

SB 91 - New State Rental Assistance Program & Extension of COVID-19 Tenant Relief Act



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Webinar Presented by:

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Hart King

Who are John & Chris?



John Pentecost is the Managing Partner of Hart King and has been with the firm since 1988. He is the leader in the firm's manufactured housing practice. With over 30 years of experience dealing with manufactured housing and mobilehome park communities, John has handled numerous eviction and other landlord-tenant based dispute trials. John defends Park owners in all actions ranging from lease disputes to state and federal discrimination issues, Americans with Disabilities Act (ADA) matters, easements, and title and failure to maintain lawsuits.



Chris Elliott is a Partner at Hart King and for more than 25 years has handled a wide range of real estate and business issues and claims, including: ADA; collections; construction agreements and defects; constructive evictions; corporate/partnership disputes; creditor bankruptcy; eminent domain; environmental contamination guaranties; factoring agreements; fraudulent conveyance; insurance coverage disputes; judicial and non-judicial foreclosures (including anti-deficiency protection); leases and subleases; mechanics' liens; Proposition 65 claims; purchase/sale agreements; title disputes and unlawful detainers. His clients include both large and small owners, managers and tenants of commercial, retail and industrial properties.

What is Senate Bill 91 (SB 91)

AKA State Rental Assistance Program?

California Governor, Gavin Newsom, signed SB 91 into law on January 29, 2021, which instantly took effect. This new legislation sets the rules for the use of funds allocated to California under the \$25 billion federal Consolidated Appropriations Act, 2021, the federal stimulus bill passed by Congress on December 27, 2020, for emergency rental assistance funding. SB 91 also expands the COVID-19 Tenant Relief Act (CTRA) the state originally passed by the Legislature and signed on August 31, 2020, by the Governor. It extends the legislation to June 30, 2021, and enacts additional provisions related to the COVID-19 pandemic for tenants.

Important: Landlords must provide information about SB 91 to their tenants before February 28th, 2021.

Who is Eligible for the Program?

Both landlords and eligible households may apply to the program for assistance, though the federal program emphasizes payments be made to landlords. Per federal requirements, funds must be used to support eligible households up to 80% Area Medium Income (AMI), with a priority for those up to 50% AMI. The federal bill directs states to focus the funding on the payment of rental arrears owed to landlords to stabilize households, alleviate household debt and prevent evictions. The program will provide eligible landlords with immediate relief through the payment of 80% of eligible household rental arrears accumulated from April 1, 2020 through March 31, 2021.

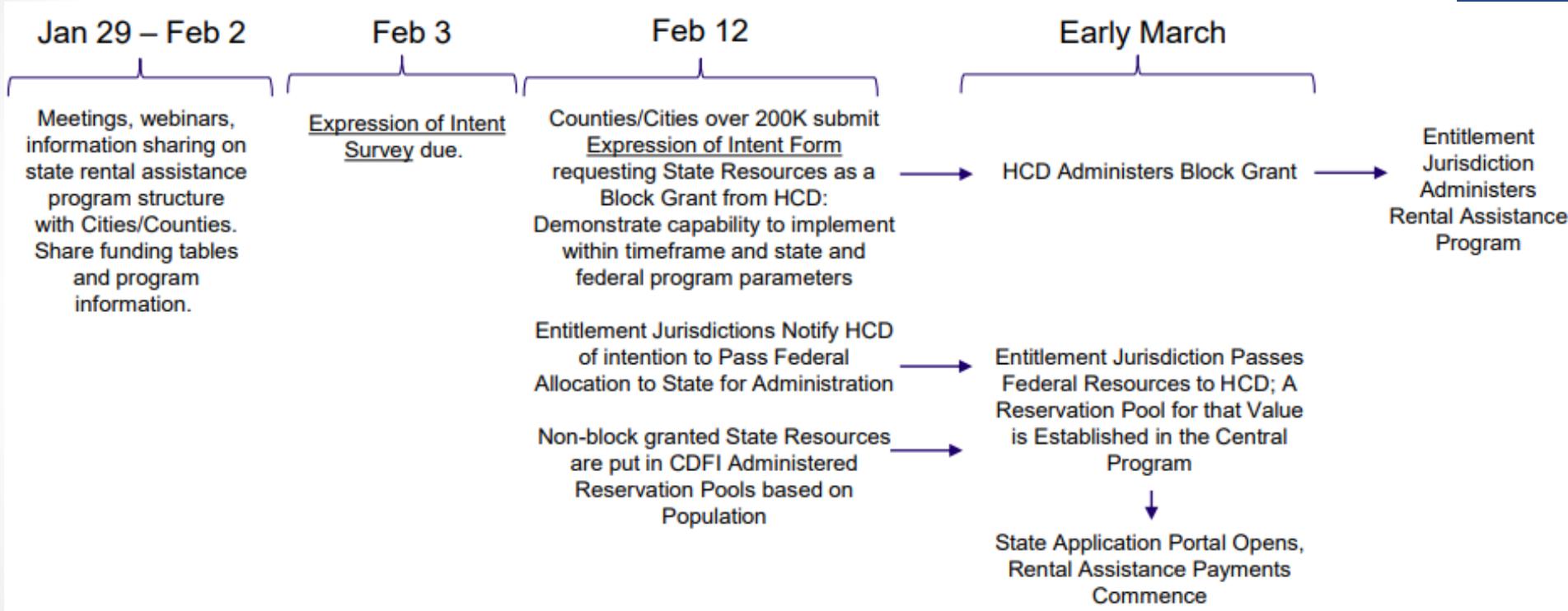
When Can I Apply for Relief?

The State Rental Assistance program is expected to begin in March. If you live in a large city or county with a population over 200,000, your local government may have received funding directly from the federal government and is likely to be operating its own local program. This answer will continue to be updated as the state finds out more information about these local programs. Hart King will provide you with helpful links where this information will get updated.

How Will the Funds be Administered?

The state will be contracting with a Community Development Financial Institution (CDFI) to administer funds for all counties with populations under 200k and the jurisdictions within those counties. Cities and Counties with populations greater than 200k may receive a direct block grant allocation from the state to supplement their direct allocations from the US Treasury. For consistent treatment of landlords and tenants throughout the state, jurisdictions that supplement their US Treasury allocations with state block grant funding agree to follow the state rental program parameters described above in the administration of their combined federal and state program. Cities and Counties with populations greater than 200k that prefer not to administer a local program can request that their state and federal allocation funds be administered through the state program.

State Opt-in and Block Grant Request Timeline



Does the Landlord Have to Accept the 80%?

- If a landlord accepts the up-to 80% overdue rent payment from the rental assistance program, the landlord must agree to accept this payment as payment in full for the entire overdue balance for the specified period (April 1st, 2020 through March 31st, 2021.) This means that the landlord cannot seek to evict a tenant or sue them in small claims court for the other 20% for this period.
- A landlord can choose not to participate or apply for the rental assistance funds. If the landlord decides to go this route, the tenant can still apply for the funds but can only receive up to 25% of the past due rental debt. The remaining 75% will be converted to consumer debt which can be collected through small claims commencing as of August 1, 2021.

How SB 91 Extends AB 3088

- SB 91 extends AB 3088 protections from January 31st, 2021 through June 30th, 2021. This includes the 25% of rent payment eligible tenants had to make on January 31st, 2021. An eligible tenant must have provided a declaration of COVID financial hardship to their landlord when they received a 15 day notice to pay or quit. SB 91 also extends the 25% requirement from rent due between September 1st, 2020 through June 30th, 2021.
- All AB 3088 notices are no longer valid as of February 1st, 2021.

Sources & Helpful Links re. SB 91

- [Housing Is Key \(ca.gov\) - https://landlordtenant.dre.ca.gov/](https://landlordtenant.dre.ca.gov/)
- [COVID-19 Tenant Relief Act - BCSH \(ca.gov\) - https://www.bcsh.ca.gov/covidrelief/](https://www.bcsh.ca.gov/covidrelief/)
- [COVID-19 Tenant Relief Act FAQ - BCSH \(ca.gov\) - https://bcsh.ca.gov/covidrelief/tenant_relief_faq.html](https://bcsh.ca.gov/covidrelief/tenant_relief_faq.html)
- [California Apartment Association - https://caanet.org/ctra/](https://caanet.org/ctra/)
- <https://wwwa.lacda.org/programs/rent-relief>
- <https://211la.org/2021-rent-relief-notification>



Questions?



Thank you!



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