



## EVICTION MORATORIUM UPDATE

### Assembly Bill 3088:

On August 31, 2020, California Governor Newsom signed AB 3088 to establish temporary statewide eviction protections for residential tenants unable to pay rent due to financial hardships created by COVID-19. AB 3088 provided the following:

- A residential tenant could not be evicted for nonpayment of rent for the period from March 1, 2020 through January 31, 2021, if:
  - The tenant complied with procedures designed to demonstrate their COVID-19 financial distress; and
  - The tenant paid at least 25% of their total rent due from September 1, 2020 through January 31, 2021, by installments or in a lump sum, on or before January 31, 2021.
- If a residential tenant complied with AB 3088, any unpaid back rent the tenant accrued for the period from March 1, 2020 through January 31, 2021 would be converted to consumer debt. The landlord could sue the tenant to recover the back rent, but the tenant could not be evicted from their apartment for failure to pay the outstanding back rent.

### Senate Bill 91

On January 29, 2021, California Governor Newsom signed SB 91, which extends the statewide eviction protections for residential tenants established by AB 3088 to June 30, 2021. SB 91 provides the following:

- A residential tenant cannot be evicted for nonpayment of rent for the period from March 1, 2020 through June 30, 2021, if:
  - The tenant complies with procedures designed to demonstrate their COVID-19 financial distress; and
  - The tenant pays at least 25% of their total rent due from September 1, 2020 through June 30, 2021, by installments or in a lump sum, on or before June 30, 2021.
- As before under AB 3088, if a residential tenant complies with SB 91, any unpaid back rent the tenant accrues for the period from March 1, 2020 through June 30, 2021, will be converted to consumer debt. The landlord will be able to sue the tenant to recover the back rent, but the tenant cannot be evicted from their apartment for failure to pay the outstanding back rent.



- The statewide eviction moratorium ends on June 30, 2021, and the standard pre-eviction rules (with some modifications established by SB 91) will apply to any additional missed rental payments.
- SB 91 modified the Beverly Hills urgency ordinance relative to the repayment period of back rent that comes due from March 1, 2020 through June 30, 2021. SB 91 requires all back rent for this period to be repaid by August 31, 2021. However, this was superseded by AB 81 (please see below).
- SB 91 also establishes certain other tenant protections and the State Rental Assistance Program. Landlords must serve a Notice by February 28, 2021, to all tenants who, as of February 1, 2021, have one or more outstanding rental payments that came due on or after March 1, 2020. Among other things, the notice must inform tenants that they may qualify for rental assistance through the State Rental Assistance Program.

### AB 81

On February 23, 2021, California Governor Newsom signed AB 81 which, among other things, modifies the repayment period for COVID-19 rental debt provided for in SB 91. AB 81 modifies the repayment period for back rent that comes due during the period March 1, 2020 through June 30, 2021. AB 81 modifies the Beverly Hills urgency ordinance to require all back rent for this period to be repaid by **August 31, 2022**, or one year after the end of the local emergency, whichever is earlier.

### Beverly Hills Urgency Ordinance

On March 16, 2020, the City Council adopted its first Urgency Ordinance 20-O-2805, which provides eviction protections to Beverly Hills residential tenants who are unable to pay rent due to financial hardships created by COVID-19. The urgency ordinance provides the following:

- During the period of local emergency declared by the City Council, a landlord cannot evict a tenant for failure to pay rent if the tenant complies with procedures under the ordinance designed to demonstrate the tenant's financial distress.
- A tenant does not have to pay any rent during the local emergency if the tenant is unable to do so.
- Unpaid back rent is not converted to consumer debt and can be the basis for an eviction action.
- A tenant is not required to repay back rent until one year after the City Council lifts the local emergency.



It is important to note that AB 81 supersedes the urgency ordinance with respect to the repayment of back rent that comes due from March 1, 2020 through June 30, 2021. AB 81 requires all back rent for this period to be repaid by **August 31, 2022**, or one year after the end of the local emergency, whichever is earlier.

This means that if all back rent for the period from March 1, 2020 through June 30, 2021 is not repaid by the earlier of August 31, 2022 or one year after the end of the local emergency, a landlord can file an eviction action for the unpaid rent **unless** the tenant has complied with SB 91 and paid at least 25% of rent due from September 1, 2020 through June 30, 2021, by installments or a lump sum, on or before June 30, 2021.

#### State Rental Assistance Program

SB 91 also creates a State Rental Assistance Program funded by federal appropriations. The program allows landlords or eligible tenants to apply for rental assistance. Priority is given to rent in arrears over prospective rent.

If a landlord applies, the landlord may receive up to 80% of unpaid rental debt accumulated from April 1, 2020 through March 31, 2021. To receive payment, the landlord must give up the right to evict the tenant based on unpaid rent that became due from April 1, 2020 through March 31, 2021. If the landlord declines to participate in the program, the eligible tenant can apply, but will only receive up to 25% of unpaid rental debt accumulated from April 1, 2020 through March 31, 2021.

This program is in the development stage. Los Angeles County will be participating in the California State-Wide Rental Assistance Program. More information can be found at: <https://landlordtenant.dre.ca.gov/>. The California Business, Consumer Services, and Housing Agency will be releasing information soon. They can be reached at <https://www.bcsb.ca.gov/>

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This Update provides only a brief summary of current eviction protections for residential tenants and the State Rental Assistance Program. Tenants and landlords are encouraged to review SB 91, AB 81, and the City 's urgency ordinance, and to seek additional information, including legal advice, as appropriate.



SB 91/AB 81	BH Urgency Ordinance
<b><u>Modifications</u></b>	
<ul style="list-style-type: none"> <li>• Repayment period under the BH urgency ordinance for back rent that comes due between March 1, 2020 and June 30, 2021 commences on August 1, 2021 and ends on August 31, 2022.</li> </ul>	<ul style="list-style-type: none"> <li>• Repayment period for back rent, prior to AB 3088, SB 91, and AB 81 would have ended one year from the end of the local emergency.</li> <li>• <b>AB 81 modifies the BH repayment period for back rent that comes due between March 1, 2020 and June 30, 2021, to commence on August 1, 2021 and end on August 31, 2022, or one year after the end of the local emergency, whichever is earlier.</b></li> <li>• <b>If you do not pay at least 25% of your back rent for the period September 1, 2020 through June 30, 2021 by June 30, 2021 (and comply with the notice requirements of SB 91), you can be evicted from your unit even if you have complied with the urgency ordinance.</b></li> </ul>
<b><u>No Modifications</u></b>	
SB 91/AB 81	BH Eviction Moratorium
<ul style="list-style-type: none"> <li>• Eviction Moratorium Ends June 30, 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• Eviction Moratorium ends upon the declaration by City Council of the end of the local emergency.</li> </ul>
<ul style="list-style-type: none"> <li>• Requires tenants to pay 25% of back rent owed from September 1, 2020 through June 30, 2021 by June 30, 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• The urgency ordinance does not require COVID-19 financially impacted residential tenants who comply with the ordinance to pay any rent during the local emergency if they are unable to do so.</li> </ul>
<ul style="list-style-type: none"> <li>• If a tenant complies with the 25% back rent payment by June 30, 2021, the unpaid back rent is converted to consumer debt. This means that you cannot be evicted for failure to pay the balance of your back rent. The landlord can file a suit in court to recover back rent.</li> </ul>	<ul style="list-style-type: none"> <li>• Back rent is not converted to consumer debt and can be the basis for an eviction action.</li> </ul>



## CONTACT US

If you have any questions regarding the City's urgency ordinance, payment of back rent, AB 81 or SB 91, please contact the Rent Stabilization Division hotline at (310) 285-1031. You can also email questions or request additional information by email to [Bhrent@beverlyhills.org](mailto:Bhrent@beverlyhills.org).

If you would like to be placed on an email list to receive the most updated information, please make that request by sending an email to [Bhrent@beverlyhills.org](mailto:Bhrent@beverlyhills.org).

If there is a more preferable way for us to communicate Rent Stabilization issues to you, please call us at (310) 285-1031 or email us at [Bhrent@beverlyhills.org](mailto:Bhrent@beverlyhills.org) and let us know how we can reach you.

For any questions related to the Rent Stabilization Division, please feel free to contact Helen Morales, Deputy Director of Rent Stabilization at [hmorales@beverlyhills.org](mailto:hmorales@beverlyhills.org).