

City of Sacramento

Legislation Text

File #: 2020-00422, Version: 1

Title:

Ordinance Amending the Temporary Moratorium on Evicting Tenants to Include Commercial 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)

File ID: 2020-00422

Location: Citywide

Recommendation:

Adopt an Ordinance by two-thirds vote amending Sacramento City Ordinance 2020-0015 to establish a moratorium on evicting commercial tenants suffering business income loss due to the implementation of measures to prevent the spread of COVID-19, and declaring the Ordinance to be an emergency measure to take effect immediately.

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Attachments:

1-Description/Analysis

2-Ordinance (Redline)

3-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 and then issued an Order of the County Health Officer to Stay at Home or Place of Residence on March 19, 2020. That order imposes strong restrictions on the activities of persons and the operation of businesses throughout the county. Due to these and other actions from federal, state, and local health officials, there has been an unprecedented disruption of business in the city.

On March 16, 2020, the Governor issued Executive Order N-28-20. The order suspends any state law that would preempt or otherwise restrict the city's exercise of its police power to impose

substantive limitations on evictions based on nonpayment of rent resulting from the impacts of COVID-19.

On March 17, 2020, the city council adopted an emergency measure, Ordinance No. 2020-0015, to temporarily protect against the eviction of *residential* tenants who are suffering income loss as a result of the COVID-19 pandemic.

An amendment to the ordinance is needed to likewise protect *commercial* tenants suffering business disruption and income loss.

Once Executive Order N-28-20 (and any extension) expires, the ordinance would expire, and a tenant would then have to make arrangements with the landlord to pay the back rent owed.

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. Bars and restaurants have been ordered to only serve food for delivery or pick-up; many other businesses have been determined to be non-essential, and thus ordered to effectively cease operations.

The loss of income caused by the effects of COVID-19 and the public health orders have, and will, impact commercial tenants' ability to pay rent when due, leaving them vulnerable to eviction.

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 to avoid further business closures and job losses.

Economic Impacts: Landlords would still be entitled to collect back rent owed when the Governor's Executive Order N-28-20 expires, but not through an eviction process.

Environmental Considerations: The ordinance regulates eviction of tenants 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 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 commercial tenants facing eviction because they are unable to pay rent due to income losses caused by the COVID-19 health emergency. The urgent enactment is needed so that the tenants already suffering from the economic

effects of CODIV-19 will benefit from the eviction protection.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.