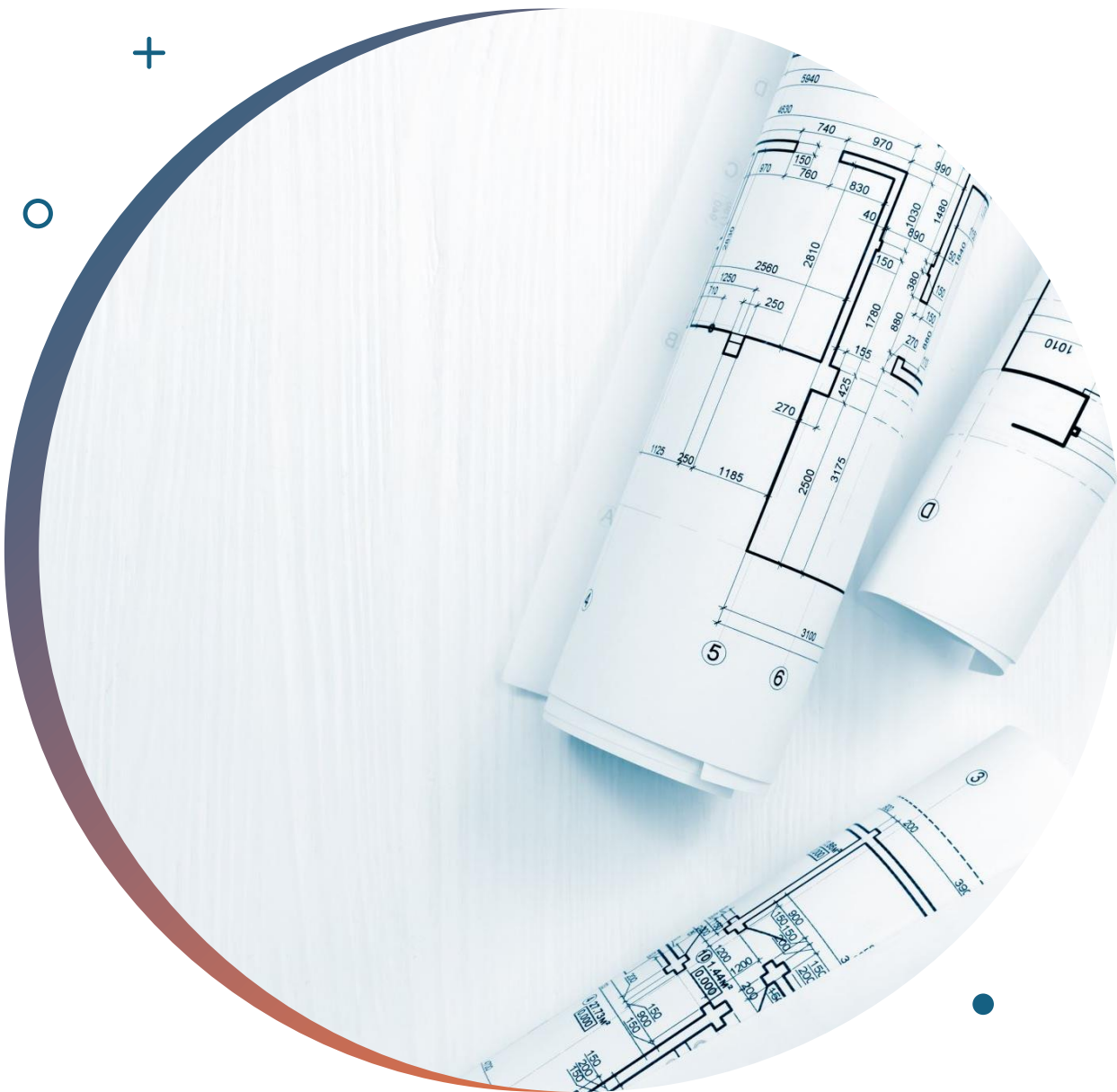
  - C. **Copies of Permits:** Housing Provider attaches copies of the permit or permits required to undertake the substantial remodel or demolition.
  - D. **Expected Duration of Remodel:** From \_\_\_\_\_ to \_\_\_\_\_.
  - E. **Expected Demolition Date:** The date the property is expected to be demolished is: \_\_\_\_\_.
- 4. **Tenant Interest After Remodel:** If the tenant is interested in reoccupying the rental unit following the substantial remodel, the tenant shall inform the owner of the tenant's interest in reoccupying the rental unit following the substantial remodel and provide to the owner the tenant's address, telephone number, and email address. Tenant must qualify for the rental requirements in effect at that time.

Housing Provider (Owner or Agent) \_\_\_\_\_ Date \_\_\_\_\_  
Housing Provider (Owner or Agent) \_\_\_\_\_ Date \_\_\_\_\_

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# New “Flipper” Disclosure – Effective July 1st

- New disclosure requirements on so-called “flippers”
  - Any seller who is accepting an offer within 18 months from when they acquired the property and has since hired a contractor to perform work on the property.
- Now will have to disclose to the buyer all room additions, structural modifications, and any other alteration or repair that has taken place during their ownership.
- Is this really new?



# New “Flipper” Disclosure – Effective July 1st

- Seller either has to provide a copy of any permits obtained or inform the buyer of the third party who can provide the permits if the seller doesn't have them.
- If the cost of labor and materials was more than \$500, must disclose the name and contact information of each contractor who performed work on the property.



Draft SPQ, paragraph 7F

- F. Whether you purchased the property within 18 months of accepting an offer to sell it.....  Yes  No  
(1) If yes, have any room additions, structural modifications, or other alterations or repairs (collectively "Improvements") been performed by a contractor while you have owned the Property.....  Yes  No

**Note 1:** If yes to F(1), Seller shall provide in the Explanation below: (i) a list of such Improvements and (ii) the name and contact information for each contractor who performed services of \$500 or more.

**Note 2:** If yes to F(1), Seller shall provide in the Explanation below (i) a list of those Improvements for which seller has obtained permits and Seller shall attach copies of those permits to this SPQ and (ii) for those Improvements for which Seller does not have a permit, Seller shall include a statement identifying those Improvements and that Seller was not provided permits by the third party making the Improvement and the contact information for such third parties from whom the buyer may obtain those permits.

Explanation: \_\_\_\_\_

Draft TDS, paragraphs II C (4) and (5)

4. Room additions, structural modifications, or other alterations or repairs made without necessary permits .....  Yes  No  
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes .....  Yes  No  
(Note to C4 and C5: If transferor acquired the property within 18 months of accepting an offer to sell it, transferor shall make additional disclosures regarding the room additions, structural modifications, or other alterations or repairs on a Seller Property Questionnaire (C.A.R. Form SPQ).)

# New Security Deposit Limits – Effective July 1st

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- Current rule:
  - Two month's rent for an unfurnished unit
  - Three month's rent for a furnished unit.
- Starting July 1st, 2024- one month's rent for all types of units.
- Narrow exception for “small landlords” (can still collect 2 months)
  - Natural person who owns no more than two investment rental properties which collectively include no more than four total units.
    - Includes a family trust or an LLC with no corporate members.
  - Even for small landlords, however, if the prospective tenant is a service member, the security is limited to one month's rent.





## Draft RLMM, paragraph 4

### 4. SECURITY DEPOSIT:

- A. Tenant agrees to pay \$ \_\_\_\_\_ as a security deposit.  
(The maximum amount of security deposit paid on or before initial occupancy, however designated, cannot exceed one month's Rent unless an exception applies. See Security Deposit Exception Disclosure and Addendum, C.A.R. Form SDDA, for additional information.)
- B. Security deposit is in addition to any advance payment of first month's Rent. Security deposit law does not prohibit the payment of advance rent of not less than six months' rent if the term of the lease is six months or longer.
- C. Security deposit will be  transferred to and held by the Owner of the Premises, or  held in Owner's Broker's trust account.
- D. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent (which includes Late Charges, NSF fees or other sums due); (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest, invitee or licensee of Tenant; (iii) clean Premises, if necessary, upon termination of the tenancy; and (iv) replace or return personal property or appurtenances. **SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT.** If all or any portion of the security deposit is used during the tenancy, Tenant agrees to reinstate the total security deposit within 5 days after written notice is delivered to Tenant. Within 21 days after Tenant vacates the Premises, Housing Provider shall: (1) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition and supporting documentation as required by California Civil Code § 1950.5(g); and (2) return any remaining portion of the security deposit to Tenant.
- E. **Security deposit will not be returned until all Tenants have vacated the Premises and all keys returned. Any security deposit returned by check shall be made out to all Tenants named on this Agreement, or as subsequently modified.**
- F. No interest will be paid on security deposit unless required by local law.
- G. If the security deposit is held by Owner, Tenant agrees not to hold Broker responsible for its return. If the security deposit is held in Owner's Broker's trust account, **and** Broker's authority is terminated before expiration of this Agreement, **and** security deposit is released to someone other than Tenant, **then** Broker shall notify Tenant, in writing, where and to whom security deposit has been released. Once Tenant has been provided such notice, Tenant agrees not to hold Broker responsible for the security deposit.

## Draft STRA-SA, paragraph 2A

### 2. PAYMENTS:

#### A. Deposit:

- (1) In addition to any rent for the first month paid on or before initial occupancy Owner may collect a maximum "Damage Deposit," however designated, of up to one month's rent unless an exception applies. See Security Deposit Exception Disclosure and Addendum, C.A.R. form SDDA, for additional information.
- (2) Any booking deposit, damage deposit, or other item labeled as a deposit in **paragraph 5B** of the STRA shall be treated as part of the Damage Deposit for the Agreement.





SECURITY DEPOSIT DISCLOSURE AND ADDENDUM (C.A.R. Form SDDA, 6/24)

This is a disclosure and addendum to the Residential Lease or Month-to-Month rental Agreement, OR Other ... ("Agreement"), dated ..., on property known as ... ("Premises"), in which ... is referred to as Housing Provider, and ... is referred to as Tenant.

1. RESIDENTIAL RENTAL PROPERTY SECURITY DEPOSIT LAW: California Civil Code § 1950.5(c)(1) provides that a landlord may not demand or receive security, however denominated, in an amount or value in excess of an amount equal to one month's rent, in addition to any rent for the first month paid on or before initial occupancy. There is an exception to this law based on the status of the landlord. The exception is specified in paragraph 2. This law is effective on July 1, 2024. Security deposits received before July 1, 2024 are not affected by this law.

2. EXCEPTION TO RESIDENTIAL RENTAL PROPERTY SECURITY DEPOSIT LAW: A landlord, which includes the owner of the property and any other person or entity identified as Housing Provider, may demand or receive a security deposit, paid on or before initial occupancy, in an amount equal to two months' rent, in addition to any first month's rent only if the following two conditions exist:

- (i) The landlord is a natural person or a limited liability company in which all members are natural persons; and
(ii) The landlord owns no more than two residential rental properties that collectively include no more than four dwelling units offered for rent.

For purposes of this law, (i) "Natural person" includes any natural person who is a settlor or beneficiary of a family trust; and (ii) "Family trust" means a revocable living trust or irrevocable trust in which the settlors and beneficiaries of the trust are persons who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.

3. SECURITY DEPOSIT LIMIT FOR MEMBERS OF THE ARMED SERVICES: Even if landlord meets the conditions established in paragraph 2, landlord may not demand or receive security deposit exceeding one month's rent if the prospective tenant is (service member):

- (i) An active member of the Army, Navy, Air Force, Marine Corps, Space Force or Coast Guard or reserve member of any of the just named armed forces who is ordered into active duty; or
(ii) A member of the California National Guard, State Guard or Naval Militia called or ordered into active service.

4. REPRESENTATION OF LANDLORD OF EXCEPTION TO RESIDENTIAL SECURITY DEPOSIT LAW: Landlord represents that Landlord meets the conditions specified in paragraph 2, above, and, accordingly, may demand or receive from tenant a security deposit in an amount of up to two months' rent.

Landlord (Housing Provider) ... Date ...
Landlord (Housing Provider) ... Date ...

5. REPRESENTATION OF TENANT OF SERVICE MEMBER STATUS: Tenant represents that tenant is a member of the Army, Navy, Air Force, Marine Corps, Space Force, Coast Guard, as (check applicable boxes in A(1) or A(2), or B):

- A. As:
(1) An active member;
OR
(2) A reserve member who is ordered into active duty;

OR B. A member of the California National Guard, State Guard, Naval Militia called or ordered into active service.

Tenant ... Date ...
Tenant ... Date ...

# Disclosure of Mandatory Fees for Vacation Rentals – Effective July 1<sup>st</sup>

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- Prohibits “drip pricing” – aka advertising a price less than a consumer will have to actually pay
- Applies to short-term lodging (rentals for fewer than 30 days)
- Cannot advertise, display, or offer a room rate that does not include all fees or charges required to stay at the short-term lodging
  - Exception government-imposed taxes and fees





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## Already in Effect, But Don't Forget About ...

### New Cap on Exclusive Listing Periods

- Why is this happening?
- Term of exclusive listing agreement on residential 1-4 unit property capped at 24 months.
  - Renewals capped at 12 months.
- Renewals of any exclusive listing agreement on residential property cannot be automatic and must be in writing and signed by all parties.
- Illegal to record any exclusive listing agreement on residential property.





**RESIDENTIAL LISTING AGREEMENT**  
**(Exclusive Authorization and Right to Sell)**  
 (C.A.R. Form RLA, Revised 12/23)

Date Prepared: \_\_\_\_\_

1. **EXCLUSIVE RIGHT TO SELL:** \_\_\_\_\_ ("Seller")  
 hereby employs and grants \_\_\_\_\_ ("Broker")  
 beginning (date) \_\_\_\_\_ and ending at 11:59 P.M. on (date) \_\_\_\_\_ ("Listing Period")\*  
 the exclusive and irrevocable right to sell or exchange the real property described as \_\_\_\_\_  
 \_\_\_\_\_, situated in \_\_\_\_\_ (City),  
 \_\_\_\_\_ (County), California, \_\_\_\_\_ (Zip Code), Assessor's Parcel No. \_\_\_\_\_ ("Property").

- This Property is a manufactured (mobile) home. See Manufactured Home Listing Addendum (C.A.R. form MHLA) for additional terms.
- This Property is being sold as part of a probate, conservatorship, guardianship, or receivership. See for Probate Listing Addendum and Advisory (C.A.R. Form PLA) additional terms.

\*The maximum listing period allowed by law for residential property improved with one to four units is 24 months from the date this agreement is made. This restriction does not apply if Seller is a corporation, LLC or partnership. It is unlawful to record or file this listing agreement, or a memorandum or notice thereof, with the county recorder.



**MODIFICATION OF LISTING, BUYER REPRESENTATION OR OTHER AGREEMENT BETWEEN PRINCIPAL AND BROKER**  
 (C.A.R. Form MT, Revised 12/23)

The  Listing Agreement  Buyer Representation Agreement,  Other \_\_\_\_\_  
 dated \_\_\_\_\_, between \_\_\_\_\_ ("Broker")  
 and \_\_\_\_\_ ("Principal"), regarding the real  
 property, manufactured home or business described as \_\_\_\_\_  
 \_\_\_\_\_ is modified as follows:

PRICE: The listing price, price range, lease or rental amount shall be changed to: \_\_\_\_\_  
 \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)

EXPIRATION DATE: The expiration date is changed to: \_\_\_\_\_.

NOTE: If the listing agreement is an exclusive right to sell (C.A.R. Form RLA) or a seller reserved listing (C.A.R. Form RLA-SR) for residential property improved with one to four units, the renewal may not last longer than 12 months. This restriction does not apply if Seller is a corporation, LLC or partnership. It is unlawful to record or file the listing agreement, or a memorandum or notice thereof, with the county recorder.





# Already in Effect, But Don't Forget About ...

## New Small Claims Court Limits

- Former limits:
  - \$10K for individuals
  - \$5K for entities.
- New limits:
  - \$12,500 for individuals
  - \$6,250 for entities
- Note – if anyone brings more than two claims in a calendar year limit remains only \$2,500.



**SHORT-TERM RENTAL AGREEMENT**

(Intended for occupancy of 30 days or less)

(For occupancies of more than 30 days but not exceeding 90 days, use with a Seasonal Addendum)  
(C.A.R. Form STRA, Revised 6/24)

Date Prepared: \_\_\_\_\_

1. **OCCUPANT:** \_\_\_\_\_ ("Occupant") agrees as follows:

2. **PROPERTY:** Occupant rents, for short-term purposes only, the furnished real property and improvements described as: \_\_\_\_\_, situated in \_\_\_\_\_, County of \_\_\_\_\_, California ("Premises").

The Premises has \_\_\_\_\_ bedroom(s) and \_\_\_\_\_ bath(s).

3. **ARRIVAL AND DEPARTURE:**

A. Arrival: \_\_\_\_\_ (Date) at \_\_\_\_\_ (Time)

B. Departure: \_\_\_\_\_ (Date) at \_\_\_\_\_ (Time).

OR C.  **SEASONAL RENTAL:** Term of the Agreement will be for more than 30 days. Seasonal Addendum to Short-Term Rental Agreement (C.A.R. Form STRA-SA) attached.

4. **AUTHORIZED USE AND GUESTS:**

A. The Premises are for the sole use as a short-term residence by Occupant named in **paragraph 1**, AND, in addition, not more than \_\_\_\_\_ adults and \_\_\_\_\_ children.

B. If additional adults and children are indicated, the names of those persons are \_\_\_\_\_ ("Authorized Guests").

C. No other guests, visitors or persons are permitted. If the Premises are used, in any way, by more or different persons than those identified in this paragraph, (i) Occupant, Authorized Guests and all other may be required to immediately leave the Premises or be removed from the Premises; (ii) Occupant is in breach of this Agreement; (iii) Occupant forfeits its right to return of any damage deposit; and (iv) Occupant is liable for any damage caused by those persons.

5. **PAYMENTS:** Occupant agrees to the following payments:

A. **The Premises will not be held for Occupant until this Agreement is signed by Occupant, and, if checked,  Booking Deposit,  Other \_\_\_\_\_ has been received by Owner or Owner's Representative.**

B. Category	Amount Due	Payment Due Date	Payable To
Booking Deposit:	\$ _____		
Rent from _____ to _____ (date)	\$ _____		
Damage Deposit:	\$ _____		
Cleaning Fee:	\$ _____		
Other: _____	\$ _____		
Other: _____	\$ _____		
Transient Occupancy Tax/Local Tax assessed on rent, and if applicable, _____ at _____% (tax rate):	\$ _____		
<b>Total:</b>	\$ _____		

6. **BALANCE DUE; LATE CHARGE:** If any amount due is not received by the applicable Payment Due Date, Owner may, at Owner's or Owner's Representative's sole discretion, either terminate this Agreement and refund to Occupant all payments pursuant to the Cancellation Policy, or impose a late charge of \$ \_\_\_\_\_.

7. **DAMAGE DEPOSIT:**

A. The damage deposit will be  transferred to and held by Owner;  held in Owner's Representative's trust account; or  Other \_\_\_\_\_.

B. All or any portion of the damage deposit, upon termination of occupancy, may be used as reasonably necessary to: (i) cure Occupant's default in payment of rent, non-sufficient funds ("NSF") fees or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Occupant or Occupant's guests or licensees; (iii) clean the Premises; and (iv) replace or return personal property or appurtenances. Within 21 days after Occupant vacates the Premises, Owner shall: (1) furnish Occupant an itemized statement indicating the amount of any damage deposit (i) received, (ii) withheld and the basis for its disposition, and (iii) withheld pending receipt of utility, and \_\_\_\_\_ bills; and (2) return any remaining portion of the damage deposit to Occupant.

C. No interest will be paid on the damage deposit unless required by local ordinance.

D. If the damage deposit is held by Owner, Occupant agrees not to hold Owner's Representative responsible for its return. If the damage deposit is held by Owner's Representative and the damage deposit is released to Owner or Owner's other representative, then Owner's Representative's only duty shall be to notify Occupant, in writing, where and to whom the damage deposit has been released.

8. **CANCELLATION POLICY; REFUND:** If Occupant cancels or otherwise terminates this Agreement:

A. In the first 24 hours after acceptance of this Agreement, all payments will be refunded to Occupant unless occupancy is scheduled within 72 hours of acceptance.

B. By \_\_\_\_\_ days before Arrival date, all payments except \_\_\_\_\_ will be refunded to Occupant.

C. By \_\_\_\_\_ days before Arrival date, \_\_\_\_\_ will be returned to Occupant.

D. If Occupant cancels or otherwise terminates this Agreement after \_\_\_\_\_, Occupant shall be responsible for entire rent, commission to Owner's Representative and all marketing and preparation costs necessary to ready the Premises for re-rental.

# Already in Effect, But Don't Forget About ...

## Right to Cancel Short-term rental

- Within 24 hours
- Except if reservation made within 72 hours of check-in

# Already in Effect, But Don't Forget About ...

## Accessory Dwelling Units

- **Condo Conversions:**
  - Local agency must approve
  - Each lienholder must consent to recorded documents
  - If within existing HOA, the existing HOA must approve
- **Owner Occupancy:**
  - Prohibits local government from requiring one unit to be owner occupied. Previous law which allowed local government to impose owner occupancy starting Jan. 1, 2025, repealed.





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**APPLICATION TO LEASE OR RENT/SCREENING FEE**  
(C.A.R. Form LRA, Revised 3/24)

**I. APPLICATION TO RENT**

THIS SECTION TO BE COMPLETED BY APPLICANT. A SEPARATE APPLICATION TO LEASE OR RENT IS REQUIRED FOR EACH OCCUPANT 18 YEARS OF AGE OR OVER, OR AN EMANCIPATED MINOR.

1. Applicant is completing Application to Lease or Rent as a (check one)  tenant,  tenant with co-tenant(s) or  guarantor/co-signor.

Total number of applicants \_\_\_\_\_

8. Applicant understands and agrees that: (i) this is an application to rent only and does not guarantee that applicant will be offered the Premises; (ii) Housing Provider may receive more than one application for the Premises and, (iii) Applicant will provide a copy of applicant's driver's license or other acceptable identification upon request.

Applicant represents the above information to be true and complete, and hereby authorizes Housing Provider to: (i) verify the information provided; (ii) obtain a credit report on applicant\*\* and (iii) obtain an "Investigative Consumer Report" ("ICR") on and about applicant. An ICR may include, but not be limited to, criminal background checks, reports on unlawful detainers, bad checks, fraud warnings, and employment and tenant history. By signing below, you also acknowledge receipt of the attached NOTICE REGARDING BACKGROUND INVESTIGATION PURSUANT TO CALIFORNIA LAW (C.A.R. form BIRN).

Please check this box if you would like to receive, at no charge, a copy of an ICR or consumer credit report if one is obtained by the Housing Provider whenever you have a right to receive such a copy under California law.

\*\* If applicant will be receiving a government rent subsidy to assist in the payment of rent, such as a Section 8 voucher, applicant may choose to provide lawful, verifiable, alternative evidence of reasonable ability to pay rather than have Housing Provider rely on a credit report. The applicant shall be given a reasonable time to provide the alternative documentation.  
 Applicant will be receiving a rent subsidy pursuant to the following government program and elects to provide alternative documentation: \_\_\_\_\_

9. Applicant further authorizes Housing Provider to disclose information to prior, current, or subsequent owners and/or agents with whom applicant has had, or intends to have, a rental relationship.

If application is not fully completed, or if section II, 2 is applicable and the application is received without the full screening fee: (i) the application will not be processed, and (ii) the application and any portion of the screening fee paid will be returned.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

Return your completed application and any applicable fee not already paid to: \_\_\_\_\_


Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

# Already in Effect, But Don't Forget About ...

## Tenant Ability to Pay

- If Receiving Government Rent Subsidy:
  - Tenant has right to provide alternate ability to pay rather than credit report
  - Landlord may still require verification of ability
  - Landlord may still require verification of employment
  - Landlord may still require verification of tenant identity
  - Landlord may still require credit references





Thank you!  
Questions?