DATE: March 31, 2020

TO: The Honorable City Council

FROM: Gregory Murphy, City Attorney


RECOMMENDATION:

It is recommended that the City Council:

1. Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3): the General Rule that CEQA only applies to projects that may have an effect on the environment; and

2. Consider adoption by a 4/5 vote the following ordinance:


BACKGROUND:

1. On March 4, 2020, the Health Officer of Los Angeles County declared a local health emergency regarding Novel Coronavirus 2019 (COVID-19) and the Los Angeles County Board of Supervisors concurrently proclaimed the existence of a local emergency for the County of Los Angeles.

3. On March 13, 2020, the President of the United States declared a national state of emergency regarding COVID-19. On this same day, the City Council adopted Resolution No. 20-5457, declaring a local state of emergency which gave authority to the City Manager in his role as Director of Emergency Services to implement measures in line with state and county health officials’ recommendations to slow the spread of COVID-19 while not impacting critical services.

4. On March 16, 2020, Governor Newsom issued an Executive Order that will aid Californians affected by COVID-19 by authorizing local governments to halt evictions for renters, encouraging financial institutions to slow foreclosures, and protecting renters and homeowners against utility shutoffs.

5. On March 19, 2020, Kathryn Barger, Chair of the Los Angeles County Board of Supervisors issued an Executive Order prohibiting residential and commercial evictions in the unincorporated portions of the County under certain circumstances related to COVID-19.

6. On March 21, 2020 the Los Angeles County Department of Public Health issued a clarifying Safer at Home order, requiring all persons to remain at home to the extent possible, unless engaged in essential businesses.

7. On March 27, 2020 Governor Newsome issued an Executive Order placing a Statewide moratorium on evictions of residential tenants arising from nonpayment of rent due to circumstances related to COVID-19; that has been interpreted by the Governor to allow more restrictive orders by local governments.

ANALYSIS:

California Government Code section 8630 et seq. authorize the City to declare a local emergency, which the City Council did at an emergency meeting on March 13, 2020. California Government Code sections 8634, 36934 and 36937 authorize the City Council to take action by ordinance to take effect immediately for the preservation of the public peace, health or safety when adopted by a four-fifths vote of the City Council.

As a result of the COVID-19 public health emergency, the initial precautions recommended by health authorities, and the State and County Safer at Home orders requiring residents to stay at home and requiring “non-essential” businesses to close and essential businesses to severely curtail operations, many residential and commercial tenants in the City have experienced or expect to experience sudden and unexpected income loss soon. Further economic impacts are anticipated, leaving some tenants unable to pay rent and therefore vulnerable to eviction.

Businesses that are temporarily closed by the Safer at Home orders are not generating tax revenues needed for public services, and evictions and replacement of such tenants will further delay generation of tax revenues once the Safer at Home orders are lifted.
Further, even businesses that continue in operation as “Essential Businesses” such as restaurants are still subject to reductions in income as a result of the Safer at Home orders. During this local emergency, and in the interest of protecting the public health and preventing transmission of COVID-19, it is essential to avoid unnecessary housing displacement, and prevent housed individuals from falling into homelessness.

If adopted, this moratorium ordinance would prohibit evictions of residential and commercial tenants due to non-payment of rent during the period of the moratorium ordinance. It would not affect evictions unrelated to non-payment of rent or for which non-payment is not a result of COVID-19 related financial issues. In covered circumstances, the initial responsibility would fall on the tenant to explain to the landlord that the inability to pay stems from COVID-19 issues.

The ordinance would be in effect for the term of the Governor’s Executive Order on the subject, through May 31, 2020 unless further extended by the Governor. After that time, a tenant would have six months to pay the delinquent amount of rent, in addition to any then-currently due rent. There would be no penalties or interest accrued during the moratorium and the six-month period, but the tenant would have to make the landlord whole by the end of six months. In addition, nothing in the ordinance would prohibit a tenant and landlord from agreeing to a partial payment of rent during the moratorium so as to decrease the tenant’s financial burden after the moratorium.

This ordinance would be a measure that tenants can use to defend against an unlawful detainer action arising from a covered eviction. City staff would publicize the ordinance, but the City would not undertake enforcement as a violation of the City’s code. As a final matter, notwithstanding the Governor’s Executive Order suspending restrictions on local eviction protection legislation, the applicability of the City’s ordinance may still be subject to determination by a court.

Finally, this ordinance would offer protections substantially similar to those offered by the County of Los Angeles, the City of Pasadena, the City of Glendale, the City of Alhambra, the City of Duarte, and numerous other cities in the county. The Governor’s order would offer substantially lesser protections to residential tenants and no protections to commercial tenants.

**CONCLUSION:**

The City Council is asked to consider adopting by a 4/5 vote the attached Urgency Ordinance to temporarily prohibit evictions arising out of COVID-19 financial issues.

**CITY STRATEGIC GOALS:**

Adoption of the proposed ordinance would align with the City’s strategic goal of good governance.
FISCAL IMPACT:

There is no fiscal impact arising from the proposed ordinance.

ATTACHMENT:

A. Ordinance No. 20-1040U
ORDINANCE NO. 20-1041U

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TEMPLE CITY TEMPORARILY PROHIBITING EVICTIONS OF RESIDENTIAL AND COMMERCIAL TENANTS ARISING OUT OF FINANCIAL IMPACTS OF THE COVID-19 PANDEMIC

WHEREAS, on March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency within the State of California ("State") due to the threat posed by Novel Coronavirus ("COVID-19");

WHEREAS, on March 4, 2020, the Los Angeles County Health Officer issued a Declaration of Local Health Emergency due to the introduction of COVID-19 cases to Los Angeles County;

WHEREAS, on March 4, 2020, Los Angeles County Board of Supervisors ("Board") concurred and issued a Proclamation ("Proclamation") declaring a local emergency within the County of Los Angeles regarding the imminent spread of COVID-19;

WHEREAS, on March 16, 2020, Governor Newsom issued an Executive Order that will aid Californians affected by COVID-19 by authorizing local governments to halt evictions for renters, encouraging financial institutions to slow foreclosures, and protecting renters and homeowners against utility shutoffs;

WHEREAS, on March 19, 2020 Governor Newsom issued an Executive Order that requires all persons to remain at home to the extent possible and requires all non-essential businesses to be closed;

WHEREAS, on March 19, 2020, Kathryn Barger, Chair of the Los Angeles County Board of Supervisors issued an Executive Order prohibiting residential and commercial evictions in the unincorporated portions of the County under certain circumstances related to COVID-19;

WHEREAS, on March 21, 2020 the Los Angeles County Department of Public Health issued a clarifying Safer at Home order, requiring all persons to remain at home to the extent possible, unless engaged in essential businesses;

WHEREAS, on March 27, 2020 Governor Newsome issued an Executive Order placing a Statewide moratorium on evictions of residential tenants arising from nonpayment of rent due to circumstances related to COVID-19, but that has been interpreted by the Governor to allow more restrictive orders by local governments;

WHEREAS, businesses that are temporarily closed by the Safer at Home orders are not generating tax revenues needed for public services, and evictions and replacement of such tenants will further delay generation of tax revenues once the Safer at Home orders are lifted. Further, even businesses that continue in operation as “Essential Businesses” such as restaurants, are still subject to reductions in income as a result of the “Safer at Home” orders;

WHEREAS, California Government Code section 8630 et seq. authorize the City to
declare a local emergency, which the City Council did at an emergency meeting on March 13, 2020;

WHEREAS, California Government Code sections 8634, 36934 and 36937 authorize the City Council to take action by ordinance to take effect immediately for the preservation of the public peace, health or safety when adopted by a four-fifths vote of the City Council;

WHEREAS, as a result of the COVID-19 public health emergency and the precautions recommended by health authorities, many residential and commercial tenants in the City have experienced or expect to experience sudden and unexpected income loss;

WHEREAS, further economic impacts are anticipated, leaving residential and commercial tenants potentially unable to pay rent and vulnerable to eviction;

WHEREAS, during this local emergency, and in the interest of protecting the public health and preventing transmission of COVID-19, it is essential to avoid unnecessary housing displacement, and prevent housed individuals from falling into homelessness;

WHEREAS, during this local emergency, and in the interest of protecting the public health and welfare, it is essential to avoid unnecessary loss of commercial tenants that could create long-term vacancies in commercial areas leading to blight and a loss of important community amenities even after the emergency has ended.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TEMPLE CITY DOES ORDAIN AS FOLLOWS:

SECTION 1. A temporary moratorium on eviction for non-payment of rent by residential or commercial tenants impacted by the COVID-19 crisis is imposed as set forth herein.

SECTION 2. From the date of this Ordinance through its expiration, as set forth herein, in response to COVID-19 no landlord shall endeavor to evict a tenant for nonpayment of rent if the tenant demonstrates that the tenant is unable to pay rent due to Financial Impacts related to COVID-19.

SECTION 3. A landlord who knows or is deemed to know that a tenant cannot pay some or all of the rent temporarily for the reasons set forth above in Section 2 shall not serve a notice pursuant to CCP 1161(2), file or prosecute an unlawful detainer action based on a 3-day pay or quit notice, or otherwise seek to evict for nonpayment of rent.

SECTION 4. A landlord shall be deemed to know of a tenant’s inability to pay rent within the meaning of this Ordinance if the tenant, within 30 days after the date that rent is due, notifies the landlord in writing and provides documentation that the tenant is unable to pay rent due to Financial Impacts related to COVID-19. For purposes of this Ordinance, “in writing” includes email or text communications to a landlord or the landlord’s representative with whom the tenant has previously corresponded by email or text, as well as traditional written communication. Any medical or financial information provided to the landlord shall be held in confidence, and only be used for evaluating the tenant’s claim.
SECTION 5. Nothing in this Ordinance shall relieve the tenant of liability for the unpaid rent, nor restrict a landlord’s ability to recover rent due. A tenant shall not be deemed in default of rent payment obligations unless the Tenant fails to tender rent payments which were unpaid due to Financial Impacts related to COVID-19, within 6 months of May 31, 2020, or within 6 months of the date upon which an extension of this Ordinance expires, whichever is later. A landlord shall not impose, charge, or collect a late fee or equivalent surcharge for any rent payments which were unpaid due to Financial Impacts related to COVID-19. Tenants and landlords are encouraged to agree to a payment plan during this six-month period, but nothing in this Ordinance shall be construed to prevent a tenant from paying a landlord any amount due incrementally during this six-month period. Any three-day notices to pay or quit or no-fault eviction notices served prior to the effective date of this ordinance, but not yet expired, are automatically deemed served upon the conclusion of the Moratorium Period if arising from Financial Impacts related to COVID-19.

SECTION 6. For purposes of this Ordinance, “Financial Impacts related to COVID-19” (“Financial Impact”) include nonpayment of rent arising out of a substantial decrease in household or business income (including, but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand), or substantial out-of-pocket medical expenses, or a tenant’s lost household income as a result of caring for minor children affected by school, pre-school and/or childcare closures; provided that, the Financial Impact was caused by the COVID-19 pandemic, or by any local, state or federal government response to COVID-19, and is documented by the tenant.

SECTION 7. This Ordinance applies to terminations of tenancies for nonpayment of rent, including eviction notices, no-fault eviction notices as defined herein, and unlawful detainer actions based on such notices, served or filed during the effective period of this Ordinance and for six months thereafter. For purposes of this Ordinance, “no-fault eviction notices” refer to any eviction for which the notice to terminate tenancy is not based on alleged fault by the tenant.

SECTION 8. In the event of a violation of this Ordinance, this Ordinance grants a defense to eviction where an unlawful detainer action is commenced in violation of this Ordinance. Additionally, an aggrieved tenant may institute a civil proceeding for injunctive relief, money damages of not less than three times actual damages, and whatever other relief the court deems appropriate. The prevailing party shall be entitled to reasonable attorney’s fees and costs pursuant to ordinance of the court. The remedy available under this section shall be in addition to any other existing remedies which may be available to the tenant under local, state or federal law.

SECTION 9. This Ordinance shall be in force and effect until May 31, 2020, unless superseded by a duly enacted Ordinance of the City Council or a further Ordinance by the Director of Emergency Services adopted during the local emergency that expressly supersedes this Ordinance. Should the Governor extend Executive Order N-28-20, this Ordinance will continue automatically beyond May 31, 2020 to the date of the Governor’s extension, unless superseded. Should the Governor, the State or Federal Legislature, or the President issue an order or regulation on the topic of this Ordinance which provides eviction protection that applies Statewide or nationwide, this Ordinance shall be of no further force or effect.
**SECTION 10.** If any provision of this Ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this chapter which can be implemented without the invalid provisions, and to this end, the provisions of this chapter are declared to be severable. The City Council hereby declares that it would have adopted this ordinance and each provision thereof irrespective of whether any one or more provisions are found invalid, unconstitutional or otherwise unenforceable.

**SECTION 11.** The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary in the manner required by law.

**SECTION 12.** For the reasons set forth above in the recitals, this Ordinance is an urgency ordinance and shall take effect immediately upon adoption by a 4/5 vote of the City Council, due to the immediate need to protect the public health, safety and welfare.

Signed and approved this 31st day of March, 2020.

_____________________________
Tom Chavez, Mayor

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Temple City at its meeting held on the 31st day of March, 2020 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________________
Peggy Kuo
City Clerk