

# Newsom Signs California Legislation Extending Moratorium on Residential Evictions

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## Law Takes Protections to Midyear With Financial Aid for Renters and Property Owners

Newly passed California legislation includes \$2.6 billion in federal assistance for struggling renters and small-property owners. (Getty Images)

California Gov. Gavin Newsom signed a bill extending by five months a state moratorium on residential evictions that had been slated to expire at the end of this month, in a bid to avert further hardships for some renters and landlords from lingering financial impacts of the coronavirus pandemic.

The measure, stemming from an agreement reached with state lawmakers earlier this week and known as Senate Bill 91, takes the moratorium through June 30. It includes \$2.6 billion in subsidies, planned to be allocated from federal stimulus funds, to help low-income Californians pay back rent and also aid some small property owners in paying their mortgages.

Newsom called California's actions "the strongest eviction protections in the nation," targeting relief for millions of residents dealing with unemployment and other pandemic impacts. The newly signed legislation extends prior protections, pausing evictions for tenants who declare under penalty of perjury an inability to pay all or part of the rent due for pandemic-related reasons.

Under the measure, tenants must still pay unpaid amounts to property owners, but unpaid balances cannot be the basis for an eviction, even after the moratorium ends.

Financial aid is planned to be offered to income-qualified tenants deemed most at-risk with unpaid back rent, and property owners who agree to waive 20% of unpaid rent. By agreeing to the waiver, property owners would be eligible for 80% in rent reimbursements for amounts owed between April 1, 2020, and March 31, 2021.

The new law passed with bipartisan backing in the legislature and garnered support from groups including the Sacramento-based California Apartment Association, a trade group that includes landlords, investors and developers.

"Getting dollars to landlords is imperative," said Debra Carlton, the association's executive vice president of state public affairs, in a statement responding to the governor's signing of the legislation. "Many landlords have not received rent in over a year, and some owners are on the brink of losing their homes."

“The administration must work quickly to get the dollars to landlords at the rate promised: 80% of the past rent owed by the tenant,” Carlton said.

The state actions came as the Biden administration recently extended through March 31 a federal eviction and foreclosure moratorium tied to residential property loans that are financed through federal government programs. That moratorium, impacting tenants and property owners, was also scheduled to expire at the end of this month.