ORDINANCE NO. 2020-03

AN URGENCY ORDINANCE OF THE CITY OF ALBANY ENACTING A TEMPORARY MORATORIUM ON FORECLOSURES AND EVICTIONS DUE TO NONPAYMENT OF RENT AND RENT INCREASES FOR CERTAIN RESIDENTIAL AND COMMERCIAL TENANTS IMPACTED BY THE NOVEL CORONAVIRUS (COVID-19)

The City Council of the Albany does ordain as follows:

SECTION 1. FINDINGS

A. International, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus (“COVID-19”).

B. On March 1 and 5, 2020, the Alameda County Health Officer declared, and on March 10, 2020, the Alameda County Board of Supervisors ratified and declared a local emergency and local public health emergency to aid the regional healthcare and governmental community in responding to COVID-19.

C. 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.

D. On March 13, 2020, the President of the United States of America declared a national emergency and announced that the federal government would make emergency funding available to assist state and local governments in preventing the spread of and addressing the effects of COVID-19.
E. On March 16, 2020, the City Council of the City of Albany proclaimed the existence of a local emergency to ensure the availability of mutual aid and the legal powers to provide an effective response to “COVID-19”.

F. On March 16, 2020, the Governor of the State of California issued Executive Order N-28-20, authorizing local governments’ through their police power to impose substantive limitations on residential or commercial evictions for nonpayment of rent for tenants financially impacted by COVID-19 through May 31, 2020.

G. On March 16, 2020, the Alameda County Public Health Officer issued an order countywide that (1) requires all individuals living within the County of Alameda to shelter at the place of their residence, (2) requires all businesses, except “essential businesses,” to cease all activities at facilities located within the County, except “minimum basic operations” and remote work, (3) prohibits all public and private gatherings of any number of people occurring outside a household or living unit, and (4) prohibits all travel, except “essential travel” and “essential activities.”

H. As of March 18, 2020, nine counties within the Bay Area, consisting of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Sonoma and Solano counties, had issued “shelter in place” directives, anticipated to terminate on or about April 7, 2020.

I. On Thursday, March 19, 2020, the Governor of the State of California issued Executive Order N-33-20 ordering all individuals living in California to stay home or at their place of residence except as needed to maintain continuity of operations of outlined federal critical infrastructure sectors, with no specific termination date.

J. The Centers for Disease Control and Prevention, the California Department of Health, and the Alameda County Department of Public Health have all issued recommendations including but not limited to social distancing, canceling or
postponing group events, working from home, and other precautions to protect public health and prevent transmission of this communicable virus.

K. As of the date of this ordinance and in order to prevent further exposure, many businesses have imposed work from home policies; meetings, events and social gatherings have been cancelled as people remain at home; customers are not patronizing restaurants and stores or travelling, which is expected to lead to hourly cutbacks and employee terminations.

L. As a result of the public health emergency and the precautions recommended by health authorities and the Governor, many tenants in Albany have experienced or expect soon to experience sudden and unexpected income loss.

M. Individuals directly affected by COVID-19 may experience potential loss of income, health care and medical coverage, and have difficulty paying for housing and basic needs, thereby placing increased demands on already strained regional and local health and safety resources, including shelters and food banks.

N. Most, if not all, local schools are closed to prevent further spread of COVID-19. These school closures will cause children to have to remain at home, leading to many parents adjusting their work schedules to take time off work, whether paid or unpaid. Hourly wage earners are unlikely to be paid for time off. The inability to work due to school closures will economically strain those families who cannot afford to take off time from work to stay at home.

O. Increases in residential or commercial rents will exacerbate the potential economic strain on residents and businesses, and further threaten the public peace, health, safety, and welfare by threatening housing security and increasing the potential of homelessness as well as make it more challenging for businesses to comply with the various state and local orders, which can exacerbate the vulnerability to COVID-19 exposure.
P. The situation is unprecedented and evolving rapidly. Further economic impacts are anticipated, leaving tenants vulnerable to eviction.

Q. This ordinance is temporary in nature and only intended to protect the public health and safety during the COVID-19 pandemic outbreak, and to prevent avoidable homelessness thereby serving the public peace, health, safety, and public welfare and to enable tenants in the City whose income and ability to work is affected due to COVID-19 to remain in their homes.

R. In the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, it is necessary to exercise authority to adopt this ordinance related to the protection of life and property, to ensure renters can remain in their homes and prevent proliferation of homelessness and further spread of COVID-19. Displacement through eviction creates undue hardship for tenants through additional relocation costs, stress and anxiety, and the threat of homelessness due to the lack of alternative housing, and lack of moving services and supplies as stores and businesses close. During the COVID-19 pandemic outbreak, affected tenants who have lost income due to impact on the economy or their employment may be at risk of homelessness if they are evicted for non-payment as they will have little or no income and thus be unable to secure other housing if evicted.

S. People experiencing homelessness are especially vulnerable to the spread of COVID-19 due to an inability to practice social distancing and a lack of access to health care. The Governor has ordered the State to take extraordinary measures to secure shelter for homeless populations during this emergency to limit exposure to and spreading of COVID-19. Widespread evictions of tenants vulnerable to eviction due to financial hardship occurring due to COVID-19 would exacerbate the challenge of sheltering the homeless during this emergency, and increase the risk of spread of COVID-19.
T. Promoting stability amongst commercial tenancies is also conducive to public health, allowing businesses to follow the advice and directives of public health officials to close, and allowing employees to avoid public contact, during times of a public health crisis without fear of imminent eviction.

U. The City Council desires to maintain economic infrastructure so that “essential businesses” may remain open and continue operations uninterrupted in support of residents who are sheltering in place, and so that all businesses have the ability to recover from the impacts of the COVID-19 pandemic outbreak and continue to provide employment and generate tax revenue and so that economic recovery is possible after the emergency is over, all of which are in the interest of the public peace, health, safety and welfare.

V. The City desires to prohibit evictions due to nonpayment of rent for residential and commercial tenants where the failure to pay rent or proposed rent increases results from income loss resulting from COVID-19.

W. This Ordinance is adopted pursuant to the City's police powers and powers afforded to the city in time of national, state, county and local emergency during an unprecedented health pandemic, such powers being afforded by the State Constitution, State law and the Section 2-16 of the Albany Municipal Code to protect the peace, health, and safety of the public. The Albany City Council finds that this ordinance is necessary for the preservation of the public peace, health, and safety of residents living within the City and finds urgency to approve this ordinance immediately based on the facts described herein, and detailed in the staff report. Under Government Code Section 8634, this ordinance is necessary to provide for the protection of life and property.
SECTION 2: TEMPORARY MORATORIUM ON EVICTIONS FOR NON-PAYMENT OF RENT BY RESIDENTIAL TENANTS IMPACTED BY THE COVID-19 CRISIS

A. During the term of the ordinance, no landlord shall evict a tenant for nonpayment of rent if the tenant demonstrates that the tenant is unable to pay rent due to financial impacts related to COVID-19.

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 §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 ordinance 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 financial impacts related to COVID-19, and provides documentation to support the claim. For purposes of this ordinance, “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. For purposes of this ordinance “financial impacts related to COVID-19” include, but are not limited to, tenant lost household income as a result of any of the following: (1) being sick with COVID-19, or caring for a household or family member who is sick with COVID-19; (2) lay-off, loss of hours, or other income reduction resulting from business closure or other economic or employer impacts of COVID-19; (3) compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency; (4) extraordinary out-of-pocket medical expenses related to COVID-19; or (5) child care needs arising from school closures related to COVID-19.

D. This ordinance applies to nonpayment eviction notices and unlawful detainer actions based on such notices, served or filed on or after the effective date of this ordinance.
E. This ordinance grants a defense in the event that an unlawful detainer action is commenced in violation of this ordinance.

F. Nothing in this ordinance shall relieve the tenant of liability for the unpaid rent, which the landlord may seek after expiration of the local emergency, and the tenant must repay within six months of the expiration of the local emergency. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this ordinance. A landlord shall not commence an eviction for non-payment of rent during the six months after the end of the local emergency, so long as the tenant pays rent in a timely manner after the period of local emergency and is repaying the past due rent that accrued during the emergency period. Landlords are strongly encouraged to offer payment plans to tenants after the period of local emergency.

G. No other legal remedies available to landlord are affected by this ordinance.

SECTION 3: TEMPORARY MORATORIUM ON EVICTIONS FOR NON-PAYMENT OF RENT BY COMMERCIAL TENANTS IMPACTED BY THE COVID-19 CRISIS

A. During the term of the ordinance, no commercial landlord shall evict a tenant for nonpayment of rent if the tenant demonstrates that the tenant’s businesses is subject to the Orders referenced in Section 1 above or is otherwise limited or closed (voluntarily or by mandate) to prevent or reduce the spread of COVID-19 and the tenant demonstrates lost income and inability to pay rent as a result of such limitation or closure or other demonstrated financial impact related to COVID-19.

B. A landlord knows of a tenant’s lost income and inability to pay rent within the meaning of this ordinance if the tenant, within 30 days after the date that rent is due, notifies the landlord in writing of the lost income and inability to pay rent due to a limitation or closure of the tenant’s business related to COVID-19, with appropriate supporting documentation. If a tenant suffers only a partial loss of income, the tenant shall pay the pro-rated share of its rent that corresponds to the income it generated during the period of loss. For purposes of this ordinance, “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. All financial information provided to the landlord shall be kept in confidence and only used for evaluating the tenant’s claim or enforcing this provision.

C. This ordinance applies to nonpayment eviction notices and unlawful detainer actions based on such notices, served or filed on or after the effective date of this ordinance.

D. This ordinance grants a defense in the event that an unlawful detainer action is commenced in violation of this ordinance.

E. Nothing in this ordinance shall relieve 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 months of the expiration of the local emergency. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this ordinance. A landlord shall not commence an eviction during the six months after the end of the local emergency for non-payment of rent, so long as the tenant pays rent in a timely manner after the period of local emergency and is repaying the past due rent that accrued during the emergency period. Landlords are strongly encouraged to offer payment plans to tenants after the period of local emergency.

F. No other legal remedies available to landlord are affected by this ordinance.

SECTION 4: RECOMMENDATION TO TEMPORARILY SUSPEND RESIDENTIAL AND COMMERCIAL FORECLOSURES

A. Pursuant to Executive Order N-28-20, the City Council hereby urges mortgagees to not initiate or proceed with any foreclosure action against a property owner during the term of the ordinance in the City of Albany for any mortgagor with a demonstrated financial impact related to COVID-19. Nothing in this ordinance shall relieve the mortgagor of liability for any unpaid mortgage payments, which should be paid back within 90 days of the date of local emergency. Mortgagees are strongly encouraged to offer payment plans to mortgagors to avoid foreclosure after the period of local emergency. It is encouraged that the respective rights and obligations of the
parties in any foreclosure proceeding be adjudicated in the appropriate court of law with jurisdiction over the matter at the conclusion of the local emergency or rescission of this ordinance.

SECTION 5: TEMPORARY MORATORIUM ON RENT INCREASES FOR CERTAIN RESIDENTIAL TENANTS IMPACTED BY THE COVID-19 CRISIS

A. During the term of the ordinance, no landlord shall collect rent increases provided in, or proposed for, the lease or rental agreement if the tenant demonstrates that the tenant is unable to pay the increased rent due to financial impacts related to COVID-19. This ordinance does not regulate initial rent at which any residential unit or property is offered at the outset of any new tenancy. This moratorium on rent increases shall not apply (a) if the unit or property is subject to rent limits under California Civil Code §1947.12; (b) if the unit or property is exempt from rent control under California Civil Code, Chapter 2.7 (commencing with Section 1954.50); or (c) if the unit or property is otherwise exempt from local rent control under State law.

B. A landlord who knows that a tenant cannot pay some or all of the increased rent temporarily for the reasons set forth above shall not serve a notice pursuant to Code of Civil Procedure §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 increased rent within the meaning of this ordinance if the tenant, within the longer of the applicable period of notice provided under California Civil Code §827 or 30 days, notifies the landlord in writing of lost income and inability to pay the proposed rent increase due to financial impacts related to COVID-19, and provides documentation to support the claim. For purposes of this ordinance, “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. For purposes of this ordinance “financial impacts related to COVID-19” include, but are not limited to, tenant lost household income as a result of any of the following: (1) being sick with COVID-19, or caring for a household or family member who is sick with COVID-19; (2) lay-off,
loss of hours, or other income reduction resulting from business closure or other economic or
employer impacts of COVID-19; (3) compliance with a recommendation from a government health
authority to stay home, self-quarantine, or avoid congregating with others during the state of
emergency; (4) extraordinary out-of-pocket medical expenses related to COVID-19; or (5) child
care needs arising from school closures related to COVID-19.

D. This ordinance grants a defense in the event that an unlawful detainer action is
commenced in violation of this ordinance.

E. Nothing in this ordinance shall relieve the tenant of liability for payment of the increased
rent, which the landlord may seek after expiration of the local emergency, and the tenant must repay
within six months of the expiration of the local emergency. A landlord may not charge or collect a
late fee for rent that is delayed for the reasons stated in this ordinance. A landlord shall not
commence an eviction due to non-payment of rent during the six months after the end of the local
emergency, so long as the tenant pays rent in a timely manner after the period of local emergency
and is repaying the past due increased rent that accrued during the emergency period. Landlords are
strongly encouraged to offer payment plans to tenants after the period of local emergency.

G. No other legal remedies available to landlord are affected by this ordinance.

SECTION 6: TEMPORARY MORATORIUM ON RENT INCREASES FOR
COMMERCIAL TENANTS IMPACTED BY THE COVID-19 CRISIS

A. During the term of the ordinance, no commercial landlord shall collect rent increases
provided in, or proposed for, the lease or rental agreement if the tenant demonstrates that the
tenant’s businesses is subject to the Orders referenced in Section 1 above or is otherwise limited or
closed (voluntarily or by mandate) to prevent or reduce the spread of COVID-19 and the tenant
demonstrates lost income and inability to pay increased rent as a result of such limitation or closure
or other demonstrated financial impact related to COVID-19. This ordinance does not regulate
initial rent at which any commercial unit or property is offered at the outset of any new tenancy.
This moratorium on rent increases shall not apply if the unit or property is exempt from local rent control pursuant to State law.

B. A landlord knows of a tenant’s lost income and inability to pay rental increases within the meaning of this ordinance if the tenant, within the longer of the applicable period of notice of rent increase provided under California Civil Code §827 or 30 days, notifies the landlord in writing of the lost income and inability to pay increased rent due to a limitation or closure of the tenant’s business related to COVID-19, with appropriate supporting documentation. If a tenant suffers only a partial loss of income, the tenant shall pay the pro-rated share of its increased rent that corresponds to the income they generated during the period of loss. For purposes of this ordinance, “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. All financial information provided to the landlord shall be kept in confidence and only used for evaluating the tenant’s claim or enforcing this provision.

C. This ordinance grants a defense in the event that an unlawful detainer action is commenced in violation of this ordinance.

D. Nothing in this ordinance shall relieve the tenant of liability for the unpaid increased rent, which the landlord may seek after expiration of the local emergency, and the tenant must pay within six months of the expiration of the local emergency. A landlord may not charge or collect a late fee for rent that is delayed for the reasons stated in this ordinance. A landlord shall not commence an eviction during the six months after the end of the local emergency for non-payment of increased rent, so long as the tenant pays rent in a timely manner after the period of local emergency and is repaying the past due increased rent that accrued during the emergency period. Landlords are strongly encouraged to offer payment plans to tenants after the period of local emergency.

F. No other legal remedies available to landlord are affected by this ordinance.
SECTION 7: RECOMMENDATION FOR STATEWIDE TENANT PROTECTIONS

Although the City Council adopted this ordinance that applies only within the City of Albany, the City Council recommends that the Governor adopt similar protections for residential and commercial tenants statewide, and if that should not occur that the County adopt such protections Countywide to provide uniform protections for tenants.

SECTION 8: ENFORCEMENT

Any person who violates any provision of this ordinance is guilty of a misdemeanor unless, in the discretion of the prosecuting attorney, the violation is charged as an infraction or made subject to administrative citation and penalties pursuant to Section 1-11 of the Albany Municipal Code. Any misdemeanor violation shall be punishable by a fine of not more than one thousand dollars ($1,000.00), or by imprisonment for a term not exceeding six (6) months, or by both such a fine and imprisonment.

SECTION 9: DURATION; SUSPENSION

In accordance with the Governor of the State of California’s Executive Order N-28-20, this ordinance shall remain in effect until May 31, 2020. In order to prevent inconsistencies, the Director of Emergency Services may suspend the effectiveness of any provision in this ordinance in the event that the President of the United States, Congress, Governor of the State of California or California State Legislature or other body with jurisdiction adopts an order or legislation that similarly prohibits evictions and foreclosures for failure to pay rent by individuals impacted by the COVID-19 crisis.

SECTION 10: SEVERABILITY

If any section, subsection, sentence, clause, phrase or word of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such decision shall not affect the remaining provisions of this ordinance.
SECTION 11: ENVIRONMENTAL REVIEW

The City Council finds that adoption and implementation of this ordinance is not a “project” for purposes of the California Environmental Quality Act (CEQA), as that term is defined by CEQA guidelines (Guidelines) sections 15061(b)(3), and 15378(b)(5). The effect of the proposed amendment will be to maintain the status quo. No new development will result from the proposed action. No impact to the physical environment will result. The City Council also alternatively finds that the adoption and implementation of this ordinance is exempt from the provisions of CEQA as an administrative activity by the City of Albany, in furtherance of its police power, that will not result in any direct or indirect physical change in the environment, per sections 15061(b)(3), and 15378(b)(5) of the CEQA Guidelines, as well as CEQA Guidelines section 15064(e) (economic regulations).

SECTION 12: URGENCY DECLARATION; EFFECTIVE DATE

The City Council finds and declares that the adoption and implementation of this ordinance is necessary for the immediate preservation and protection of the public peace, health and safety as detailed above and as the City and public would suffer potentially irreversible displacement of commercial and residential tenants resulting from evictions and foreclosures for failure to pay rent or rent increases during the COVID-19 crisis. During this local 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. Promoting stability for commercial tenancies is also conducive to public health, allowing businesses to follow the advice and directives of public health officials and the Governor to close and allowing employees to avoid public contact, during times of a public health crisis without fear of imminent eviction or foreclosure. Loss of income as a result of COVID-19 may inhibit City residents and businesses from fulfilling their financial obligations, including payment of rent and mortgages. Under Government Code Section 8634 and Albany Municipal Code Section 2-16, this ordinance is necessary to provide for the protection of life and property for the reasons set out herein. The Council therefore finds and determines that the immediate preservation of the public peace, health and safety, and protection of life and property,
require that this Ordinance be enacted as an urgency ordinance pursuant to Government Code section 36937 and take effect immediately upon adoption by four-fifths of the City Council.

SECTION 13: CERTIFICATION

The City Clerk shall certify to the passage and adoption of this ordinance and shall cause the same, or the summary thereof, to be published or posted in the manner required by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Albany at its special meeting on the 26th day of March 2020 by the following vote:

AYES: Council Members Barnes, Maass, McQuaid, Nason & Mayor Pilch

NOES:

ABSENT:

ABSTAIN:

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NICK PILCH, MAYOR
ORDINANCE NO. 2020-03

PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF ALBANY,

The 26th day of March, 2020, by the following votes:

AYES:  Council Members Barnes, Maass, McQuaid, Nason and Mayor Pilch

NOES: none

ABSENT: none

ABSTAINED: none

RECUSED: none

WITNESS MY HAND AND THE SEAL OF THE CITY OF ALBANY,

this 27th day of March, 2020.

Anne Hsu
CITY CLERK