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SB 1410 (Gonzalez) Covid-19 Emergency Rental Assistance Program

SUMMARY

Senate Bill (SB) 1410 will establish a temporary, emergency assistance program to help Californians who are struggling to pay rent due to the unprecedented economic impacts of the Covid-19 crisis.

This emergency program will provide immediate financial aid to tenants and owners who are impacted by Covid-19 in the form of rental assistance vouchers. This financial assistance will cover 80% of owed rent for a seven-month period, should the tenant and landlord meet specified requirements.

BACKGROUND

Prior to the onset of the Covid-19 Pandemic and the subsequent “shelter at home” orders, California was already in the midst of an affordable housing crisis. Lack of housing stock had driven rent prices to historic levels and had left many families rent-burdened and forced to spend more than half of their monthly income on housing costs.

The public health and economic crisis we are now facing has severely amplified these economic hardships for many Californians, and is forcing some families to decide between paying rent or putting food on the table.

The critical need for the public to shelter at home and comply with physical distancing requirements has not only disrupted Californian’s daily lives, it has forced a record number of workers to lose their jobs. The California Employment Development Department (EDD) reported that over the four-week period between March 15 and April 11, EDD processed a total of 2.7 million claims for Unemployment Insurance (UI), which is 2.3

million more than the highest one-month total since January 2010.

With many families now dependent on state and federal benefits for the foreseeable future, there is increased anxiety about the possibility of facing eviction or homelessness, as there is continued uncertainty about how long this crisis might last.

While Governor Newsom and Chief Justice Cantil-Sakauye have taken extraordinary measures to temporarily prohibit evictions, California could potentially be faced with a wave of evictions for renters when the moratoriums are lifted.

Recent action by the Federal government may provide some relief in California communities. The recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act included \$5 billion for the Community Development Block Grant (CDBG) and increased flexibility on how local governments could use those funds to support struggling families. The CARES Act additionally funded \$4 billion for the Emergency Solutions Grants (ESG) program to help address homelessness.

While these commitments are well-intentioned first steps, there still remains the immediate and critical need for an ambitious statewide program that can provide direct financial assistance to low-income Californians who are struggling to make rent.

SOLUTION

SB 1410 is urgency legislation that will establish a new emergency rental assistance program under the California Department of Housing and Community Development. California renters will be eligible for this

program if they can demonstrate an inability to pay rent due to Covid-19, or due to a state, local, or federal response to the Covid-19 pandemic.

SB 1410 will provide rental housing providers who agree to participate in the program with financial assistance to cover at least 80 percent of the monthly rent their tenant owes for up to seven months, provided that they agree to do the following:

- Not pursue the remaining 20% of rent owed for the months covered under the program.
- Not increase rent for the unit for a specified period.
- Not access late fees for the past due rent paid by the program.

SUPPORT

California Apartment Association (Sponsor)

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