



Special Legislative Update ■ March 25, 2020

Governor Announces Deal with Banks to Defer Foreclosures, Mortgage Payments

In an afternoon address, Governor Gavin Newsom [announced](#) that four of the nation's largest banks – Wells Fargo, U.S. Bank, Citi, and JP Morgan – have agreed to a 90-day grace period for mortgage payments. Bank of America had initially agreed to only a 30-day grace period, but it was reported this afternoon that BofA would join in the 90-day grace period. Two hundred of California's state-chartered banks and credit unions will also provide forbearance on mortgage payments and foreclosures. The Governor indicated that there is no income requirement for assistance, but borrowers must provide documentation that they are impacted by the COVID-19 pandemic.

The Governor shared that his Administration is continuing to work with the banks on items like ATM fees and overdraft charges.

Newsom Anticipates \$10 Billion from New Federal Relief Measure

Governor Newsom also shared in his address today that his "back of the envelope" calculations indicate that California could see about \$10 billion in block grants from the recently announced federal relief package, with about \$5.5 billion to the state and the remainder to counties and cities. The estimate he provided is only for the block grant portion of the package and does not include additional relief for specific activities and departments. The Governor seemed pleased with the outcome and opened his press briefing by thanking House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer for negotiating a package that would help Californians.

Governor Researching Additional Tenant Protections

When asked by the press about a statewide moratorium on evictions, Governor Newsom indicated that he is "very concerned" about what is or is not happening at the local level. He reiterated that if additional protections aren't approved locally, the state reserves the right to establish statewide tenant protections, pending additional research by his legal team. More than 30 members of the Legislature have signed on to a letter to the Governor requesting a statewide moratorium on evictions that you can see on Twitter [here](#).

DHCS Issues Clarification on Essential Workforce

In response to questions, the Department of Health Care Services (DHCS) sent out clarification today on “essential workforce.” The [document](#) highlights:

- 1) Healthcare and public health sector, including behavioral health, is important and part of the essential workforce.
- 2) “Essential Critical Infrastructure Workers” are essential clinical, professional, and support staff providing COVID-19 testing, medical behavioral and substance use staff treating patients, the nurses providing care and advice, infection control personnel, pharmacists and more.
- 3) Essential workforce members are deemed necessary to maintain the continuity of operations in the healthcare and public health sector. As such, they are not subject to the State’s public health directives to stay at home.
- 4) DHCS workers are also part of the essential workforce.
- 5) DHCS is encouraging health care partners to take protective measures and use telehealth whenever appropriate.
- 6) DHCS also encourages triage and prioritization, including delaying or canceling routine/non-urgent care to make capacity for those needing urgent help.

More Budget News

Governor Newsom has directed the expenditure of about \$1.3 billion from the Special Fund for Economic Uncertainty (the state’s regular reserve fund) for purchase of equipment and supplies and support for the COVID response.

LAO Posts New Update on Federal Relief Related to Nutrition Programs

In this [post](#), the Legislative Analyst’s Office (LAO) discussed nutrition-related provisions contained in [H.R. 6201](#), the Families First Coronavirus Response Act, signed by the President last week. The federal relief act, which is intended to mitigate broad economic and public health consequences of COVID-19, includes provisions related to accessing nutrition assistance. The LAO’s post summarizes the nutrition-related provisions of the law, describes any associated state actions, and highlights steps the state may need to ensure program flexibility as well as facilitate individuals’ access to the new funding.