CITY OF BEVERLY HILLS
455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Lester J. Friedman, Mayor

August 6, 2020

The Honorable Anna Caballero
California State Senate, 12th District
State Capitol, Room 5052
Sacramento, CA 95814

Re: SB 1410 (Caballero) COVID-19 emergency: tenancies.
City of Beverly Hills – Support, Seek Amendment

Dear Senator Caballero,

On behalf of the City of Beverly Hills, I am pleased to write to you in SUPPORT IF AMENDED of SB 1410, which would create incentives for rental property owners to defer rent for their tenants in exchange for a tax credit that would commence in 2024. We urge you to amend SB 1410 to include the strongest possible safeguards against tax credit double dipping by property owners. This would ensure that the tax credit incentives offered by the bill are available to the largest possible number of properties and tenants.

Since Governor Newsom declared a State of Emergency on March 4, 2020 due to the COVID-19 pandemic, millions of Californians have lost their jobs or a significant amount of 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.

SB 1410 would incentivize landlords to not serve an eviction notice on their tenant, not file an unlawful detainer complaint, or to delay taking action to proceed with a pending unlawful detainer suit. This measure also enacts a personal income and corporation tax credit equal to the amount of unpaid rent specified in the tenant-owner COVID-19 eviction relief agreement that can be claimed beginning in 2024 and ending in 2034 tax years.

Additionally, SB 1410 would establish a rental assistance program for tenants who live in eligible properties who can demonstrate an inability to pay rent due to COVID-19. Property owners must agree to participate in the rental assistance program and accept certain conditions in order to qualify for the tax credit incentive. The state of California would make direct rental payments to property owners for up to three months and cover 80 percent of unpaid rent related to the pandemic.
This program has strong potential to help keep struggling renters housed while also providing greater financial stability for rental property owners. With the amendment suggested above, we would be pleased to offer our full support for this measure.

Sincerely,

[Signature]

Lester J. Friedman
Mayor, City of Beverly Hills

cc: Members and Consultants, Assembly Judiciary Committee
    The Honorable Ben Allen, 26th Senate District
    The Honorable Richard Bloom, 50th Assembly District
    Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange