



Legislation Text

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AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 04-09-20

TO: Honorable Mayor and City Council Members

FROM: City Manager's Office & City Attorney's Office

SUBJECT:

Potential emergency eviction and rent measures for residential and commercial tenants impacted by COVID-19.

**RECOMMENDED ACTION:
That the City Council:**

Review and provide direction regarding potential emergency eviction and rent measures for residential and commercial tenants impacted by COVID-19.

ANALYSIS:

Background - COVID-19 Emergency & Related Actions

As you know, we are currently experiencing a global pandemic caused by a novel coronavirus known as COVID-19 ("COVID-19 Emergency"). In response to the developing COVID-19 Emergency, the following actions have been taken at the international, national, state and local levels:

- ✓ State Emergency: On March 4, 2020, the Governor of California ("Governor") proclaimed a State of Emergency to exist in California, as authorized by Government Code sections 8558(b) 8625(c).
- ✓ County Health Emergency: On March 8, 2020, the Riverside County Public Health Officer ("County PHO") declared a local health emergency based on an imminent and proximate threat to public health.
- ✓ County Emergency: On March 10, 2020, Riverside County ("County") proclaimed a local

emergency.

- ✓ W.H.O. Global Pandemic: On March 11, 2020, the World Health Organization ("W.H.O.") declared COVID-19 a pandemic based upon the alarming levels of spread and severity of COVID-19, and by the alarming levels of inaction.
- ✓ National Emergency: On March 13, 2020, the President of the United States ("President") declared the COVID-19 Emergency of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to authority granted by the Constitution and the laws of the United States, including sections 201 and 301 of the National Emergencies Act (50 U.S.C. 1601 *et seq.*)
- ✓ City Emergency: On March 16, 2020, when the City Council was not in session, the Fire Chief for the City of Corona, in his capacity as the Director of Emergency Services and pursuant to authority granted by Corona Municipal Code Section 2.52.110, declared a local emergency in the City of Corona, which was ratified by the City Council on March 18, 2020 pursuant to Resolution No. 2020-010.
- ✓ DWP Suspension of Service Disconnections: On or about March 16, 2020, the DWP General Manager announced that the City would be suspending service disconnections due to non-payment until at least April 15, 2020, with extensions planned on a monthly basis as needed, as well as waiving late fees for at least 30 days following the disconnection suspension period.
- ✓ Governor's Executive Orders: Relevant to today's discussion, the Governor has issued the following Executive Orders ("EO"):
 - EO N-28-20: On March 16, 2020, the Governor issued EO N-28-20 temporarily suspending, through May 31, 2020, any provision of state law that would preempt or otherwise restrict a local government's exercise of its police powers to impose substantive limitations on residential or commercial evictions when the basis for eviction is nonpayment of rent arising out of a documented substantial decrease in household or business income or substantial out-of-pocket medical expenses caused by COVID-19 or by any local, state, or federal government response to COVID-19.
 - EO N-33-20: On March 19, 2020, the Governor issued EO N-33-20 ordering all individuals living in the State of California to stay home or at their place of residence, except to obtain essential services.

- EO N-37-20: On March 27, 2020, the Governor issued EO N-37-20 effectively establishing a statewide ban on residential evictions for nonpayment of rent due to COVID-19 until May 31, 2020. The Governor effectively accomplished this ban by extending the time period that a tenant would be required to respond to an unlawful detainer (eviction) complaint for failure to pay rent from 5 days to 60 days if the following 3 conditions are satisfied:
 1. Prior to March 27, 2020, the tenant paid rent otherwise due to the landlord;
 2. The tenant notifies the landlord in writing within 7 days of the date rent is due that tenant needs to delay all or some payment of rent because of an inability to pay the full amount due to reasons related to COVID-19; and
 3. The tenant retains verifiable documentation to support the tenant's assertion of an inability to pay.
- ✓ HUD Foreclosure Suspension: On March 18, 2020, the President announced that the Department of Housing and Urban Development ("HUD") and the Federal Housing Finance Authority was providing immediate relief to renters and homeowners by suspending all foreclosures and evictions until the end of April 2020.
- ✓ State Court System Order Halting Evictions & Foreclosures: On April 6, 2020, the California Judicial Council, the rule-making arm of the California court system, adopted the following emergency court rules effectively stopping all evictions and foreclosures for the duration of the COVID-19 emergency:
 - Evictions: Courts may not issue a summons or enter a default or default judgment in an unlawful detainer (eviction) action, other than those necessary to protect public health and safety, until 90 days after the COVID-19 emergency is terminated by the Governor or the emergency court rules are amended or repealed by the Judicial Council.
 - Foreclosures: All actions for judicial foreclosures on mortgages and deeds of trust are stayed and all deadlines related to such actions are extended.

COVID-19 Emergency Impacts

It is well-known at this point that the COVID-19 Emergency has caused and will continue to cause, serious negative impacts on the local economy and significant financial impacts to local residents and businesses. Moreover, it is understood that homelessness can exacerbate vulnerability to COVID-19

because, at a minimum, it significantly impacts the ability to maintain good health, protect life and practice social distancing.

City Council Requests

The City Council has requested that staff bring forward for discussion measures that have been discussed in other communities to help promote stability in residential and commercial tenant relationships. Accordingly, we note the following:

Eviction Moratoriums: Some local agencies have declared that residential and/or commercial evictions are prohibited during the period of the local emergency (or some other period). However, these actions are no longer legally necessary with the very recent action by the California Court System on April 6, 2020 to effectively halt all residential and commercial evictions for up to 90 days following the state emergency declaration, as well as the Governor's EO N-37-20 on March 27, 2020 effectively establishing a statewide ban on residential evictions for nonpayment of rent due to COVID-19 until May 31, 2020.

Rent Deferral: A few local agencies have also required landlords to give tenants a specified period of time following the emergency to pay back rent that was deferred during the local emergency (or some other period).

Rent Increase Moratorium: Outside of an existing local rent control ordinance, staff has identified one local agency that has also declared that rent increases are prohibited. The City of Glendale adopted a residential rent increase freeze through at least April 30, 2020. Other local agencies may have adopted similar moratoriums, but this is one we have discovered thus far. Other local agencies have adopted them for properties which are already subject to a local rent control ordinance.

Options for Council's Consideration

As a potential first step measure towards assisting in increasing housing security for residents and long-term retention of commercial businesses, at the request of Council, staff has prepared the two attached resolutions for consideration, which take the following actions:

- ✓ Eviction Moratorium (Reso 2020-020): This Resolution supports, endorses and strongly encourages compliance with the Governor's EO N-28-20 and EO N-37-20, as well as the California Judicial Council's emergency court rule to effectively halt all evictions and foreclosures on residential and commercial properties during the pendency of the COVID-19 emergency.
- ✓ Rent Deferral & Rent Increase Moratorium (Reso 2020-021): This Resolution would do the following: (1) strongly recommend and encourage landlords and tenants of residential and commercial properties to cooperatively establish acceptable alternative rent payment arrangements during and following the COVID-19 emergency; and (2) strongly recommend and encourage landlords of

residential and commercial properties to refrain from implementing rent increases during the pendency of the COVID-19 emergency.

We ask that the City Council review and provide direction regarding the above resolutions. Council can adopt them as is, alter and adopt as appropriate, or provide other direction.

Council perhaps may also wish to provide direction regarding other means of implementing the intent of the resolutions. For instance, staff has discussed the possibility of encouraging landlords and tenants to mediate their efforts to cooperatively establish acceptable alternative rent payment arrangements. Of course, such a program would require further research, investment and perhaps even the development of public-private partnerships, but staff awaits the City Council's direction.

Prior Council Direction

Please note that, following Council's direction at the April 1, 2020 meeting, the City Manager has already begun to further enhance the City's on-going education program to publicize current and updated information to landowners, landlords and tenants of residential and commercial properties in the City. Staff will continue to look for ways in which to provide valuable information concerning, for instance, the following: (i) the rights and obligations of landowners, landlords and tenants of residential and commercial properties under EO N-28-20 and EO N-37-20, as well as the California Judicial Council's emergency court rule to effectively halt all evictions and foreclosures on residential and commercial properties during the pendency of the COVID-19 emergency; and (ii) any resources available to landowners, landlords and tenants of residential and commercial properties within the City to assist with the financial impacts associated with the COVID-19 emergency.

COMMITTEE ACTION:

N/A

STRATEGIC PLAN:

N/A

FISCAL IMPACT:

Unknown.

ENVIRONMENTAL ANALYSIS:

This action is exempt under CEQA Guidelines Sections 15061(b)(3), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The recommended action simply endorses State and Judicial Council orders the provide eviction and rent relief measures to commercial and residential tenants affected by the COVID-19 pandemic and there is no possibility that this action will have a significant effect on the environment. Therefore, no further environmental analysis is required.

PREPARED BY: JAMIE RAYMOND, CHIEF DEPUTY CITY ATTORNEY

REVIEWED BY: DEAN DERLETH, CITY ATTORNEY/LRM DIRECTOR

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Draft Resolution No. 2020-020 (Eviction Measures)
2. Draft Resolution No. 2020-021 (Rent Measures)