



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 20-659, **Version:** 1

Receive a report on AB 1436 (Chiu) Tenancy: rental payment default: state of emergency: COVID-19.; and provide direction on a Board position on the bill.

RECOMMENDATION

It is recommended that the Board of Supervisors receive a report on AB 1436 (Chiu) Tenancy: rental payment default: state of emergency: COVID-19.; and provide direction on a Board position on the bill.

SUMMARY

AB 1436 would prevent unnecessary evictions and foreclosures in the wake of the COVID-19 crisis by: (1) giving tenants and landlords a path to address unpaid rent while keeping tenants housed, and (2) providing homeowners and smaller rental property owners with temporary relief from mortgage payments. If passed and signed into law by the Governor, AB 1436 would enact the COVID-19 Tenant Relief Act of 2020 and the Small Landlord and Homeowner Relief Act of 2020.

The Board's Legislative Committee reviewed AB 1436 at their meeting on August 10, 2020 and recommended that the bill be referred to the Board of Supervisors for consideration of a position without any recommendation from the Committee. Attached is the draft support letter for AB 1436 that was presented to the Legislative Committee. **EXHIBIT A**

DISCUSSION

Bill Text: AB 1436 was amended in the Senate on August 10, 2020. The most recent version of the bill can be found at the following link: [AB 1436 - As amended August 10, 2020](http://ctweb.capitoltrack.com/Bills/19Bills/asm/ab_1401-1450/ab_1436_92_A_bill.pdf) [<http://ctweb.capitoltrack.com/Bills/19Bills/asm/ab_1401-1450/ab_1436_92_A_bill.pdf>](http://ctweb.capitoltrack.com/Bills/19Bills/asm/ab_1401-1450/ab_1436_92_A_bill.pdf). Attached is the Legislative Counsel's Digest of the bill. **EXHIBIT B**

Bill Analysis: AB 1436 is scheduled to be heard in the Senate Judiciary Committee on August 18, 2020. Since the bill has not had any previous hearings in its current form no legislative analysis is currently available. It is expected that an analysis will be prepared by Monday, August 17th for the Senate Judiciary Committee hearing which will be provided to the Board as soon as available.

Fact Sheet: According to the fact sheet provided by the bill's author, (**EXHIBIT C**) AB 1436 provides renters and homeowners a chance to get back on their feet without the fear of losing their home, while also giving landlords and mortgage lenders a path to be made whole without having to resort to immediate evictions or foreclosures. Specifically, the bill does the following for tenants, homeowners, and small landlords:

- **Tenants:**

- Protects renters with COVID-19 financial impacts from eviction due to unpaid rent from the beginning of the COVID-19 emergency declaration on March 4, 2020 until the earlier of: April 1, 2021 or 90 days after the COVID-19 emergency ends;
- Holds tenants accountable to resume regular rent payments no later than April 2, 2021 and

allows landlords to pursue normal evictions for any future missed rent payments;

- Gives tenants 12 months to repay back rent and preserves the ability of landlords to pursue unpaid rent through civil actions, as is currently the case for unpaid rent that is more than a year old;

- **Homeowners and Small Landlords**

- Provides property owners with COVID-19 financial impacts with up to 12 months of mortgage forbearance for residential properties (i.e., 1-4 unit dwellings) and up to 180 days for multi-family properties (i.e., those with 5 or more units)
- Allows for mortgage forbearance requests to be submitted until the earlier of: April 1, 2021 or 90 days after the COVID-19 emergency ends
- Requires mortgage servicers to work with borrowers on options after forbearance to avoid lump sum repayments for residential properties (14 unit properties)

The bill does not cancel or forgive any amount owed by renters or homeowners; rather, it gives extra time for those with COVID-19 impacts to make payments. AB 1436 provides a path for transitioning out of the COVID19 emergency in a way that balances renter and homeowner protections with the ability of landlords and mortgage holders to recover what is owed to them.

Support and Opposition: An extensive list of supporters for AB 1436 is included in the Fact Sheet (attached). We do not anticipate having a list of those opposed to the bill until the bill analysis for the August 18, 2020 Senate Judiciary Committee hearing is released.

OTHER AGENCY INVOLVEMENT

The County Administrative Office - Intergovernmental & Legislative Affairs Division prepared this report with the assistance of the County's State Legislative Advocate, Ashley Walker of Nossaman LLP.

FINANCING

Monterey County's Legislative Program is funded in County Administrative Office-Department 1050; Intergovernmental & Legislative Affairs Division-Unit 8054. Approval of recommendations in this report will not result in additional General Fund contributions.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES

The 2020 Legislative Program address all of the Board's Strategic Initiatives. AB 1436 most closely relates to the initiatives on economic development (housing).

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
 - Administration
 - Health & Human Services
 - Infrastructure
 - Public Safety

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Date: August 11, 2020

Attachments:

- EXHIBIT A - AB 1436 DRAFT support letter
- EXHIBIT B - AB 1436 Legislative Counsel's Digest (as Amended August 10, 2020)
- EXHIBIT C - AB 1436 Fact Sheet