



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

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File ID: 2020-00409

March 17, 2020

Discussion Item 02

Title: Ordinance Amending Section 5.156.090 of the Sacramento City Code Regarding Establishing a Temporary Moratorium on Evicting Tenants and Declaring the Ordinance to be an Emergency Measure [Two-Thirds Vote Required] {To be published in its entirety upon adoption} (To Be Delivered)

Location: Citywide

Recommendation: Adopt an Ordinance by two-thirds vote amending section 5.156.090 of the Sacramento City Code to establish a temporary moratorium on evicting tenants who suffer wage losses due to the implementation of measures to prevent the spread of the coronavirus disease, and declaring the Ordinance to be an emergency measure to take effect immediately.

Contact: Michael Jasso, Assistant City Manager, (916) 808-1380, Office of the City Manager

Presenter: Michael Jasso, Assistant City Manager, (916) 808-1380, Office of the City Manager

Attachments:

1-Description/Analysis

2-Ordinance (Clean)

Description/Analysis

Issue Detail: On March 4, 2020, the Governor declared a State of Emergency in California due to the threat of Coronavirus Disease 19 (“COVID-19”). On March 5, 2020, the Sacramento County Public Health Officer declared a public health emergency in Sacramento County from COVID-19. Due to directives from federal, state and local health officials, events have been cancelled, schools have been closed, and residents have been advised to avoid public gatherings and stay and work at home to prevent the spread of this disease.

Restaurant and retail business has significantly declined and parents have missed work to care for home-bound school-age children, resulting in workers being impacted by lost wages and layoffs. The loss of wages caused by the effects of COVID-19 will impact a tenant’s ability to pay rent when due, leaving tenants vulnerable to eviction and homelessness.

The City’s Tenant Protection and Relief Act established a rent limit and eviction protections. Due to the Costa Hawkins Act limitations, the City’s ordinance applies to rental units that are 25 years and older (i.e., built on or before February 1, 1995), and certain types of residences are exempted. There are more than 42,000 rental units regulated under the ordinance. The ordinance included protection for tenants from eviction unless there was “just cause,” which includes failure to pay rent.

Therefore, an amendment to the ordinance is needed to establish a temporary moratorium to prohibit landlords from evicting tenants who are unable to pay the full amount of rent due to lost wages caused by the effects of COVID-19. The tenant will have to notify the landlord that their inability to pay rent was due to wage losses caused by the COVID-19 before the rent payment is due, and provide documentation to support the claim. Landlords who fail to comply would face administrative penalties.

Once the local emergency declaration is repealed, this amendment to the ordinance would be repealed. A tenant would then have to make arrangements with the landlord to pay the back rent owed, but no late fees could be imposed.

Policy Considerations: The city has been impacted by the health crisis of this global pandemic. Sporting events, concerts, and plays, and conferences have been cancelled. School closures have occurred and may continue. Employees have been advised to work at home. As a result, restaurant and retail business have significantly declined and workers have been impacted by lost wages and layoffs. Parents have had to miss work to care for home-bound school-age children. As the virus spreads, workers may have to stay home for extended periods of at least two weeks to recover from the illness.

Many tenants/residents have experienced sudden income loss, and further income impacts are anticipated. The loss of wages caused by the effects of COVID-19 may impact a tenant's ability to pay rent when due, leaving tenants vulnerable to eviction.

Providing tenants with a short-term protection from eviction due to the inability to pay rent will help avoid increasing the homeless population and stabilize the rental housing market by reducing displacement.

During this state of emergency, and in the interests of protecting the public health and preventing transmission of the coronavirus, it is essential to avoid unnecessary displacement of tenants. Prohibiting evictions on a temporary basis is needed until the spread of the virus can be minimized and the emergency restrictions lifted.

Economic Impacts: Landlords would still be entitled to collect back rent owed when the local emergency is repealed by the Sacramento County Public Health Officer, but not through an eviction process.

Environmental Considerations: The ordinance regulates eviction of tenants from existing rental units and its adoption is an administrative activity that does not result in a direct or indirect physical change to the environment. Therefore, this action is exempt from environmental review under CEQA per the CEQA Guidelines section 15378(b)(5).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The City Council needs to act to assist renters facing eviction because they are unable to pay rent due to wage losses caused by the COVID-19 health emergency. The urgent enactment is needed so that the tenants already suffering wage losses by the effects of COVID-19 will benefit from the eviction protection.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

ORDINANCE NO. 2020-

Adopted by the Sacramento City Council

**AN ORDINANCE AMENDING SECTION 5.156.090 OF THE SACRAMENTO CITY CODE,
RELATING TO A TEMPORARY MORATORIUM ON EVICTING TENANTS AND
DECLARING THE ORDINANCE TO BE AN EMERGENCY MEASURE TO TAKE EFFECT
IMMEDIATELY UPON ADOPTION**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. Findings.

The City Council finds and declares as follows:

A. On March 4, 2020, the Governor declared a State of Emergency in California due to the threat of Coronavirus Disease 2019 (“COVID-19”). On March 5, 2020, the Sacramento County Public Health Officer declared a public health emergency in Sacramento County due to COVID-19. Due to directives from federal, state, and local health officials, residents have been advised to avoid public gatherings and stay at home to prevent the spread of this disease.

B. The city has been impacted by the health crisis of this global pandemic. Sporting events, concerts, plays, and conferences have been cancelled. School closures have occurred and may continue. Employees have been advised to work at home. As a result, restaurant and retail business has significantly declined and workers have been impacted by lost wages and layoffs. Parents have had to miss work to care for home-bound school-age children. As the virus spreads, workers may have to stay home for extended periods.

C. Many tenants have experienced sudden income loss, and further income impacts are anticipated. The loss of wages caused by the effects of COVID-19 may impact tenants’ ability to pay rent when due, leaving tenants vulnerable to eviction.

D. Providing tenants with a short-term protection from eviction due to the inability to pay rent will help avoid increasing the homeless population and stabilize the rental housing market by reducing displacement.

E. During this state of emergency, and in the interests of protecting the public health and preventing transmission of the coronavirus, it is essential to avoid unnecessary displacement of tenants. Prohibiting evictions on a temporary basis is needed until the spread of the virus can be minimized and the emergency restrictions lifted.

F. Nothing in this ordinance waives a tenant’s obligations to pay back rent owed once this ordinance is no longer effective.

SECTION 2. Moratorium.

A. Subsection D of section 5.156.090 of the Sacramento City Code is hereby added to read as follows:

- D. Moratorium on evictions due to nonpayment of rent during the COVID-19 emergency.
 - 1. This subsection D remains in effect until the County of Sacramento proclaims the termination of the local public health emergency declared by the Sacramento County Public Health Officer on March 5, 2020.
 - 2. No landlord shall endeavor to evict a tenant for nonpayment of rent if the tenant, in accordance with this subsection D, demonstrates that the inability to pay rent is due to the Coronavirus Disease 2019 (COVID-19), the state of emergency regarding COVID-19, or following government-recommended COVID-19 precautions.
 - 3. As used in this subsection D, “covered reason for delayed payment” means a tenant’s loss of income due to any of the following: (a) tenant was sick with COVID-19 or caring for a household or family member who is sick with COVID-19; (b) tenant experienced a lay-off, loss of hours, or other income reduction resulting from COVID-19 or the state of emergency; (c) tenant’s compliance with a recommendation from a government agency to stay home, self-quarantine, or avoid congregating with others during the state of emergency; and (d) tenant’s need to miss work to care for a home-bound school-age child.
 - 4. To take advantage of the protections afforded under this subsection D, a tenant must do all the following:
 - a. Notify the landlord in writing before the day rent is due that the tenant has a covered reason for delayed payment;
 - b. Provide the landlord with verifiable documentation to support the assertion of a covered reason for delayed payment; and
 - c. Pay the portion of rent that the tenant is able to pay.
 - 5. If a tenant complies with the requirements of subsection D.4, a landlord shall not serve a notice pursuant to California Code of Civil Procedure sections 1161 and 1162, 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.
 - 6. Nothing in this subsection D relieves the tenant of liability for the unpaid rent after expiration of this subsection D.

B. Except as amended by subsection A above, all provisions of section 5.156.090 remain unchanged and in full effect.

SECTION 3. Effective Date.

This ordinance takes effect immediately upon enactment.

SECTION 4. 120-Day Payback Period.

Tenants who were afforded eviction protection under Sacramento City Code section 5.156.090.D shall have up to 120 days after the County of Sacramento proclaims the termination of the local public health emergency declared by the Sacramento County Public Health Officer on March 5, 2020, to pay their landlord all unpaid rent. During that 120-day period, the protections against eviction found in Sacramento City Code section 5.156.090.D apply for such tenants.

SECTION 5. Emergency Declaration.

The city council declares this ordinance to be an emergency measure, to take effect immediately upon adoption pursuant to Sacramento City Charter section 32(g)(2). The facts constituting the emergency are as follows:

The directives from health officials to contain the spread of COVID-19 has resulted in loss of business, furloughs, loss of wages, and lack of work for employees. To protect the public health, safety, and welfare, the city must act to prevent eviction of tenants who are unable to pay rent due to wage losses caused by the effects of COVID-19. An emergency measure is necessary to protect tenants from eviction for a temporary period.