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December 8, 2020

The Honorable Gavin Newsom
Governor, State of California

The Honorable Toni Atkins
Senate President Pro Tem

The Honorable Shannon Grove
Senate Republican Leader

The Honorable Anthony Rendon
Speaker of the Assembly

The Honorable Marie Waldron
Assembly Republican Leader

State Capitol
Sacramento, CA 95814

Dear Governor Newsom, President Pro Tem Atkins, Speaker Rendon, Leader Grove and Leader Waldron:

Under current law, on February 1, 2021, two challenges will face hundreds of thousands of California renters:

- They suddenly will be subject to eviction from their homes even while they still suffer from pandemic-driven fiscal distress.
- Whether they are evicted or not, they will be liable for billions of dollars of unpaid rent accumulated since the pandemic began.

We strenuously urge the state to extend the eviction moratorium adopted last August and to dedicate at least \$5 billion to rental assistance for low income renters who have accumulated rent debt.

The current numbers are staggering and not likely to dissipate soon. According to the US Census Bureau:

- 55% of California renters have lost employment income since the pandemic began.
- As of August 2020, 14% of those renters (higher in urban areas) are behind on rental payments, a number that undoubtedly will skyrocket once the absence of federal stimulus and loss of federal relief is accounted for.

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- Even more dramatically impacted are renters of color; nearly 50% of Black renters and 15% of Latinx renters are behind on their rent as of November 23, 2020, compared to 7% of Non-Hispanic White renters.
- The financial situation for small landlords is under even greater stress as 60% of renters who are behind in their rent reside in properties with 4 or fewer units.
- Too many of our most vulnerable citizens, children, live in more than 560,000 households that are behind on rental payments.

The promise of an effective vaccine against COVID-19 is tangible and exciting, but public health officials at the federal and state level universally assert that we are many months away from vaccinating the vast majority of our citizens. In the meantime, as the pandemic worsens across our state, with more and more shutdowns occurring across large swaths of the population, and with substantial federal relief uncertain, the hope for an imminent return to substantial employment is elusive.

Renters are not likely to be in an improved position to make their rental payments for several months. As a result, it is imperative that the state extend the eviction moratorium adopted in AB 3088 last August to December 31, 2021, as proposed in Assemblyman Chiu's AB 15.

At least as important, if not more so, is the overwhelming cumulative debt that renters have built since the beginning of this pandemic, a debt that will suddenly come due the day after any moratorium ends. While many workers may find themselves fully employed when the pandemic retreats, their wages cannot begin to cover their rental debt, even though the ability pay down that debt is critical to protect against the risk of future eviction and to restore financial solvency to many of their landlords.

According to the Legislative Analyst, the state is sitting on a surplus of \$26 billion. While there are many demands on those funds, not the least of which is to pay down the multi-billion dollar shortfalls projected over the subsequent three years, there is no rainier day than the one faced by many of the more than 17 million renters in California. Our state will continue to slide into increased homelessness as well as perpetuate profound financial difficulties for thousands of small landlords unless we provide relief.

We urge the state to make a bold move on behalf of our most financially challenged Californians, those whose income is less than 80% of the average median income, and dedicate at least \$5 billion of the current \$26 billion surplus toward relief from rental debt for those least able to pay down their obligation. This commitment will help to keep many Californians in their homes and will help to strengthen the solvency of many small landlords.

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We know you are committed to minimizing the impact of this pandemic on our citizens. In terms of a roof over every Californian's head, we submit that the only near term path available to us as a state is an extended eviction moratorium and a substantial dedication of resources to rental relief.

We thank you for your sensitivity to these issues and your favorable consideration of this proposal.

Sincerely,



Rand Martin

cc: The Honorable David Chiu, Chair, Assembly Housing and Community
Development Committee
The Honorable Scott Wiener, Chair, Senate Housing Committee
The Honorable Philip Ting, Chair, Assembly Budget Committee
Keeley Bosler, Director, Department of Finance
Gabriel Petek, Legislative Analyst
Angie Wei, Legislative Secretary, Governor Newsom
Jason Elliott, Senior Counselor, Governor Newsom
Ronda Pascal, Deputy Legislative Secretary, Governor Newsom