

AB 80/SB 91

Eviction Protection Legislation

Eviction Moratorium Extension

Extends provisions of AB 3088, which had provided protections until January 31, 2021. The extension will be until June 30, 2021 and covers the following:

- Tenants who pay 25 percent of monthly rent receive eviction protections. The 25 percent can take the form of a 25 percent of monthly rent paid each month; or a lump sum payment by June 30, 2021 that brings the total paid to 25 percent of what is due, over the period covered.
- Preemptions on local jurisdictions are extended. The preemptions prevent locals from changing local eviction rules beyond what was in place on August 19, 2020.

Provides Additional Tenant Protections

- Caps the maximum recoverable attorney fees on an action to recover COVID-19 rental debt brought as a limited or unlimited civil case.
- Provides that in any action seeking recovery of COVID-19 rental debt, the court may reduce the damages awarded if the court determines that the landlord refused to obtain rental assistance from the State Rental Assistance Program created in this bill, where the tenant met the eligibility requirements and funding was available.
- Prohibits late fees on COVID-19 rent debt until June 30.
- Prohibits a housing provider, tenant screening company, or other entity that evaluates tenants on behalf of a housing provider from using an alleged COVID-19 rental debt as a negative factor for the purpose of evaluating a prospective housing application or as the basis for refusing to rent a dwelling unit to an otherwise qualified prospective tenant.
- Prevents landlords from applying current tenant payments retroactively to back rent or other charges.
- Prevents a landlord from selling or assigning unpaid COVID-19 rental debt, for the time period between March 1, 2020, and June 30, 2021. This remains in effect until July 1, 2021.
- Prevents a landlord from ever selling or assigning unpaid COVID-19 rental debt, for the time period between March 1, 2020, and June 30, 2021 for any person that would have qualified under the rental assistance funding and where the household income is at or below 80 percent of the area median for calendar year 2020.

\$2.61B Rental Assistance Program

Establishes a program for rent subsidies based on a total of \$2.61 billion in federal rental relief dollars, a portion of which went directly to large jurisdictions from the federal government. Eligibility for this program is based on federal eligibility rules.

Creates a Rental Assistance Program aimed at reducing COVID-19 rental debt

- Based on federal rules, the rental assistance program is available to eligible tenants whose household income is no more than 80 percent of area median (AMI) for the 2020 calendar year.
- Priority is given to tenants whose household incomes are no more than 50 percent of AMI.
- Pays landlords 80 percent of total amount of rent in arrears incurred between April 2020 and March 2021.
 - Landlords must agree to forgive the remaining 20 percent and not pursue evictions or go after remaining debt.
 - This is not 80 percent of total rent for the period, but 80 percent of the amount in arrears (if the tenant has paid some rent, then its 80% of whatever is remaining due).
- Pays 25 percent of rent arrears, if the tenant applies for assistance, but the landlord does not participate, to help the tenant pay off the rental arrears that they accumulated from September 2020 - March 2021. This will help prevent the tenant from being evicted for rental arrears during that period.
- Pays 25 percent of up to three months of prospective payments on behalf of tenants. Assistance is paid to landlord directly. This would be for months after March 2021 and reflects the federal program's 15-month cap (this prioritized after paying arrears, resources permitting).
- Requires landlords to notify tenants who owe back rent of the availability of the rental assistance program.
- Prohibits landlords from proceeding with an eviction if they have not first notified the tenant about the rental assistance program.

Creates a program administrator to implement the federal rental assistance funding

- Permits the state to contract with a vendor to serve as the program implementer to manage and fund services to distribute emergency rental assistance resources. This vendor will be a Community Development Financial Institution (CDFI).
- The state has created controls for successful CDFI distribution of these funds.
- CDFI contractor is required to:
 - Show capacity to implement a statewide system
 - Demonstrate technological capacity
 - Include multiple languages and customer service assistance as part of outreach
 - Meet state reporting requirements

Creates a funding formula for the distribution of the federal funds throughout the state

- Counties with a population below 200,000 and the cities within it would be served by the statewide CDFI administrator system. There is a \$150 million set aside to serve the constituents of this group.
- Cities and counties with a population greater than 200,000 received some of the funding available to them directly from the federal government. (This is captured within the \$2.61 billion relief package.)
- These larger jurisdictions may also choose to administer a portion of funding that would come from the state as a block grant. If they chose not to administer their own program, the state will still provide rental assistance to residents of that jurisdiction. The funding would be distributed by the CDFI administrator system.
- Requires large jurisdictions receiving the block grant to use state payment percentages and follow all applicable state rules.
- Additional scrutiny will be placed on large counties not accepting a block grant and administering their own program to ensure program integrity.