



CITY OF COMMERCE AGENDA REPORT

Item No. _____

TO: Honorable City Council

FROM: City Manager

SUBJECT: Approve Urgency Ordinance No. ____ Enacting a Moratorium on Evictions for Renters of Residential Properties in the City

MEETING DATE: March 25, 2020

RECOMMENDATION:

It is recommended that the City Council consider adoption by 4/5 vote, an Urgency Ordinance, ratifying the order of Resolution No. 20-23 and enacting a moratorium on evictions for renters of residential [*and commercial*] properties in the City.

ANALYSIS:

On March 16, 2020, the City Council adopted Resolution No. 20-23, declaring a local emergency due to the novel coronavirus (COVID-19) pandemic. The resolution included an order prohibiting residential evictions during the emergency due reasons related to the pandemic. Also, on March 16, 2020, Governor Newsom issued Executive Order No. 28-20, which expanded cities' power to enact local rent control ordinances in response to the financial implications of the COVID-19 pandemic. Specifically, various sections of the California Civil Code authorize cities to control certain aspects of the landlord-tenant relationship; but cities are preempted by State law from prohibiting evictions stemming from failure to pay rent, or those stemming from foreclosures. The Governor's Executive Order expressly waives these provisions of State law, and expressly allows cities to enact local moratoriums on residential and commercial evictions caused by COVID-19.

Consistent with the City Council's Resolution and the Executive Order, an Urgency Ordinance has been prepared which would prevent evictions of residential tenants impacted by COVID-19. The "safe harbor" would apply to evictions of residential tenants in the following situations:

- For nonpayment of rent if the tenant demonstrates that the tenant is unable to pay rent due to financial impacts related to COVID-19; or

- For a no-fault eviction if any member of the household is sick, in isolation, or under quarantine.

Consistent with the Executive Order, the Urgency Ordinance defines “financial impacts related to COVID-19” as including, but are not limited to, a residential tenant that has lost household income as a result of any of the following: (a) being sick with COVID-19, or caring for a household or family member who is sick with COVID-19; (b) lay-off, loss of hours, or other income reduction resulting from business closure or other economic or employer impacts of COVID-19; (c) compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency; (d) extraordinary out-of-pocket medical expenses; or (e) child care needs arising from school closures related to COVID-19.

The draft Urgency Ordinance submitted for the City Council’s consideration applies to residential tenants only. Should the City Council desire to expand similar provisions to commercial tenants, the bracketed, italicized language in the draft Urgency Ordinance would be added to prohibit evictions based on “loss of business income from full or partial closure of the business (either voluntarily or by mandate) to prevent the spread of COVID-19.”

Nothing in the Urgency Ordinance relieves the tenant of liability for the unpaid rent, which the landlord may seek after expiration of the local emergency and the tenant must pay within six (6) months of the expiration of the local emergency.

ENVIRONMENTAL ANALYSIS:

The recommended action is exempt from CEQA pursuant to CEQA Guidelines Section 15269(c) related to actions to prevent or mitigate an emergency, and also under the common sense exemption, in that CEQA only applies to projects that have a potential to cause a significant effect on the environment, and the acknowledgement of the existence conditions constituting a local emergency has no such potential.

FISCAL IMPACT:

Approval of the staff recommendation will have no direct fiscal impact on the City’s General Fund.

Recommended by: Edgar P. Cisneros, City Manager
Approved as to form by: Noel Tapia, City Attorney

Attachments:

A) Ordinance