



Cultivate ● Activate ● Legislate

NEWS & UPDATES

FEBRUARY 201

PRESIDENT'S MESSAGE

Since you last heard from me, CalRHA has been working hard behind the scenes for all of you – the state’s small housing providers. California’s rental market has been hit particularly hard by the impacts of COVID-19, and according to a new LAO report, California renters have accumulated an astounding \$400 million in unpaid rent. This, I am sure does not surprise many of you, as the recent survey we sent to members found that 66% of those who responded said they are not receiving rental payments from tenants.

Lawmakers have sought solutions to assist renters who have lost income, including providing renters and housing providers with financial assistance.

The COVID-19 Tenant Relief Act, which took effect on the first of this month, makes available financial assistance to qualified housing providers and renters for a renter’s unpaid rent during the 13-month period between March 1, 2020 and March 31, 2021. The new relief laws apply to housing providers with four or fewer properties and who have had difficulty making mortgage payments because of COVID-19. For more information on the Tenant Relief Act, visit <https://landlordtenant.dre.ca.gov/>.

CalRHA recently held a webinar for members focused on our legislative priorities for 2021. The webinar covered information on the eviction moratorium and the other biggest issues we are facing this year, including granting housing providers access to courts when we have renters who refuse to pay, destroy property or create an unsafe environment for their neighbors. We also discussed legislation we are sponsoring this session. Authored by Assemblymember Rudy Salas, our sponsored legislation would increase the height limitation of ADUs from 16-20 feet, help streamline the ADU process by defining “detached units”, and exempt from public hearings the addition of bedrooms within an existing structure.

If you were not able to attend the webinar but would still like to donate, you can reach out to Gary DeLong at gary@garydelong.com to help our efforts to build on protections for you during this unprecedented time and to advocate for the betterment of your businesses. We urge you to donate what you can.

One last note, we are proud to share that CalRHA has a digital magazine coming soon. Please be on the lookout for this issue in the coming weeks.

- Christine LaMarca, CalRHA Board of Directors President

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CAPITOL ADVOCACY FEBRUARY HOUSING POLICY UPDATE

The Legislature is back in session and its first major action was passing a budget trailer bill the final week of January that extended the eviction moratorium through the end of June and established a rent assistance program in the state. CalRHA advocated before the Governor's Office, Business Consumer Services and Housing Agency (BCSHA), and with key legislators for the shortest extension possible and for the eviction moratorium extension be tied to the establishment of a rent assistance program.

Furthermore, we have been in communication with the BCSHA and HCD as they work to establish the rent assistance program. We are asking for the process to be streamlined and that the money flow to property owners as soon as possible. The BCSHA held a stakeholder webinar on Monday, February 1 where they discussed the process and timeline. They have secured a vendor, LISC, to administer. A link to their overview of the bill and rent assistance program can be found at <https://www.bcsa.ca.gov/covidrelief/> and additional elements highlighted below.

Extensions

- Extends Transition Time Period from January 31, 2021 to June 30, 2021. If resident pays at least 25% of their rent for each month from September 1, 2020 to June 30, 2021, they will be protected from eviction. Extension of Just Cause: Requires all terminations of tenancies be for just cause through June 30, 2021. Extends expiration date of prohibitions on retaliation because of COVID debt from February 1, 2021 to July 1, 2021.
- Small Claims Court: Delay landlord access to small claims court for COVID rental debt until August 1, 2021.

Rental Assistance: Establishes a rent subsidy program

- Assistance is paid to property owner directly.
- The Housing Agency/Department will have a public facing portal through a Community Development Financial Institution (CDFI) available to apply online by March 15, 2021.
- Past Due Rent for Existing Tenants (includes any other financial obligations due under the lease - except damage to the unit).
- Will pay landlord up to 80% of the rent in arrears (not total rent for the period) between April 2020 and March 2021, if landlord agrees to forgive the remaining 20% and not pursue eviction for non-payment or any other curable breach of the lease.
- Will pay landlord 25% of rent in arrears between April 2020 and March 2021, if landlord will not forgive unpaid amounts and forego eviction.
- Pay landlord 25% of up to 3 months rent for months after March 2021.
- Priority: First to those with household income of less than 50% of AMI, second to communities disproportionately impacted by COVID, third to those with household income of less than 80% AMI.

Informational Notice

- Requires service of a new informational notice to all tenants who, as of February 1, 2021, have an outstanding rent balance.

Use of COVID Debt in Tenant Screening

- Prohibits housing providers and tenancy screening companies from using COVID 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".

Sale or Assignment of COVID Debt

- Temporarily prohibits sale or assignment of COVID rental debt until July 1, 2021. Permanently prohibits sale or assignment of COVID rental debt for certain individuals who qualified for rental assistance, where the person's household income is at or below 80 percent of the area median income for the 2020 calendar year.

Increased Fees/Decreased Services

- Prohibits increasing fees to a tenant or charging fees for services that were previously provided without charge.

Breach of Contract Actions to Recover COVID Rental Debt

- Landlord 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.
- Landlord must attach documentation of the foregoing to the complaint
- Does not apply to certain jurisdictions that received a direct allocation of assistance under the Consolidated Appropriations Act.

Security Deposit

- Prohibits a landlord from applying a security deposit to a resident’s COVID rental debt during the tenancy without their written consent, but permits application of the deposit to COVID 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 July 1, 2021.
- Changes latest start date of repayment under a local moratorium from March 1, 2021 to August 1, 2021. Changes latest end date of repayment under a local moratorium from March 1, 2022 to August 1, 2022.

CalRHA Sponsored ADU Legislation

CalRHA secured Assemblymember Salas as an author for our sponsored ADU legislation and look forward to garnering support for the bill. Our sponsored legislation would: increase the height limitation of ADUs from 16-20 feet, help streamline the ADU process by defining “detached units”, and exempt from public hearings the addition of bedrooms within an existing structure.

NAA DIGITAL STUDIO SERIES

New for 2021, NAA has launched NAA Digital Studios, a series of three digital half-day events to take place on February 25, April 22 and September 14, and each event will feature a different programming theme.

Starting on Thursday, February 25 in collaboration with Lowe’s Pro Supply, the first NAA Digital Studio event focuses on the challenges the apartment maintenance professionals face as the COVID-19 pandemic persists into 2021, disrupting maintenance practices and threatening asset value.

Theme: Maintaining and Preserving Your Assets

During the pandemic, work orders have been deferred to limit exposure of maintenance teams and residents alike. With limited staff time and contact, and limited funds resulting from economic upheaval, work has often been restricted to a minimum. And a glut of repairs, regular maintenance inspections, liability mitigation and general improvements await the easing of the pandemic. How do you prioritize this mountain of work, how will you catch up, and are you training your teams now to prioritize and crush the crisis?

Register here: <https://www.naahq.org/naa-digital-studio-series/registration>

GET INVOLVED!

DON'T LET RENT CONTROL STEAL YOUR RIGHTS

Rent control is the wrong approach to fix California’s housing crisis. Attempting to reinsert failed strategies from the 1970s will not lead us out of our present housing crisis.

YOUR VOICE MUST LEAD THE WAY

Elected officials have been chosen to represent your voice, and they need to hear from you! These officials need to listen to the real stories of men and women like you who provide safe and accessible rental housing and the specific ways rent control makes the housing crisis worse.