

ASSEMBLY BILL 1436 (CHIU)

COVID-19 EVICTION PREVENTION AND HOUSING STABILITY

SUMMARY

AB 1436 prevents unnecessary evictions in the wake of COVID-19 by giving tenants and landlords a path to address unpaid rent while keeping tenants housed.

BACKGROUND

Since Governor Newsom declared a State of Emergency on March 4, 2020 due to COVID-19, millions of Californians have lost their jobs or significant income. In recognition of this situation, on April 6, 2020, the California Judicial Council adopted an Emergency Rule to effectively halt evictions; this Rule is set to expire 90 days after the Governor's COVID-19 State of Emergency ends.

Before COVID-19, many California tenants struggled to pay rent, as over half of renters were considered rent-burdened, paying over 30 percent of their income on rent. During the COVID-19 emergency, this number has only gotten worse, as the state's unemployment rate has skyrocketed. Without action to prevent evictions, hundreds of thousands of renters are at risk of losing eviction and homelessness.

THE PROBLEM

When the Judicial Council Emergency Rule ends on the 91st day after the Governor's State of Emergency is rescinded, tenants will need to come up with the money to cover all unpaid rent during the preceding months. There is very likely to be an unprecedented number of evictions once unlawful detainer cases resume. For households that lost months of their normal income, this is simply not a realistic expectation.

At the same time, it is also unclear whether many of the landlords who evict their renters will even be able to find new tenants, given widespread job losses due to COVID-19. As such, formerly occupied units could end up sitting vacant after a wave of evictions leaves countless tenants scrambling to find other housing.

Though some landlords and tenants are making voluntary arrangements to address unpaid rent through repayment plans or forgiveness, voluntary measures are not enough. The state needs a framework that keeps renters housed while providing landlords a meaningful way to recover unpaid rent.

THE SOLUTION

AB 1436 provides renters a chance to get back on their feet without the fear of immediate eviction, while giving

landlords a way to recover unpaid rent without pursuing an unlawful detainer case. Specifically, this bill:

- Provides that a tenant cannot be evicted due to unpaid rent during the COVID-19 emergency or for 90 days after;
- Holds tenants accountable to resume regular rent payments starting 91 days after the COVID-19 emergency ends and allows landlords to pursue normal evictions for any future missed rent payments;
- Encourages landlords and tenants to reach voluntary agreements and includes guidelines for such agreements;
- Gives tenants a chance to repay back rent (15 months after the end of the COVID-19 emergency declaration) and preserves the ability of landlords to pursue unpaid rent through civil actions, as is currently the case for unpaid rent that is more than a year old;
- Ensures that landlords account for any rental assistance they receive from government sources in calculating back rent.
- Protects renters from having non-payment of rent during the COVID-19 period and 90 days after from being reported to a tenant screening company, credit reporting agency, or other entity that evaluates prospective renters.

AB 1436 provides a path for transitioning out of the COVID-19 emergency in a way that balances renter protections with the ability of landlords to recover what is owed to them.

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