

City Council Agenda Item Report

Agenda Item No. COV-146-2020

Submitted by: Diana Figueroa

Submitting Department: City Administration

Meeting Date: April 21, 2020

SUBJECT

Temporary Emergency Moratorium on Evictions at Residential Properties

Recommendation:

- A. Find that the proposed action is exempt under the California Environmental Quality Act (CEQA) review, because it is a continuing administrative activity that will not result in direct or indirect physical changes in the environment and, therefore, does not constitute a “project” as defined by CEQA Guidelines section 15378; and
- B. Adopt Emergency Ordinance No. 1268, pursuant to Chapter 4.4 of the City Charter, enacting a Temporary Emergency Moratorium on Evictions for renters and owners of residential properties in the City, late fee assessments for rent and utility payments, and service shut-offs.

Background:

On March 14, 2020, the City of Vernon declared a local emergency due to the recent outbreak of the Novel Coronavirus (COVID-19). The COVID-19 pandemic has had a significant effect on the national, regional, and local economy resulting in economic hardship related to layoffs, COVID-19 affected quarantines, and/or reduced work hours for a significant percentage of the nation’s workforce.

In an unprecedented step to slow the spread of COVID-19, Governor Newsom issued Executive Order N-33-20 on March 19, 2020, ordering all California residents and businesses to stay and work at home for an indeterminate period of time, with the only exceptions being essential services and industries. Subsequent to the State’s Executive Order, the Los Angeles County Department of Public Health revised its Safer at Home order that will extend closures of non-essential businesses and prohibit all gatherings and events through May 15, 2020. As a result of the public health emergency and the precautions ordered by health authorities, many tenants in Vernon may experience or have already experienced sudden and unexpected income loss.

The City understands that there are a host of factors that may impact its residential population. For example, individuals exposed to COVID-19 may be temporarily unable to report to work due to illness caused by COVID-19, or quarantines related to COVID-19. Individuals directly affected by COVID-19 may experience potential loss of income, health care and medical coverage, and ability to pay for housing and basic needs. This will lead to increased demands on already strained regional and local health and safety resources, including shelters and food banks. School closures have led to many parents adjusting their work schedules to take time off work (whether paid or unpaid). The inability to work due to school closures will economically strain those families who cannot afford to stay at home without pay. The situation is extraordinary and evolving rapidly. Further economic impacts are anticipated, leaving tenants vulnerable to eviction.

California Governor Gavin Newsom issued Executive Order N-28-20, which expanded cities’ power to enact local rent control ordinances in response to the financial implications of the COVID-19 pandemic. Specifically, various sections of the California Civil Code authorize cities to control certain aspects of the

landlord-tenant relationship; but cities are preempted by State law from prohibiting evictions stemming from failure to pay rent, or those stemming from foreclosures. The Governor's Executive Order expressly waives these provisions of State law, and expressly allows cities to enact local moratoriums on residential and commercial evictions caused by COVID-19.

Consistent with the City's Local Emergency Proclamation and the State Executive Order N-28-20, an Emergency Ordinance has been prepared which would prevent evictions of residential tenants impacted by COVID-19 during the emergency period. The "safe harbor" would apply to evictions of residential tenants in the following situations during the emergency period:

- * For temporary nonpayment of rent if the tenant demonstrates that the tenant is unable to pay rent due to financial impacts related to COVID-19;
- * For a no-fault eviction if any member of the household is sick, in isolation, or under quarantine, a landlord who knows that a tenant cannot pay some or all of the rent temporarily due to financial impacts related to COVID-19 shall not seek to evict for nonpayment of rent;
- * A landlord may not charge or collect a late fee for rent that is delayed due to financial impacts related to COVID-19;
- * During this moratorium, a residential tenant shall also be waived any obligation for payment on late fee assessments related to electric, water, fiber, and gas utility charges and service shall not be shut off due to non-payment;
- * The moratorium would remain in effect for the period of time set forth in State Executive Order N-28-20, and may be extended from time to time, unless sooner terminated or repealed by the City Council.

Nothing in the Emergency Ordinance relieves the tenant of liability for the unpaid rent, which the landlord may seek after expiration of the local emergency and the tenant must pay within six (6) months of the expiration of the local emergency.

It is the intent of City leaders to offer a form of emergency relief to residents who are vulnerable to the sudden and immediate loss of revenues, and who are navigating a means to survive the fiscal impacts of the COVID-19 crisis. The proposed Emergency Ordinance is part of the City's COVID-19 Disaster Relief Initiative and will function to offset some of the financial burden that residents in Vernon are experiencing during this health emergency. This temporary moratorium is intended to promote stability and fairness within the residential rental markets in the City during the COVID-19 pandemic outbreak and to prevent avoidable homelessness. The passage of this Emergency Ordinance will serve to protect public peace, health, safety, and public welfare and seeks to help enable tenants in Vernon whose income and ability to work are affected due to COVID-19 to remain in their homes.

Fiscal Impact:

Since the issuance of a moratorium on residential tenant evictions and suspension of utility service shut-offs in Vernon due to the local COVID-19 emergency is temporary, it is not likely to have significant overall impacts on the City in the long-term.

Attachments:

1. [Ordinance No. 1268](#)



**Memorandum
City Clerk Department**

DATE: April 21, 2020
TO: Department Heads
FROM: Lisa Pope, City Clerk
RE: City Council Actions Taken

At the April 21, 2020 Regular City Council meeting, the Vernon City Council took the actions listed below by unanimous vote unless otherwise noted:

1. A. Found the proposed action exempt under the California Environmental Quality Act (CEQA); and B. Adopted a Resolution reciting the facts of the General Municipal Election held on April 14, 2020, declaring the results and such other matters as provided by law.
2. A. Found the proposed action exempt under CEQA; B. Designated Leticia Lopez as Mayor based on rotation schedule according to year of election; and C. Designated Melissa Ybarra as Mayor Pro Tempore based on rotation schedule according to year of election.
3. Directed staff to bring back the draft budget with a reduction on utility load forecasting; and potential deferral of capital improvement projects and adjustment to grant funds.
4. Acknowledged the Employee Service Pin Recipients for March 2020.
5. Conducted second reading and adopted Ordinance No. 1265 amending Article XX of Chapter 2, Sections 2.162 and 2.164 through 2.166, of the Vernon Municipal Code to modify Vernon CommUNITY Fund grant fund allocation, eligibility, and criteria.
6. Conducted second reading and adopted Ordinance No. 1266 amending Section 2.125(b) of Article XVII of Chapter 2 of the Vernon Municipal Code to delete any reference to a "first responders" priority.
7. Approved City Payroll Warrant Register No. 766, for the period of March 1 through March 31, 2020, which totals \$3,469,588.34 and consists of ratification of direct deposits, checks and taxes totaling \$2,433,298.83 and ratification of checks and electronic fund transfers (EFT) for payroll related disbursements totaling \$1,036,289.51 paid through operating bank account.
8. Approved Operating Account Warrant Register No. 43, for the period of March 22 through April 4, 2020, which totals \$4,682,526.89 and consists of ratification of electronic payments totaling \$4,525,694.15 and ratification of the issuance of early checks totaling \$156,832.74.

9. Received and filed the Fire Department February 2020 Activity Report.
10. Received and filed the Police Department February 2020 Activity Report.
11. A. Found the proposed action exempt under CEQA; and B. Received and filed the Side Letter to Resolution No. 2020-06 Ratifying Emergency Proclamation 2020-01 (Novel Coronavirus – COVID-19).
12. A. Found the proposed action exempt under CEQA; and B. Adopted Emergency Ordinance No. 1268, pursuant to Chapter 4.4 of the City Charter, enacting a Temporary Emergency Moratorium on Evictions for renters and owners of residential properties in the City, late fee assessments for rent and utility payments, and service shut-offs, with a status update in three months; and referred a discussion of rent forgiveness to the Housing Commission.
13. Deferred the Grant Agreement between the City of Vernon and YMCA Metropolitan Los Angeles (YMCA) in substantially the same form as submitted, for a total amount of \$60,000 to support YMCA's COVID-19 centric emergency services in the Southeast Los Angeles Area.