

ITEM:



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Sam Liccardo

**SUBJECT:** SEE BELOW

**DATE:** March 6, 2020

**APPROVED:**

**DATE:**

3/6/20

**SUBJECT: ACTIONS RELATED TO INCOME LOSS AND EVICTIONS DUE TO NOVEL CORONAVIRUS**

## RECOMMENDATION

- A. Place this matter on the March 10, 2020 Council agenda, pursuant to Government Code Section 54954.2(b)(1) that the State of California and County of Santa Clara have issued a declaration of emergency, and Section 54954.2(b)(2), such that information gathered over the last 72 hours has given rise to a need to act timely.
- B. Direct City Attorney to prepare a resolution, an ordinance, and a companion urgency ordinance providing for a temporary moratorium on evictions in the City of San José for renters on the basis of nonpayment of rent (“affected renters”) where that failure to pay rent results from wage loss resulting from the novel coronavirus (COVID-19) pandemic, under the following conditions:
  1. Ordinance will become effective upon Council adoption of a resolution declaring that the moratorium is effective due to the declaration of the County Public Health Officer, or other State or Federal Authority, of an emergency related to COVID-19;
  2. The temporary moratorium shall remain in effect for a period of thirty (30) days from the Council resolution, but the City Manager shall return to enable Council to consider an extension to a longer period as the circumstances dictate;
  3. The temporary moratorium must not extend beyond the duration of the City’s Resolution, but may be extended for a longer period by agreement of the Council;
  4. Affected renters must demonstrate substantial loss of income, through documentation or other objectively verifiable means, resulting from the COVID-19 pandemic or the declaration of the County Public Health Officer, or other State or Federal Authority e.g.,

from (a) job loss, (b) a reduction of compensated hours of work, (c) store, restaurant, or office closure, (d) the need to miss work to care for a home-bound school-age child, or (e) other similarly-caused loss of income that resulted since the City's Resolution;

5. Affected renters must notify their landlords on or before the day that rent is due that they have substantial loss of income as a result of the declared emergency related to COVID-19, resulting in business closure, substantial loss of compensable hours of work and wages, or layoffs.
- C. The legislation shall include findings of potential job loss, wage loss, or other impacts for specific industries—such as hotels, conventions, or theaters—resulted from the COVID-19 pandemic.
  - D. The City shall join the Apartment Association in advocating with the relevant organizations for temporary relief for burdened, unpaid landlords from the burden of such costs as property taxes, utility charges, and foreclosure.
  - E. The City Attorney shall evaluate the potential for including in the legislation a 120-day period for affected tenants to become current on past due rent.

### **Background**

The County of Santa Clara has announced a public health emergency resulting from the spread of the novel coronavirus (COVID-19). As of March 5, 2020, there are 20 confirmed cases in the County. As more nimble testing methods are introduced, and more proactive, comprehensive testing occurs, we should expect the number of confirmed cases to increase rapidly reflecting the *widespread clusters of infected people*.

As the response to this public health emergency escalates, increasingly, many residents will feel direct economic impacts as well. One preschool has shut down already, and likely others will follow; many parents who must tend to their children at home will lose wages as a result. Cancelled conventions, hotel bookings, and public events will result in lost business throughout the hospitality industry, and their employees lose paychecks and jobs.

We must avoid the creation of greater public health emergency that would result from subjecting thousands more families to homelessness, and we must protect our residents from the fear of potential eviction resulting from economic dislocation.

In tough times, San José residents pull together. As this epidemic unfolds, we will draw deeply on the character of our community to care for one another – and pull each other up to safer ground.