

California Eviction Moratoriums Into 2021

Currently, evictions in California are constrained under both California law and Order from the Center for Disease Control. The California law is set to expire on January 31, 2021. The Order from the Center of Disease Control was extended by Executive order through March 31, 2021.

Currently, the CDC Order prevents a landlord from evicting a tenant if the tenant provides a declaration attesting that the tenant 1) expects to make less than \$99,000 annually or \$198,000 annually if filing a joint tax return 2) cannot pay full rent due to employment or extraordinary medical expenses 3) is using best efforts to make partial payments 4) if evicted would become homeless and 4) understands that unpaid rent is still owed and my result in eviction if unpaid after January 31.

California law goes further than the CDC Order. Under California Law if a tenant provides that a tenant my stop an eviction if within 15 days of receiving an eviction notice, the tenant provides the landlord with evidence that the tenant was impacted from COVID-19 either by job loss, reduction in income, or illness. Tenants who are unable to pay all of the rent due must pay at least 25% by January 31, 2021. Rent that remains due on January 31, 2021 is converted into consumer debt that can be collected through small claims court starting March 2021.

There are also a myriad of local county and city eviction restrictions and regulations.

Unfortunately, getting eviction papers ready for February 1, 2021 may be akin to putting the cart before the horse. President Biden has called upon Congress to extend an eviction ban through September 2021. Governor Newsom has also expressed support of AB-15 which would extend the existing eviction moratorium through January 1, 2022. As AB-15 was introduced as "Urgency Legislation" it must be passed by a two-thirds vote. As Democrats have a supra-majority in the Legislature, it seems likely that AB-15 will pass.

As such, landlords, tenants and real estate brokers/salespersons will all have to wait to see what happens on February 1, 2021. Real estate brokers/salesperson should be particularly careful in giving any advice on evictions and direct clients to their attorneys for guidance. Parties to purchase and sales transactions of tenant-occupied properties need to pay particularly close attention to whether the sales contract provides for the seller to deliver the property vacant. It may not be possible for a landlord to deliver a property free of tenants during the course of a typical escrow period.

The end of first quarter 2021 will bring some clarity to this evolving situation.

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NOTE that the information contained in this document is for general education and knowledge. It is not designed to be, and should not be used as, the sole source of information when analyzing and resolving a legal problem or claim. Additionally, the situation surrounding COVID-19 is evolving and the subject matter discussed herein may change on a daily basis. Please contact an attorney for timely advice as to any specific issue that may arise.