



CITY OF MOUNTAIN VIEW

MEMORANDUM

CSFRA Rent Stabilization Program, Community Development Dept.

DATE: September 29, 2021

TO: Rental Housing Committee

FROM: Anky van Deursen, Rent Stabilization Program Manager
Karen Tiedemann, Special Counsel to the Rental Housing Committee

SUBJECT: Update on continued City Support upon expiration of the Statewide Eviction Moratorium on September 30, 2021

INTRODUCTION

The COVID-19 pandemic and economic impact on community members, placed tenants at risk of eviction. As a result the Federal government allocated funds for rent and utility payments as well as housing stability support for low-income households earning less than 80 % of the local Area Median Income (AMI). The City of Mountain View adopted local policies to ensure the needs of its community are being met, including collaborating with CSA to implement a local financial assistance program.

In June 2021, California Governor Gavin Newsom signed AB 832 into law, extending the State's Eviction Moratorium through September 30, 2021, at which point it will expire. Beginning October 1, AB 832's COVID-19 Rental Recovery Act takes effect, ending the 25% rent obligation that was previously established, and setting in place new protections for tenants.

The COVID-19 pandemic however, continues to disrupt the lives of tenants in our community. As the Eviction Moratorium is set to expire, the Mountain View's Eviction Prevention Program maintains its commitment to assist tenants and landlords with support services in effort to reduce evictions related to the COVID-19 pandemic. Community members can access information, receive one on one support, and connect with services provided by our community partners like Community Services Agency of Mountain View and Los Altos, Project Sentinel, CLESPA and the Stanford Law Clinic, by attending Eviction Help Center Clinics and pop-up events.

These efforts are especially important to prevent displacement and ensure that individuals and families who may be experiencing a heavy rent burden are able to repay the rent that has accrued over the course of the pandemic. In addition, these efforts support property owners who have been unable to make ends meet during the pandemic without 100% of their rental income.

This memo discusses key requirements and protections under the Act for both property owners and tenants, and what the City and its partners are doing to educate and assist tenants who are at risk of being evicted.

BACKGROUND

On June 28, 2021, California Governor Gavin Newsom signed into law AB 832, enacting protections against eviction for tenants who have been unable to pay rent during the COVID-19 pandemic. AB 832 also uses the judicial process to guarantee tenants and property owners have attempted to obtain rental assistance.

The background information will expand on the following items:

- A. COVID-19 Tenant Relief Act Eviction Protections;
- B. COVID-19 Rental Housing Recovery Act; and
- C. Rental Assistance Changes under AB 832.

A. COVID-19 Tenant Relief Act Eviction Protections

AB 832 extended protections through September 30, 2021 that were originally established under the COVID-19 Tenant Relief Act of 2020 (AB 3088), and further extended under SB 91. Tenants cannot be evicted for COVID-19 rent due between March 1, 2020 to September 30, 2021, so long as they:

- Pay at least 25% of rent due by September 30, 2021 for the period of September 1, 2020 through September 30, 2021. Tenants may do this by paying at least 25% each month, or by paying a lump sum equaling 25% of their cumulative rent owed during the time period, or by some other means; and
- Submit to their property owner a signed Declaration of COVID-19 Related Financial Distress within 15 days of receiving a notice for nonpayment of rent.

B. COVID-19 Rental Housing Recovery Act

AB 832 contains the COVID-19 Rental Housing Recovery Act (the "Recovery Act"), effective through September 30, 2024. The Recovery Act applies to rent debt accumulated during the COVID-19 hardship periods, which include *COVID-19 rental debt* (March 1, 2020 to September 30, 2021 rent) and *COVID-19 recovery period rental debt* (October 1, 2021 to March 31, 2022 rent), for rent debt of a tenancy initially established before October 1, 2021.

The three main protections are:

- B.1 Requiring that property owners provide information to tenants about the availability of rental assistance and information about how to apply when they issue a notice for nonpayment of rent; and
- B.2 Requiring that property owners apply for rental assistance and be denied (or wait twenty days without a response from the rental assistance program or without the tenant completing their portion of the application) before a Court will allow them to evict; and
- B.3 Authorizing Courts to stay eviction proceedings and reinstate tenancies if a tenant's application for rental assistance was approved and payment is pending.

B.1 Additional information required in notice for nonpayment of rent.

For any notice demanding payment of rental debt during the COVID-19 recovery period (rent due between October 1, 2021 to March 31, 2022), the property owner must include additional information in their notice. The notice must state:

- The time period in which the tenant may pay the amount due or deliver possession of the property shall be no shorter than three days, excluding Saturdays, Sundays, and other judicial holidays,
- The amount of rent demanded and the date each amount became due,
- The telephone number and internet website address of the pertinent government rental assistance program, and
- Notice with specified language:

“IMPORTANT NOTICE FROM THE STATE OF CALIFORNIA – YOU MUST TAKE ACTION TO AVOID AN EVICTION:

As part of the state's COVID-19 relief plan, money has been set aside to help renters who have fallen behind on rent or utility payments.

If you cannot pay the amount demanded in this notice, YOU SHOULD COMPLETE A RENTAL ASSISTANCE APPLICATION IMMEDIATELY! It is free and simple to apply. Citizenship or immigration status does not matter.

DO NOT DELAY! IF YOU DO NOT COMPLETE YOUR APPLICATION FOR RENTAL ASSISTANCE WITHIN 15 BUSINESS DAYS, YOUR LANDLORD MAY BE ABLE TO SUE TO OBTAIN A COURT ORDER FOR YOUR EVICTION.

You can start your application by calling 1-833-430-2122 or visiting <http://housingiskey.com>.

If the property owner does not follow the above requirements, AB 832 states that the Court, can dismiss the eviction. This action can be placed in motion by the Court or by the defendant. The tenant also has the right to use in their defense any of the requirements that the property owner did not meet.

B.2 Property Owner has filed for rental assistance.

Between October 1, 2021 to March 31, 2022, when a property owner files an unlawful detainer action, before the Court can issue a summons, the property owner must declare under penalty of perjury one of the following circumstances:

- The property owner has completed an application for government rental assistance, but the application was denied, and the property owner has a copy of the denial; or
- The property owner submitted a completed application for rental assistance and a) 20 days have passed since the property owner applied or served the notice, b) the property owner has not received notice indicating the tenant has submitted a completed application, and c) the property owner has not received any communication from the tenant that the tenant has applied for rental assistance demanded from the property owner.

Additionally, before entering judgment, the Court must find that one of these two circumstances exist.

B.3 Reinstatement of tenancy

During the eviction case, the Court can delay the lockout if the tenant is still residing in the property and reinstate a tenancy if all the following apply:

- 1) The lawsuit demanded payment of rental debt that accumulated due to COVID-19 financial hardship.
- 2) The tenant submits verification to the Court that a government rental assistance program has approved an application for rental assistance corresponding to part or all of the rental debt demanded in the complaint
- 3) The approved payment from the rental assistance program, together with any additional payments made by the tenant, constitute full payment of the rental debt demanded in the complaint.
- 4) The property owner has received the full amount of payment as demanded in the lawsuit.

C. Rental Assistance Changes under AB 832

AB 832 also includes provisions to help streamline rental assistance payments to tenants and property owners who already applied and have received approval

through the existing state rental assistance program. The state has increased its financial assistance to a \$5.2 billion rent relief program that will cover 100% of accumulated past-due rent on or after April 1, 2020, prospective rent payments, as well as utility bills for income-qualified tenants. Furthermore, the extension permits funds to be sent to tenants directly.

Additional provisions include:

- ***Accessing rental funds*** – AB 832 allows tenants to access rental funds directly if their property owner chooses not to participate and ensures property owners can receive compensation even if their otherwise income-qualified tenants have already vacated a unit.
- ***Requiring rental assistance program administrators to provide notification to tenants and property owners*** – AB 832 also requires government agencies that are administering rental assistance programs to provide notification to a property owner when their tenant applies for rental assistance and to a tenant when their property owner applies. The program also must provide notification to the property owner and tenant once a final decision has been rendered. The notification shall include the total amount of assistance paid and the time period for which assistance was provided, as applicable. Failure to comply with the requirements of this subdivision may result in the government agency's share of grant funds received from the state reverting to HCD for reallocation at HCD's discretion.
- ***Develop Coordination Mechanisms*** – Rental assistance programs were required under AB 832 to create mechanisms that would allow property owners, tenants, and the Courts accessibility to verify the status of the application, obtain copies of information needed for a complete application, and process the application. If the application has been approved, then the amount will be processed. If the application has been denied, then the denial would be based on the following: 1) tenant is ineligible, 2) government rental assistance program no longer has sufficient funds, or 3) the application remained incomplete for 15 days.

KEY PROTECTIONS AND RECOVERY AFTER SEPTEMBER 30, 2021

While the statewide Eviction Moratorium expires on September 30, 2021, the City will continue its efforts to encourage and assist tenants and property owners to apply for financial assistance and provide eviction and wrap-around services to keep tenants housed.

This section addresses the following:

- 1) Protections for Tenants Starting October 1, 2021 through March 31, 2022.
- 2) Landlords' Recovery through Small Claims of Unpaid COVID-19 Rent.
- 3) City's Strategies to Assist Impacted Tenants and Landlords.

1. Protections for Tenants Starting October 1, 2021 through March 31, 2022

Before delving into the changes beginning October 1, 2021, it is important to note that tenants who paid at least 25% of their rent due from September 1, 2020 to September 30, 2021 cannot be evicted for failure to pay the remaining 75% of rent still owed for that period. Starting October 2021, the 25% rent payment limit ends and new requirements begin.

Beginning October 1, 2021, tenants must either pay their current rent on time based upon their rental contract or apply for rental assistance to be protected against eviction. If a property owner wants to evict a tenant, they must first apply for rental assistance and be denied or receive no response after 20 days from either the tenant regarding status on the rental assistance application or from the rental assistance program. The Court must delay an eviction if a tenant has been approved for rental assistance until the rental assistance is received. If the delivery of the rental assistance resolves the lawsuit, then the case will be dismissed.

Therefore, property owners can only move forward with a court case (Unlawful Detainer) for nonpayment of rent for rent due between October 1, 2021 to March 31, 2022 if one of these three conditions apply:

- The tenants' rental assistance application was denied, or
- The property owner tried to apply for rental assistance, but the tenant did not cooperate with the application process, or
- The tenant's tenancy started after October 1, 2021.

If property owners are not able to prove one of these conditions within 60 days of filing the eviction lawsuit, the Court will dismiss the case. After October 1, 2021, property owners are no longer required to provide a 15-day notice for nonpayment of rent and can resume 3-day notices for nonpayment of rent.

Although AB 832 provides these additional protections, there is a fear that tenants who are given an eviction notice will not fully understand their rights and will move. This was a typical pattern observed prior to COVID-19; most tenants either find a way to pay their rent when they receive the three-day demand notice, or they leave. The City will continue to provide information, education, and assistance during this time period to ensure renters understand their rights.

2. Landlords' Recovery through Small Claims of Unpaid COVID-19 Rent

AB 832 includes requirements that unpaid COVID-19 rent debt that accumulated between March 1, 2020 through September 30, 2021 may be pursued through small claims court. The requirement to pursue unpaid COVID-19 rent debt through small claims court is in effect through October 1, 2025. Beginning November 1, 2021, property owners may bring a small claims action to recover unpaid COVID-19 rent debt.

A property owner who files a small claims action must attach to the complaint documentationshowing that they have made a good faith effort to investigate whether governmental rental assistance is available to the tenant, seek governmental rental assistance for the tenant, or cooperate with the tenant's efforts to obtain rental assistance from any governmental entity orother third party.

During the small claims action, the Court may reduce the damages awarded for any amount of COVID-19 rental debt if the Court determines that the property owner refused to obtain rental assistance from the state rental assistance program if the tenant met the eligibility requirements of the program and funding was available.

3. Strategies to Assist COVID-19 Impacted Tenants and Landlords

Financial Assistance

Tenants can continue to receive financial assistance with applications at the CSA (finaid@csacares.org). Both tenants and property owners are able to apply for rental assistance at state level (homeiskey.gov).

Eviction Help Center

Staff launched an Eviction Help Center at the end of September, which is now operating every Thursday between 1-5PM at the Library, 585 Franklin St., Mountain View, 2nd Floor, Room 205. Community partners will attend to provide full-wrap around services including:

1. Assistance with Rent Relief and Direct Financial Assistance Applications
2. Review of eviction notices and process to help landlords and tenants understand the process and potential outcomes
3. Connect community members to legal resources and assistance
4. Provide information on other support services including mediation, social services, affordable housing, unhoused resources and more.

Pop-up Community Events

Staff is coordinating additional pop-up events with community organizations including the Day Worker Center, Cafecito, MV Tenant Coalition and School Districts. (first pop up on 9/25 at St. Athanasius Church).

Educational Webinars

- Train the trainer webinars for rent relief with community members including Cafecito, CAT and Spanish Leadership Academy graduates
- Rent Relief Explained (both Landlord focused and Tenant focused)
- Eviction Basics, Rent Relief and AB832 (both Landlord focused and Tenant focused)

Legal Assistance

In anticipation of an eviction surge once the State eviction moratorium expires, the goal is to provide tenants at risk of eviction with access to legal services. Both CLESPA and the Stanford Law Clinic are committed to provide legal assistance to tenants facing eviction by providing a range of services including evaluation of cases, assistance with filing an answer or stay to an unlawful detainer complaint to full-scope representation. Services would be provided at no cost to tenants in Mountain View. Furthermore, services would be provided regardless of immigration status and be accessible to tenants with physical disabilities and tenants who speak languages other than English.

Outreach Campaign:

- a. *Contacting tenants who have received a Notice of Termination for Non-payment of Rent submitted to the Rent Stabilization Program.*

The Rent Stabilization Program recently launched a campaign to contact tenants who received notices of termination for nonpayment of rent. Under the City's CSFRA, all tenants who live in rent stabilized rental units must receive a Just Cause Reason from their landlord to terminate their tenancy. The CSFRA also provides that property owners must submit a copy of the termination notice to the Rent Stabilization Program within three days of issuing the notice to the tenant. Staff analyzed the notices of terminations for nonpayment of rent since August 2021 and have mailed 144 Courtesy letters and informational flyers directly to the tenants with copy to landlords with information on the availability of financial assistance programs and the Eviction Help Center.

- b. *Informational Flyers.*

Eviction Moratorium, Rent Relief, and Eviction Help Center Flyers are being distributed door-to-door with help of community members and shared through email with community organizations (multiple languages).

c. *Mailings.*

Postcards are in the process of being sent to all residents in Mountain View and CSFRA-covered landlords, announcing the end of the eviction moratorium, as well as the availability of assistance through rent relief programs and the Eviction Help Center (multiple languages).

d. *Media Outreach*

- Social media outreach for Eviction Help Center and rent relief
- News release for Eviction Help Center
- Pitching coverage of Eviction Help Center to local community newspapers and Spanish-language media outlets
- Mountain View Voice newspaper advertisements

Staff will continue to provide outreach efforts in multiple languages and monitor the support needs to be able to adapt and pivot to the needs of the community and to prevent displacement. Staff will report to the RHC on a regular basis on the progress of its support efforts.