

Date of Hearing: July 15, 2025

ASSEMBLY COMMITTEE ON JUDICIARY  
Ash Kalra, Chair  
SB 522 (Wahab) – As Amended March 28, 2025

**SENATE VOTE:** 27-10

**SUBJECT:** HOUSING: TENANT PROTECTIONS

**KEY ISSUE:** SHOULD HOUSING RECONSTRUCTION THAT REPLACES RESIDENTIAL PROPERTY THAT WAS SUBSTANTIALLY DAMAGED OR DESTROYED BY A DISASTER, AS DEFINED, BE EXCLUDED FROM THE EXEMPTION IN CALIFORNIA’S JUST-EVICTION PROTECTIONS FOR HOUSING ISSUED A CERTIFICATE OF OCCUPANCY IN THE LAST 15 YEARS?

**SYNOPSIS**

*The Tenant Protection Act (TPA) of 2019 – until January 1, 2030 – prohibits landlords of certain properties from evicting residential tenants who have resided in the unit for 12 months or more without just cause. “Just cause” includes both “at-fault” just cause, and “no fault” just causes. As the names suggests, “at-fault” just cause evictions are based on the tenant’s misconduct, such as failing to pay rent, breaching a material term of the lease, creating a nuisance, or engaging in illegal activity. “No-fault” just-cause evictions include legitimate reasons that the landlord may end the lease, such as withdrawing the property from the rental market, substantially remodeling the property, or having a family member move into the property. In addition, the TPA also imposed limits on rates of rental increase. However, the TPA did not apply to any housing that had been issued a certificate of occupancy within the last 15 years. The premise behind this exemption for new construction reflected a belief that imposing regulations discourages the building of new housing units, which the state desperately needs.*

*However, in the wake of the recent fires in Southern California, there is a need and desire to rebuild homes on the same property. As new construction, these rebuilt homes will need a new certificate of occupancy and, as such will be exempt from the TPA requirements.*

*This bill effectively makes an exemption to an exemption for purposes of the TPA’s just-cause eviction provisions. (The bill does not affect the TPA’s rental increase limits.) That is, the bill would exclude housing constructed to replace a structure damaged by a disaster from the existing exemption for housing issued a certificate of occupancy in the last 15 years. The rationale for this policy, it appears, is that this rebuilt housing does not add to the pre-disaster stock of housing, but is simply restoring units that existed before the disaster and were subject to the TPA.*

*The bill is sponsored by the Los Angeles City Attorney’s Office and supported by several advocates of affordable housing. It is opposed by the California Apartment Association, the California Association of Realtors, the California Chamber of Commerce and other groups representing builders and developers. The bill recently passed out of the Assembly Housing and Community Development Committee on a 7-5 vote.*

**SUMMARY:** Excludes, from the exemption to California’s just-cause eviction protections for housing issued a certificate of occupancy within the last 15 years, housing that is built to replace a residential unit substantially damaged or destroyed by a disaster, as specified.

**EXISTING LAW:**

- 1) Establishes generally the relations between and responsibilities of landlords and tenants in residential leases. (Civil Code Section 1940 *et seq.* Subsequent citations refer to this code unless otherwise indicated.)
- 2) Establishes the Tenant Protection Act of 2019, which prohibits landlords of certain properties, until January 1, 2030, from evicting a residential tenant who has resided in the unit for 12 months or more, unless the landlord has at-fault or no-fault just cause:
  - a) Defines “at-fault” just cause to mean a tenant’s:
    - i) Default in the payment of rent.
    - ii) Breach of a material term of the lease.
    - iii) Maintaining or permitting a nuisance on the premises.
    - iv) Committing waste on the premises.
    - v) Refusal to execute a written extension or renewal of a lease for a tenancy in a mobilehome, as prescribed.
    - vi) Criminal activity on the residential property.
    - vii) Assigning or subletting the premises in violation of the lease.
    - viii) Refusal to allow the owner to enter the property as authorized.
    - ix) Using the premises for an unlawful purpose.
    - x) Failure to vacate when the tenant is an employee, agent, or licensee, and the tenant is terminated as an employee, agent, or licensee.
    - xi) A tenant’s failure to deliver possession of the property after providing the owner written notice of the tenant’s intent to terminate the lease.
  - b) Defines “no-fault” just cause to mean:
    - i) When the owner or owner’s spouse, domestic partner, children, grandchildren, parents, or grandparents intend to occupy the property for at least 12 months as their primary residence, as specified.
    - ii) A withdrawal of the property from the rental market, as specified.
    - iii) When the owner must evict the tenant to comply with a local ordinance or an order of a government agency or court, as prescribed.
    - iv) When the owner intends to demolish or substantially remodel the property, as specified. (Section 1946.2)
- 3) Specifies that the just-cause eviction requirements described in and 2a) and 2b), above, do not apply to the following:
  - a) A transient and tourist hotel occupancy, as defined.
  - b) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly.
  - c) Dormitories owned and operated by an educational institution.

- d) Housing accommodations in which the tenant shares a bathroom or kitchen with the owner who maintains their principal residence at the property.
  - e) Single-family owner-occupied residences.
  - f) A property containing two separate dwelling units within a single structure, in which the owner occupies one of the units at the owner's principal place of residence at the beginning of the tenancy, as specified.
  - g) Housing that has been issued a certificate of occupancy within the last 15 years, unless the housing is a mobilehome.
  - h) Residential real property that is alienable separate from the title to any other dwelling unit when the owner is not a corporation, management of a mobilehome park, or other business entity, as specified.
  - i) Housing that is restricted as affordable housing by deed, agreement with a government agency, or other recorded document, as defined. (Section 1946.2(e).)
- 4) Specifies that the just-cause provisions described in 2a) and 2b), above, do not apply to residential real property subject to a local ordinance requiring just cause for evictions, either when the ordinance was adopted on or before September 1, 2019, or when the ordinance is more protective than the state's just-cause eviction provisions. (Section 1946.2 (i).)
- 5) Specifies that, if an owner evicts a tenant for no-fault just cause, the owner must either assist the tenant with relocation by providing a direct payment equal to one month's rent, or waive payment of the last month's rent. (Section 1946.2 (d).)
- 6) Specifies that, before an owner may issue a notice of termination for a just cause that is curable, the owner must first give the tenant notice of the violation with an opportunity for the tenant to cure the violation, as prescribed. (Section 1946.2 (c).)
- 7) Specifies that a landlord who attempts to evict a tenant in violation of the just-cause provisions described in 2) through 6), above, is liable to the tenant for actual damages, reasonable attorney's fees and costs at the court's discretion, and for three times actual damages when the owner acted willfully or with oppression, fraud, or malice. Specifies that the Attorney General, or a city attorney or county counsel of the jurisdiction in which the rental unit is located, may seek injunctive relief. Additionally specifies that an owner's failure to comply with the just-cause provisions renders the written termination notice void. (Section 1946.2 (g)-(h).)
- 8) Specifies that the just-cause provisions described in 2) through 7), above, are repealed on January 1, 2030. (Section 1946.2 (n).)
- 9) Provides that, if the residential tenant has resided in the dwelling for less than a year, the landlord must provide notice of termination at least 30 days prior to the termination, and that the landlord must provide notice of termination at least 60 days prior to the termination if the tenant has resided in the residential property for a year or more, except as provided. Provides that a tenant must provide notice of their intention to terminate their tenancy for a periodic tenancy at least as long as the term of the periodic tenancy. If the tenant has received a notice of termination from the owner, the tenant may provide a notice of termination for a period at least as long as the term of a periodic tenancy, if such termination occurs before the owner's date of termination. (Section 1946.1 (b)-(d).)

- 10) Provides that a tenant has committed unlawful detainer when they continue in possession of the property without the landlord's permission after:
  - a) The tenant remains in possession of the premises after the expiration of the term of the tenancy without permission of the landlord or otherwise not permitted by law.
  - b) The tenant's nonpayment of rent and service of a 3-day notice to pay or quit, stating the amount that is due.
  - c) The tenant has breached a covenant of the lease or failed to perform other conditions under the lease, and after service of a 3-day notice requiring performance of such covenants or conditions.
  - d) The tenant has breached a covenant of the lease prohibiting subletting, assignment, or waste; has committed or permitted a nuisance on the premises; or used the premises for an unlawful purpose.
  - e) The tenant gives written notice of the tenant's intention to terminate the tenancy, but fails to deliver possession of the premises to the landlord at the specified time. (Code of Civil Procedure Section 1161.)
- 11) Requires a tenant defendant in an unlawful detainer action to respond to a notice of summons within ten days, excluding weekends and court holidays, of being served with the notice. Specifies that, if service is completed by mail or the Secretary of State's address confidentiality program, the defendant must file within fifteen days. (Code of Civil Procedure Section 1167.)
- 12) Defines "disaster," for the purposes of the California Disaster Assistance Act, as meaning a fire, flood, storm, tidal wave, earthquake, terrorism, epidemic, or other similar public calamity that the Governor determines presents a threat to public safety. (Government Code Section 8680.3.)

**FISCAL EFFECT:** As currently in print this bill is keyed non-fiscal.

**COMMENTS:** According to the author:

Protecting tenants from unjust evictions is one of the most basic anti-displacement and anti-homelessness actions we can take. The Tenant Protection Act established these provisions for units with a certificate of occupancy date older than 15 years from the current date. The loss of multi-family housing units in the Palisades and Eaton fires forces us to reconsider the efficacy of the 15 years provision. As replacement rental housing units are rebuilt after these and any future disasters, we must ensure the previously enacted protections carry over. Without extending these protections, our homelessness and housing crises will only get worse.

***The Tenant Protection Act (TPA) of 2019.*** Six years ago, in an attempt to address the state's "housing affordability crisis," the Legislature enacted the Tenant Protection Act (TPA) of 2019. The TPA became effective on January 1, 2020, and included a sunset date of January 1, 2030. The TPA had two key provisions: (1) a cap on the rate of annual rent increases and (2) a prohibition on evictions without "just cause." Under the first provision, rent cannot be increased in a given year by more than 5% plus the annual increase in the consumer price index (CPI), or 10%, whichever is lower. Under the second provision, if a tenant has continuously occupied the rental unit for 12 months, the landlord cannot terminate the tenancy without just cause. Under prior law, a landlord could terminate a month-to-month tenancy for any reason so long as proper

notice was provided. Under TPA, the landlord can only terminate the tenancy if the tenant fails to pay rent or otherwise violates the lease (an “at fault” just cause) or so the landlord can allow a family member to move in, make substantial repairs, or take the property off the market (“no fault” just cause). The rental increase limitation and just-cause provisions were closely related, because without the just cause provision, a landlord could evict a tenant and raise the rent on the new tenancy.

Most significantly for the bill now before the Committee, TPA exempted newer properties that had been issued a certificate of occupancy within the past 15 years. The premise behind this exemption reflected a belief that imposing such regulations would discourage the building of new housing units, which the state desperately needs.

***The impact of the Los Angeles wildfires.*** As the well-documented and thorough analysis prepared by the Assembly Housing Committee demonstrates, California’s approximately 18 million renters (44% of the state’s population) have been particularly impacted by a housing shortage that has resulted in increased rents. There are, of course, many complex factors contributing to California’s high rental prices but, whatever the cause, the result is that tenants feel the pinch and face restricted choices when entering the rental market. The TPA attempted to address these hardships by limiting the rate of rental increases and limiting evictions to just-cause evictions, so that tenants are not evicted as a pretext for creating a temporary vacancy and thereby avoiding the limits on rental increases.

During the past few months, this Committee has considered several measures, and heard ample testimony, showing how the January wildfires in the Los Angeles area have exacerbated the state’s housing affordability problem. Housing that is built to replace destroyed rental properties would, without this bill, be exempt from the TPA protections because the new construction would have received a certificate of occupancy within the last 15 years. This means that, as a result of the wildfires, a greater proportion of rental properties will fall outside of the protections that the author, sponsor, and supporters believe tenants so desperately need.

***This bill*** effectively makes an exemption to an exemption for purposes of the just-cause eviction provisions. The bill would exclude housing constructed to replace units substantially damaged or destroyed by a disaster from the existing exemption for new construction. The rationale for this policy, it appears, is that rebuilt housing does not add to the pre-disaster stock of housing, but is simply restoring units that, before the disaster occurred, were subject to the TPA (assuming they are more than 15 years old). (NOTE: Some of the letters, and even the Legislative Counsel digest for the bill in print, continue to state that the bill would apply the just cause requirements *and rental increase limits*, even though the bill was amended in March to apply only to the just cause evictions.)

***Will this bill discourage rebuilding?*** The most consistent argument made by the opponents of this measure claim that it will discourage rental property owners from rebuilding destroyed properties at a time when the rebuilding of rental property is desperately needed. This was, after all, the purpose of exempting relatively new construction from the provisions of the TPA in the first place. On this point, however, it must be emphasized that this bill does *not* affect the existing exemption for the TPA’s limits on rental increases. Although the evidence is by no means conclusive, one could make a stronger case that limits on rents might discourage rebuilding because the rents more directly impact on the builder’s return on investment. However, it is less clear that just-cause eviction rules would have the same effect. Just cause

eviction rules promote housing stability for renters – and landlords also benefit from stability – but such rules do not limit what the property owner can charge for rent. New construction built to replace structures destroyed by a disaster will still be exempt from TPA’s rental increase limits. Moreover, as the author has pointed out, the bill does not impose any *new* regulatory requirements; it merely carries over regulations that applied prior to the disaster.

***ARGUMENTS IN SUPPORT:*** The Los Angeles City Attorney’s Office, the bill’s sponsor, writes in support:

As you know, the Tenant Protection Act of 2019 (TPA), prohibits, until January 1, 2030, an owner of residential real property from terminating the tenancy of certain tenants without just cause, either at-fault or no-fault of the tenant. The TPA exempts certain types of residential real property from that prohibition, including, among others, housing that has been issued a certificate of occupancy within the previous 15 years.

SB 522 (Wahab) would exclude housing built to replace a previous housing unit that was subject to the TPA and was substantially damaged or destroyed by a disaster and was issued a certificate of occupancy before that housing unit was substantially damaged or destroyed, from the above-described exemption from the just cause requirements and rental increase limits.

The Alliance of Children’s Rights (ACR) supports this bill because it “closes a critical loophole in the Tenant Protection Act of 2019 by ensuring that rental housing rebuilt after a disaster does not lose existing just cause eviction protections and rent stabilization.” ACR explains further:

We know from direct experience that stable housing is essential for family preservation, child well-being, and successful reentry or reunification efforts. When disasters strike—wildfires, earthquakes, or other catastrophic events—low-income families are often the hardest hit. Without SB 522, landlords can exploit the rebuilding process to remove longstanding tenant protections, effectively displacing vulnerable families when they are at their most vulnerable.

SB 522 provides a narrow and targeted fix: it applies only when the original unit was subject to tenant protections and ensures that the replacement unit, built after a disaster, maintains those protections. This preserves affordability, prevents exploitation, and helps ensure that recovery from disaster does not lead to permanent displacement and instability.

This legislation aligns with California’s goals of protecting tenants, promoting equity in disaster recovery, and maintaining access to affordable housing. For families served by the Alliance – especially those involved in the foster system or at risk of child welfare intervention – housing stability can make the difference between reunification and separation.

***ARGUMENTS IN OPPOSITION:*** The California Apartment Association, the California Association of Realtors, the California Chamber of Commerce and other organizations representing builders, developers, and property oppose this bill for the following reasons:

SB 522 sends the wrong message to rental property owners. Rental property owners who suffer losses in a disaster deserve support to rebuild—not regulatory burdens.

While we fully recognize that tenants also lose their homes in these situations, policymakers should focus on encouraging the rapid reconstruction of housing, not creating disincentives that delay or prevent it.

SB 522 is unfair to rebuilt housing. Under existing law, newly constructed rental housing is granted a 15-year exemption from just cause requirements—a critical provision that allows owners to secure financing and move forward with development. SB 522 denies this same exemption to rebuilt housing, despite the fact that owners face the same (if not greater) financial challenges in rebuilding after a disaster.

SB 522 overlooks the realities of rebuilding. Reconstructing rental housing after a disaster is often an uphill battle. Many owners are underinsured, dealing with substantial losses, and struggling to obtain financing. Imposing additional regulatory barriers makes rebuilding less viable and increases the risk that destroyed units will never return to the market.

SB 522 Contributes to California's Rental Housing Exodus - After a disaster, rental property owners are increasingly choosing to leave California due to the state's growing list of regulatory requirements. SB 522 would accelerate this trend, sending the message that California is an unpredictable and unsupportive place to operate rental housing—even in the aftermath of a disaster.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Aids Healthcare Foundation  
Alliance for Children's Rights  
Alliance of Californians for Community Empowerment  
California Democratic Renters Council  
East Bay Housing Organizations  
Los Angeles City Attorney  
Mission Street Neighbors  
National Association of Social Workers, California Chapter  
New Livable California Db a Livable California  
Public Advocates  
Sacramento Regional Coalition to End Homelessness  
Santa Clara Housing Advocates  
Transform

### **Opposition**

Apartment Association of Greater Los Angeles  
Apartment Association of Orange County  
Apartment Association, California Southern Cities  
Berkeley Property Owner's Association  
Building Owners and Managers Association of California  
California Apartment Association  
California Association of Realtors  
California Building Industry Association

California Business Properties Association  
California Chamber of Commerce  
California Mortgage Bankers Association  
California Rental Housing Association  
East Bay Rental Housing Association  
Institute of Real Estate Management  
NAIOP of California  
Nor Cal Rental Property Association  
North Valley Property Owners Association  
Santa Barbara Rental Property Association  
Southern California Rental Housing Association  
Western Manufactured Housing Communities Association

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