



## Legislation Text

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**File #:** 23-024, **Version:** 1

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Adopt an Ordinance to Extend the Time Period for Repayment of Unpaid Rent that Accumulated During the City's Residential Eviction Moratorium to One Year

### **COUNCIL PRIORITY**

- Housing and Homelessness
- Race and Equity Initiatives
- Community & Business Development

### **SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council adopt an Ordinance to extend the time period for repayment of unpaid rent that accumulated during the City's residential Eviction Moratorium to one year.

### **BACKGROUND**

In response to the outbreak of the COVID-19 Pandemic, the Governor of California proclaimed a state of emergency throughout California on March 4, 2020. Thereafter, the San Leandro Director of Emergency Services proclaimed a local emergency which was ratified by the City Council on March 16, 2020. Soon, health officers in the Bay Area (and later throughout California) issued orders directing residents to shelter at home and limit activity, travel, and business to only the most essential needs. These health orders caused businesses of all types to cease, or substantially reduce operations. This caused many employees to lose jobs or have their hours reduced.

In response to the COVID-19 pandemic and shelter-in-place orders requiring most people to stay at home, the San Leandro City Council adopted Ordinance No. 2020-003, as an urgency ordinance, to enact a residential and commercial eviction moratorium (the commercial eviction moratorium terminated in September 2021). Ordinance No. 2020-003 was a temporary measure intended to promote stability and fairness within the residential and commercial rental market in the City during the COVID-19 pandemic outbreak, and to prevent avoidable homelessness and evictions thereby serving the peace, health, safety, and public welfare and to enable tenants in the City whose incomes and ability to work are affected by COVID-19 to remain in their homes and businesses.

Ordinance No. 2020-003 provided that the eviction moratorium would terminate on the later of: 1) May 31, 2020, 2) the expiration of the local emergency, or 3) the Governor's proclamation of a state of emergency. The Governor's proclamation of a state of emergency is set to expire on February 28, 2023. Likewise, the City Council intends to terminate the local emergency concurrently with the expiration of the Governor's proclamation of a state of emergency. Accordingly, the City's eviction moratorium will terminate on February 28, 2023.

Ordinance No. 2020-003 provides that, upon the expiration of the eviction moratorium, tenants and mobile homeowners have a maximum of 180 days to repay rent that accumulated during the period of the eviction

moratorium, but which has not yet been paid.

## **Analysis**

The COVID-19 pandemic has persisted longer than the City Council anticipated when it enacted Ordinance No. 2020-003, which contemplated that the Governor's emergency declaration and the local emergency declaration might end earlier than May 31, 2020. Similarly, the scale of the economic impact caused by COVID-19 was deeper than expected at the time. In February 2020 the unemployment rate in Alameda County was 2.9%, but layoffs due to COVID-19 caused the unemployment rate to rise to 14.1% in April 2020, the highest rate since before World War II. The unemployment rate in Alameda County remained above 8% for 6 months, and did not drop below 5% for 18 months. High unemployment was one of multiple factors that caused a substantial decrease in the household income of many households in San Leandro, and this decrease in income prevented these households from paying rent for an extended period of time

Because the impacts of the COVID-19 pandemic lasted longer than originally anticipated, the amount of rent that accumulated during the eviction moratorium is greater than was anticipated when Ordinance No. 2020-003 was originally enacted. Requiring households to repay the entirety of the accumulated rent within a maximum of 180 days will cause severe financial hardship. This financial hardship is exacerbated by ongoing high levels of inflation, which make purchasing necessary household goods like food, clothes, gasoline and medications substantially more expensive for households.

The proposed ordinance will do two things. First, the proposed ordinance will readopt the existing eviction moratorium as a regular ordinance. Second, it will extend the time period for tenants and mobile homeowners to repay rent that accumulated during the eviction moratorium to one year. The proposed ordinance will not extend the eviction moratorium, which will still expire on February 28, 2023.

Since the beginning of the COVID-19 pandemic, City Housing Division Staff have regularly fielded phone calls from both residential tenants and property owners/managers on the status of the Eviction Moratorium. In 2020, the City began annually contracting with the nonprofit Centro Legal de la Raza (and its nonprofit subcontractor Eden Council for Hope and Opportunity or ECHO Housing) to provide information and referral, legal consultation, and legal representation on tenant/landlord issues including eviction defense. Around Summer 2020 when the pandemic was at its height, the City approved over \$1.1 million in federal Community Development Block Grant - Coronavirus (CDBG-CV) funds to create an Emergency Rental Assistance Program that provided rental payment assistance grants to 148 low-income renters whose incomes were negatively impacted by COVID-19.

Based on call data collected by the Housing Division in FY 2020-2021 and FY 2021-2022, 51% (339 inquiries) and 48% (275 inquiries), respectively were calls to City staff for assistance on the eviction moratorium, rental assistance (an indicator of those having difficulty paying/collecting rent), and/or general tenant/landlord issues. As of March 2022, when Alameda County Housing Secure (<https://www.ac-housingsecure.org/>) stopped accepting applications for federal emergency rental assistance funds, San Leandro residents were the second highest per capita in the County to receive assistance with a total of \$16.4 million dollars in rental assistance approved out of approximately \$36 million in total assistance requested.

### **Current Agency Policies**

- Ordinance No. 2020-003, Declaration of a Local Emergency due to the COVID-19 Pandemic.

### **Environmental Review**

The proposed Resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) State CEQA Guidelines because it can be seen with certainty that there is no possibility that the resolution may have a significant effect on the environment.

### **Legal Analysis**

The City Attorney's Office drafted the proposed Ordinance and has reviewed the staff report.

### **ATTACHMENT**

***Attachment A:*** Ordinance of the City of San Leandro City Council To Extend the Time Period for Repayment of Unpaid Rent that Accumulated During the City's Residential Eviction Moratorium to One Year.

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