

santa barbara rental property association
CalRHA 2020 Housing Legislation

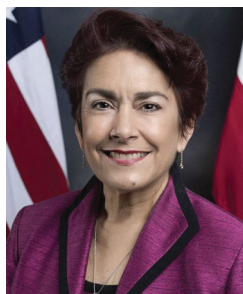


Chris Zraggen, Capitol Advocacy

September 11, 2020

Needless to say, 2020 has been an eventful year for the California Legislature and the month of August continued that trend. As the final weeks of the legislative session wound down, drama ramped up. Inter-house tensions between the Assembly and Senate continued to fester and priorities of both houses were held hostage. The last night of session was especially tense in the Senate when Republican Senators were forced to vote remotely due to exposure to a member of their caucus who tested positive for COVID-19. The already frustrated Republicans in the Senate became irate at one point in the final evening of session with the clock winding down, when Senate Democrats passed a motion that would limit debate on each bill to two members of each party. The intent of this motion was to move expeditiously through bills; however, it had the opposite effect when Republicans loudly protested the motion which resulted in a 90-minute recess after which the motion was rescinded.

Leading up to the end of session, there was a significant amount of drama in the Assembly and Senate Appropriations hearings where two key housing bills were in these respective committees. In the Assembly Appropriations Committee was **SB 1410**, authored by Senator Caballero but was known to be the Senate Pro-Tem's priority bill on housing. This bill would require property owners to offer a "tenant-owner COVID-19 eviction relief agreement" and would provide a tax credit for owners that defer rent due to the COVID-19 pandemic.



Senator Anna Caballero

In the Senate Appropriations Committee was **AB 1436**, authored by Assemblymember David Chiu which would authorize renters to defer rent payments and would also provide mortgage forbearance. CalRHA opposed both of these bills, and both bills were held in their respective committees due to the other house's refusal to pass their priority bill. This dramatic event rendered both bills dead for the year.



Assemblymember David Chiu

With the top two housing bills dead for the year, and with Judicial Council's eviction moratorium expiring on September 2nd, all eyes turned to the Governor for a solution. Governor Newsom worked with Assembly and Senate Leadership and a number of stakeholders to craft legislation that would provide relief amidst the pandemic. CalRHA was approached by the Governor's office to solicit input on this language and we were a part of crafting the bill, and though we did not receive all of our asks, we did receive a number of them. The finalized language was inserted into **AB 3088**, a budget trailer bill that was authored by Assemblymember Chiu. This bill was the product of negotiations between the Governor, Legislature, and stakeholders and it received no opposition. Specifically, this bill creates two separate repayment periods as they relate to unlawful detainers; 1) A protected period from March 1, 2020 until August 31, 2020. Rent is due for this period, and property owners are required to provide a written form declaration to renters informing them that rent is due but they cannot be evicted if they attest that they have a COVID-19 financial hardship. CalRHA asked for documentation and means testing to be required, and the final bill requires those who make 130% of AMI to provide additional proof of hardship. 2) This includes a transitional period from September 1, 2020 until January 31, 2021 during which a renter who has not made rental payments cannot be evicted so long as they pay 25% of their rent either monthly or in the aggregate by January 1, 2021. Initially, the bill proposed this provision go through May 31, 2021, but CalRHA requested, and were successful in shortening this time period.



Governor Gavin Newsom

In addition to the provisions stated above, **AB 3088** states that, until February 1, 2025, a small claims court has jurisdiction in any action for recovery of a COVID-19 rental debt, regardless of the amount demanded. This provision of the bill also exempts a claim to recover a COVID-19 rental debt from the prohibition on filing more than 2 small claims actions.

Rental housing owners can still file a lawsuit in the civil division of the Superior Court. In addition, this bill allows evictions to protect health and safety and also allows evictions that began prior to March 1, 2020 to proceed. CalRHA was successful in obtaining a limited preemption for rent moratoriums that were passed at the city or county level. Any local rent moratoria measure, however delineated, that occurs between August 19, 2020, and January 31, 2021, shall have no effect before February 1, 2021.

AB 3088 passed the Legislature on the last night of session and was sent to the Governor where he signed it immediately upon receipt. This was done just in time as the Judicial Council's eviction moratorium was set to expire. Since this bill was passed as a budget trailer bill, it became effective immediately upon being signed by the Governor. This bill is meant to be a stopgap measure to give Legislators and stakeholders ample time to negotiate a longer-term solution. This bill will provide relief until January 31, 2021. Negotiations will continue on this over the Fall and we expect a new proposal will be introduced when the Legislature reconvenes in January 2021.

Another proposal that CalRHA engaged in throughout session and during the final weeks was **SB 1190**, authored by Senator Durazo which would authorize tenants to terminate their lease without penalty in the event that an immediate family member is a victim of a crime.

While we opposed this bill since introduction, we were successful early in the Summer in removing provisions that would allow for **AB 1482** enforcement. Ultimately, this bill passed the Legislature and is on the Governor's desk. We have lobbied the Governor's office and requested that he vetoes this bill. He has until September 30th to decide.



Senator
Maria Elena Durazo

In summation, 2020 has been a dramatic year. COVID-19 turned the state on its head and significantly impacted how the Legislature conducted business. Many proposals that would have passed any other normal year were killed this year because of interhouse tensions, or because the Legislature simply ran out of time to pass them. As we look toward 2021, we believe that the Legislature will continue its cautious approach and we expect that legislating in California will be anything but business as usual. Nevertheless, CalRHA continues to find successful ways to communicate with elected officials and advocate for the interest of our members. In 2020 our Association was successful in impacting the outcomes of a number of bills and we were asked by the Governor to engage on various legislative proposals. Maintaining a respected seat at the table is a landmark accomplishment for our Association, one that we will continue to foster in 2021.