Marcus & Millichap

LEGAL UPDATE BULLETIN

CALIFORNIA

Senate Bill 91 – Housing Eviction Moratorium Extension and Rental Assistance Program

Eviction Moratorium Extended

- The eviction moratorium is extended through June 30, 2021.
- Landlords cannot initiate eviction proceedings for non-payment of rent if the tenant: (1) completes a hardship declaration; and (2) pays 25% of the missed rent for the period of September 1, 2020 to June 30, 2021 on or before June 30, 2021.
- Landlords must provide notice of unpaid rent accrued from March 1, 2020 through February 1, 2021 by February 28, 2021. Sample tenant notification forms can be found on the California Apartment Association website.
- The provisions of Assembly Bill 3088 (prior housing eviction moratorium bill), including just-cause eviction provisions and notice requirements, remain in effect through June 30, 2021.
- Landlords are advised to seek counsel regarding notices and eviction proceedings to ensure compliance with local and state requirements. Violations are subject to substantial fines.

Rental Assistance Program Created

- Landlords can opt-in to receive 80% of a qualifying tenant's back rent from April 1, 2020 through March 31, 2021. In exchange, landlords must waive the remaining 20%. To qualify, the tenant must have income below 80% of the area median income.
- If a landlord does not opt-in, eligible tenants may apply for 25% of unpaid rent.
- Landlords should carefully evaluate participation in the rental assistance program with counsel. Failing to opt-in may have adverse legal impacts, including on the amount of unpaid rent recoverable as consumer debt in small claims court.
- The state is expected to begin accepting applications for the program by March 15, 2021.

The above information is intended as an overview of legislation only. No warranties or guarantees are made. This information may not be relied on for any purpose. All parties are advised to do their own analysis and to seek independent legal and other advisors for guidance.