



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MAY 5, 2020**

FROM: COUNCILMEMBER ERIN EDWARDS **WARDS: ALL**
COUNCILWOMAN GABY PLASCENCIA

SUBJECT: RESOLUTION ESTABLISHING A TEMPORARY FREEZE ON RENT INCREASES FOR RESIDENTIAL TENANTS DURING THE TERM OF THE COVID-19 CRISIS

ISSUE: Adopt a resolution establishing a temporary freeze on rent increases for residential tenants who suffer wage or revenue loss due to the economic impact of the COVID-19 pandemic, to take effect immediately.

RECOMMENDATIONS:

That the City Council adopt a resolution establishing a temporary freeze on rent increases for residential tenants during the COVID-19 crisis for a period of 60 days or until the Local Emergency is terminated, whichever is earlier.

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 June 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 can significantly impact a rental tenant's ability to pay monthly rent, leaving renters vulnerable to eviction and, subsequently, possible homelessness.

On Monday, March 16, 2020, California Governor Gavin Newsom issued Executive Order N-28-20 authorizing local governments to halt evictions for residential or commercial evictions. On March 27, 2020, the Governor issued Executive Order N-37-20, which effectively issued a moratorium on eviction due to Covid-19 until May 31, 2020.

On March 31, 2020, this City Council adopted Resolution No. 23558 establishing a moratorium on all residential and commercial evictions for sixty days as well as allowing for a six (6) month time frame for a tenant to pay any and all back rent.

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.

In line with the moratorium on evictions, individuals who have month-to-month rental agreements or whose rental agreements are expiring during the COVID-19 crisis are the most vulnerable to a rent increase at a time when they are most in need of stability.

This temporary freeze will not relieve the tenant from their obligation to pay rent, nor will it restrict the landlord's ability to recover the same or legally increase the rent after the 60 day period. This freeze will only apply to those rental properties subject to AB 1482, the Tenant Protection Act of 2019 that went into effect on January 1, 2020. Specifically, the following properties would not be subject to this moratorium:

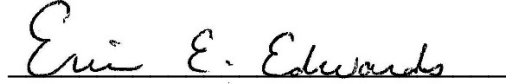
1. Housing restricted by deed as affordable housing.
2. Dormitories maintained by any higher education institution within the state of use and occupancy by students at that institution.
3. Housing that has been issued a certificate of occupancy within the previous 15 years.
4. Residential real property that is alienable separate from the title to any other dwelling unit, provided both of the following apply:
 - a. the owner is not a real estate investment trust, corporation or limited liability company in which at least one member is a corporation and
 - b. the tenants have been provided written notice that the residential real property is exempt from Civil Code section 1947.12, as provided for therein.
5. Duplex in which one of the units is occupied by the owner.
6. Mobile Home Parks which are governed by Riverside Municipal Code Chapter 5.75.

The moratorium will go into effect immediately and will terminate upon the repeal of the Local Emergency, or 60 days, whichever is earlier.


FISCAL IMPACT:

There is no anticipated immediate fiscal impact of this item.

Prepared by:

A handwritten signature in cursive script, reading "Erin E. Edwards", positioned above a horizontal line.

ERIN EDWARDS
Councilmember, Ward 1

A handwritten signature in cursive script, reading "Gaby Plascencia", positioned above a horizontal line.

GABY PLASCENCIA
Councilwoman, Ward 5

Attachment: Resolution