



Chris Zraggen, Capitol Advocacy

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Legislative business was turned on its head in mid-March when the COVID-19 outbreak became a pandemic and Governor Newsom declared a State of Emergency in California.



Instead of policy and budget committee hearings, COVID-19 mitigation and response dominated state business. Lawmakers passed emergency COVID-19 funding legislation on March 16th before closing the Capitol and adjourning for an early, extended spring recess until May 4th (or later). On March 19th, Governor Newsom issued a statewide stay-at-home order, (<https://www.gov.ca.gov/2020/03/19/governor-gavin-newsom-issues-stay-at-home-order/>) directing all non-essential services to close and most Californians to stay at home.

Because the Legislature is on recess, the Governor has had near-total authority to lead the state. He has issued over two-dozen executive orders, including a state-on residential evictions through May 31st.



Governor Newsom

Prior to this order, Newsom released an **Executive Order** (<https://www.gov.ca.gov/2020/03/16/governor-newsom-issues-executive-order-to-protect-renters-and-homeowners-during-covid-19-pandemic/>) authorizing local governments to temporarily ban evictions. Although the more recent order applies to tenants across the state, it does not supersede more stringent local ordinances. Local governments that have implemented their own ordinances include Los Angeles, Oakland, Sacramento, San Francisco, San Diego, San Jose, and Santa Barbara – just to name a few.

In order for a tenant to qualify for the protection under the Governor's Executive Order, the tenant must have "paid the rent due" to the property owner prior to March 27th pursuant to an "agreement"; must notify the property owner within seven days of the rent due

date that they will be unable to pay some or all of the rent due to a COVID-19 related financial hardship; and must have "verifiable documentation" to support their claim that they cannot pay. Although the Executive Order is in effect through May 31st, 2020, it could be extended depending on the status of the outbreak.

The outbreak of COVID-19 has impacted everyone living and doing business in California. The economic impacts of the virus are far-reaching. Although the State Capitol is closed and non-essential workers are sheltering in place, CalRHA has been busy advocating for protections for rental property owners. CalRHA's advocacy since the COVID-19 State of Emergency was declared include:

Property Tax Delay

CalRHA called on Governor Newsom to implement a 90-day property tax payment delay throughout the state to provide more relief to Californians and businesses as they attempt to navigate their way through the public health crisis. Although the Governor did not institute a 90-day delay, he supported the actions of local jurisdictions that offered relief, including California counties that stated they would cancel penalties and other charges for homeowners, small businesses and other property owners with demonstrated economic hardship, on a case-by-case basis, due to COVID-19.

Opposed AB 828 (Ting)

AB 828 by Assemblyman Phil Ting (D–San Francisco) is a new bill that creates a duplicative statewide moratorium on evictions related to COVID-19 and establishes a court-ordered, blanket reduction of rent by twenty-five percent during, and after, the COVID-19 State of Emergency. It also creates an unlevel playing field for owners of ten or more properties, assuming that those owners would not suffer economic hardships under certain circumstances. Conversely, many larger rental properties



Assemblymember
Phil Ting

have additional expenses. Owners of rental properties large and small are negatively impacted by the COVID-19 outbreak and struggling to stay afloat. However, the proposed definition of "material economic hardship" in AB 828 denies the court the ability to assess the economic hardship to rental housing providers.

CalRHA continues to advocate against AB 828. The Legislature will not return to Sacramento until May 4th, so the bill will not move before then. (See letter to Assemblymember Ting, page xx).

Statewide Renter Assistance Program

CalRHA is urging the Governor and state leaders to implement statewide renter assistance to help tenants during the COVID-19 outbreak. Now is the time to focus on positive measures for providing relief to both renters and rental property owners. A statewide Renter Assistance Program will be an essential means to achieve this goal. Such a program will support ongoing voluntary efforts to reach housing provider/renter negotiated rent deferral and repayment plans, alleviate current and future economic distress, reduce the likelihood of a backlog of court cases following the emergency, and prevent future homelessness.

Key components of this program would include:

1. Providing up to three months rental assistance for renters who have demonstrated a documented loss of income arising out of COVID-19.
2. Funded by federal funds received by the state of California under the federal CARES Act and/or as part of California's current budget proposal and/or through available housing funds and state reserves;
3. Implemented through state funding to existing local or regional government agencies that currently administer rental assistance (such as housing authorities) or other state benefit programs. Using existing entities and their funds distribution infrastructure and/or assistance programs will quicken the distribution of these needed rental assistance funds.
4. Designed to stabilize the rental housing industry by providing rental housing providers the rent differential directly to rental housing providers.

CalRHA is also mobilizing allies to form a coalition in support of statewide renter assistance, including federal CARES Act protections for renters and property owners, and the Governor's proposed funding for emergency renter assistance in the 2020-21 State Budget. (See draft, page xx)



Shelter in Place Order

Californians were ordered by the Governor to shelter at home on March 19th. Governor Newsom's order (<https://www.gov.ca.gov/2020/03/19/governor-gavin-newsom-issues-stay-at-home-order/>) directs all non-essential services to close and restaurants to offer take-out or delivery only. Schools are closed for the remainder of the school-year and most Californians – except those working in "essential" industries – are staying home until further direction from the Governor.

Industries that are considered "essential critical infrastructure" include healthcare/public health, construction, emergency services, food and agriculture (e.g. grocery, restaurant take-out/delivery, pharmacy, farming), transportation, and communications.

The Shelter at Home Order is in place until further notice. Californians are still able to go to the grocery store, get gas, go to the bank, go to the doctor/pick up prescriptions, and access other essential services. But activities like dining out, going to the gym or the movies, going to the salon, and attending public gatherings are all prohibited.

On April 14th, Governor Newsom announced six "critical indicators" that the state will examine before considering ending the Shelter in Place order and reopening the economy. Among the criteria are the state's ability to track and trace the virus, adequate testing, the capacity of the healthcare system to meet COVID-19 demand, and the ability to protect California's most vulnerable residents. The Governor did not provide a specific date but did say that he may be able to offer a timeline in two weeks, if at that point there is a decline in ICU admissions and healthcare workforce and personal protective equipment needs are being met. So while the Governor's tone is more optimistic, it appears as though California will be sheltering in place for a while longer.

Newsom also entered into an agreement with the Governors of Oregon and Washington on a "shared vision" for reopening each state's economy. Although no specific date has been identified, the plan includes criteria that must be met before stay at home orders are modified - namely that there must be a decline in the spread of the virus. Each state will follow these principles while maintaining their own, state-specific plans.

There is currently some friction between the Governor and legislators. Because of the COVID-19 State of Emergency, Governor Newsom has near-total control of the state during this crisis. Legislators -who are not able to do much while not in session- are beginning to question some of Newsom's actions, including the purchase of hundreds of millions of masks without releasing much detail. This frustration, coupled with the June 15th constitutional deadline to pass a state budget, prompted legislative leaders to call for interim hearings over the next week to discuss COVID-19 response.

Senate pro Tem Toni Atkins established a Senate Special Budget Subcommittee on COVID-19 response, which will meet on April 16th. In the Assembly, a budget subcommittee will meet on April 20th. Both pro Tem Atkins and Assembly Speaker Anthony Rendon have stated that the committees will examine and oversee emergency COVID-19 spending by the Governor that was approved by the Legislature before adjourning in March.



Senate Pro Tem
Toni Atkins

Although May 4th is the Legislature's current return date, it is subject to change given the fluid nature of the crisis.

Contact your representatives and give them your opinion on AB 828 and other COVID-19 legislature
(See sample letters, pages 27-28).



California State Senator
Hannah-Beth Jackson

Hannah-Beth Jackson represents the 19th Senate District encompassing Santa Barbara County and most of Ventura County. She has been appointed her to serve on the newly established Senate Special Committee on Pandemic Emergency Response. The bipartisan committee of eleven senators is tasked with reviewing the state's response to the COVID-19 crisis.

Santa Barbara District Office
222 E. Carrillo, Ste 309, SB, CA 93101
Phone: (805) 965-0862

Oxnard District Office
300 E. Esplanade Dr., Ste 430,
Oxnard, CA 93036
Phone: (805) 988-1940



California Assembly
Monique Limon

Monique Limón is currently serving in the California State Assembly representing the 37th Assembly District, encompassing over half of Santa Barbara County, as well as nearly a quarter of Ventura County.

Santa Barbara County Office
101 W. Anapamu St., Ste A,
Santa Barbara, CA 93101
Phone:: (805) 564-1649

Ventura County Office
89 S. California St., Ste F,
Ventura, CA 93001
Phone: (805) 641-3700



U.S. Congressperson
Salud Carbajal

Salud Ortiz Carbajal represents California's 24th district, which includes San Luis Obispo and Santa Barbara, counties, as well as western Ventura County.

Santa Barbara Office
360 S. Hope Ave., Ste C-301
Santa Barbara, CA 93105
Phone: (805)-730-1710

San Luis Obispo Office
1411 Marsh St., Ste 205
San Luis Obispo, CA 93401
Phone: (805) 546-8348

Santa Maria Office
1619 S. Thornburg St.
Santa Maria, CA 93458
Phone: (805) 730-1710