# AB 828

Preventing Homelessness During the COVID-19 Pandemic

### SUMMARY

Hundreds of Californians have tested positive for COVID-19 and thousands more are now out of work because they are hospitalized, quarantined, ordered to shelter in place by their local government, or laid off as businesses shut down. During this time of crisis, worrying about making rent or paying for a mortgage should not be prioritized over public health. AB 828 will place a moratorium on evictions and foreclosures due to inability to pay, preventing additional homelessness and community spread of COVID-19.

#### BACKGROUND

On March 4, 2020, Governor Newsom declared a state of emergency in order to help California prepare for additional cases of COVID-19. Since then, the virus has rapidly spread, with hundreds of confirmed cases in California.

On March 16, 2020, the U.S. stock market had its worst day since the 1987 market crash. While the announcement of federal economic dollars might help stabilize the market, financial analysts are predicting a recession. California's Rainy Day Fund puts the state in better shape than ever before to weather a coming recession, but many Californians have found themselves out of work or quarantined, and unable to pay their bills.

COVID-19-related job losses in the travel industry alone are projected to total 4.6 million this year. Every Disney park in the world has closed its doors. Large events and conferences such as Coachella and Broadway shows have been canceled or postponed. The NBA has suspended their season and many other professional sports leagues are either canceling or postponing their seasons.

On March 19, 2020, Governor Newsom issued a "stay at home" order for the entire state. While people will still be able to leave their home for essentials like groceries and medicine, all other businesses not deemed as essential are closed.

On March 17, Governor Newsom announced that nearly 99 percent of California's school-age children are not in school and that school districts may not open again until the fall. This leaves parents who don't have regular childcare forced to choose between caring for their kids or going to work.





The cities of San Jose, San Francisco, Los Angeles, Sacramento, Oakland, and Santa Monica have all declared or proposed a moratorium on evictions related to COVID-19.

#### **THIS BILL**

AB 828 would place a moratorium on evictions and foreclosures. The moratorium would be during the declared state of emergency and provide a framework for repayment of past-due payments.

- <u>State of Emergency</u>: During any declared state of emergency related to COVID-19 and for 15 days afterwards, no action may take place on a foreclosure or eviction, except evictions pertaining to waste or nuisance.
- <u>Recovery Period</u>: Until March 2021, for any eviction action taken related to unpaid rent, an individual may provide the court with evidence of economic hardship due to COVID-19 between the time of filing and entry of judgment. Upon receipt of this information, the court shall convene a hearing to determine whether or not there is evidence that COVID-19 was a source of economic hardship and the reason a tenant could not pay rent.

If the individual is deemed to have been unable to pay due to economic hardship related to COVID-19, then the court shall allow them to remain in the residence and set up a payment plan for the tenant to pay back the past-due rent or mortgage payments.

#### SUPPORT

Voices for Progress

## STAFF CONTACT

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