



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MARCH 31, 2020**

FROM: COUNCILMEMBER RONALDO FIERRO **WARDS: ALL**
COUNCILWOMAN GABY PLASCENCIA
COUNCILMEMBER STEVE HEMENWAY

SUBJECT: RESOLUTION ESTABLISHING A TEMPORARY MORATORIUM ON EVICTION FOR NON-PAYMENT OF RENT FOR RESIDENTIAL AND COMMERCIAL TENANTS; FOR 60 DAYS UNLESS EXTENDED

ISSUE:

Adopt a resolution establishing a temporary moratorium on evicting tenants who suffer wage losses or revenue loss due to the economic impact of the COVID-19 pandemic, to take effect immediately; discuss possible economic relief for landlords and tenants.

RECOMMENDATIONS:

That the City Council:

1. Adopt a resolution establishing a temporary moratorium on the eviction of residential and commercial tenants due to non-payment of rent in relation to the COVID-19 crisis, subject to the following requirements:
 - a. The tenant is to notify their landlord before the day the rent is due, with the circumstances surrounding their inability to pay the entire rent; and
 - b. If able, the tenant should make an effort to pay a portion of the rent; and
 - c. The tenant and the landlord should work out a payment plan with a minimum of four (4) months after the repeal of the Local Emergency in which to pay back the rent owed. No late fees are to be imposed on the late rent; and
 - d. The landlord is entitled to collect full monthly rent owed after the repeal of the Local Emergency.
2. Discuss possible economic relief measures, advocacy and education campaigns for impacted tenants and landlords with financial hardship due to COVID-19 crisis.

BACKGROUND:

On March 4th, 2020, California Governor Gavin Newsom declared a State of Emergency in California due to the threat of Coronavirus (COVID-19). On March 8th, 2020, Riverside County Public Health Officer declared a local health emergency based the imminent threat to public health from COVID-19 in Riverside County.

On March 17th, 2020, the Riverside City Council ratified a local emergency declaration in order to protect the public from COVID-19. Further actions ordered all bars, wineries and breweries to close and for restaurants to cut capacity to 50%. A previous order by the Riverside County Public Health Officer ordered the cancellation of all gatherings with an expected presence of 10 people or more, effectively closing most small businesses.

Riverside Unified School District (RUSD) and Alvord Unified School District (AUSD) have closed until at least April 30th and universities and colleges locally and across the country have closed, resulting in a mass exodus of home-bound students to unexpected, working parents.

This has had a large effect on all sectors of our local economy but has specifically hit low-income rental tenants and small business owners the hardest. Many low-income renters have either lost their job due to business closures or have opted for fewer hours and loss of wages in order to take care of school-aged children. This loss of wages for families already living paycheck to paycheck has a very real ability to impact rental tenant's ability to pay monthly rent, leaving them vulnerable to eviction and subsequently possible homelessness. Commercial tenants face the same issue. Many small businesses rely on constant cash flow and are barely able to make ends meet during normal times. Social distancing and other mitigation efforts have effectively eliminated revenue flow for many of these businesses, forcing them to make the decision of doing payroll or paying the monthly rent.

On Monday, March 16th, 2020, in response to calls from tenant advocacy groups and local officials for a statewide eviction moratorium, California Governor Gavin Newsom issued an executive order that authorizes local governments to halt evictions for residential or commercial evictions. The executive order does not mandate an eviction moratorium but rather directs local governments to authorize and enforce them on their own.

On Wednesday March 18th, 2020, President Trump ordered the Federal Housing Finance Authority (FHFA) to suspend foreclosures and evictions for homeowners with an Enterprise-backed single-family mortgage and additionally ordered the Department of Housing and Development (HUD) to suspend evictions of public housing units.

DISCUSSION:

The City, pursuant to the police powers delegated to it by the Constitution of the State of California, has the authority to enact laws which promote the public health, safety and general welfare of its residents.

A moratorium for non-payment evictions will provide much needed relief to some of our most vulnerable, rent-burdened families and small businesses during a time when it is most needed.

Once the City of Riverside's local emergency declaration is terminated, the ordinance will be repealed and allow renters a minimum four-month period to pay back the rent owed with no late fees imposed.

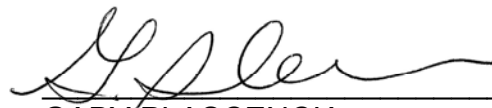
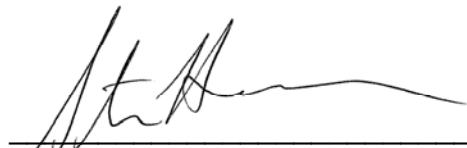
This moratorium will not relieve the tenant from their obligation to pay rent nor will it restrict the landlord's ability to recover the rent that is due after the suspension of the moratorium. It will simply suspend any evictions due to non-payment of rent incurred by the effects of the COVID-19 emergency.

The moratorium will go into effect immediately and will be reviewed by the City Council after 60 days.

FISCAL IMPACT:

There is no anticipated immediate fiscal impact of this item.

Prepared by:


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Attachments:

1. Resolution - Eviction Moratorium
2. Executive Order N-28-20