

TEMPORARY MORATORIUM ON TENANT EVICTIONS DUE TO COVID-19

***** AMENDED JUNE 30, 2020 *****

On March 17, 2020, the Sacramento City Council adopted an emergency ordinance to establish a temporary moratorium on evicting residential tenants unable to pay rent due to a loss of income caused by the Coronavirus Disease 2019 (COVID-19). On March 24, 2020, the emergency ordinance was amended to add commercial tenants and to waive late fees.

The City's ordinance allowing non-payment of rent was been extended based on Governor's Executive Order issued on May 29, 2020. The City's ordinance was extended to July 28, 2020.

On June 30, 2020, the Sacramento City Council amended the emergency ordinance to limit the temporary moratorium on evicting commercial tenants impacted by COVID-19 to only retail tenants (as defined in Chapter 17 of the City Code) located on first floor of buildings. For all other commercial tenants, such as office uses and retail tenants on 2nd floor of shopping centers, the moratorium expires on June 30, 2020.

All tenants still have 120 days after the expiration of the related moratorium to pay back rent and avoid eviction under the City's ordinance. For all residential tenants and first floor retail tenants, the date would be until November 25, 2020. For all other commercial tenants, the date would be until October 28, 2020.

WHO IS PROTECTED?

This moratorium is applicable for residential and ground-floor retail commercial tenants **within the limits of the City of Sacramento only.**

All residential tenants are protected regardless as to when the rental unit was built. Single family residences and condominiums that are rented are included in this ordinance. All commercial tenants are also protected.

Effective July 1, 2020, commercial tenant protections will be limited only to retail businesses located on the first floor (i.e., street level) of a building. However, the business would not have to front a street, so all first-floor tenants in a retail shopping center would have the same protections.

WHAT WAGE LOSS REASONS ARE COVERED?

RESIDENTIAL TENANTS: The loss of income must be related to the impacts of COVID-19 due to the following:

1. The tenant is sick with COVID-19 or has to care for a member of the household who has COVID-19;
2. The tenant experienced a lay-off, loss of hours, or other income reduction due to COVID-19;
3. The tenant complied with a recommendation from a government agency to stay at home, self-quarantine, or avoid congregating with others; or
4. Tenant had to miss work to care for a home-bound school-age child.

COMMERCIAL TENANTS: Loss of income due to the tenant's closure of, operating restrictions placed upon, or other loss of patronage of the tenant's business directly resulting from:

1. The state-declared emergency, locally declared emergency, or county stay-at-home order; or
2. Any other emergency declarations or orders related to COVID-19.

WHAT ARE TENANTS REQUIRED TO DO?

A residential or retail commercial tenant that has suffered a loss in income due to COVID-19 is permitted to pay a landlord less than the full amount of rent owed if the tenant:

1. **Notifies the landlord in writing before the day rent is due** that the tenant has suffered a loss of income due to COVID-19 and will be unable to pay the full amount of rent due.
2. **Provides the landlord with verifiable documentation to support the loss of income claim.** Documentation might include copies of payroll checks or revenue receipts, a supervisor's or owner's statement of a reduction in business to support a reduction in tenant income, or the business owner's declaration the business closed to comply with an order. This documentation may be submitted after the tenant provides the landlord with the notice that the tenant is unable pay the full amount of rent. **This documentation must be submitted to the landlord for a tenant to be afforded eviction protection.**
3. **Paid the remaining portion of rent owed that the tenant can pay based on the amount of income received.** For example, if the tenant owes \$1,500 in rent and the tenant suffered a \$500 wage loss in June, the tenant would pay the landlord \$1,000 for July rent.
4. **Notification and related support documentation must be provided for each month** where there will be a delay in the rent payment.

WHEN WILL TENANTS BE REQUIRED TO PAY FULL RENT?

Residential and retail commercial tenants will be required to begin paying full rent after the ordinance expires on July 28, 2020. All other commercial tenants are required to begin paying full rent as of July 1, 2020. If a tenant cannot afford to pay rent due to the COVID-19 crisis, it is important for the tenant to contact the landlord right away to work out a resolution. The City will be offering free mediation services soon to assist commercial and residential landlords and tenants. Please visit the Tenant Protection Program (TPP) website at www.cityofsacramento.org/TPP for more information.

Low- and moderate-income Sacramento residents can also receive free financial counseling through the City's Financial Empowerment Center. To request an FEC appointment, please email FEC@cityofsacramento.org or call 916-808-4927.

WHEN MUST TENANT PAY BACK RENT?

Residential and commercial tenants who were afforded eviction protection have up to 120 days after the expiration of the City's ordinance to pay their landlord all unpaid rent. **During the 120-day period, the protections against eviction apply for such tenants.** And no late fees will be owed. Based on the current order expiration date of July 28, 2020, **unpaid rent is due by November 25, 2020 for all residential tenants and first floor retail commercial tenants.** Please note that **for other commercial tenants who were protected through June 30, 2020, unpaid rent is due October 28, 2020.** If the tenant fails to repay the unpaid rents by the due date, the tenant may be subject to eviction. The City will be offering free mediation services soon to assist commercial and residential landlords and tenants

and can assist with repayment plan discussions. Please visit the Tenant Protection Program website at www.cityofsacramento.org/TPP for more information.

WHAT IF A TENANT WAS LATE PAYING RENT BEFORE THE ORDINANCE WAS ADOPTED?

The ordinance does not prevent a landlord from evicting a residential or commercial tenant who failed to pay rent when due before the ordinance was adopted or for any other lease violation.

WHAT HAPPENS IF THE LANDLORD MOVES FORWARD WITH AN EVICTION?

If a tenant complies with the requirements of the temporary moratorium which includes providing proper written notification and supporting documentation, a landlord cannot serve an eviction notice, file or prosecute an unlawful detainer action based on a three-day pay or quit notice, or otherwise endeavor to evict the tenant for nonpayment of rent for the months of April through July. A tenant may use this ordinance as an affirmative defense in an unlawful detainer or other action brought by landlord to recover possession of the rental unit. **A tenant who complied with the moratorium requirements and receives an eviction notice should contact the TPP office at tpp@cityofsacramento.org.** A landlord who violates this eviction prohibition is subject to administrative penalties up to \$25,000 pursuant to chapter 1.28 of the Sacramento City Code.

WHAT HAPPENS IF A TENANT FAILS TO PAY FULL RENT AFTER JULY 1, 2020 OR AUGUST 1, 2020?

A tenant who fails to pay rent is subject to eviction in accordance with state and local laws. However, the Judicial Council adopted temporary rules suspending unlawful detainer proceedings for 90 days after the state of emergency period ends. This court action and Governor's order do not establish any new tenant rights or defenses to an eviction.

WHO CAN I CONTACT FOR MORE INFORMATION ON THE CITY'S TENANT EVICTION MORATORIUM?

If you have questions or need additional information regarding the moratorium on tenant evictions due to COVID-19, please contact the Tenant Protection Program at 916-808-8121 or via email at tpp@cityofsacramento.org. You can also visit our website at www.cityofsacramento.org/TPP.

WHO CAN RESIDENTIAL TENANTS CONTACT FOR ADDITIONAL ASSISTANCE?

For help with discrimination and tenant education, contact the Renters Helpline at 916-389-7877 or visit its website at www.rentershelpline.org.

WHO CAN COMMERCIAL TENANTS AND LANDLORDS CONTACT FOR ADDITIONAL ASSISTANCE?

For additional resources for commercial tenants and landlords please visit the Office of Innovation and Economic Development website at: <http://www.cityofsacramento.org/Economic-Development/Economic-Relief>

For questions regarding how or where to find business assistance, please contact the City's Small Business Hotline at (916) 808-7196 or via email at smallbusiness@cityofsacramento.org.

UPDATED: July 1, 2020