



Quality Housing • Ethics • Professionalism



January 20, 2021

The Honorable Gavin Newsom
Governor, State of California
1st Floor State Capitol
Sacramento, CA 95814

The Honorable Toni Atkins
President pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: Extension of COVID-19 Tenant Relief Act of 2020 (AB 3088)

Dear Governor, Madam President pro Tempore and Mr. Speaker:

On behalf of the members of the California Apartment Association, I want to thank you for your continued focus on providing protections for both rental property owners and tenants during this pandemic. We all worked together in 2020 to craft legislation that provided eviction protections for tenants and a process for rental property owners in the collection of unpaid rent. That law did its job. We did not see mass evictions in 2020. While CAA does not object to a short extension of AB 3088, we implore you not to make wholesale changes to the statute that may encourage tenants not to pay the rent, especially when they can. We also ask that you help to ensure that the state and local governments distribute dollars to rental property owners quickly. Many owners have not received rent in nearly a year.

Here are CAA's priorities:

- **Continue the consistent statewide standard created with AB 3088**
Preemption of local measures must continue. Having different laws in our cities creates challenges when it comes to implementation and education for the rental industry, not to mention confusion when it comes to a balanced enforcement in the courts.

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- **Do not create new standards that encourage tenants to withhold all rent**
Many tenants have admitted to their landlords that they still have their jobs but are withholding all or a large portion of the rent because they believe the law allows them to do so.
- **Do not create new standards that encourage tenants to ignore property owners**
Despite AB 3088's requirement that tenants return a declaration about their inability to pay, many tenants have ignored the owner and have not responded. The courts have encouraged this activity by refusing to process claims. Rental property owners much prefer that tenants remain in place and work out a solution for the unpaid rent. Property owners need the courts to help with these solutions. Counter to the law and rules of the court, many judges have ordered their clerks not to process claims.
- **Quickly Distribute Federal Dollars**
We are encouraged that federal dollars are on the way. It is imperative that state and local governments distribute these dollars quickly. CAA stands ready to help in that process. No other industry has been asked to provide a product or service for free for over a year. Tenants have been protected. It's now time to help property owners who have done their part.
- **Identify a Solution for Tenants Who Do Not Qualify for Federal Rental Assistance**
We need a solution for situations in which tenants do not qualify for federal dollars and who are not paying the rent. Perhaps they have recently lost their job but are still above 80 percent of AMI, or they have skirted the law and should have been paying the rent from the beginning. In these circumstances, rental property owners will continue without rent payments if we don't find dollars to cover the rent.

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Over 50% of the rental housing in California is in buildings with less than 5 units. Some of these owners are on the brink of foreclosure or are struggling to access mortgage relief. They were not eligible for the federal forgivable Paycheck Protection Program loans. Older property owners without a mortgage have their own personal expenses to pay - health insurance, medical costs, and their living expenses. The rent from these buildings is their retirement fund. It is imperative that we find equitable solutions for both landlords and tenants.

The California Apartment Association is the largest statewide rental housing trade association in the country, representing over 50,000 single family and multi-family apartment owners and property managers who are responsible for over 2 million affordable and market rate rental units throughout the State of California. Thank you for your consideration.

Sincerely,

CALIFORNIA APARTMENT ASSOCIATION



By
Debra Carlton
Executive Vice President
State Government Affairs



By
Tony Bui
Senior Vice President
State Government Affairs

cc: Members California State Legislature