



AB 832 – Extension of the COVID-19 Tenant Relief Act

AB 832 extends the current COVID-19 eviction protections, which were set to expire on June 30, 2021, for an additional three months until September 30, 2021. AB 832 also expands the existing State Rental Assistance Program to provide landlords with 100% of rent owed by qualifying residents. This Industry Insight is limited to the impact of AB 832.

For information about the 15-Day Notice requirements, along with the resident's Declaration of COVID-19 Related Financial Distress, plus more frequently asked questions, visit caanet.org/CTRA. For information about the rental assistance program, see <https://caanet.org/topics/rapp/>.

AB 832 requires landlords to serve an informational notice on all residents who, as of July 1, 2021, have unpaid rent payments due on or after March 1, 2020. **This notice must be served by July 31, 2021.** The new form is available at caanet.org/CTRA.

I. State Rental Assistance Program

To date, the federal government has provided over \$5.2 billion dollars to California to make landlords and low-income residents whole. Below is a summary of how AB 832 provides more assistance to landlords and qualifying residents.

a. Increased Rental Assistance Payments and Improved Program Requirements

- AB 832 increases the amount of rental assistance paid to landlords from 80% to 100% for (1) back rent owed from April 1, 2020, through September 1, 2021, and (2) prospective rent for qualifying residents.
- Landlords who have already received the 80% payment from the rental assistance program will automatically receive the additional 20% payment without having to resubmit an application.
- If a landlord refuses to participate in the local or state Rental Assistance Program, qualified residents will receive the 100% payment directly and are required to remit that payment to the landlord within 15 days, excluding weekends and judicial holidays.
- Unlike existing law, AB 832 authorizes payments to landlords when the resident no longer occupies a unit but still owes rental arrears due to a COVID-19 related decrease in income or increase in expenses. As of this writing, AB 832 and the state funding program does not specify what documentation or proof the landlord will need to submit to state or local governments in order to obtain funding.
- AB 832 requires all state and local rental assistance programs, by September 15, 2021, to provide landlords and residents with easy and secure access to the on-line funding portal



in order to verify information on the status of a rental assistance application, including updates on application status, completion, and issued amounts.

- AB 832 does not make any changes to the eligibility for the Rental Assistance Program. Landlords who have residents with an income at or below 80% of the area median income are eligible for rental assistance.

II. Extension of SB 91 Provisions

a. Eviction Protections & Continued Protections

AB 832 extends many of SB 91's COVID-19 related eviction protections. Below is a summary of those extensions.

- AB 832 extends until September 30, 2021, COVID-19-related eviction protections originally established by AB 3088 and extended by SB 91. Specifically, a resident cannot be evicted for non-payment of rent or other charges that came due between September 1, 2020, and September 30, 2021, if the resident does both of the following: (1) provides the landlord with a declaration stating their finances have been negatively affected by the COVID-19 pandemic (and documentation, if required for a high-income resident); and, (2) 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. Beginning on or after October 1, 2021, a resident will have to pay 100% of the rent due to prevent an eviction.
- AB 832 continues to require a landlord to give a resident a 15-day notice to pay 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 holidays.
- Along with the 15-day notice, the landlord must serve a resident with a new Informational Notice by July 31, 2021, that outlines the provisions of the extension.
- AB 832 continues to prohibit a landlord, resident screening company, or other entity that evaluates applicants on behalf of a landlord from using an alleged COVID-19 Rental Debt (amounts due between March 1, 2020, and September 30, 2021) 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 an otherwise qualified prospective resident.
- All tenancies and all properties remain subject to “just cause” protections (as defined by AB 1482) until September 30, 2021, with limited exceptions. Eviction for demolition or “substantial rehabilitation” is limited to circumstances necessary to comply with health and safety laws.
- AB 832 continues to prohibit rental owners from charging and collecting late fees from residents who submitted a declaration of COVID-19-Related Financial Distress.
- AB 832 continues to prohibit rental owners from charging new fees or increasing fees for services previously provided without a charge to residents who submitted a declaration of COVID-19-Related Financial Distress.



- A landlord is still prohibited from applying a security deposit to satisfy COVID-19 Rental Debt during the tenancy, unless the resident has previously agreed in writing to allow the deposit to be so applied.

b. Selling or Assigning COVID-19 Rental Debt

- AB 832 extends until October 1, 2021, the prohibition on landlords selling or assigning a resident's COVID-19 Rental Debt.
- AB 832 establishes a permanent prohibition on landlord's selling or assigning a resident's COVID-19 rental debt if the person's household income was at or below 80% of the area median income for the 2020 or 2021 calendar year.
- AB 832 makes permanent the debt-masking protections in unlawful detainer, small claims, and civil cases for COVID-19 rental debt cases.

c. Effect on Local Eviction Moratoria

- With limited exceptions, AB 832 extends until March 31, 2022, state preemption of city and county eviction ordinances based on COVID-19 rental debt.

III. COVID-19 Rental Housing Recovery Act

AB 832 added to existing law a provision titled the COVID-19 Rental Housing Recovery Act (CRHR). It requires new procedures for unlawful detainers between October 1, 2021, and March 31, 2022. **The CRHR does not apply to tenancies that begin on or after October 1, 2021.** Lease renewals or extensions and new leases with at least one resident who already lawfully occupies the premises are not considered new tenancies.

a. Additional Filing Requirements for Unlawful Detainers

Beginning October 1, 2021, under the CRHR, landlords are required to provide a resident who has failed to pay the rent with a 3-day notice to pay or quit that includes specified information, informing the resident about how to apply for rental assistance. The new procedures for unlawful detainers apply to actions for recovery of rental debt that accumulated due to a COVID-19 hardship experienced between March 1, 2020, and March 31, 2022.

When filing the unlawful detainer, a court will not issue a summons that seeks possession of residential real property based on nonpayment of rental debt that accumulated due to COVID-19 hardship unless the plaintiff landlord, in addition to any other requirements provided by law, also files a statement that meets the requirements of **either (1) or (2) below**.

(1) The landlord files both of the following:

- (A) A statement verifying, under penalty of perjury, that before filing the complaint, the landlord completed an application for government rental assistance to cover the rental debt demanded from the defendants in the case, but the application was denied; and
- (B) A copy of the "final decision" (see below) from the pertinent government rental assistance program denying the rental assistance application for the property at issue in the case.



(2) The landlord files a statement, under penalty of perjury, verifying that all four of the following are true:

- Before filing the complaint, the landlord submitted a completed application, as defined in Section 50897 of the Health and Safety Code, for rental assistance to the pertinent government rental assistance program to cover the rental debt demanded from the defendants in the case.
- **Twenty days** have passed since the later of (1) the date that the landlord submitted the rental assistance application, or (2) the date that the landlord served the resident with the three-day notice underlying the complaint.
- The landlord has not received notice or obtained verification from the pertinent government rental assistance program indicating that the resident has submitted a completed application for rental assistance to cover the rental debt demanded from the defendants in the case.
- The landlord has received no communication from the resident that the resident has applied for government rental assistance to cover the unpaid rental debt demanded from the defendants in the case.

For the purpose of the filing requirement, “final decision” means either of the following determinations by a government rental assistance program regarding an application for rental assistance.

(1) The application is an approved application.

(2) The application is denied for any of the following three reasons:

- The resident is not eligible for government rental assistance.
- The government rental assistance program no longer has sufficient rental assistance funds to approve the application.
- The application for government rental assistance remains incomplete 15 days, excluding Saturdays, Sundays, and other judicial holidays, after the landlord properly completed the portion of the application that is the responsibility of the landlord because of failure on the part of the resident to properly complete the portion of the application that is the responsibility of the resident.

“Final decision” does not include (1) the rejection of an application as incomplete or improperly completed by a landlord, (2) notification that an application is temporarily pending further action by the government rental assistance program or the applicant, or (3) notification that the landlord or resident applied to the wrong government rental assistance program for the property or rental debt at issue.

b. Forfeiture of Property

Before the sheriff carries out a successful unlawful detainer action by locking out the resident and returning possession of the property to the landlord, the CRHR allows the resident to ask the court to stop the eviction if the resident obtains approval of an application for rental assistance with some or all of the rental debt owed. If the resident obtains proof of a successful rental assistance application, the court will hear the matter with 5-10 days to determine whether the resident has or will actually obtain rental assistance.

