



The Apartment Association of Greater Los Angeles

Bill Summary and FAQs: Assembly Bill 832– Extends Statewide Tenant Eviction Protections Through September 30, 2021 (From June 30, 2021, Per Expired Senate Bill 91, and Expired Assembly Bill 3088, Which Had Previously Expired on January 31, 2021)

(Note to Reader: Assembly Bill 832 is more than 300 pages long and many aspects may be subject to interpretation by the courts. Accordingly, while this document presents our current understanding of Assembly Bill 832, it is subject to change and **YOU ARE ENCOURAGED TO SEEK LEGAL ADVICE FOR YOUR PARTICULAR SITUATION.**)

Assembly Bill 832 extends the provisions of previous eviction protection laws, Senate Bill 91 and Assembly Bill 3088, until September 30, 2021. Up to \$5.2 billion in rental relief funding is earmarked to be made available to pay landlords of certain qualifying low-income renters up to 100% (up from 80% under Senate Bill 91) of unpaid rent owed due to COVID-19 financial related hardships experienced by 'qualified' renters. Unlike Senate Bill 91, Assembly Bill 832 expands the pool of eligible renters, and will pay the rental debts for qualified tenants that may **have previously moved out** and pay tenant rental debts directly to tenants when their landlords do not also apply for the rental relief (in these cases, tenants would be required to sign under penalty of perjury that they will utilize rental relief funds for the payment of rent).

IMPORTANT – **NEW** Notice **Due** by July 31 2021:

If, as of July 1, 2021 (or thereafter), your tenant owes one or more months of rent due to COVID-19 related financial distress (e.g., any rent due from March 1, 2020 through and including September 30, 2021), housing providers must serve another new informational notice from the State of California advising tenants of their right to rental assistance and urging them to apply. This new, required notice is contained within the Apartment Association of Greater Los Angeles' Forms Library (see Form K.1).

Summary of Assembly Bill 832. The following is a summary of Assembly Bill 832. This document is not meant to be comprehensive. You should seek advice from a licensed attorney when making decisions about how to proceed with an eviction or attempting to collect rental debt owed, or with respect to any other matter impacting your lease or relationship with your renter(s).

- **Extensions.** Extends “Transitional Time Period” from June 30, 2021, under prior Senate Bill 91 until September 30, 2021. If a tenant / resident pays at least 25% of their rent due for each of the months from April 1, 2020, to September 30, 2021, and signs a Declaration of COVID-19 Financial Hardship (See Form K.2), they will be protected from eviction. **The 25% must be paid on or before September 30, 2021**, and there is no obligation to make periodic (monthly) payments – the 25% may merely be paid as a “lump sum” at any time on or before September 30, 2021.

- **Extension of Just Cause Protections.** Requires all terminations of tenancies be for just cause through September 30, 2021. Extends expiration date of prohibitions on retaliation because of COVID-19 rental debt from July 1, 2021, under prior Senate Bill 91 to now October 1, 2021.
- **Small Claims Court.** Delayed landlord access to small claims court to pursue collection of COVID-19 rental debt until October 1, 2021 (Previously August 1, 2021, under expired Senate Bill 91 and March 1, 2021, under expired Assembly Bill 3088).
- **Rental Assistance.** Expands the rental subsidy program. Assistance could be paid directly to property owners, or in the absence of property owner participation in the application process, directly to renters who sign under penalty of perjury that the funds will be used for the payment of rent. However, only renters falling within household income categories up to 80% of the Area Median Income (AMI) where the property is located may qualify for rental assistance.

The revised rental assistance program will pay landlords up to 100% of the rent in arrears (not total rent for the period) between April 2020 and September 2021 with respect to qualified renters. There is no longer an option for renters to apply to receive just 25% of rental debt owned when their landlord does not participate in the application process.

- **Tenants Strongly Are Encouraged to Apply for Protection From Eviction.** Under Assembly Bill 832, the new “15-Day Notice to Pay Rent or Quit” (See Form K.3 and K.4) notifies renters that in order to be protected from eviction, they must apply for rental relief within 15-days of receipt of the notice (excluding Saturdays, Sundays, and other judicial holidays), and the State of California will within 20-days following receipt of the renter’s application, will let the renter and landlord know if the renter qualifies for relief. If the renter does not qualify for relief, the landlord will then be permitted to proceed with an eviction.

Update: Modifications Due to Assembly Bill 832. The provisions of Senate Bill 91 discussed in this document have been clarified / modified in the following manner under Assembly Bill 832:

- **IMPORTANT: Another New Informational Notice Due by July 31, 2021.** Service of a new informational notice to all tenants who, as of July 1, 2021, have an outstanding rent balance for any period between March 1, 2020, and June 30, 2021, is required. (Note: This new form and all other required Assembly Bill 832 forms are available in the Apartment Association of Greater Los Angeles’ forms library. This notice is Form K.1.)
- **Increased Rental Assistance.** Rental assistance funding will be increased from 80% of past due rent to 100% of past due rent for qualified renters. Housing providers and renters that had previously applied for the 80% will not be required to reapply as the process is to be streamlined so that the additional 20% will be automatically paid.
- **Tenants May Apply on Own / No Landlord Assistance Required.** In the event housing providers refuse to cooperate in the rental assistance program by filing an application for assistance, renters may apply on their own for 100% of past due rent; however, once approved, renters will be required to agree in writing, under penalty of perjury, that they will utilize the rental assistance funds to pay

past due rent. In order to ensure landlords actually receive the rental relief funds, they are encouraged to apply for the relief along with their renters.

- ***Renters That Moved On to Now Count.*** Housing providers will be entitled to apply for 100% rental assistance even if their renter has moved-out and so long as rent is owed due to COVID-19 related financial impacts.
- ***Preemption of Local Moratoriums.*** Senate Bill 91 will be amended to include a provision to preempt any further extension of local eviction moratoriums through March 31, 2022. Absent seeing the exact language, it is unclear how this might impact the City of Los Angeles' eviction moratorium which current does not have an expiration date. However, clearly cities with expired eviction moratoriums, such as Santa Monica, will be precluded from making further extensions until March 2022.

(Attn. City of Los Angeles Housing Providers: Our interpretation of the preemption provisions contained under Assembly Bill 832 may not impact the local City of Los Angeles eviction moratorium nor similarly situated local moratoriums having no specific expiration date, and accordingly, we believe that its eviction protection provisions will remain in place unless and until the local emergency declared by the City is ultimately lifted.)

- ***Repayment of Past Due Rent.*** Prohibits the passage by any local jurisdiction of an ordinance that allows any tenant a period of time that extends beyond May 31, 2023, to repay COVID-19 rental debt.
- ***Stay of Actions to Recover COVID-19 Rental Debt.*** Under Assembly Bill 832, and Senate Bill 91 before it, housing providers who are seeking recovery of COVID-19 rental debt must attach to the complaint documentation showing that they tried to investigate the availability or aid a tenant or cooperate with their tenant in seeking governmental rental assistance. Any such lawsuits pending are now stayed until November 1, 2021.
- ***Security Deposits.*** Housing providers may not apply a security deposit to satisfy COVID-19 rental debt, unless the tenant has agreed, in writing, to allow application of the deposit. However, a housing provider may apply the security deposit to satisfy COVID-19 rental debt after the tenancy ends (e.g., tenant moves out).
- ***Application of Payments.*** Housing providers may not apply a monthly rental payment to any COVID-19 rental debt other than the prospective month's rent, unless the tenant has agreed, in writing, to allow the payment to be applied in that manner.
- ***COVID-19 Rental Debt / Credit Checks.*** COVID-19 rental debt (as defined in Section 1179.02 of the Code of Civil Procedure) may not be considered as a negative factor for the purpose of evaluating a prospective housing applicant or as the basis for refusing to rent or an otherwise qualified prospective tenant. Debt masking protections for tenants are to become permanent so that credit screening companies may not report past due COVID rental debt.
- ***Assignment of Rental Debt.*** Housing providers (or any person for that matter) may not sell or assign any unpaid COVID-19 rental debt for the time period between March 1, 2020, and September

30, 2021, of any person who would have qualified to rental assistance funding (e.g., 80% of AMI or less of household income).

- **Receipt of Declaration of COVID-19 Financial Related Impacts.** Any housing provider that receives a signed Declaration of COVID-19 financial related impacts will be prohibited from: (i) charging late fees on COVID-19 related rental debt, or (ii) increase fees for services. (New Under Assembly Bill 832, if a renter that apply for rental relief on their own do not remit the relief funds received to their housing provider for payment of rent, the housing provider may charge a late fee not to exceed the amount that the landlord may charge a tenant for one late rental payment under the terms of the lease or rental agreement. Failure to pay the late fee may be grounds for an unlawful detainer.)
- **Reduction of Services Due to COVID-19.** Any housing provider who temporarily reduces or makes unavailable a service or amenity in compliance with federal, state, or local public health orders will not have violated the rental or lease agreement, nor to have provided different terms or conditions of tenancy or reduced services.

Update: Requirements for Applying. The application process is available online or assistance is available by phone (if in a local jurisdiction that is handling rental assistance applications locally, check online for website and/or phone numbers). To obtain information on the application process s being administered by the State of California, application information may be obtained by calling (833) 430-2122 or by visiting <http://housingiskey.com>.

- **Requirements For Landlords.** Landlords who have one or more eligible tenants may now apply to be reimbursed for 100% of each eligible tenant’s unpaid rent between April 1, 2020, and September 30, 2021. Landlords that have previously applied (prior to passage of Assembly Bill 832) or have been paid 80% of their rental debt under prior Senate Bill 91 **DO NOT NEED TO RE-APPLY** and should automatically receive additional rental relief funds to “make-up” for the 20%.

In order for landlords to obtain rental relief funding, their tenants must take steps to verify that they meet eligibility requirements and sign the application; and tenant’s household income must be at or below 80 percent of the Area Median Income (AMI). (*The Area Median Income or “AMI” for Los Angeles County is \$77,300 for a family of four.*). Before applying, landlords may be required to provide some or all of the following information:

- Property Deed(s)
- Mortgage Note(s)
- Property Tax Statement
- Copy of Property Insurance Statement
- Lease or rental agreement reflecting tenant’s name, residence address, and monthly rent due.

- **Requirements For Tenants.** Eligible tenants whose landlords choose not to participate in the program may apply on their own and receive 100% of unpaid rent between April 1, 2020, and September 30, 2021. In order to be eligible, one or more individuals in a tenant’s household must meet all of the following requirements in order to be eligible to apply:

- Have qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due to COVID-19; **and**
- Demonstrate a risk of experiencing homelessness or housing instability, which may include either of the following: (i) a past-due utility or rent notice or eviction notice; (ii) unsafe or unhealthy living conditions; or (iii) any other evidence of such risk, as determined by the program.
- Have a household income that is not more than 80 percent of the area median income.

Before applying, tenants may be required to provide some or all of the following information and documentation showing proof of loss of income due to COVID-19, which may include the following items: (i) A letter of termination from tenant’s job; (ii) Most recent pay stub with employer’s information; (iii) Evidence that tenant has applied for unemployment benefits; (iv) Evidence that tenant’s unemployment benefits have expired, including unemployment benefits provided through the CARES Act; (v) For self-employed tenants: tax records, income statements, or other evidence showing loss of income; (vi) Other items will also be considered, but not specified at this time.

New under Assembly Bill 832 is an updated “15-Day Notice to Pay Rent or Quit” (See Forms K.3 and K.4), which notifies renters that in order to be protected from eviction, they must apply for rental relief within 15-days of receipt of the notice (excluding Saturdays, Sundays, and other judicial holidays), and the State of California will within 20-days following receipt of the renter’s application, will let the renter and landlord know if the renter qualifies for relief. If the renter does not qualify for relief, the landlord will then be permitted to proceed with an eviction.

- **Assistance With Applications.** According to the State’s website, a list of organizations to assist both landlords and tenants with processing applications will soon be provided. The State of California phone number and website are as follows: (833) 430-2122 and <http://housingiskey.com>.
- **IMPORTANT: Change to 15-Day Pay-or-Quit Notice for Notices Served on or After July 1, 2021.** The notice requires on 15-Day Notices have again been modified. The Apartment Association of Greater Los Angeles 15-Day Notice forms will be modified to comply with this latest notice requirement prior to July 1, 2021. The new language is as follows:

(For notices served on or after July 1, 2021, the notice shall include the following text in at least 12-point type – these new notices are available for members only in the Apartment Association of Greater Los Angeles Legal Forms Library)

“NOTICE FROM THE STATE OF CALIFORNIA: YOU MUST TAKE ACTION TO AVOID EVICTION. *If you are unable to pay the amount demanded in this notice because of the COVID-19 pandemic, you should take action right away.*

IMMEDIATELY: *Sign and return the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays. Sign and return the declaration even if you have done this before. You should keep a copy or a picture of the signed form for your records.*

BEFORE SEPTEMBER 30, 2021: Pay your landlord at least 25 percent of any rent you missed between September 1, 2020, and September 30, 2021. If you need help paying that amount, apply for rental assistance. You will still owe the rest of the rent to your landlord, but as long as you pay 25 percent by September 30, 2021, your landlord will not be able to evict you for failing to pay the rest of the rent. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes.

AS SOON AS POSSIBLE: Apply for rental assistance! As part of California's COVID-19 relief plan, money has been set aside to help renters who have fallen behind on rent or utility payments. If you are behind on rent or utility payments, **YOU SHOULD COMPLETE A RENTAL ASSISTANCE APPLICATION IMMEDIATELY!** It is free and simple to apply. Citizenship or immigration status does not matter. You can find out how to start your application by calling 1-833-430-2122 or visiting <http://housingiskey.com> right away."

- **COVID-19 Debt Not Allowed as Factor in Tenant Screening.** Housing providers and tenant screening companies are now prohibited from using 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 otherwise qualified prospective tenant." Debt masking protections for tenants are to become permanent so that credit screening companies may not report past due COVID rental debt.
- **Sale or Assignment of COVID Debt Temporarily Prohibited.** The sale or assignment of COVID-19 rental debt is temporarily prohibited until October 1, 2021, of any person who would have qualified to rental assistance funding (e.g., 80% of AMI or less of household income). Additionally, the sale or assignment of COVID-19 rental debt for certain individuals who qualified for rental assistance, where the person's household income is at or below 80% of AMI for the 2020 calendar year.
- **Increased Fees / Decreased Services Prohibited.** Increasing fees to a tenant or charging fees for services that were previously provided without charge is prohibited. Additionally, housing providers are prohibited from decreasing services or amenities.
- **Breach of Contract Actions to Recover COVID-19 Rental Debt.** A housing provider must make a "good faith effort" to seek available government rental assistance for the tenant and/or cooperate with the tenant's efforts to obtain governmental rental assistance. A landlord must attach documentation of the foregoing to any complaint seeking payment of COVID-19 rental debt. This requirement, however, does not apply to certain jurisdictions that received a direct allocation of assistance under the Consolidated Appropriations Act. Failure by housing providers to make a "good faith effort" to seek available government rental assistance for the tenant and/or cooperate with the tenant's efforts to obtain governmental rental assistance may adversely affect a housing provider's ability to evict or recover past due rent.

In other words, a court may reduce the damages awarded if the court determines that a landlord refused to obtain rental assistance from the State Rental Assistance Program created under Senate Bill 91 in instances where the tenant has met the eligibility requirements and where funding was available.

- **Security Deposit.** Prohibits landlords from applying a security deposit to a resident's COVID-19 rental debt during the tenancy without tenant's written consent but permits application of deposit to COVID-19 rental debt after the tenancy terminates.
- **Preemption / Interaction With Local Laws.** Prohibits extension or expansion of local eviction moratoria (beyond what was in place on August 19, 2020) until March 31, 2022.
- **Repayment of COVID-19 Rental Debt.** The latest start date of repayment under a local moratorium from has been changed from August 1, 2021, to October 1, 2021. Also, the latest end date of repayment under a local eviction moratorium has been changed from August 31, 2022, to May 31, 2023.
- **Other Provisions.** (i) Limits the maximum recoverable amount of attorney's fees on any unlawful detainer lawsuit seeking to recover COVID-19 rental debt. (ii) Charging of late fees in connection with COVID-19 rental debt are prohibited until September 30, 2021*. (iii) Prohibits any rental housing provider, tenant screening company, or other entity from evaluating prospective tenants on the basis that using COVID-19 rental debt as a negative factor. (iv) Prevents rental housing providers from applying current tenant payments retroactively to back rent or other charges.

(* - New Under Assembly Bill 832, if a renter that applies for rental relief on their own do not remit the relief funds received to their housing provider for payment of rent, the housing provider may charge a late fee not to exceed the amount that the housing provider may charge a tenant for one late rental payment under the terms of the lease or rental agreement. Failure to pay the late fee may be grounds for an unlawful detainer.)

Interplay With Local Eviction Moratoriums. Virtually every local jurisdiction within California has or had an eviction moratorium in place to address nonpayment due to COVID-19 financial related hardships. In general, local eviction moratoria can remain in place until expired, but cannot be extended or renewed after August 19, 2020, with an effective date prior to March 31, 2022. If a local eviction moratorium provides for repayment of back due rent to begin after August 1, 2021, or ties repayment to the end of the state of emergency or local emergency, that repayment period is required to start on or before May 1, 2022, and end by May 31, 2023.

Attn. City of Los Angeles Housing Providers: Our interpretation of the preemption provisions contained under Assembly Bill 832 will not impact the local City of Los Angeles eviction moratorium, and accordingly, we believe that its eviction protection provisions will remain in place unless and until the local emergency declared by the City is ultimately lifted.

The \$5.2B Rental Assistance Program. The State of California has proposed a total rental subsidy program that includes \$5.2 billion of Federal and State funding for rental relief. A portion of the funding is being distributed by large jurisdictions (200,000 or more in population) with the smaller jurisdictions distributed by the State. Eligibility for this program is based on the Federal government's eligibility rules. **Renters and housing providers may apply for rental assistance starting on or about March 15, 2021.** For more information, go to: <http://housingiskey.com> or call 1(833) 422-4255.

Tenants May No Longer Apply for Just 25%. Tenants may no longer apply for assistance and receive 25% of rental debt in arrears when their rental housing provider does not wish to participate in the rental assistance application process.

Higher Income Renters Must Continue to Provide Documentation of COVID Impacts. Like Senate Bill and Assembly Bill 3088, housing providers that have proof of income on file indicating a tenant household makes at least 130 percent of the median income for the county where the rental property is located, (as published by the Department of Housing and Community Development in the Official State Income Limits for 2020), upon request, tenants are required upon request to provide documentation which shows that they have experienced a decrease in income or increase in expenses due to the COVID-19 pandemic. Housing providers must request the document along with serving the 15-day notice. Renters may provide any form of “objectively verifiable documentation” that demonstrates the financial impact being experienced such as a letter from your employer, an unemployment insurance record, or medical bills.

Here’s How Assembly Bill 832 Works and What Every Landlord Needs to Know. Assembly Bill 832 extends the eviction protection provisions for qualified renters until September 30, 2021 and increases eligibility requirements for receipt of rental relief funds and increases funding to cover 100% of past due rental debt. Owners that “got” both Senate Bill 91 and Assembly Bill 3088 will understand Assembly Bill 832 because it is substantially similar except for the rental relief component.

To be protected in instances where a tenant does not pay rent due to COVID-19 related financial distress (or impacts), and to preserve the right to eventually evict or seek recovery from a tenant for non-payment of rent occurring between March 1, 2020, and September 30, 2021, the Apartment Association of Greater Los Angeles has prepared a series of forms and notices landlords need to utilize in order to comply with Assembly Bill 832.

Rental property owners should maintain in their records a copy of each such notice and a standard form “Proof of Service” as evidence of providing these new notices and forms in addition to any other documentation (e.g., certified return receipt). Never provide a copy of the proof of service to your tenant – that is only for your records. There are four (4) different Senate Bill 91 forms that have been created:

- **Notice of COVID-19 Tenant Relief – Due by July 31, 2021 if as of July 1, 2021, rental debt is owned for March 1, 2020 through June 30, 2021.** On or before July 31, 2021, landlords must provide a new notice, “Notice of COVID-19 Tenant Relief Act” to all tenants that did not pay a portion of rent that became due between March 1, 2020 and June 30, 2021 and such amount is still past due and owing.

(Note: *If no rent is owed as of July 1, 2021, for March 1, 2020 through June 30, 2021, but rent payments are missed thereafter at any time between July 1, 2021 through September 30, 2021, it is also suggested this new notice then be provided to such renters following non-payment of rent.*)

This form is provided by and available on the website of the Apartment Association of Greater Los Angeles (see Form K.1):



NOTICE OF COVID-19 TENANT RELIEF ACT

(Due NO LATER THAN July 31, 2021, and Thereafter: Provide This Notice to Tenants Who, as of February 1, 2021, Have Not Paid One or More Rental Payments, and For Each Month Thereafter in Which Tenants Have Not Paid Rental Payments During the Covered Time Period of July 1, 2021 ,Thru September 30, 2021 – Per Assembly Bill 832 – See Also the Note at Bottom of the Second Page of this Notice.)

Apt No.: _____

TENANT(s) / RENTER(s): _____,
and all other occupants in possession of the property.

PREMISES: _____
(Street Address) (City) (Zip Code)

“NOTICE FROM THE STATE OF CALIFORNIA: The California Legislature has extended the COVID-19 Tenant Relief Act. The law now protects renters who have experienced COVID-19-related financial distress from being evicted for failing to make rental payments due between March 1, 2020, and September 30, 2021.

“COVID-19-related financial distress” means any of the following:

- ***Fifteen Day Notices to Pay Rent or Quit.*** Following or concurrently with the serving of the above Notice of COVID-19 Tenant Relief Act of 2020, landlords who seek to collect the unpaid rent may also wish to provide non-paying tenants with one or more “Fifteen Day Notices to Pay Rent or Quit” depending upon the financial status of the tenant (e.g., “High Income” vs. “Non-High Income”). These new Fifteen (15) Day Notices cover rent due during the period after July 1, 2021. There is no need for three (3) day notices to “Pay or Quit” if non-payment is due to COVID-19 Financial Related Distress.

A “High Income” tenant means a tenant with an annual household income of 130 percent (130%) of the area median income, as published by the Department of Housing and Community Development in the Official State Income Limits for 2020, for the county in which the residential rental property is located. A “High Income” tenant shall not include a tenant with a household income of less than one hundred thousand dollars (\$100,000). For more information, see the Department of Housing and Community Development website at: <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/Income-Limits-2020.pdf>.

These “Fifteen Day Notice to Pay Rent or Quit” forms provided by and available on the website of the Apartment Association of Greater Los Angeles (see Forms K.3 and K.4).



www.aagla.org

FIFTEEN (15) DAY NOTICE TO PAY RENT OR QUIT

(For Use For Rent Owed During Periods on or After July 1, 2021
– for High-Income Tenants Per Assembly Bill 832)

Apt No.: _____

TENANT(s) / RENTER(s): _____,
and all other occupants in possession of the property.

PREMISES: _____
(Street Address) (City) (Zip Code)

YOU ARE HEREBY NOTIFIED that the rent stated below has not been paid for the above-described premises. You are hereby required to pay said rent to the undersigned within fifteen (15) days, excluding Saturdays, Sundays, and other judicial holidays, after service of this notice to you, or quit and deliver up possession of the above-described premises. Failing this, legal proceedings will be instituted against you to recover possession of said premises, to declare a forfeiture of the agreement under which you occupy said premises and to recover damages, plus costs and attorneys' fees.

Under Assembly Bill 832, this new "15-Day Notice to Pay Rent or Quit" places renters on notices that in order to be protected from eviction, they must apply for rental relief within 15-days of receipt of the notice (excluding Saturdays, Sundays, and other judicial holidays), and the State of California will within 20-days following receipt of the renter's application, will let the renter and landlord know if the renter qualifies for relief. If the renter does not qualify for relief, the landlord will then be permitted to proceed with an unlawful detainer (e.g., eviction).

Declaration of COVID-19 Related Financial Distress. Landlords may not evict tenants for nonpayment of rent that became due between September 1, 2020, and September 30, 2021, if the tenant returns to the landlord a declaration of COVID-19-Related financial distress and pays at least 25 percent (25%) of the rent owed during that period **by no later than September 30, 2021**. The tenant must provide the landlord the declaration under penalty of perjury for every month that the tenant cannot pay due to adverse financial impacts of COVID-19 and return it to the landlord within fifteen (15) days of receiving notice of non-payment from the landlord.

THE DECLARATION OF COVID-19 RELATED FINANCIAL DISTRESS form must be provided to a tenant with every fifteen (15) day notice provided. The form provided by and available on the website of the Apartment Association of Greater Los Angeles. This declaration is available in the Apartment Association of Greater Los Angeles Forms Library (see Form K.2).



www.aagla.org

DECLARATION OF COVID-19 RELATED FINANCIAL DISTRESS

(This Form May Be Used With Each of A.B. 832, A.B. 3088 and S.B. 91)

Apt No.: _____

TENANT(s) / RENTER(s): _____

PREMISES: _____
(Street Address) (City) (Zip Code)

I / WE HEREBY DECLARE THAT I am / We are currently unable to pay my rent or other financial obligations under the lease in full because of one or more of the following (Please, check one or more boxes or none, and sign where indicated below):

Debt Collection Rules Under Senate Bill 91 and Federal Law. The California Department of Financial Protection and Innovation's (DFPI) Commissioner Manuel Alvarez has recently issued guidance about compliance under the Debt Collection Licensing Act (DCLA) as applicable to California's renter protections associated with COVID-19 rental debt. Under California law, COVID-19 rental debt includes any **"unpaid rent or other unpaid financial obligation of a tenant"** that came due between March 1, 2020, and September 30, 2021.

Assembly Bill 832, similar to Senate Bill 91 before it, includes the following renter protections for COVID-19 rental debt:

- COVID-19 rental debt cannot be sold or assigned before October 1, 2021, however, only with respect to any person who would have qualified to rental assistance funding (e.g., 80% of AMI or less of household income).
- Starting October 1, 2021, COVID-19 rental debt cannot be sold or assigned if the debt pertains to a person "who would have qualified for rental assistance funding" under California's emergency rental assistance program and if "the person's household income is at or below 80 percent of the area median income (AM) for the 2020 calendar year."
- Creditors (a/k/a, landlords) cannot charge or attempt to collect late fees for COVID-19 rental debt if the renter has submitted a "declaration of COVID-19-related financial distress." (New Under Assembly Bill 832, only if a renter that applies for rental relief on their own do not remit the relief funds received to their housing provider for payment of rent, the housing provider may charge a late fee not to exceed the amount that the landlord may charge a tenant for one late rental payment under the terms of the lease or rental agreement. Failure to pay the late fee may be grounds for an unlawful detainer.)
- With limited exceptions, those collecting COVID-19 rental debt in court must submit documentation showing that they have **made "a good faith effort to investigate whether governmental rental**

assistance is available to the tenant, seek governmental rental assistance for the tenant, or cooperate with the tenant's efforts to obtain rental assistance from any governmental entity, or other third party."

- Actions to recover COVID-19 rental debt may not be commenced before October 1, 2021, and any action to recover COVID-19 rental debt that was pending as of January 29, 2021, is stayed (postponed) until October 1, 2021.

Under California's COVID-19 rental assistance program, a landlord may receive 100 percent (100%) of unpaid rent owed from April 1, 2020, through September 30, 2021, from government funds for a qualifying tenant if they agree to forgive any remaining unpaid rent for that period. To comply with applicable laws, debt collectors should ensure that they are not collecting rental debt that was paid or forgiven under California's rental assistance program.

The DFPI also reminds debt collectors that under Federal law, specifically the federal Fair Debt Collection Practices Act (FDCPA) and the Consumer Financial Protection Act (CFPA), protections for California consumers exist from unfair, false, deceptive, or misleading representations, and harassment or abusive conduct in rental debt collection. For example, courts have held that falsely suggesting that you may initiate a lawsuit to collect a rental or other debt when you have no intention or ability to do so can be deceptive or misleading under the FDCPA.

Frequently Asked Questions (FAQs). These frequently asked questions or FAQs are general in nature and not specific to any local jurisdiction. Landlords are, therefore, advised to seek legal advice pertinent to their specific situation.

- ***Rental Assistance Funding:***

Q: When will the \$5.2 billion of rental assistance be available? When can I and/or my tenants apply?

A: Applications are now being accepted.

Q: What are the eligibility requirements for the rental assistance program?

A: To be eligible for rental relief, at least one (1) person in the household must meet all the following requirements:

- A) At least one (1) per person must either (i) qualify for unemployment benefits or (ii) have experienced a reduction in household income, incurred significant costs, or experienced financial hardship due to COVID-19 financial related impacts.
- B) At least one (1) person must be able to demonstrate risk of homelessness or housing instability by either (i) a past due utility bill or rent payment obligation, (ii) unsafe or unhealthy living conditions, or (iii) other qualifying evidence of homelessness risk as determined by the California Department of Housing and Community Development.

- C) Total household income at or below 80% of the area median income for the county in which the rental property is located (as determined by the U.S. Department of Housing and Urban Development).

Despite meeting the above three criteria, availability of rental assistance is not guaranteed. While pursuant to applicable Federal rules, Assembly Bill 832's rental assistance program is being made available to eligible tenants whose household income is no more than 80% of an area median income (AMI) for the 2020 calendar year, priority is to be given to tenants whose household incomes are no more than 50% of the area median mean income.

Household income is either measured based upon household income during 2020 or at the time of making of the application and must cover a three (3) month period.

Q: May I apply for rental assistance on behalf of my tenants?

A: You may, yes. The California Department of Housing and Community Development allows landlords to apply directly. The application process requires that housing providers and renters work together, or now under Assembly Bill 832, renters may apply on their own and receive the funding directly provided they sign, under penalty of perjury, they will use the assistance funds for the payment of rent.

Q: How much money am I entitled to receive under the rental assistance fund?

A: Eligible landlords will be entitled to receive 100% of past due and owing accumulated on or after April 1, 2020 (through and including September 30, 2021).

Q: If I have applied for or after payment of the 80% of rental debt owed to me, how can I collect the 20%?

A: Payment of the balance of 20% of rental debt is supposed to occur automatically now that the State of California's rental relief program provides 100% funding. You do not need to reapply to receive the additional 20%.

- ***Unpaid Rental Debt:***

Q: Can late fees or interest be charges?

A: Landlords may not charge late rent fees or interest between March 1, 2020, and September 30, 2021, to tenants who have provided their COVID-19 financial hardship declaration under Senate Bill 91. (New Under Assembly Bill 832, only if a renter that applies for rental relief on their own do not remit the relief funds received to their housing provider for payment of rent, the housing provider may charge a late fee not to exceed the amount that the housing provider may charge a tenant for one late rental payment under the terms of the lease or rental agreement. Failure to pay the late fee may be grounds for an unlawful detainer.)

Q: What is considered rental debt under the rental assistance program?

A: Rental debt includes all rent, fees, interest, or any other financial obligations owed pursuant to a lease. Rental debt does not include amounts owed for damages or tort claims.

Q: How does Assembly Bill 832 (and Senate Bill 91 before it) impact “just cause” requirements under Assembly Bill 1482, the state’s rent control and tenant protection law?

A: Just cause protections under Assembly Bill 832 are now extended to properties that had been previously exempt under Assembly Bill 1482, including single-family homes, condominiums, and new construction. Tenants are protected from the first day of occupancy (e.g., not following one year of tenancy).

Q: What happens if there is also a local eviction moratorium in place where I own a rental property? What is the interplay between state and local law?

A: In general, local eviction moratoria adopted in response to the COVID-19 pandemic that are set to expire before September 30, 2021, can remain in place until their expiration date but cannot be extended or renewed until after March 31, 2022.

If a local eviction moratorium provides for repayment of back due rent to begin after May 1, 2022, or ties repayment to the end of the state of emergency or local emergency, that repayment period is required to start on or before May 1, 2022, and end by March 31, 2023. Repayment periods that are set to begin prior to May 1, 2022, cannot be extended under state preemptions. The state legislature has declared that nothing in the new law shall be construed to provide the legislature’s understanding of the legal validity on any specific local ordinance.

Q: Despite the passage of Assembly Bill 832, can rent still be deferred by a tenant due to COVID-19-related financial distress until the local eviction moratorium has expired?

A: In general, yes. For example, if the local jurisdiction’s eviction moratorium expired on October 31, 2020, a tenant may still fully defer rent under the local eviction moratorium, but November and later rent cannot be. The provisions of Assembly Bill 832 would then be applicable starting on November 1, 2020 in this example, and the tenant would still be responsible for paying 25% of rent due between November 1, 2020 and September 30, 2021 on or before September 30, 2021.

Q: What happens if rent is not paid when due for the period beginning October 1, 2021 and thereafter?

A: If there is no eviction moratorium either locally or statewide (if further extended), the owner can seek to collect rent that comes due for months starting October 1, 2021 under normal rules. If there is a local eviction moratorium still in place or passed to be in place, the term of that moratorium must be complied with.

Q: May a landlord still give a tenant notice for non-payment of rent?

A: Yes. If allowed by local eviction moratorium. However, the notice must provide fifteen (15)-days instead of just three (3)-days to pay.

Q: What is the protocol when a tenant does not pay rent?

A: When a tenant cannot pay their rent in full because of lost income or increased expenses due to the financial impacts of COVID-19, they may still be protected from eviction. Under Assembly Bill 832, like Senate Bill 91 Assembly Bill 3088 before it, any notice to pay rent or quit must provide a tenant with fifteen (15) day notices to pay and must include a “Declaration of COVID-19-Related Financial Distress” form which the tenant must complete and sign under penalty of perjury in order to be protected from eviction.

The “Declaration of COVID-19-Related Financial Distress” form is available on the Apartment Association of Greater Los Angeles website. It declares that a tenant cannot pay their rent because of effects of the COVID-19 pandemic. To be protected by the state law, a tenant must sign and return the Declaration of COVID-19-Related Financial Distress form to their landlord within the 15 days given to pay rent.

For local jurisdictions still under a local eviction moratorium, landlords should continue to provide notice and documentation required by the local jurisdiction’s moratorium and as required by state law, including the Declaration of COVID-19-Related Financial Distress form.

Q: Have my tenant’s repayment deadlines changed due to the new state law?

A: Yes. The specified period of time during which a tenant is permitted to repay COVID-19 rental debt may not extend beyond the period that was in effect on August 19, 2020. If the provision in effect on August 19, 2020, required the repayment period to commence on a specific date after May 1, 2022, or conditioned commencement of the repayment period on the termination of a proclamation of state of emergency or local emergency, the repayment period is deemed to begin on May 1, 2022. In addition, a provision may not permit a tenant a period of time that extends beyond May 31, 2023, to repay COVID-19 rental debt.

Q: What other options exist for collecting past due rent?

A: Assembly Bill 832 allows unpaid rent and other charges due between March 1, 2020, and September 30, 2021, to be collected through small claims court. Existing small claims court limits will not apply. These small claims cases may not be filed; however, before November 1, 2021.

Q: How should a landlord serve the various notices and the Declaration of COVID-19-Related Financial Distress form?

A: Landlords may serve notices and a copy of the Declaration of COVID-19-Related Financial Distress form in person or posted on the tenant’s door and mailed first class mail. You may also serve via overnight courier, certified mail or by other means. We do not suggest using email or text messaging.

It is important to maintain proof that the notices and/or the Declaration of COVID-19-Related Financial Distress form were delivered. For example, if you mail the declaration, you should obtain proof of mailing or proof of service from the Post Office and take a picture of the signed declaration alongside the addressed envelope.

IMPORTANT: It is suggested owners keep in their records a copy of each such notice and a standard form “Proof of Service” as evidence of providing this notice in addition to any other documentation (e.g., certified return receipt). Do not provide a copy of the proof of service to your tenant. This is for your records only.

Q: Do tenants have to provide any documentation to prove inability to pay?

A: Many tenants do not have to provide documentation other than the signed Declaration of COVID-19-Related Financial Distress form. However, “High-income tenants” (those earning more than \$100,000 in household income or more than 130 percent of median household income, whichever is greater) must provide documentation to support their declaration upon a landlord’s request. However, a landlord may only require documentation if the landlord has evidence of “high-income tenant” status in the landlord’s possession before serving a nonpayment eviction notice.

In other words, if a landlord’s records contain a tenant’s application and screening that indicates a tenant is a “High-Income Tenant,” then a landlord may require proof of COVID-19-Related Distress.

Q: What happens when a tenant does not return the signed Declaration of COVID-19-Related Financial Distress form on time?

A: To be protected, a tenant must sign and return the signed Declaration of COVID-19-Related Financial Distress form within the 15-day time given in the eviction notice. However, if a tenant does not do so on time, the tenant may be able to do so later in any court action that is filed if the tenant can provide a good reason why he or she did not return the declaration within the 15-day period.

New, under Assembly Bill 832, in order to be protected from eviction, renters must apply for rental relief within 15-days of receipt of the notice (excluding Saturdays, Sundays, and other judicial holidays), and the State of California will within 20-days following receipt of the renter’s application, will let the renter and landlord know if the renter qualifies for relief. If the renter does not qualify for relief, the landlord will then be permitted to proceed with an eviction.

Q: May I evict a tenant for non-payment of rent that became due after March 1, 2020?

A: If the non-payment of rent was not due to COVID-19 related financial distress, then probably yes. If, however, the rental debt was incurred due to COVID-19 related financial distress, you may evict your tenant only for rent that becomes due after October 1, 2021. Landlords are prohibited from evicting a tenant for non-payment of rent or other charges that came due between March 1, 2020 and September 30, 2021 if the tenant does both of the following: (i) provides the landlord with a declaration (e.g., “Declaration of COVID-19 Related Financial Distress” form) stating their finances have been negatively affected by the COVID-19 pandemic (and documentation, if required for a high-income resident); and, (ii) by September 30, 2021, pays 25 percent of the rental payments due

between September 1, 2020 and September 30, 2021 that were missed because the resident experienced COVID-19-related financial distress.

New, under Assembly Bill 832, in order to be protected from eviction, renters must apply for rental relief within 15-days of receipt of the notice (excluding Saturdays, Sundays, and other judicial holidays), and the State of California will within 20-days following receipt of the renter's application, will let the renter and landlord know if the renter qualifies for relief. If the renter does not qualify for relief, the landlord will then be permitted to proceed with an eviction.

Q: If I do receive payment from my tenant, how do I apply it?

A: Assembly Bill 832 prohibits application of rental payments received to be applied to COVID-19 rental debt incurred between March 1, 2020, and September 30, 2021, and such payment must be applied to future rent unless otherwise agreed to by the tenant.

Q: May I apply my renter's security deposit to past due rent?

A: No, you may not unless consented to by your tenant. Senate Bill 91 prohibits the application of security deposits to rental debt for periods between March 1, 2020, and September 30, 2021.

- **Miscellaneous.**

Q: How does Assembly Bill 832 impact Assembly Bill 1482, the State's rent control and eviction protection legislation?

A: Assembly Bill 832 continues to expand on Assembly Bill 1482's just-cause eviction requirements. That means Assembly Bill 1482 temporarily extends to all types of rental properties such as single-family homes, condominiums, and newer construction. All tenants are also covered from their first day of tenancy.

Q: Does Assembly Bill 832 prohibit me from increasing rent?

A: No, it does not.

Q: I'm confused. Which law should I comply with, my local jurisdiction's law or state law under Assembly Bill 832?

A: Landlords should comply with both the local jurisdiction's moratorium and the state law. This means that landlords should provide notices and documentation under the local jurisdiction's moratorium and notices as required under state law.

Q: Should I seek legal help?

A: Having local, state and now Federal eviction moratoriums, there is potential for conflict among each of the competing regulations and there is lots of potential for conflict. Also, every situation is different, so it is advised that you seek competent legal counsel before acting.

Q: What information are landlords required to give tenants about Assembly Bill 832, the new state law?

A: There is no information that landlords are required to provide their renters under Assembly Bill 832. However, landlords were required to give an informational notice about the new law to any residents who, as of July 1, 2021, have missed one or more payments that came due between March 1 and September 30, 2021. The Apartment Association has created a “Notice of COVID-19 Tenant Relief Act” form for this purpose. **This notice is due on or before July 31, 2021** (see Form K.1). If you have not previously provided this notice to your tenants and were supposed to provide it, it is suggested you do so immediately.

Q: Are notices, such as the three (3) day notices to pay or quit forms still applicable under the new state law?

A: Yes and no. Assembly Bill 832 requires a landlord to give a 15-day notice (versus 3-day notice) before seeking to evict for any unpaid rent or other charges due between March 1, 2020, and September 30, 2021. The 15-day period does not include Saturdays, Sundays, or judicial (legal) holidays. Until October 1, 2021, the 3-day notices are only applicable if payment of rent is not involved.

Q: How are the courts handling eviction cases?

A: The temporary emergency court rules that effectively delayed most evictions have been lifted. Assembly Bill 832 also prohibits unlawful detainer (eviction) actions against tenants with COVID-19-related financial distress for non-payment of rent and other charges due between September 1, 2020, and September 30, 2021, until October 1, 2021. However, one difference from prior Senate Bill 91 is that under Assembly Bill 832, landlords are now permitted to evict renters who can afford rent but that have not been paying rent and taking advantage of the eviction moratorium.

Q: Even though a tenant cannot be evicted, is the rent still owed?

A: Yes, neither a local jurisdiction’s Eviction Moratorium nor the state law cancels rent. While the state law protects tenants from eviction for nonpayment of rent during the covered periods, the unpaid rents are still owed to the landlord as a form of consumer debt, and a landlord can sue a tenant to recover and collect the unpaid rents in small claims courts or other civil courts.

The new state law provides that landlords may not sue to try to collect rent that became due between March 1, 2020, and September 30, 2021, until November 1, 2021. However, while the new state law provides eviction protection for rent due during the Protected Period and Transitional Period, it does not change the due date for rent under any local eviction moratorium still in effect.

Q: Does the state law affect eviction for reasons other than nonpayment, such as a lease violation or nuisance?

A: No. The state law does not affect evictions for reasons other than nonpayment due to the impacts of the COVID-19 emergency. A local jurisdiction’s eviction moratorium for COVID-19 emergency-related protections against evictions that are based on other reasons besides nonpayment of rent (such as nuisance, unauthorized occupants) will likely remain in effect until the local eviction moratorium expires. After that, the COVID-19 emergency-related protections expire, but tenants may still be protected by other laws, such as a local jurisdiction’s just-cause for eviction requirements.

However, the State’s or local jurisdiction’s “just cause” eviction rules are applicable with respect to any eviction matter.

Q: What happens when the local jurisdiction’s eviction moratorium expires?

A: The new state law blocks the local jurisdiction from extending its local eviction moratorium beyond until March 31, 2022. Following expiration of the local eviction moratorium, there are no longer any COVID-19 emergency-related protections from eviction for reasons other than nonpayment. Just as before the local eviction moratorium, a landlord could give you an eviction notice and may be able to evict a tenant for committing a nuisance or having an unauthorized occupant living with the tenant, among other reasons.

Q: May I deny a rental application due to an applicant’s COVID-19 related rental debt?

A: No, you may not. Senate Bill 91 prohibits a landlord, tenant screening company or any other entity for denying a rental application due to the existence of an applicant’s unpaid COVID-19 related rental debt (e.g., amounts due from March 1, 2020, through September 30, 2021). This requirement only applies if the applicant’s non-payment of rent was due to COVID-19 related financial distress.

Q: How have unlawful detainer rental debt collection cases changed under Assembly Bill 832?

A: Assembly Bill 832 continues the changes to court cases under the prior Senate Bill 91. These changes include:

- There are limitations on recovery of reasonable attorney fees of \$500 or \$1,000 for contested matters.
- Minor changes to unlawful detainer cases require the court to verify with the landlord prior to entering a judgment: (i) that the landlord has not received rental assistance or rent payments from any other sources; and (ii) that the landlord does not have a pending application for rental assistance or other source to pay rent owed.
- Until October 1, 2025 (from August 1, 2025, under Senate Bill 91), small claims court cases may be brought to recover COVID-19 related rental debt without limitation of amount being sought.
- In seeking recovery of COVID-19 related rent debt in either small claims court or civil court, landlords must now provide additional documentation showing they have made good faith efforts were made to apply for or assist tenant’s efforts to apply for rental assistance.

Got Questions? We've Got Your Answers...For More Information:

**Apartment Association of Greater Los Angeles
621 South Westmoreland Avenue
Los Angeles, California 90005
Telephone: (213) 384-4131**

