

COVID-19 TENANT RELIEF ACT OF 2020

Evictions Under the COVID-19 Tenant Relief Act

- Extends notice period from 3 to 15 days (not including weekends or holidays) to provide tenant additional time to either pay or provide declaration of hardship in response to landlord's notice to pay rent or quit.
- Tenant cannot be evicted for nonpayment due to a COVID-19 related hardship for rent due between March 1 August 31,
 2020, if tenant returns declaration of hardship under penalty of perjury within 15-day notice period.
- Tenant cannot be evicted for nonpayment due to a COVID-19 related hardship for rent due between September 1, 2020 January 31, 2021, if tenant returns declaration of hardship under penalty of perjury within 15-day notice period and pays 25% of the missed rent payments for that period by January 31, 2021.
- Higher income tenants (over \$100K household income or over 130% of median household income) must provide some form of documentation, as specified in the bill.
- Tenants can be evicted beginning October 5, 2020 if they fail to return COVID-19 related hardship declaration to landlord.
- Applies to all residential rental tenants and mobile home residents, including single-family home and ADU rentals.
- Eviction cases for at-fault reasons other than non-payment (e.g., nuisance) can begin September 2, 2020.
- Just cause under AB 1482 (Tenant Protection Act of 2019) is extended to all tenants until February 1, 2021. Delays any eviction cases for non-payment (not due to COVID-19 hardship) or no-fault reasons until October 5, 2020.
- Amends existing retaliation law to prohibit landlord from evicting a tenant for a reason other than non-payment of rent in retaliation for having unpaid COVID-19 rental debt.

Tenants Still Responsible for Paying Unpaid Amounts to Landlords

- If the tenant complies with the above, any remaining unpaid rent due between March 1, 2020 January 31, 2021, is not a ground/basis for eviction, but is still owed to the landlord as a form of consumer debt
- Small claims court jurisdiction is temporarily expanded to allow landlords to recover these amounts.
- Landlords may begin to recover this debt on March 1, 2021.

Other Protections for Tenants

- Requires landlords to provide hardship declaration forms in a different language if rental agreement was negotiated in a different language, consistent with existing law.
- Provides tenants a backstop in an eviction case if they have a good reason for failing to return the hardship declaration to the landlord within 15 days.
- Requires landlords to provide tenants a notice detailing their rights under the Act.
- Eviction judgments in non-payment of rent cases filed between March 4, 2020 January 31, 2021, are subject to masking and are not publicly available, regardless of the outcome. Sunsets February 1, 2021.

Statewide Consistency and a Pause on Local Measures

- Existing local ordinances remain in place until they expire. Local actions that occur after August 19, 2020 cannot take effect before February 1.
- If an ordinance that establishes a time-period for repayment, that repayment period must begin (for unpaid rent due between March 1, 2020 and January 31, 2021) on March 1, 2021, unless the ordinance specifies an earlier date.
- Clarifies that nothing in the Act affects a local jurisdiction's ability to adopt an ordinance that requires just cause, consistent with state law, provided it does not affect payments due between March 1, 2020 and January 31, 2021.

Protections for Small Landlords

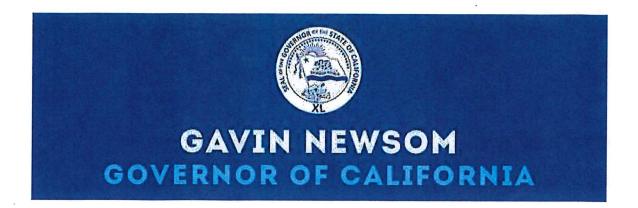
- Extends the Homeowners' Bill of Rights' anti-foreclosure protections to small landlords (1-4 units, non-owner occupied) if landlord is an individual, tenant moved in prior to March 4, and tenant fails to pay rent due to loss of income.
- Provides accountability and transparency provisions to protect small landlord borrowers who request CARES-compliant forbearance; authorizes a borrower who is materially harmed to file a lawsuit.

Penalties on Landlords Who Do Not Follow Court Eviction Process

• Adds a new penalty of between \$1,000 and \$2,500 against landlords who resort to self-help (i.e., locking the tenant out, throwing personal property out onto the curb, shutting off utilities) to evict a tenant, rather than going through the required court process. Sunsets February 1, 2021.

Entire Act Suncets February 1 2025 (nothing in the hill annies to rent due after January 21 2021)





FOR IMMEDIATE RELEASE:

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Governor Newsom Signs Statewide COVID-19 Tenant and Landlord **Protection Legislation**

New law includes targeted protections for tenants to shield them from evictions due to COVID-19related back rent through February 1, 2021

Extends anti-foreclosure protections in the Homeowner Bill of Rights to small landlords

SACRAMENTO -- Governor Gavin Newsom today announced that he has signed legislation to protect millions of tenants from eviction and property owners from foreclosure due to the economic impacts of COVID-19. These protections apply to tenants who declare an inability to pay all or part of the rent due to a COVID-related reason.

"COVID-19 has impacted everyone in California – but some bear much more of the burden than others, especially tenants struggling to stitch together the monthly rent, and they deserve protection from eviction," said Governor Newsom. "This new law protects tenants from eviction for nonpayment of rent and helps keep homeowners out of foreclosure as a result of economic hardship caused by this terrible pandemic. California is stepping up to protect those most at-risk because of COVID-related nonpayment, but it's just a bridge to a more permanent solution once the federal government finally recognizes its role in stabilizing the housing market. We need a real, federal

FW: Governor Newsom Signs Statewide COVID-19 Tenant and Landlord Protection Legislation commitment of significant new funding to assist struggling tenants and homeowners in California and across the nation."

On Friday, the Governor, Senate President pro Tempore Toni G. Atkins and Assembly Speaker Anthony Rendon announced an <u>agreement</u> on the legislation, AB 3088, co-authored by Assemblymembers David Chiu (D-San Francisco) and Monique Limón (D-Santa Barbara) and Senators Steven Bradford (D-Gardena) and Anna Caballero (D-Salinas).

Under the legislation, no tenant can be evicted before February 1, 2021 as a result of rent owed due to a COVID-19 related hardship accrued between March 4 – August 31, 2020, if the tenant provides a declaration of hardship according to the legislation's timelines. For a COVID-19 related hardship that accrues between September 1, 2020 – January 31, 2021, tenants must also pay at least 25 percent of the rent due to avoid eviction.

Tenants are still responsible for paying unpaid amounts to landlords, but those unpaid amounts cannot be the basis for an eviction. Landlords may begin to recover this debt on March 1, 2021, and small claims court jurisdiction is temporarily expanded to allow landlords to recover these amounts. Landlords who do not follow the court evictions process will face increased penalties under the Act.

The legislation also extends anti-foreclosure protections in the Homeowner Bill of Rights to small landlords; provides new accountability and transparency provisions to protect small landlord borrowers who request CARES-compliant forbearance; and provides the borrower who is harmed by a material violation with a cause of action.

Additional legal and financial protections for tenants include:

- Extending the notice period for nonpayment of rent from 3 to 15 days to provide tenant additional time to respond to landlord's notice to pay rent or quit.
- Requiring landlords to provide hardship declaration forms in a different language if rental agreement was negotiated in a different language.
- Providing tenants a backstop if they have a good reason for failing to return the hardship declaration within 15 days.
- Requiring landlords to provide tenants a notice detailing their rights under the Act.

- Limiting public disclosure of eviction cases involving nonpayment of rent between March 4, 2020 January 31, 2021.
- Protecting tenants against being evicted for "just cause" if the landlord is shown to be really
 evicting the tenant for COVID-19-related nonpayment of rent.

Existing local ordinances can generally remain in place until they expire and future local action cannot undermine this Act's framework. Nothing in the legislation affects a local jurisdiction's ability to adopt an ordinance that requires just cause, provided it does not affect rental payments before January 31, 2021.

The legislation builds on the state's strongest-in-the-nation rent cap and eviction protections passed by the Legislature and signed into law by the Governor last year. The Governor also signed major legislation last year to boost housing production, remove barriers to construction of accessory dwelling units and create an ongoing source of funding for borrower relief and legal aid to vulnerable homeowners and renters. Last year's budget made a historic \$1.75 billion investment in new housing and created major incentives — both sticks and carrots — to incentivize cities to approve new home construction. In the first weeks of his administration, Governor Newsom signed an executive order that created an inventory of all excess state land and has launched partnerships with California cities to develop affordable housing on that land. This year, the Governor prioritized \$550 million in federal stimulus funding to purchase and rehabilitate thousands of motels around the state for use as permanent housing for people experiencing homelessness and provided an additional \$350 million in general fund support to California's cities and counties for homeless services and housing.

Local leaders and advocates welcomed the signing of the Act:

Los Angeles Mayor Eric Garcetti: "No one should lose their home due to this public health crisis -- and while cities like Los Angeles have strong tenant protections in place, there is no substitute for a clear, statewide framework that keeps hard-hit Californians under a roof. With the state legislature's action and Governor Newsom's signature, tenants and landlords can rest easier tonight, but the fight continues for every dollar in federal assistance to help struggling families survive the choppy waters of COVID-19 and navigate the economic destruction left in its wake."

Sacramento Mayor Darrell Steinberg: "The COVID-19 pandemic has devastated low-income families across the state and right here in the City of Sacramento. The eviction protections signed into law today will protect some of the most vulnerable – those who have lost income or suffered

FW: Governor Newsom Signs Statewide COVID-19 Tenant and Landlord Protection Legislation other unimaginable hardships in these past few months -- from falling into homelessness. I appreciate the work of the Legislature and the Governor to provide this meaningful relief."

San Francisco Mayor London Breed: "Protecting people from eviction has been critical from Day One of the COVID crisis, when it became clear that this pandemic was going to threaten our residents and our economies like nothing we have ever seen. People are living in fear of losing their homes because they have lost their jobs, seen their wages cut, or have been forced to close their businesses. I want to thank Governor Newsom for working with our Legislative leaders to pass AB 3088, especially our own Assemblymember David Chiu who has been an early and tireless fighter for tenants on this issue."

UC, Berkeley Terner Center Faculty Director Carol Galante: "California is taking a big step forward today to protect the most vulnerable tenants at this moment of acute crisis. As our research has shown, more than one million California renters households have experienced job loss during COVID-19, and this directly impacts their housing security. While today's new laws are necessary, more must be done – and this means the Congress and the President stepping into their rightful role as provider of a meaningful renter relief package as part of the next stimulus. California deserves credit for acting, and now we must demand the Federal government follow suit."

The Governor also announced that he has signed the following bills:

- AB 2782 by Assemblymember Mark Stone (D-Scotts Valley) Mobilehome parks: change of use: rent control.
- AB 3364 by the Committee on Judiciary Judiciary omnibus.

Additional information on the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act can be found here. For full text of the bills signed today, visit: http://leginfo.legislature.ca.gov

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Governor Gavin Newsom

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