



## Some key takeaways from California's COVID-19 Rent Relief efforts

SB 91 provides landlords the opportunity to recoup 80% of rent debt that has accrued between April 1, 2020, and March 31, 2021.

In exchange for participation in the program, landlords must waive the remaining 20% of the rent debt.

**BORNSTEIN LAW**  
BAY AREA REAL ESTATE ATTORNEYS

# What tenants are eligible for rental assistance?

One or more individual household members must check all of these boxes:

- Have qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs fomented by the pandemic, or experienced other financial hardship related to COVID-19. The tenant must be able to attest to their hardship in writing.
- Demonstrate some sense of housing instability, as evidenced by a past due utility or eviction notice, risk of becoming homeless, unsafe or unhealthy living conditions, or other evidence. Since everyone has been impacted by COVID-19, the bar is set low.
- Household income is not more than 80% of Area Median Income (AMI) for the household. This number will vary based on where the rental property is located.



# Lawmakers have given priority to those most in need

Renters who earn below 50% of median income (AMI) will be first in line to receive assistance.

For those landlords who house low-income tenants, there is an urgency to begin a dialogue about the program, especially with those tenants who owe the most amount of rent debt.

For more likely success, owners and property managers with many units in their portfolio should isolate and prioritize tenants suspected of making less than 50% of AMI.



# We strongly urge landlords to participate in the program

Recovering 80 cents on the dollar is more preferable than seeking rent debt in civil courts.

Even if a judgment is obtained, this does not guarantee recovery of money owed. The prospect of actually collecting that rent debt is unclear.

Should the landlord seek recovery of rent debt in another mode, the delays and attorneys' fees would likely exceed the dollar amount of the 20% in rent debt that must be waived to participate in the state program.





## A two-way street

In order to recoup 80 cents on the dollar, the tenant must participate in the application process. Certain information must be volunteered and the tenant must sign the application in order for it to be deemed complete.

Now is the time to educate renters on the program and ask for their cooperation. Engage in a conversation with your tenants and direct them to [housingiskey.com](http://housingiskey.com) to learn more. This is the location for information about the program.



## Handling uncooperative tenants

Realistically, some tenants will not easily come to the table, especially when there is acrimony that exists in the relationship. Some diplomacy is needed in broaching the conversation.

If the tenant does not cooperate, the landlord can still recover 25% of the rent debt, but our strong preference is to obtain the full 80% of missed rent.

# Script to use with acrimonious tenants

"Miya, I know we have our differences, but we are both in a rough spot. I'm proposing a win-win opportunity. Your rent is in arrears, but it can be erased. I can get the rent that is owed, and you have a lot of weight lifted off of your shoulders. We have a clean slate. That \$1,800 dollars of rent is forgiven, and I can't pursue it in court. Can we work together in both of our interests and avoid the negative consequences of enlarging this matter?"

**Something like that.** If recalcitrant tenants are still unwilling to communicate or agree to acquiesce to the program, Bornstein Law can serve as an intermediary and guide the conversation with an admonition that failure to participate will result in pursuit of the debt in court.

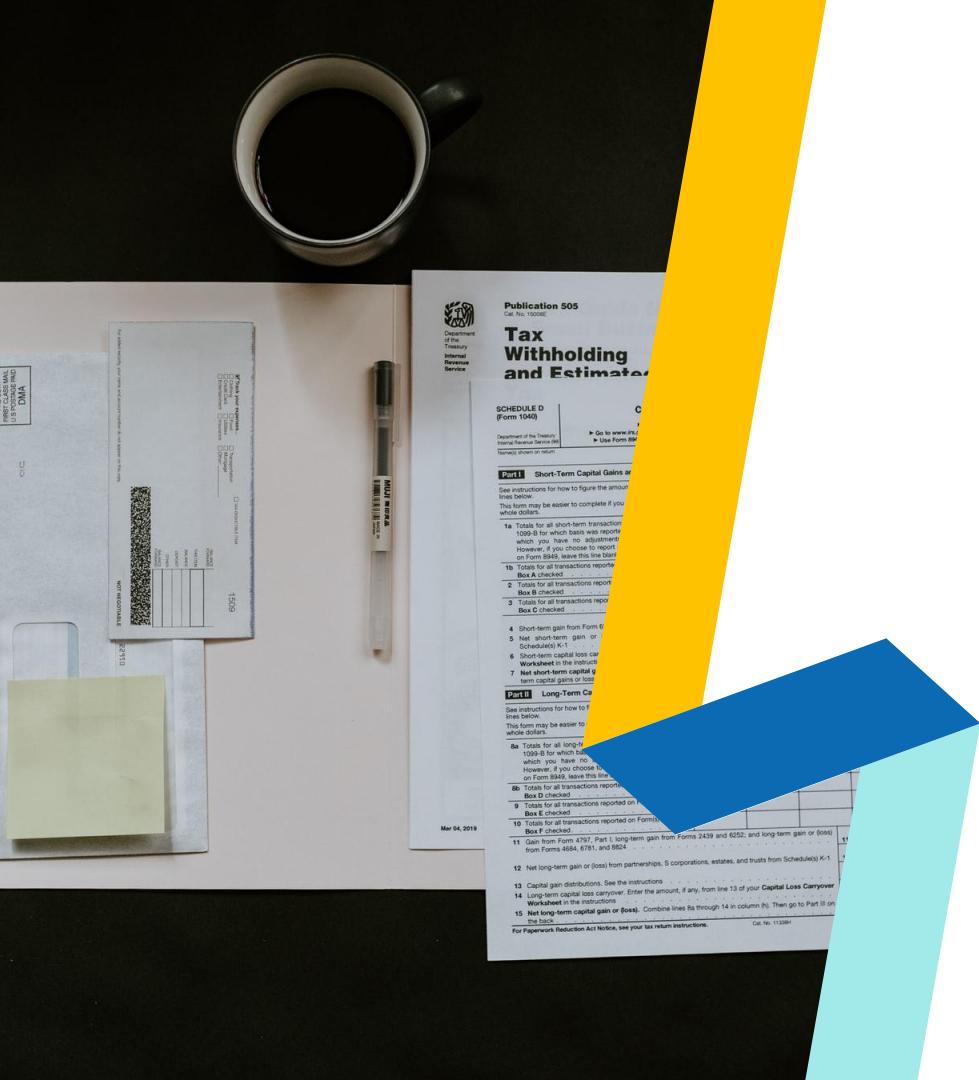




# How landlords and tenants can apply - the infrastructure is still in its infancy.

[Housingiskey.com](http://Housingiskey.com) will be the central repository of information for landlords and tenants.

This portal will provide the capability for landlords and/or tenants to apply for assistance.



# Before applying, get all of your ducks in a row

To apply for the program, some documentation must be compiled and submitted.

- IRS W-9 Form
- Contact information of your tenants
- **Verification of residence, as evidenced by either:**
  - Lease agreement
  - State-issued program ID with license
  - Official letter from a third party showing name and address
  - Government-issued library card
  - Utility statements from provider
  - Ownership verification can be achieved by furnishing one of the following:
    - Property deeds
    - Mortgage note
    - Property tax forms
    - Homeowners insurance
- **Ownership verification can be achieved by furnishing one of the following:**
  - Property deeds
  - Mortgage note
  - Property tax forms
  - Homeowners insurance
- **Verification of rent that accrued**

Current lease that specifies the rent amount and where the rental unit is located

If a signed lease cannot be produced, evidence of the rent amount can be substituted through:

  - Bank statements
  - Check stubs or other documentation that establishes a pattern of paying rent



California gave municipalities the option to implement their own program to disperse funds.

San Francisco, Oakland, and San Jose have elected to blaze their own trail and will be giving more guidance in the coming weeks on how to tap into funds.

In the interim, we advise all landlords, regardless of where the rental property is located, to get the ball rolling and apply for assistance at [housingiskey.com](http://housingiskey.com) starting March 15.



**This is a fluid situation.  
Please stay in the know.**

**Daniel Bornstein, Esq.**  
DRE#01517095 #01517094

**Subscribe to updates**  
[www.bornstein.law/subscribe](http://www.bornstein.law/subscribe)

**Follow us**  
[facebook.com/bornsteinlaw](http://facebook.com/bornsteinlaw)

**Questions?**  
Email [daniel@bornstein.law](mailto:daniel@bornstein.law)