



## CITY COUNCIL AGENDA REPORT

### City of Anaheim CITY MANAGER'S OFFICE

**DATE:** MARCH 24, 2020

**FROM:** CITY MANAGER'S OFFICE

**SUBJECT: AN UNCODIFIED (URGENCY) ORDINANCE IMPOSING A TEMPORARY MORATORIUM ON THE EVICTION OF RESIDENTIAL OR COMMERCIAL TENANTS UNABLE TO PAY RENT BECAUSE OF COVID-19, DECLARING THE ORDINANCE TO BE AN EMERGENCY MEASURE TO TAKE EFFECT IMMEDIATELY UPON ADOPTION, AND PROVIDING DIRECTION TO THE CITY MANAGER REGARDING OTHER POSSIBLE ASSISTANCE TO ANAHEIM RESIDENTS AND BUSINESSES**

**ATTACHMENT (Y/N): YES ITEM # 12**

#### **ACTION:**

That the City Council, by Motion, adopt an Ordinance that would take effect immediately, to establish a temporary moratorium on the eviction of residential or commercial tenants who are unable to pay rent due to the impacts of the novel coronavirus disease, and provide direction to the City Manager regarding other possible assistance to Anaheim residents and businesses (COVID-19).

#### **DISCUSSION:**

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 16, 2020, the Anaheim City Council proclaimed the existence of a local emergency due to COVID-19 in order to seek federal and state resources and to provide emergency authority to the City Manager. Furthermore, on March 19, 2020, the Governor established a statewide "Stay at Home" Executive Order thereby closing all non-essential services and businesses in order to prevent the spread of COVID-19 throughout the state.

Because of directives from federal, state and local health officials, mostly all events have been cancelled, schools have been closed, and residents have been advised to avoid public gatherings and stay at home to prevent the spread of this disease. Restaurant and retail business has significantly declined and parents have missed work to care for homebound school-age children, resulting in workers being impacted by lost wages and layoffs. In Anaheim, the Anaheim Convention Center, Disneyland Resort, Honda Center, Angels Baseball, City National Grove of Anaheim, hotels and countless businesses across the city have temporarily closed or suspended operations. As a result, workers are experiencing loss of wages due to business closures, loss of working hours, layoffs, or out-of-pocket medical costs caused by COVID-19. All of these factors will

undoubtedly impact tenants – both residential and commercial - and their ability to pay rent, leaving them vulnerable to eviction.

Providing tenants with a short-term protection from eviction due to the inability to pay rent will help 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. To that end, prohibiting evictions on a temporary basis is important until the spread of the virus can be minimized and the emergency restrictions lifted.

If approved, the proposed ordinance would prohibit a landlord from initiating proceedings or otherwise take steps to evict a tenant for nonpayment of rent from any residential dwelling (including single family and multi-family homes, mobile homes or other structures lawfully used as a residential dwelling) if the tenant demonstrates that the inability to pay rent is due to COVID-19. The ordinance would also apply to commercial tenants, such as a business or commercial enterprise renting or leasing a structure used for business purposes.

In order to take advantage of the protections provided in the ordinance, both residential and commercial tenants would be required to: notify the landlord in writing before the day rent is due that the tenant has a covered reason for delayed payment; provide the landlord with verifiable documentation to support the assertion of a covered reason for delayed payment; and pay the portion of rent that the tenant is able to pay. Nothing in the ordinance is intended to waive a tenant's obligation to pay back rent owed once this ordinance is no longer effective.

The ordinance provides that a tenant will have up to ninety (90) days after the expiration of this ordinance to pay its landlord unpaid rent. The terms of the repayment plan are to be agreed upon between the landlord and tenant, provided that, if no agreement is reached between the landlord and tenant, the back/past rent due shall be repaid in three (3) equal installments to be paid in monthly intervals beginning thirty (30) days after the date the rent becomes due. No late fees, costs or other penalties shall be assessed or due from the tenant based on the delay in paying rent as provided for in this ordinance. The Moratorium on residential and commercial eviction would remain in effect until April 30, 2020, unless extended by the City Council at a later date.

The proposed ordinance also provides additional direction to city staff related to the moratorium and the City's overall crisis response. First, it asks the City Manager to widely disseminate materials related to the moratorium to both tenants and landlords. Next, it directs the City Manager to begin requesting federal housing assistance and funding to support tenants and landlords that are negatively impacted by COVID-19. The ordinance also asks the City Manager to explore the feasibility of expanding the Senior Safety Net Program to include all impacted Anaheim residents. Finally, the ordinance directs the City Manager to report back on the City's implementation plan for the "Stay at Home" order and to work with affected stakeholders on a package of economic assistance and recovery recommendations for future consideration by the Council.

**IMPACT ON BUDGET:**

There is no budgetary impact.

Respectfully submitted,

Greg Garcia  
Deputy City Manager

**Attachment:**

1. Ordinance