

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
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SB 436 (Wahab)
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SUBJECT

Unlawful detainer: right to redeem tenancy

DIGEST

This bill creates a right for a tenant to redeem their tenancy during an unlawful detainer or prior to eviction if they pay the rent due and accrued, or can provide documentation of approval for rental assistance sufficient to cover the rent due and accrued.

EXECUTIVE SUMMARY

Almost 17 million Californians rent their apartments or homes. However, at the same time, California is experiencing a significant shortage in available housing. This tight supply has resulted in stiff competition for the available housing, and available affordable housing, that exists in many of California's communities. It has also resulted in high and increasing rents, which are far outpacing many Californians' income. As a result, far too many Californians find themselves facing eviction from their landlord every year. The majority of eviction cases arise for unpaid rent, meaning that most tenants are kicked out of their homes because they missed a rent payment or are experiencing a financial difficulty making it difficult to pay their rent. However, even if a tenant has the funds to pay the rent they owe, once an eviction proceeding begins, a tenant can only keep their home through the court's discretion upon a finding of hardship, or by negotiating with their landlord to settle the case. In light of this fact and the fact that eviction proceedings are incredibly expedited, many tenants are evicted when they could otherwise pay what they owe. In addition, rental assistance programs that provide funds for tenants to stay in their homes have difficulty being efficacious in preventing evictions. SB 436 proposes to create a right to redeem their tenancy for tenants who are able to pay the rent they owe, or who have been approved for rental assistance funds sufficient to pay the rent they owe. SB 436 is sponsored by Tenants Together, Public Advocates, LA Right to Counsel Coalition, and the Western Center on Law and Poverty, and is supported by a broad coalition of tenants' rights groups and nonprofits. It is opposed by the California Apartment Association and one individual.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes generally the relations between and responsibilities of landlords and tenants in residential leases (leasing of real property). (Civ. Code §§ 1940 et seq.)
- 2) Establishes the Tenant Protection Act of 2019, which prohibits landlords of certain properties, until January 1, 2030, from evicting a residential tenant who has resided in the unit for 12 months or more, unless the landlord has at-fault or no-fault just cause.
 - a) Defines “at-fault” just cause to mean a tenant’s:
 - i. default in the payment of rent;
 - ii. breach of a material term of the lease;
 - iii. maintaining or permitting a nuisance on the premises;
 - iv. committing waste on the premises;
 - v. refusal to execute a written extension or renewal of a lease for a tenancy in a mobilehome, as prescribed;
 - vi. criminal activity on the residential property;
 - vii. assigning or subletting the premises in violation of the lease;
 - viii. refusal to allow the owner to enter the property as authorized;
 - ix. using the premises for an unlawful purpose;
 - x. failure to vacate when the tenant is an employee, agent, or licensee, and the tenant is terminated as an employee, agent, or licensee; and
 - xi. failure to deliver possession of property after providing the owner written notice of the tenant’s intent to terminate the lease.
 - b) Defines “no-fault” just cause to mean:
 - i. when the owner or owner’s spouse, domestic partner, children, grandchildren, parents, or grandparents intend to occupy the property for at least 12 months as their primary residence;
 - ii. a withdrawal of the property from the rental market;
 - iii. when the owner must evict the tenant to comply with a local ordinance or an order of a government agency or court, as prescribed; or
 - iv. when the owner intends to demolish or substantially remodel the property. (Civ. Code § 1946.2)
- 3) Specifies that the just-cause eviction requirements described in (1) and (2), above, do not apply to the following:
 - a) a transient and tourist hotel occupancy, as defined;
 - b) housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, or an adult residential facility;

- c) dormitories owned and operated by an institution of higher education or a K-12 school;
 - d) housing accommodations in which the tenant shares a bathroom or kitchen with the owner who maintains their principal residence at the property;
 - e) single-family owner-occupied residences;
 - f) a property containing two separate dwelling units within a single structure, in which the owner occupies one of the units at the owner's principal place of residence at the beginning of the tenancy, as specified;
 - g) housing that has been issued a certificate of occupancy within the last 15 years, unless the housing is a mobilehome;
 - h) residential real property that is alienable separate from the title to any other dwelling unit when the owner is not a corporation, management of a mobilehome park, or other business entity, as specified; and
 - i) housing that is restricted as affordable housing by deed, agreement with a government agency, or other recorded document, as defined. (Civ. Code § 1946.2(e).)
- 4) Provides that a tenant has committed unlawful detainer when they continue in possession of the property without the landlord's permission after:
- a) the tenant remains in possession of the premises after the expiration of the term of the tenancy without permission of the landlord or otherwise not permitted by law;
 - b) the tenant's nonpayment of rent and the service of a three-day notice to pay or quit, stating the amount that is due;
 - c) the tenant has breached a covenant of the lease or failed to perform other conditions under the lease, and after service of a 3-day notice requiring performance of such covenants or conditions;
 - d) the tenant has breached a covenant of the lease prohibiting subletting, assignment, or waste; has committed or permitted a nuisance on the premises; or used the premises for an unlawful purpose; and or
 - e) the tenant gives written notice of the tenant's intention to terminate the tenancy, but fails to deliver possession of the premises to the landlord at the specified time. (Code Civ. Proc. § 1161.)
- 5) Requires a tenant defendant in an unlawful detainer action to respond to a notice of summons within ten days, excluding weekends and court holidays, of being served with the notice. Specifies that, if service is completed by mail or the Secretary of State's address confidentiality program, the defendant must file within fifteen days. (Code Civ. Proc. § 1167.)
- 6) Requires entry of default and default judgment against the defendant if they fail to appear and defend against the unlawful detainer action, if upon written application of the plaintiff with proof of service of the summons and complaint. Provides that

the court must issue a writ of execution, and thereafter the plaintiff may apply to the court for any other relief demanded in the complaint, including costs. (Code Civ. Proc. § 1169.)

- 7) Specifies that, if a tenant answers the unlawful detainer complaint, the trial regarding the unlawful detainer must be held within 20 days of the request to set the matter for trial. Specifies that a judgment shall be entered at the trial, and if the landlord prevails, a writ of execution must be issued immediately by the court. (Code Civ. Proc. § 1170.5.)
- 8) Prohibits a landlord from interrupting or terminating utility services, removing outside doors or windows, removing a tenant's personal property, or preventing a tenant from entering the property in order to terminate the tenant's tenancy, and makes a landlord who does any such thing liable to the tenant for damages and a daily statutory penalty. (Civ. Code § 789.3.)
- 9) Specifies that a court may restore a tenant's tenancy, whether written or oral and whether or not the tenancy has terminated, in the case of hardship. Specifies that an application for relief for the restoration of the tenancy may be made at any time prior to the restoration of the premises to the landlord, as specified, or may be made by the court's own motion. Requires for this restoration that full payment of rent due be made, or full performance of any conditions or covenants stipulated. (Code Civ. Proc. § 1179.)
- 10) Specifies that, in any unlawful detainer action based on nonpayment of rent or other financial obligation under the lease, the court shall not enter a judgment in favor of the landlord unless the landlord verifies under penalty of perjury that:
 - a) the landlord has not received rental assistance or other financial compensation from any other source corresponding to the amount demanded in the unlawful detainer complaint or for rent accruing after the date of the complaint; and
 - b) the landlord has not have any pending application for rental assistance or other financial compensation from any other source corresponding to the amount demanded in the unlawful detainer complaint or for rent accrued since the date of the complaint. (Health & Saf. Code § 50897.3(e)(2).)

This bill:

- 1) Specifies that any provision of a lease or rental agreement of a dwelling that modifies or waives a tenant's right to redeem their estate or tenancy is void as contrary to public policy.
- 2) Requires, when a tenant defaults on the payment of rent, that the landlord include in the three-day notice to the tenant to pay the due rent or vacate the premises, a

statement explaining a tenant's right to redeem their tenancy prior to their physical removal from the premises by paying the landlord or obtaining rental assistance, as specified.

- 3) Requires that a court in an unlawful detainer action for nonpayment of rent allow a tenant to keep their tenancy, if at any time before the possession of the property is returned to the landlord the tenant pays to the landlord: the amount of rent stated as due in the landlord's notice of due rent; the amount of any rent accrued during the unlawful detainer action; and reasonable attorney's fees and the reasonable costs of the unlawful detainer action awarded by the court, as specified, and subject to the following limitations:
 - a) Specifies, for the payment of reasonable attorney's fees and costs described above, that such costs are not required if the tenant pays the rent due and accrued before the filing and service of the unlawful detainer action.
 - b) Specifies that the payment of the reasonable costs incurred for the unlawful detainer action as described above is not required if the court has granted a fee waiver to a tenant.
 - c) Specifies that the payment of reasonable attorney's fees is not required if the tenant pays the rent due and accrued prior to judgment in the unlawful detainer.
 - d) Limits the award of attorney's fees to \$200.
- 4) Requires that the court allow a tenant to keep their tenancy, if the tenant submits to the court verification that a rental assistance program has approved the tenant's application for rental assistance funds, and that the approved payment from the rental assistance fund, together with any payments from the tenant to the landlord, cover the landlord's notice of due rent and the amount of any rent accrued during the unlawful detainer action, as specified.
 - a) Specifies that the rental assistance funds must be from a federal, state, or local government agency, or a 501(c)3 organization that administers a rental assistance program.
- 5) Specifies that, if a tenant qualifies for relief pursuant to (4), above, and the total specified amount has been paid to the landlord, the court must either dismiss the unlawful detainer action with prejudice, or set aside the judgment against all named and unnamed defendants in the action.
- 6) Specifies that, if a tenant qualifies for (4), above, but has not yet tendered payment to the landlord, the court must:
 - a) Set a hearing not later than 15 days after the date on which the tenant submits verification of their approval for rental assistance, excluding weekends and judicial holidays;

- b) Stay the unlawful detainer action through the date of the hearing if no judgment has been entered; and
 - c) Immediately stay execution of any writ of possession issued in the action through the date of the hearing, and notify the sheriff of the stay.
- 7) Specifies that, at a hearing set pursuant to (6), above, the court must issue one of the following orders:
- a) if the total amount due has been tendered to the landlord, restore the tenant to their estate or tenancy and dismiss the unlawful detainer with prejudice, or set aside the judgment against all named and unnamed defendants; or
 - b) if the rental assistance payment has not been tendered on the date of the hearing, continue the hearing for another 15 days, excluding weekends and judicial holidays.
- 8) Specifies that, if the tenant qualifies for rental assistance but the rental assistance has not been tendered within 40 days of the date on which the tenant submitted verification to the court, the court:
- a) if judgment has been entered, may lift the stay of execution of judgment at the court's discretion if the court finds that the delay was not caused by the landlord's failure to cooperate with the rental assistance program; or
 - b) if judgment has not been entered, must not enter judgment in favor of the landlord unless the landlord verifies that it has not received rental assistance or has a pending application for rental assistance, as specified in current law.
- 9) Specifies that a landlord must cooperate with and provide all necessary information and documentation to the specified rental assistance entities to facilitate payment of rental assistance funds.
- 10) Specifies that a court must dismiss the complaint or set aside a judgment against a residential tenant and restore the tenant to their tenancy if:
- a) the landlord refuses the tenant's tender of the amount sufficient to restore their tenancy under (3), above;
 - b) the landlord refuses to accept sufficient rental assistance funds; or
 - c) the landlord fails to cooperate with and provide all necessary information and documentation to any rental assistance program.
- 11) Specifies that the landlord must file a request for dismissal of the unlawful detainer action with prejudice before entry of judgment upon the tenant's tender to the landlord the amount required in (3), above.
- a) Specifies that the court must dismiss the unlawful detainer action with prejudice and restore the tenant's tenancy if, before entry of judgment, the landlord files a request for dismissal, or the tenant submits evidence to the

court that the landlord failed to file a request for dismissal as required above, despite the tenant's tender to the landlord of the required amount.

- 12) Requires that a court set aside a judgment against the tenant and all named and unnamed defendants and restore them to their tenancy if, after entry of judgment, the tenant tenders to the landlord the amount required in (3), above, or delivers to the court documentation of their approval for rental assistance.
- 13) Specifies that, if a tenant tenders the total amount required by (3), above, to the landlord, the tenant must provide verification to the court of this tender. Requires the Judicial Council to develop an optional form that a tenant may use to provide such verification, to provide verification of approval for rental assistance, and to apply for relief as provided for by these provisions.
- 14) Specifies that the right of redemption established by this bill's provisions is in addition to, and does not limit, any right that a residential tenant may otherwise have to seek relief from forfeiture of their tenancy.
- 15) Prohibits a tenant from exercising the right of redemption under these provisions for an unlawful detainer more than once in any 12-month period.
- 16) Specifies that, if a tenant redeems their tenancy by making the required payments before the landlord files an unlawful detainer, the landlord may not file an unlawful detainer action based upon the tenant's failure to make such payments.

COMMENTS

1. Author's statement

According to the author:

As policymakers, we should codify a right of redemption for tenants who are experiencing short-term financial setbacks to avoid unnecessary evictions. We should join the 21 other states that ensure renters cannot be evicted if they pay all of the rent they owe, even if an eviction lawsuit has begun. Currently in California, once an eviction proceeding has begun, the tenant must rely on the landlord's discretion to accept payment and agree to halt the eviction.

Beyond immediate displacement, the negative ripple effects of an eviction often causes ongoing hardships that are difficult to escape. The possible loss of possessions, access to work, school, healthcare and transportation has profound impacts on a renter. Credit reports and public court records with eviction filings that last for years can allow a landlord to discriminate against a renter from

remaining in neighborhoods where their children are going to school, and where reliable transportation exists for them to get to work or services they rely on.

With homelessness at crisis levels in our state, it is in the public's interest to adopt policies that strengthen housing stability, not only for the individual tenant households that are immediately impacted, but also for the neighbors, employers, schools, and communities collaterally affected. It is time we acknowledge that keeping people housed must be a core part of our strategy to address homelessness.

A "right to redeem" already exists for homeowners who are delinquent on their mortgages – they are able to take months to redeem the property after defaulting. In stark contrast and in the vast majority of instances, if a renter has fallen behind on rent, they will not be able to gather what is owed in just three days, even if they have applied for rental assistance. At a minimum, our laws must meet the efforts of renters who are able to secure documentation of approval for rental assistance covering all rent owed.

Indeed, requiring a landlord to receive payment should not be described as a burden, since they often end up with uncollected money judgements against displaced tenants who have even less money after an eviction. SB 436 benefits landlords as the bill requires they are made whole not only with all rent owed up to the point of a 3 day notice, but afterwards as well – up to the point when remittance is complete. SB 436 will help to ensure the ongoing predictable income from rent that would otherwise go uncollected.

Preventing displacement and homelessness, which SB 436 will help to do, is the kind of good policy that will benefit renters, landlords and communities across our state.

2. California's high cost of rent and eviction crisis

Almost 17 million Californians rent their apartments or homes, accounting for about 44 percent of all individuals in the state.¹ However, at the same time, California is experiencing a significant shortage in available housing. Some estimates suggest that the state currently has a shortfall of 1,283,734 affordable and available rental homes.² This combination of high demand and low supply has led California to have incredibly

¹ Monica Davalos et al, California's 17 Million Renters Face Housing Instability and Inequity Before and After COVID-19, California Budget & Policy Center (Jan. 2021), available at <https://calbudgetcenter.org/resources/renters-face-housing-instability-and-inequity-before-and-after-covid-19/>.

² California Housing Partnership, "Housing Needs Dashboard," Mar. 2024, available at <https://chpc.net/housingneeds/>.

low rental vacancy rates, far below the national average and that of most states.³ The tight supply has resulted in stiff competition for the available housing, and available affordable housing, that exists in many of California's communities. It has also resulted in high and increasing rents, which are far outpacing many Californians' income. Thus, significant numbers of California renters pay a disproportionate amount of their income toward rent and struggle to make ends meet. In 2019, 51.8 percent of California renters were cost-burdened, in which their rent costs exceeded 30 percent of their household income, and 27.3 percent were severely cost-burdened, in which their rent costs exceeded 50 percent of their household income.⁴

In light of these extremely high rents and tight rental markets, far too many Californians find themselves facing eviction from their landlord every year. It is estimated that at least 140,000 eviction cases are filed every year in California, affecting half a million renters.⁵ The majority of eviction cases arise for unpaid rent, meaning that most tenants are kicked out of their homes because they missed a rent payment or are experiencing a financial difficulty making it difficult to pay their rent. While the number of eviction cases filed in the state were significantly depressed during the COVID-19 pandemic due to the statewide eviction moratorium, data shows that evictions significantly increased in 2023 with the end of the moratorium.⁶ Data and multiple studies also have demonstrated a strong link between homelessness and the cost of housing and increases in eviction filings, suggesting that California's increasing rental rates and eviction filings contribute directly to the state's growing population of individuals experiencing homelessness.⁷

When someone is evicted, they may have difficulty finding new housing due to having an eviction on their record. Moreover, their lives are significantly uprooted, as they have to move and lose the housing they have, only to have to search for housing in a difficult rental market. Often, evictions strike families when they are at their most financially vulnerable, compounding upon the financial difficulties and insecurity that

³ Alexa Mae Asperin, California has least amount of vacant housing in US, study shows, FOX 11 News (Aug. 21, 2023), available at <https://www.foxla.com/news/california-vacant-housing-us-census-study>; see also Federal Reserve Bank of St. Louis, Rental Vacancy Rate for California (accessed Jun. 3, 2024), available at <https://fred.stlouisfed.org/series/CARVAC>.

⁴ Davalos *supra* note 1, p. 3.

⁵ Aimee Inglis and Dean Preston, *California Evictions Are Fast, Frequent, and Underreported*, Tenants Together (May 2018), available at <https://www.tenants-together.org/tt-report-california-evictions-are-fast-frequent-and-underreported>.

⁶ Jeanne Kuang, "Across California, eviction cases have returned to – or surpassed – pre-pandemic levels," Cal Matters (Nov. 21, 2023), available at <https://calmatters.org/housing/homelessness/2023/11/california-evictions-post-pandemic/>.

⁷ Margot Kushel et al, "California Statewide Study of People Experiencing Homelessness, UCSF Benioff Homelessness and Housing Initiative (Jun. 2023), available at <https://homelessness.ucsf.edu/our-impact/studies/california-statewide-study-people-experiencing-homelessness>; Alex Horowitz et al, "How housing costs drive levels of homelessness: data from metro areas highlights strong connection," The Pew Charitable Trusts (Aug. 22, 2023), available at <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/08/22/how-housing-costs-drive-levels-of-homelessness>.

led to their eviction. Unsurprisingly then, studies have found that eviction results in a variety of serious negative consequences for tenants, including reductions in income and credit access.⁸ Data further shows that lower-income, non-white, and woman-led households with children disproportionately face eviction.

3. California's eviction process

California law closely prescribes when a landlord may evict a tenant and the process that must be followed to do so. For many leases, landlords may only evict tenants for specified reasons, including for when a tenant defaults on payment of rent, violates a material term of the rental agreement without correcting it within three days of notice, commits a nuisance on the premises. (Civ. Code § 1946.2.) Moreover, landlords cannot simply change the locks on a tenant and kick the tenant out on their own. (Civ. Code § 789.3.) A landlord first must notify the tenant of the deficiency and provide a short window to correct it. If the tenant is behind on rent, the landlord must notify the tenant of the delinquent rent and request that the tenant pay the rent in three days, not including weekends and holidays, or vacate the unit. (Code Civ. Proc. § 1161(2).) If the tenant does not pay the amount due within the three days, the landlord may file an unlawful detainer action in court and request a judicial order that the tenant be evicted. If the judge or the jury rules for the landlord, the court will issue a writ of possession. The county sheriff will then execute the writ of possession by first notifying the tenant that they have five days to vacate the premises before being forcibly removed by the sheriff. If the tenant wins the case, they will be allowed to remain on the premises, and may even be owed money from the landlord.

The unlawful detainer process is governed by Code of Civil Procedure Sections 1159 to 1179, and is very similar to standard civil proceedings, though with significantly shortened timelines. The eviction laws and procedures balance a tenant's interest in due process and staying in the unit with the interests of landlords to be able to promptly regain possession of their properties if the current tenant is not paying rent or is subject to eviction. Thus, the unlawful detainer process is a summary proceeding, meaning that it is a streamlined, fast-tracked judicial proceeding. The timelines are expedited, and the law requires that unlawful detainers take precedence in a court's civil docket. (Code Civ. Proc. § 1179a.) Data shows that unlawful detainer cases are often indeed very quick proceedings: 60% of unlawful detainers are resolved within 30 days.⁹

When a landlord files an unlawful detainer complaint in court, they must serve the tenant with a copy of the complaint and a summons notifying them of the court case. Generally, a defendant may either answer the complaint by conceding or contesting the allegations in the complaint, or they can demur. (Code Civ. Proc. § 1170.) A demurrer

⁸ Daniel Waldinger, "Regulating evictions: the role of landlords," Stanford Institute for Economic Policy Research (Aug. 2024), <https://siepr.stanford.edu/publications/policy-brief/regulating-evictions-role-landlords>.

⁹ Inglis, *supra* note 5, p. 2.

alleges that the complaint is legally deficient, such as by failing to state a cognizable claim, rather than challenging the factual allegations in the complaint. The tenant must file a response to the unlawful detainer complaint within 10 court days of being served with the complaint. (Code Civ. Proc. §§ 1167, 1167.3.) However, if service is completed by mail or through the Secretary of State's address confidentiality program, the tenant has an additional five court days to file their response. (Code Civ. Proc. § 1167(b).) This timeline is markedly shorter than standard civil proceedings, in which the defendant is typically provided 30 days to respond to a complaint. (Code Civ. Proc. §§ 412.20, 430.40, 471.5.) If a defendant answers the landlord's complaint, and requests a trial, the trial must be held within 20 days of the request for a trial, unless extended by agreement of the parties. (Code Civ. Proc. § 1170.5.)

If a tenant fails to respond to the unlawful detainer complaint, the consequences can be swift and significant. In such a scenario, the landlord can immediately request that the judge rule in their favor. This is called a default judgement, and the landlord can make it immediately to the court upon the tenant's failure to answer the complaint. (Code Civ. Proc. § 1169.) The tenant then has forfeited their right to contest the allegations and argue their case, and the court can immediately issue a writ of possession and any other remedies or relief the landlord is requesting, such as an award for unpaid rent and costs. Data suggests that around 40% of all unlawful detainer cases result in a default judgement.¹⁰ After a default judgement, a tenant's options to reverse the court's decision and set aside the default are limited and not easy to obtain. They must file a motion to set aside the judgement, and generally must do so within six months for specific reasons, such as a mistake or for not having received actual notice. (Code Civ. Proc. §§ 473(b), 473.5.) If a judge issues a default judgment or rules against a tenant, the sheriff may immediately begin executing the writ of possession to remove the tenant.

As this system demonstrates, the eviction process is truncated. A tenant only has three days to pay the landlord before the landlord can begin the eviction process to force the tenant out of their home. Moreover, if the tenant misses the 10-day deadline to respond to the unlawful detainer complaint, they can be ordered evicted with only a five day window to leave and no opportunity to argue their case. If a tenant wishes to stay in their home and can pay what they owe, they may still not be able to get out of the unlawful detainer. This is because once the unlawful detainer case is initiated, a court may only order the tenant restored to their tenancy at the judge's discretion if the tenant demonstrates hardship and pays past due rent and damages. (Code Civ. Proc. §§ 1179, 1174(c).) Outside of that, a tenant is at the mercy of the landlord to accept their payment and dismiss the case. Some studies have suggested that at least 15% of tenants subject to eviction for nonpayment of rent would have otherwise resumed paying rent.¹¹ For these tenants, having the ability to pay the defaulted amount is often simply not enough once the eviction process has begun, and they are evicted anyway.

¹⁰ Inglis, *supra* note 5, p. 2.

¹¹ Waldinger, *supra* note 8.

4. COVID-19 rental assistance and the impact of a right to redeem

The COVID-19 pandemic presented an unprecedented challenge for tenants trying to stay in their homes. As the economy shut down, many people lost their incomes and fell behind on rent. Recognizing this crisis, the Legislature enacted an eviction moratorium for tenants who were unable to pay their rent due to COVID-19 related financial distress. (AB 3088, Chiu, Ch. 37, Stats. 2020.) In 2021, the Legislature enacted the COVID-19 Tenant Relief Act (SB 91, Committee on Budget and Fiscal Review, Ch. 2, Stats. 2021) that established the Emergency Rental Assistance program to provide low-income tenants with financial assistance to cover missed rent when the tenant has experienced financial hardship due to the pandemic. The Tenant Relief Act also temporarily extended the time that landlords must give tenants upon notice to pay past due rent or vacate the premises from three days to 15. In addition to these state programs, the federal government provided \$45 billion in rental assistance funds to state and local governments. These programs helped ensure that thousands of Californians could remain in their homes and avoid eviction during the pandemic, and resulted in a decrease in evictions. Researchers estimate that these programs prevented 1.36 million evictions, just in 2021.¹² These programs have also provided a benefit to landlords, as landlords received the rent payments that tenants had otherwise failed to pay and that the landlord may not have ever received had they continued with the tenant's eviction. As the public health emergency surrounding the pandemic has wound down, these programs have expired. However, many local governments and nonprofits continue to provide rental assistance to tenants in hopes of helping them avoid eviction.

Data and experience with the COVID-19 Tenant Protection Act demonstrates that rental assistance programs can be incredibly beneficial to tenants. However, absent the eviction protections of the COVID-19 Tenant Protection Act, rental assistance may not save a tenant from eviction due to the design of the eviction process. This is because of the incredibly short timeline for a tenant to pay due rent, and the fact that an eviction case may only be dismissed and the tenant's tenancy restored at the discretion of the court. Many providers of rental assistance cannot provide funds within the short three-day window to avoid eviction; one provider estimates that it takes 28.5 days from time of application to disbursement of rental assistance funds.¹³ As one report states: "the current 3-day cure period is out of sync with a feasible [rental assistance program], frustrating the very purpose of these funds, and exposing a family whose tenancy might be redeemed to displacement and homelessness."¹⁴ The real life stories of people negatively affected by California's limited timeline for redemption are stark. In one case in San Francisco, a couple who were experiencing financial hardship due to receiving a

¹² Juliet Brodie et al., Win-Win: Paying Landlords and Keeping Californians Housed, Stanford School of Law (Feb. 2025), available at <https://law.stanford.edu/publications/win-win-paying-landlords-and-keeping-californians-housed/>.

¹³ *Id.*, p. 15.

¹⁴ *Id.*, p. 4.

recent cancer diagnosis received approval for rental assistance from the city to pay what they owed, only for their landlord to proceed with their eviction anyway.¹⁵ They lost their case and were forcibly evicted by the sheriff, with nowhere else to go.

5. SB 436 provides a right to redeem for tenants who are able to pay what they owe

SB 436, titled the Right to Redeem Act, would allow tenants to stay in their homes if they are able to pay the rent they owe to their landlord. It primarily does so by creating a right for the tenant to redeem their tenancy in an unlawful detainer action based on their nonpayment of rent if the tenant pays the amount of rent owed in the complaint, the amount of rent accrued during the unlawful detainer action, and reasonable costs and specified attorney's fees for the unlawful detainer action, as limited in certain circumstances. SB 436 would also allow a tenant to redeem their tenancy if they submit to the court verification of approval to receive rental assistance funds sufficient to cover the due rent and accrued rent. A tenant would be able to redeem their tenancy in either scenario at any time before the premises are restored to the landlord; as in, at any time before the tenant is actually forcibly evicted.

If, at the time that the tenant submits such verification, the payments have not been made to the landlord, SB 436 would require the court to continue the case for 15 court days and stay the action or execution of any writ of possession. At the hearing after those 15 days, the court must dismiss the case and restore the tenant to their tenancy if payment has been tendered, or continue the case for another 15 court days. However, SB 436 specifies that, if payment from the rental assistance has not been tendered within 40 days from the date on which the tenant submitted verification to the court, the court may, in its discretion, lift the stay of execution of judgment if it finds that the delay with the rental assistance was not caused by the landlord's failure to cooperate; or, if judgment has not been entered, the court must not enter judgment in favor of the landlord unless the landlord confirms under penalty of perjury that they have not received rental assistance payments and do not have a pending rental assistance application.

SB 436 includes a number of protections and transparency provisions as well. It specifies that a landlord must cooperate with and provide all necessary information and documentation to a rental assistance program necessary to facilitate the rental assistance, and that the landlord's failure to do so is a ground for which the court must dismiss the unlawful detainer. It also requires that a landlord include in the three-day notice to pay or vacate the premises a statement explaining a tenant's right to redeem their tenancy under SB 436's provisions. To facilitate the process for a tenant to request to redeem their tenancy, SB 436 requires the Judicial Council to develop an optional form to apply for such relief.

¹⁵ Felicia Mello, "They tried to pay their overdue rent. Their landlord wouldn't accept it," CalMatters (Mar. 10, 2025), <https://calmatters.org/housing/2025/03/nonpayment-evictions-bill/>.

6. If California passes SB 436, it would join 21 other states that provide a version of a right to redeem

If California enacts SB 436, it would not be the first state to create a right to redeem for tenants behind on rent. In fact, at least 20 other states have such laws, including Alaska, Arizona, Oregon, and Washington.¹⁶ Research regarding the impact of Oregon's right to redeem law found that more eviction cases have ended with dismissals since the state's law was enacted, with about 50% of cases being dismissed after as opposed to 25% before.¹⁷ Notably, Oregon's law only requires tenants to pay the amount stated as due on the landlord's complaint in order to redeem their tenancy, unlike SB 436, which would require the payment of all rent due and accrued since the initiation of the unlawful detainer action.

7. Amendments

The author has agreed to amendments to SB 436 that would only amend Code of Civil Procedure Section 1161 to extend the "pay or quit" notice period from three days to fourteen days. A full mock-up of these amendments is attached at the end of this analysis.

8. Arguments in support

According to Tenants Together, one of the sponsors of SB 436:

California tenants receive only three days' notice to pay overdue rent before a landlord may initiate expedited eviction proceedings in court. Under current law, once the three-day notice expires, a renter can be evicted even if they are able to pay all of the rent due before the court process is complete. Even if the tenant pays all of the rent due on the fourth day, the landlord may legally proceed with eviction. This short timeline disproportionately impacts low-income families, many of whom need additional time to obtain emergency rental assistance, family support, or wages.

California's eviction filings have surpassed pre-pandemic levels, exacerbating the housing crisis. The Judicial Council's latest data indicates that over 136,000

¹⁶ See Alaska Stat. Ann. § 09.45.690; Ariz. Rev. Stat. Ann. § 33-1368(B); Hawai'i Rev. Stat. § 666-14; Me. Rev. Stat. Ann. tit. 14, § 6002; Md. Code Ann., Real Prop. § 8-401(G)(1)-(3); Mich. Comp. Laws Ann. § 600.5741; Minn. Stat. § 5048.291 Subd. 1(a)(2022); Miss. Code § 89-8-39(4)(a); Mo. Rev. Stat. § 535.160; N.H. Rev. Stat. Ann. § 540:9(l)(a); N.J. Stat. Ann. § 2A:18-55; N.Y. Real Prop. Acts. Law § 749(3); N.C. Gen. Stat. § 42-33; 12 Okl. St. Ann. § 1148.10(B); 68 Pa. Stat. Ann. § 250.503; 12 V.S.A. § 4773; Virginia Code Ann. § 55.1-1250; R.C.W. 59.12.170; W. Va. Code § 37-6-23.

¹⁷ Julia Shumway, "Oregon eviction filings above pre-pandemic levels; advocates say more state aid needed," (Nov. 10, 2023), <https://www.opb.org/article/2023/11/10/oregon-eviction-filing-pandemic-aid/>.

unlawful detainer cases were filed in the fiscal year (“FY”) that ended June 30, 2023. The number of evictions in FY 23 was the highest since FY 18, when the number was just over 137,000.

Nonpayment of rent is the leading cause of eviction, and for many Californians, a single financial emergency can mean losing their home. For example, a review of the eviction notices filed with the City of Los Angeles Housing Department from February 2023 through mid-November 2024 revealed that of the over 165,000 eviction notices filed, 94% were for nonpayment of rent.

With over half of renters spending more than 30% of their income on housing, Californians are among the most rent-burdened in the nation. According to one metric from the National Low-Income Housing Coalition’s most recent 2024 annual survey, “Out of Reach,” California has the highest “housing wage” (the hourly wage a tenant would have to earn to spend only the recommended 30% of income on housing) in the nation, with a statewide rate for a two-bedroom apartment of \$47.38/hour.

During the COVID-19 pandemic, emergency rental assistance programs were a powerful tool in preventing evictions, but three days is not enough time for rental assistance providers to approve applications and distribute funds to landlords, undermining the effectiveness of these programs today. Even before the federal government invested \$46 billion into rental assistance during the COVID-19 pandemic, cities, counties, philanthropic organizations and neighborhood agencies provided funds to tenants in need of stop-gap help to prevent eviction. These agencies remain in place in California communities since the pandemic. In this resource environment, it is crucial that the timeline for rescuing evictions for nonpayment of rent is paired with the timeline required to leverage these resources.

SB 436 aligns California with twenty-one other states by allowing renters to pay back rent after the eviction lawsuit has begun, preserving tenancies, and reducing homelessness. States across the country – large and small, Democrat and Republican controlled, rural and urban – have recognized this intervention as a pivotal tool to prevent displacement. Oregon passed H.B. 2001 in 2023, ensuring renters cannot be evicted if they pay all of the rent due, even after the eviction lawsuit has begun. Since Oregon’s statute has gone into effect, more eviction filings have ended with dismissals – landlords get paid and renters stay in their homes. Advocates report that about half of all eviction cases in September (after the new law went into effect) were dismissed, compared to just over a quarter (28%) of cases in January without the law.

The bill also reduces unnecessary evictions by requiring landlords to provide the information rental assistance providers need to distribute funds and requiring

courts to dismiss nonpayment eviction cases if a landlord refuses to participate in a rental assistance program.

These reforms benefit both renters and landlords, ensuring rent is collected while keeping families housed. Providing additional time for the renter to become current on rent benefits both parties. As we learned during the pandemic, giving renters additional time to obtain funds, in fact, puts money in landlords' pockets that they would likely not receive otherwise, as the costs often outweigh the benefits of pursuing money judgments against evicted former tenants. In addition, receiving funds to protect an existing tenancy spares a landlord from the costs of turning over a unit.

Providing renters with a few additional weeks to pay is more than reasonable. A landlord who falls behind on their monthly mortgage payments would be given upwards of six months to redeem the property after defaulting. Providing renters with a few additional weeks to pay overdue rent is both equitable and essential.

9. Arguments in opposition

According to the California Apartment Association, which is opposed to SB 436:

Under this bill, once payment is made or documentation is provided, the court must dismiss the case, and the tenant is allowed to remain in the rental unit. Additionally, SB 436 would mandate that landlords include specific language in the Notice to Pay Rent or Quit regarding these new rights.

While existing law already allows courts discretion to dismiss evictions due to demonstrated hardship, SB 436 eliminates any requirement for the tenant to show hardship and opens the door to abuse of the process. In reality, California's eviction proceedings are far from expedited. Unethical tenant attorneys can and do delay cases for months – sometimes even years – leaving housing providers burdened with significant legal costs, which can range from \$5,000 to \$15,000 or more, and no rental income during the extended proceedings.

The bill fails to account for tenants with repeated histories of nonpayment and allows them to delay rent payments until the final stages of the eviction process, just before a lockout is scheduled. This not only undermines the legal process but imposes a financial hardship on housing providers without any requirement for the tenant to reimburse legal fees or demonstrate good faith.

SUPPORT

Public Advocates (sponsor)
Tenants Together (sponsor)
Western Center on Law and Poverty (sponsor)
Los Angeles Renters' Right to Counsel Coalition (sponsor)
Affordable Housing Alliance
Aids Healthcare Foundation
All Home, a Project of Tides Center
Alliance of Californians for Community Empowerment (ACCE Action)
Asian Americans Advancing Justice-southern California
Asian Law Caucus
Basta Universal
Bay Area Legal Aid
Bet Tzedek Legal Services
Bill Sorro Housing Program
California Democratic Renters Council
California Federation of Labor Unions, AFL-CIO
California Rural Legal Assistance Foundation
Centro Legal De LA Raza
City of Oakland Mayor Kevin Jenkins
Coalition for Economic Survival (CES)
Community Legal Aid SoCal
East Bay Community Law Center
East Bay Housing Organizations
East Yard Communities for Environmental Justice
Eviction Defense Collaborative
Family Violence Appellate Project
Fierce (Filipinx Igniting Engagement for Reimagining Collective Empowerment)
Coalition
Friends Committee on Legislation of California
Glendale Tenants Union
Housing California
Housing Justice As Health Equity Collaborative
Housing Rights Center
Inland Equity Community Land Trusts
Inner City Law Center
Justice in Aging
Law Foundation of Silicon Valley
Legal Aid Foundation of Los Angeles
Legal Aid of Sonoma County
Legal Aid Society of San Diego
Legal Services of Northern California
Liberty Hill Foundation

Long Beach Residents Empowered
Los Angeles Right to Counsel Coalition
Mental Health Advocacy Services
Monument Impact
National Housing Law Project
Oakland Tenants Union
Pasadena Tenant Union
Pomona Economic Opportunity Center
Public Counsel
Resilience Orange County
Saje
San Francisco Anti-displacement Coalition
San Francisco Senior and Disability Action
South of Market Community Action Network (SOMCAN)
Tenderloin Housing Clinic
UAW Local 4811 (UNREG)
Urban Habitat
USC Gould School of Law Housing Law and Policy Clinic
Youth Leadership Institute
Youth United for Community Action (YUCA)

OPPOSITION

California Apartment Association
One individual

RELATED LEGISLATION

Pending Legislation: None.

Prior Legislation:

SB 91 (Committee on Budget and Fiscal Review, Ch. 2, Stats. 2021) created the Emergency Rental Assistance program to provide low-income tenants with financial assistance to cover missed rent when the tenant has experienced financial hardship due to the pandemic, extended the COVID-19 eviction moratorium, and also temporarily extended the time that landlords must give tenants upon notice to pay due rent or vacate the premises from three days to 15.

AB 3088 (Chiu, Ch. 37, Stats. 2020.) created an eviction moratorium for tenants who were unable to pay their rent due to COVID-19 related financial distress, among other provisions.

AB 2343 (Chiu, Ch. 260, Stats. 2018) provided that the three-day notice period a landlord must give a tenant in certain circumstances before filing an unlawful detainer action excludes court holidays and weekends. AB 2343 also clarified that the period in which a defendant must respond to a notice of summons in an unlawful detainer action does not include court holidays and weekends.

SB 1403 (Kuehl, Ch. 301, Stats. 2002) permitted a court to relieve a tenant against forfeiture of their tenancy, and to restore their tenancy, by the court's own motion or an application by the tenant at any time before their eviction, at the court's discretion in a case of hardship, as long as the tenant pays the rent due.

Amended Mock-up for 2025-2026 SB-436 (Wahab (S))

(Amendments may be subject to technical changes by Legislative Counsel)

Mock-up based on Version Number 98 - Amended Senate 4/21/25

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

~~SECTION 1.~~ This act shall be known, and may be cited, as the Right to Redeem Act.

~~SEC. 2.~~ Section 1953 of the Civil Code is amended to read:

~~1953.~~ (a) Any provision of a lease or rental agreement of a dwelling by which the lessee agrees to modify or waive any of the following rights shall be void as contrary to public policy:

~~(1) The lessee's rights or remedies under Section 1950.5 or 1954.~~

~~(2) The lessee's right to assert a cause of action against the lessor which may arise in the future.~~

~~(3) The lessee's right to a notice or hearing required by law.~~

~~(4) The lessee's procedural rights in litigation in any action involving the lessee's rights and obligations as a tenant.~~

~~(5) The lessee's right to have the landlord exercise a duty of care to prevent personal injury or personal property damage where that duty is imposed by law.~~

~~(6) The lessee's right to redeem their estate or tenancy under subdivision (c) of Section 1179 of the Code of Civil Procedure.~~

~~(b) Any provision of a lease or rental agreement of a dwelling by which the lessee agrees to modify or waive a statutory right, where the modification or waiver is not void under subdivision (a) or under Section 1942.1, 1942.5, or 1954, shall be void as contrary to public policy unless the lease or rental agreement is presented to the lessee before the lessee takes actual possession of the premises. This subdivision does not apply to any provisions modifying or waiving a statutory right in agreements renewing leases or rental agreements where the same provision was also contained in the lease or rental agreement which is being renewed.~~

~~(c) This section shall apply only to leases and rental agreements executed on or after January 1, 1976.~~

~~SEC. 3. SECTION 1.~~ Section 1161 of the Code of Civil Procedure, as amended by Section 6 of Chapter 287 of the Statutes of 2024, is amended to read:

1161. A tenant of real property, for a term less than life, or the executor or administrator of the tenant's estate heretofore qualified and now acting or hereafter to be qualified and act, is guilty of unlawful detainer:

1. When the tenant continues in possession, in person or by subtenant, of the property, or any part thereof, after the expiration of the term for which it is let to the tenant; provided the expiration is of a nondefault nature however brought about without the permission of the landlord, or the successor in estate of the landlord, if applicable; including the case where the person to be removed became the occupant of the premises as a servant, employee, agent, or licensee and the relation of master and servant, or employer and employee, or principal and agent, or licensor and licensee, has been lawfully terminated or the time fixed for occupancy by the agreement between the parties has expired; but nothing in this subdivision shall be construed as preventing the removal of the occupant in any other lawful manner; but in case of a tenancy at will, it shall first be terminated by notice, as prescribed in the Civil Code.

2. When the tenant continues in possession, in person or by subtenant, without the permission of the landlord, or the successor in estate of the landlord, if applicable, after default in the payment of rent, pursuant to the lease or agreement under which the property is held, and ~~three days' notice~~ ***fourteen days' notice***, excluding Saturdays and Sundays and other judicial holidays, in writing, requiring its payment, stating the amount that is due, the name, telephone number, and address of the person to whom the rent payment shall be made, and, if payment may be made personally, the usual days and hours that person will be available to receive the payment (provided that, if the address does not allow for personal delivery, then it shall be conclusively presumed that upon the mailing of any rent or notice to the owner by the tenant to the name and address provided, the notice or rent is deemed received by the owner on the date posted, if the tenant can show proof of mailing to the name and address provided by the owner), or the number of an account in a financial institution into which the rental payment may be made, and the name and street address of the institution (provided that the institution is located within five miles of the rental property), or if an electronic funds transfer procedure has been previously established, that payment may be made pursuant to that procedure, or possession of the property, shall have been served upon the tenant and if there is a subtenant in actual occupation of the premises, also upon the subtenant.

The notice may be served at any time within one year after the rent becomes due. In all cases of tenancy upon agricultural lands, if the tenant has held over and retained

possession for more than 60 days after the expiration of the term without any demand of possession or notice to quit by the landlord or the successor in estate of the landlord, if applicable, the tenant shall be deemed to be holding by permission of the landlord or successor in estate of the landlord, if applicable, and shall be entitled to hold under the terms of the lease for another full year, and shall not be guilty of an unlawful detainer during that year, and the holding over for that period shall be taken and construed as a consent on the part of a tenant to hold for another year.

~~The notice shall contain the following statement: "If the landlord seeks possession based on nonpayment of rent, you do not have to move out if you pay or obtain rental assistance to cover both of the following amounts: (1) the rental arrears alleged in the three-day notice to pay rent or quit, and (2) any subsequent rent that has accrued prior to your physical removal from the premises by the sheriff pursuant to a writ of execution."~~

3. When the tenant continues in possession, in person or by subtenant, after a neglect or failure to perform other conditions or covenants of the lease or agreement under which the property is held, including any covenant not to assign or sublet, than the one for the payment of rent, and three days' notice, excluding Saturdays and Sundays and other judicial holidays, in writing, requiring the performance of those conditions or covenants, or the possession of the property, shall have been served upon the tenant, and if there is a subtenant in actual occupation of the premises, also, upon the subtenant. Within three days, excluding Saturdays and Sundays and other judicial holidays, after the service of the notice, the tenant, or any subtenant in actual occupation of the premises, or any mortgagee of the term, or other person interested in its continuance, may perform the conditions or covenants of the lease or pay the stipulated rent, as the case may be, and thereby save the lease from forfeiture; provided, if the conditions and covenants of the lease, violated by the lessee, cannot afterward be performed, then no notice, as last prescribed herein, need be given to the lessee or the subtenant, demanding the performance of the violated conditions or covenants of the lease.

A tenant may take proceedings, similar to those prescribed in this chapter, to obtain possession of the premises let to a subtenant or held by a servant, employee, agent, or licensee, in case of that person's unlawful detention of the premises underlet to or held by that person.

4. Any tenant, subtenant, or executor or administrator of that person's estate heretofore qualified and now acting, or hereafter to be qualified and act, assigning or subletting or committing waste upon the demised premises, contrary to the conditions or covenants of the lease, or maintaining, committing, or permitting the maintenance or commission of a nuisance upon the demised premises or using the premises for an unlawful purpose, thereby terminates the lease, and the landlord, or the landlord's successor in estate, shall upon service of three days' notice to quit upon the person or persons in

possession, be entitled to restitution of possession of the demised premises under this chapter. For purposes of this subdivision, a person who commits or maintains a public nuisance as described in Section 3482.8 of the Civil Code, or who commits an offense described in subdivision (c) of Section 3485 of the Civil Code, or subdivision (c) of Section 3486 of the Civil Code, or uses the premises to further the purpose of that offense shall be deemed to have committed a nuisance upon the premises.

5. When the tenant gives written notice as provided in Section 1946 of the Civil Code of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender which is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice, without the permission of the landlord, or the successor in estate of the landlord, if applicable.

6. A landlord or its agent shall not charge a tenant a fee for serving, posting, or otherwise delivering any notice, as described in this section.

7. As used in this section, "tenant" includes any person who hires real property except those persons whose occupancy is described in subdivision (b) of Section 1940 of the Civil Code.

8. This section shall become operative on February 1, 2025.

SEC. 4. Section 1179 of the Code of Civil Procedure is amended to read:

~~1179. (a) The court may relieve a tenant against a forfeiture of a lease or rental agreement, whether written or oral, and whether or not the tenancy has terminated, and restore the tenant to their former estate or tenancy, in case of hardship, as provided in Section 1174. The court has the discretion to relieve any person against forfeiture on its own motion.~~

~~(b) An application for relief against forfeiture may be made at any time prior to restoration of the premises to the landlord. The application may be made by a tenant or subtenant, or a mortgagee of the term, or any person interested in the continuance of the term. It must be made upon petition, setting forth the facts upon which the relief is sought, and be verified by the applicant. Notice of the application, with a copy of the petition, must be served at least five days prior to the hearing on the plaintiff in the judgment, who may appear and contest the application. Alternatively, a person appearing without an attorney may make the application orally, if the plaintiff either is present and has an opportunity to contest the application, or has been given ex parte notice of the hearing and the purpose of the oral application. In no case shall the application or motion be granted except on condition that full payment of rent due, or full performance of conditions or covenants stipulated, so far as the same is practicable, be made.~~

~~(c) (1) In an unlawful detainer action based on a residential tenant's default in the payment of rent, before restoration of the premises to the landlord, the court shall relieve the tenant against a forfeiture of a lease or rental agreement, whether written or oral, and whether or not the tenancy has terminated, and restore the tenant to their former estate or tenancy, if the tenant pays all of the following amounts directly to the landlord or landlord's designated agent:~~

~~(A) The amount of rent stated in the notice served on the tenant, and attached to the complaint, pursuant to paragraph (2) of Section 1161.~~

~~(B) The amount of rental losses accrued for the holdover period. For purposes of this paragraph, the following terms have the following meanings:~~

~~(i) "Holdover period" means the period beginning on the day after the three-day period covered by the notice pursuant to paragraph (2) of Section 1161 clapses, and ending on the day the tenant remits all payments pursuant to this subdivision or the day on which judgment is entered, whichever is earlier.~~

~~(ii) "Rental losses" means the daily rate specified in the complaint as the fair rental value of the premises or the rental rate specified in the lease or rental agreement, whichever is less.~~

~~(C) Reasonable costs of the action awarded by the court and reasonable attorney's fees awarded by the court, as applicable, if authorized by the rental agreement and incurred by the plaintiff as of the date of tender of the amounts specified in subparagraphs (A) and (B), subject to the following limitations:~~

~~(i) Payment of costs and attorney's fees is not required if tender of the amounts specified in subparagraphs (A) and (B) is made before the filing and service of the action.~~

~~(ii) Payment of costs is not required if the court has granted a tenant's request for a fee waiver.~~

~~(iii) Payment of attorney's fees is not required if tender of the amounts specified in subparagraphs (A) and (B) is made prior to judgment.~~

~~(iv) The court shall not award attorney's fees that exceed two hundred dollars (\$200).~~

~~(2) Notwithstanding paragraph (1), the court shall relieve a residential tenant against a forfeiture of a lease or rental agreement, whether written or oral, and whether or not the tenancy has terminated, and restore the tenant to their former estate or tenancy, if both of the following conditions are met:~~

~~(A) The tenant submits verification to the court that a rental assistance program has approved the tenant's application for rental assistance from either of the following:~~

~~(i) A federal, state, or local governmental agency.~~

~~(ii) An organization that administers a rental assistance program and qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.~~

~~(B) The approved payment from the rental assistance program, together with any payments from the tenant to the landlord or the landlord's designated agent, constitute the total amount described in paragraph (1).~~

~~(3) If the tenant qualifies for relief pursuant to paragraph (2), and the total amount described in paragraph (1) has been tendered to the landlord, the court shall either dismiss the unlawful detainer action with prejudice or set aside the judgment against all named and unnamed defendants in the action.~~

~~(4) If the tenant qualifies for relief pursuant to paragraph (2), but the total amount described in paragraph (1) has not been tendered to the landlord, the court shall do all of the following:~~

~~(A) Set a hearing to be held no later than 15 days after the date on which the tenant submits verification pursuant to subparagraph (A) of paragraph (2), excluding Saturdays, Sundays, and other judicial holidays.~~

~~(B) Stay the unlawful detainer action if no judgment has been entered through the date of the hearing.~~

~~(C) Immediately stay execution of any writ of possession issued in the action through the date of the hearing and notify the sheriff of the stay.~~

~~(5) At a hearing pursuant to paragraph (4), the court shall issue one of the following orders:~~

~~(A) If the total amount described in paragraph (1) has been tendered to the landlord, the court shall restore the tenant to their former estate or tenancy and either dismiss the unlawful detainer action with prejudice or set aside the judgment against all named and unnamed defendants in the action.~~

~~(B) If the rental assistance payment has not been tendered on the date of the hearing, the court shall continue the hearing for 15 days, excluding Saturdays, Sundays, and other judicial holidays.~~

~~(6) If the tenant qualifies for relief pursuant to paragraph (2), but the rental assistance payment has not been tendered within 40 days of the date on which the tenant submitted verification to the court pursuant to subparagraph (A) of paragraph (2):~~

~~(A) If judgment has been entered, the court may, in its discretion, lift the stay of execution of judgment if it finds the delay was not caused by the landlord's failure to cooperate with the rental assistance program.~~

~~(B) If judgment has not been entered, the court shall not enter a judgment in favor of the landlord unless the landlord verifies all of the information described in subparagraphs (A) to (D), inclusive, of paragraph (2) of subdivision (c) of Section 50897.3 of the Health and Safety Code under penalty of perjury.~~

~~(7) (A) A landlord shall cooperate with and provide all necessary information and documentation to any entity described in clause (i) or (ii) of subparagraph (A) of paragraph (2) to facilitate payment of rental assistance funds.~~

~~(B) The court shall dismiss the complaint or set aside the judgment against a residential tenant, if judgment has been entered, and restore the tenant to their former estate and tenancy, if any of the following occurs:~~

~~(i) The landlord or landlord's designated agent refuses the tenant's tender of the total amount described in paragraph (1).~~

~~(ii) The landlord refuses to accept sufficient rental assistance funds, as described in paragraph (2).~~

~~(iii) The landlord fails to cooperate with and provide all necessary information and documentation to any rental assistance program, as required by this paragraph.~~

~~(8) (A) Before entry of judgment, upon the tenant's tender to the landlord or the landlord's designated agent of the total amount described in paragraph (1), the plaintiff shall file a request for dismissal of the unlawful detainer action with prejudice.~~

~~(B) Before entry of judgment, the court shall dismiss the unlawful detainer action with prejudice and restore the tenant to their former estate or tenancy if either of the following occurs:~~

~~(i) The plaintiff files a request for dismissal of the action in accordance with subparagraph (A).~~

~~(ii) The tenant submits evidence to the court that the plaintiff failed to file a request for dismissal of the action, as required by subparagraph (A), despite the tenant's tender to~~

~~the landlord or the landlord's designated agent the total amount described in paragraph (1).~~

~~(9) After entry of judgment, but before restoration of the premises to the landlord, upon the tenant's tender to the landlord or the landlord's designated agent of the total amount described in paragraph (1), the court shall relieve the tenant against forfeiture of their lease or rental agreement pursuant to the procedures set forth in subdivisions (a) and (b), set aside the judgment against all named and unnamed defendants in the action, and restore the tenant to their former estate or tenancy.~~

~~(10) If a tenant tenders the total amount required by paragraph (1) to the landlord or the landlord's agent, the tenant shall provide verification to the court of such tender. The Judicial Council shall develop an optional form that a tenant may use to provide such verification, to provide verification of approval for rental assistance as described in paragraph (2), and to apply for relief under this subdivision.~~

~~(11) The right of redemption established by this subdivision is in addition to, and does not limit, any right that a residential tenant may have to seek relief from forfeiture pursuant to any other law.~~

~~(12) A tenant may not exercise the right of redemption under this section in response to an unlawful detainer action more than once in any 12-month period.~~

~~(13) If a tenant redeems their tenancy by making required payments of the amounts specified in subparagraphs (A) and (B) of paragraph (1) before the landlord files an unlawful detainer action, the landlord may not file an unlawful detainer action based upon the tenant's failure to make such payments.~~

~~**SEC. 5.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.~~