REPORT TO CITY COUNCIL

DATE: MAY 13, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: LOUIS CELAYA, DEPUTY CITY MANAGER

CANDICE LEE, CITY ATTORNEY

SUBJECT: DISCUSSION ON AMENDMENT TO EMERGENCY EVICTION

MORATORIUM

In response to the COVID-19 crisis, on March 20, 2020, the City Manager, in his capacity as Director of Emergency Services, issued Executive Order No. 2020-01, imposing emergency regulations related to residential and commercial tenant evictions, thereby placing a temporary moratorium on evictions for residential and commercial properties. The Executive Order prevented landlords from evicting both residential and commercial tenants for non-payment of rent until May 31, 2020, as a result of the COVID-19 crisis. The eviction ban does not relieve tenants of their obligation to pay rent, and all unpaid rent must be paid within six (6) months after the end of the COVID-19 local emergency.

At the April 7, 2020, special City Council meeting, the City Council ratified and confirmed the City Manager's Executive Order No. 2020-01, and directed staff to research current actions other cities are taking to address rent re-payment and possible methods whereby tenants and landlords could reach consensus on how that would be achieved. As the tentative end date of May 31, 2020, for the City's eviction ban approaches, the City should consider amending the eviction moratorium to extend the current moratorium end date, and discuss whether to include language regarding rent repayment options based on the research provided.

Staff's research reveals that the most common period of time that cities in Los Angeles County, including the City of Agoura Hills, allow for repayment of unpaid rent is six (6) months. To staff's knowledge, there are four agencies that have recently extended their repayment period to twelve (12) months. Attachment A to this report provides a summary of repayment timelines for current eviction moratoria issued by local agencies within the County of Los Angeles.

Additionally, research on repayment guidelines shows that for most of the eviction moratoria, there are no specific guidelines for rent repayment plans at the conclusion of the COVID-19 crisis. However, the measures do address the issue of repayment plans and tend to "encourage" landlords and tenants to enter into mutually convenient

repayment plans, rather than requiring or establishing baselines or parameters for such plans. Sample repayment language includes references such as:

- Tenant and owner may mutually agree to a payment plan or arrangements for repayment of rent;
- Tenants and landlords are strongly encouraged to agree to a payment plan;
- Landlords are strongly encouraged to offer payment plans to tenants after the period of local emergency, which may go beyond the twelve-month repayment period upon mutual agreement of the parties;
- Landlord may not seek rent that is delayed for reasons stated in the order through the eviction process if the landlord has already obtained compensation for the rent through federal or state government relief funds or other programs that provide such compensation

If the City Council wishes to amend its eviction moratorium to provide additional protections for tenants and/or more certainty for property owners in the aftermath of the COVID-19 emergency, it may wish to consider any or all of the following options:

- 1. Extending the period for repayment of back rent from 6 months to 9 months or 12 months:
- 2. Explicitly encouraging landlords to offer repayment plans to tenants; and
- 3. Prohibiting landlords from seeking repayment of back rent from tenants to the extent that they have received government aid to cover the shortfall

RECOMMENDATION

City staff respectfully recommends the City Council provide direction to staff on whether to return to Council with an agenda item that extends the tenant eviction moratorium, along with the extension timeframe, and if so, which additional amendments regarding rent repayment should be included.

Attachments: Attachment A: Summary Table of Rent Payment Timelines - Cities

Attachment B: City Executive Order No. 2020-01

Attachment A Rent Repayment Timeframes

Local Agency	Time Allowed for Rent Repayment
County of Los Angeles	Within 12 months after May 31, 2020
	(unless otherwise extended by the
	County)
City of Los Angeles	Within 12 months after the expiration of
	the state of local emergency declared by
	the City (for residential tenants); 3 months after the expiration of the state of
	local emergency declared by the City (for
	commercial tenants)
Alhambra	Within 6 months after May 31, 2020 (or
	through the extension of Executive Order
	N-28-20, if later)
Agoura Hills	Within 6 months after the termination
	of the state of local emergency
	declared by the City
Arcadia	Within 6 months after the expiration of the
	state of local emergency declared by the
Doldwin Dode	City
Baldwin Park	Within 6 months after the expiration of the state of local emergency declared by the
	City
Beverly Hills	Within 6 months after the expiration of the
	state of local emergency declared by the
	City
Burbank	Within 6 months after the expiration of the
	state of local emergency declared by the
	City
Calabasas	Within 6 months after the expiration of the
	state of local emergency declared by the
	City (commercial tenants only)
Commerce	Within 6 months after the expiration of the
	state of local emergency declared by the
Cultion City	City
Culver City	Within 6 months after May 31, 2020
El Monte	(unless otherwise extended by the City)
El Monte	Within 120 days after the expiration of the state of local emergency declared by the
	City
W	Oity

Gardena	Within 120 days after the expiration of the state of local emergency declared by the City
Glendale	Within 6 months after the expiration of the state of local emergency declared by the City (for commercial tenants) or after the expiration of the state-wide emergency declared by the governor (for residential tenants)
Hawaiian Gardens	Within 6 months after the expiration of the state of local emergency declared by the City
Inglewood	No time period given
Lawndale	Within 6 months after the expiration of the state of local emergency declared by the City
Long Beach	Until November 30, 2020, with the exception that all delayed rent is due immediately if the tenant fails to pay rent that comes due after May 31, 2020
Manhattan Beach	Within 6 months after the expiration of the state of local emergency declared by the City
Maywood	Within 6 months after the expiration of the state of local emergency declared by the City
Monrovia	Within 6 months after the expiration of the state of local emergency declared by the City
Pasadena	Within 6 months after the expiration of the state of local emergency declared by the City
Pico Rivera	Within 4 months after the termination of emergency eviction moratorium
Pomona	Within 6 months after the expiration of the state of local emergency declared by the City
Redondo Beach	Within 6 months after the expiration of the state of local emergency declared by the City
Rosemead	Within 6 months after May 31, 2020, or the expiration of the state of local

	emergency declared by the City (if earlier)
San Gabriel	Within 180 days after the expiration of the eviction moratorium
Santa Clarita	Within 6 months after the expiration of the state of local emergency declared by the City
Santa Monica	Within 6 months after the expiration of the eviction moratorium
South Gate	No time period given
South Pasadena	Within 6 months after the expiration of the eviction moratorium
Temple City	Within 6 months after the expiration of the state-wide emergency declared by the Governor (for residential tenants)
West Hollywood	Within 12 months after the expiration of the state of local emergency declared by the City
Whittier	Within 120 days after the expiration of the state of local emergency declared by the City

MARCH 20, 2020 CITY OF AGOURA HILLS EXECUTIVE ORDER NO. 2020-01

AN EXECUTIVE ORDER OF THE DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF AGOURA HILLS IMPOSING EMERGENCY REGULATIONS RELATED TO RESIDENTIAL AND COMMERCIAL TENANT EVICTIONS, GROUP EVENTS AND GATHERINGS; SOCIAL DISTANCING MEASURES; AND CLOSURES OF CERTAIN BUSINESSES

WHEREAS, on March 4, 2020, the Governor of the State of California declared a state of emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19;

WHEREAS, on March 13, 2020, the President of the United States of America declared a national emergency and announced that the federal government will make emergency funding available to assist state and local governments in preventing the spread of and addressing the effects of COVID-19;

WHEREAS, on March 16, 2020, the Governor of the State of California issued Executive Order N-28-20. This Executive Order waived the 30-day time limitation in Penal Code Section 396(f) and mandated that the protections in that statutory provision shall be in effect through May 31, 2020. Additionally, this Executive Order suspended "[a]ny provision of state law that would preempt or otherwise restrict a local government's exercise of its police power to impose substantive limitations on residential or commercial evictions" of certain tenants affected by the COVID-19 pandemic;

WHEREAS, Agoura Hills Municipal Code Section 3605 designates the City Manager to be the Director of Emergency Services.

WHEREAS, on March 16, 2020, the Director of Emergency Services proclaimed the existence of a local emergency in response to the COVID-19 pandemic;

WHEREAS, on March 17, 2020, the City Council ratified the emergency proclamation issued by the Director of Emergency Services;

WHEREAS, the Centers for Disease Control and Prevention, the California Department of Public Health, and the Los Angeles County Health Officer have issued recommendations and orders regarding social distancing, staying home if sick, cancellation or postponement of large group events, working from home, and other precautions to protect public health and prevent transmission of this communicable virus;

WHEREAS, as a result of the public health emergency and the precautions recommended by health authorities, many tenants in the City of Agoura Hills have experienced or expect soon to experience sudden and unexpected income loss;

WHEREAS, the Governor of the State of California has stated that 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, and that 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, thereby placing increased demands on already strained regional and local health and safety resources, including shelters and food banks;

WHEREAS, further economic impacts are anticipated, leaving tenants vulnerable to eviction;

WHEREAS, during this emergency, and in the interest of protecting the public health and preventing transmission of COVID-19, it is essential to avoid unnecessary housing displacement, to protect the City's affordable housing stock, and to prevent housed individuals from falling into homelessness;

WHEREAS, it is essential to protect members of the public from avoidable risk of serious illness and death resulting from the spread of COVID-19 and protect the healthcare system from a surge of cases into its emergency rooms and hospitals, during this emergency;

WHEREAS, in the interest of public health, and safety, as affected by the emergency caused by the spread of COVID-19, it is necessary for the Director of Emergency Services to exercise his authority to issue these regulations; and

WHEREAS, pursuant to Government Code Section 8634 and Agoura Hills Municipal Code Section 3606(a)(7)a., the Director of Emergency Services for the City of Agoura Hills has the authority to make and issue rules and regulations related to the protection of life and property as affected by the COVID-19 pandemic.

NOW, THEREFORE, THE DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF AGOURA HILLS DOES HEREBY ORDER AS FOLLOWS:

SECTION 1. <u>Temporary Moratorium on Evictions</u>. Until the period of local emergency declared in response to COVID-19 concludes, or until May 31, 2020, whichever date is sooner, a temporary moratorium on eviction for non-payment of rent by residential or commercial tenants impacted by the COVID-19 crisis is imposed in the City of Agoura Hills as follows:

A. No landlord shall evict or attempt to evict a residential or commercial tenant if both of the following criteria are satisfied:

1) The basis for the eviction is nonpayment of rent, or a foreclosure, arising out of a substantial decrease in household or business income (including, but not limited to, a substantial decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or a substantial decrease in business income caused by a reduction in opening hours or consumer demand), or substantial out-of-pocket medical expenses; and

- 2) The decrease in household or business income or the out-of-pocket medical expenses described in subparagraph 1) was caused by the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19, and is documented.
- B. A landlord who knows that a tenant cannot pay some or all of the rent temporarily for the reasons set forth above shall not serve a notice pursuant to Code of Civil Procedure section 1161(2), file or prosecute an unlawful detainer action based on a 3-day pay or quit notice, or otherwise seek to evict for nonpayment of rent. A landlord knows of a tenant's inability to pay rent within the meaning of this Executive Order if the tenant, within 30 days after the date that rent is due, notifies the landlord in writing of lost income and inability to pay full rent due to substantial financial impacts related to COVID-19, and provides documentation to support the claim. For purposes of this Executive Order, "in writing" includes e-mail or text communications to a landlord or the landlord's representative with whom the tenant has previously corresponded by e-mail or text. Any medical or financial information provided to the landlord shall be held in confidence, and only used for evaluating the tenant's claim.
- C. Nothing in this Executive Order shall relieve the tenant of liability for the unpaid rent, which the landlord may seek after termination of the COVID-19 local emergency and the tenant must pay within six months of the termination of the COVID-19 local emergency. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this Executive Order; nor may a landlord seek through the eviction process rent that is delayed for the reasons stated in this Executive Order.
- D. For purposes of this Executive Order, a "substantial financial impact related to COVID-19" includes a substantial decrease in a tenant's household or business income as a result of any of the following: (i) being sick with COVID-19, or caring for a household or family member who is sick with COVID-19; (ii) lay-off, loss of hours, or other income reduction resulting from business closure or other economic or employer impacts of COVID-19; (iii) compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency; (iv) extraordinary out-of-pocket medical expenses; or (v) child care needs arising from school closures related to COVID-19.
- E. This Executive Order applies to evictions and unlawful detainer actions served or filed on or after the date on which a local emergency was proclaimed to exist within the City of Agoura Hills, March 16, 2020.
- F. This Executive Order grants a defense in the event that an unlawful detainer action is commenced in violation of this Executive Order.
- SECTION 2. County of Los Angeles Orders Apply to City of Agoura Hills. This Executive Order adopts and incorporates by reference the March 16, 2020 Los Angeles County Health Officer Order for the Control of COVID-19 ("March 16, 2020 Health Officer Order") and the March 19, 2020 Los Angeles County Health Officer Order for the Control of COVID-19 ("March 19, 2020 Health Officer Order"). The March 16, 2020 Health Officer

Order and the March 19, 2020 Health Officer Order apply to the City of Agoura Hills subject to the terms and conditions more particularly set forth below:

- A. Trucks and other vehicles engaged in the delivery of grocery items to grocery stores, when such items are to be made available for sale to the public, are hereby exempt from having to comply with any City rules and regulations that limit the hours for such deliveries.
- B. This Executive Order does not, in any way, restrict: (a) first responder access to any location during an emergency or (b) local, state or federal officers, investigators, or medical or law enforcement personnel from carrying out their lawful duties.
- C. The Los Angeles County Health Officer will continue to monitor COVID-19 disease spread, State and CDC recommendations, and the impact of the required measures, and as needed, may revisit, extend, expand, or otherwise modify any Health Officer Orders to protect the public's health.
- SECTION 3. <u>Violations</u>. This Executive Order shall be enforceable as set forth in Government Code Section 8665 and Section 3609 of the Agoura Hills Municipal Code. Nothing in this Executive Order shall be construed to diminish or supersede the provisions of Penal Code Section 396 and the penalties contained therein.
- SECTION 4. <u>Term</u>. This Executive Order shall remain in effect until the local emergency declared in response to COVID-19 within the City is concluded, or until May 31, 2020, whichever date is sooner. This Executive Order may also be extended or superseded during the period of local emergency by a duly enacted ordinance of the City Council or by a further Order by the Director of Emergency Services.
- SECTION 5. <u>Amendments</u>. The Director of Emergency Services shall continue to monitor the Orders of Federal, State and local authorities and shall amend, extend or modify this Executive Order or issue additional Executive Orders as necessary or advisable.
- SECTION 6. <u>Effective Date</u>. This Executive Order shall be effective immediately as of the date of this Executive Order.
- SECTION 7. <u>Severability</u>. The Director of Emergency Services declares that, should any section, subsection, subdivision, sentence, clause, phrase, or portion of this Executive Order for any reason be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Executive Order. The Director of Emergency Services hereby declares that he would have adopted this Executive Order and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 8. <u>Notice of Executive Order</u>. The Director of Emergency Services hereby directs City staff to cause this Executive Order to be disseminated to the public and be given widespread publicity and notice.

ORDERED, ADOPTED and ISSUED this 20th day of March, 2020.

Greg Ramirez

Director of Emergency Services/City Manager