

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA EXTENDING THE CITY'S EVICTION
MORATORIUM ORDINANCE (EMERGENCY
ORDINANCE NO. 3489-A) UNTIL SEPTEMBER 30, 2020

WHEREAS, a worldwide COVID-19 pandemic was declared by the World Health Organization on January 30, 2020, and on January 31, 2020, the United States Secretary of Health and Human Services also declared a Public Health Emergency as a result of the COVID-19 virus; and

WHEREAS, various states of emergency were declared by the United States (March 13, 2020), the State of California (March 4, 2020), the County of San Diego (February 19, 2020), and the City of Chula Vista (March 17, 2020 pursuant to City Council Resolution No. 2020-065) because of the threat to public safety (to persons and property including both physical and economic harm) as result of the COVID-19 virus; and

WHEREAS, on March 12, 2020, pursuant to California Health and Safety Code sections 101040, 120175, and 120175.5 (b) the Health Officer of the County of San Diego ("Health Officer") issued an Order of the Health Officer and Emergency Regulations (the "County Order") closing certain businesses, prohibiting certain public and private gatherings, and restricting other activities in San Diego County as a result of the COVID19 virus pandemic; and

WHEREAS, from March 18, 2020 through July 15, 2020, the County Order has been amended and addended by the Health Officer multiple times to include additional rules and restrictions in an effort to further promote public health and safety; and

WHEREAS, on March 17, 2020, the City Council adopted Emergency Ordinance No. 3484-A ("City Order"), which affirmed and adopted the County Order and authorized the Director to expand or amend the City Order to apply to additional businesses or circumstances pursuant to his or her independent judgment consistent with the authority provided in Chula Vista Municipal Code section 2.14.080(F)(1); and

WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 which ordered, among other things, all Californians to stay at home, with limited exceptions ("State Order 33-20"); and

WHEREAS, the Governor of the State of California has stated that individuals may be temporarily unable to report to work due to illness caused by COVID-19 or quarantines related to COVID-19 and 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; and

WHEREAS the COVID-19 pandemic, as well as physical distancing and other public health measures undertaken in response to it, continue to affect individuals, businesses, schools,

and governmental agencies alike, with associated impacts on adherence to certain statutory and regulatory deadlines and requirements; and

WHEREAS minimizing evictions during this period is critical to reducing the spread of COVID-19 in vulnerable populations by allowing those most vulnerable to COVID-19 to self-quarantine, self-isolate, or otherwise remain in their homes to reduce the transmission of COVID-19; and

WHEREAS, in consideration of the above facts and circumstances, and others set forth therein, the Governor of the State of California, issued Executive Order N-28-20 (dated March 16, 2020), Executive Order N-37-20 (dated March 27, 2020) and Executive Order N-71-20 (dated June 30, 2020), pursuant to which the Governor imposed a statewide eviction moratorium and/or authorized local entities, including cities, to enact moratoriums to prevent evictions (including evictions from rental or leased residential or commercial property or as a result of judicial foreclosure) based on impacts related to the COVID-19 virus (collectively, the “Governor’s Eviction Moratorium Orders”) with the timeframe for the protections set forth extended through September 30, 2020; and

WHEREAS, consistent with the Governor’s Eviction Moratorium Orders, the Judicial Council of California adopted California Rules of Court, Emergency Rules 1 and 2, effective April 6, 2020 and until such time 90 days after the State of Emergency is lifted, which suspends eviction of tenants for any cause, unless such action is needed to protect public health and safety and stays all actions for judicial foreclosures on mortgages and deeds of trust and extend all deadlines related to such actions; and

WHEREAS On March 18, 2020, the U.S. Department of Housing and Urban Development (HUD) announced the suspension of foreclosures and evictions for mortgages insured by the Federal Housing Administration (FHA) for 60 days; and

WHEREAS, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Stimulus (CARES) Act was signed into law by the United States Congress that includes under Section 4024(b) and (c) a 120-day moratorium from enactment (through July 25, 2020) on evictions for nonpayment of rent, charging fees, penalties, or other charges against a tenant for the nonpayment of rent, bars the issuance of a notice to vacate for any cause during the 120-day period, and requires at least a 30 day-notice to vacate the property, effectively extending vacation of the property until after August 24, 2020 (i.e., 120 days after enactment, plus 30 days after notice to vacate is provided); and

WHEREAS, to alleviate concerns and burdens, as well as relieve additional stress and uncertainty on borrowers and mortgagees impacted by the COVID-19 National Emergency, in accordance with the CARES ACT, HUD issued guidance on April 1, 2020 and April 10, 2020, respectively, for both single family properties and multifamily properties insured by the FHA, Multifamily HUD loans, risk share, and HUD-held loans. As specified in Mortgage Letter 2020-06, single family mortgagees may receive an initial forbearance period of up to 6 months for those mortgages of owner-occupied single-family properties with up to a 90-day extension. If needed, an additional forbearance period of up to 6 months may be requested, for a total of 12 months with

a 90-day extension. Under Mortgage Letter 2020-09, a multifamily borrower experiencing a financial hardship during the COVID-19 emergency may request a forbearance for up to 30 days, with an additional two (2) extensions for a 30-day period and must provide for renter protections during the forbearance period as set forth in Section 4024(b) and (c) of the CARES ACT. These guidelines are in effect during the covered period of the CARES Act, which begins March 27, 2020 and continues until the earlier of the termination date of the national emergency declared by the President on March 13, 2020 or December 31, 2020; and

WHEREAS, as a result of the public health emergency and the precautions recommended and ordered by health authorities to address the health crisis of the COVID19 pandemic, the City of Chula Vista, including its residents, have also been negatively impacted; and

WHEREAS, Chula Vista residents, particularly those within low wage and service industries, are left without work and are experiencing sudden and unexpected loss of income and health care. These households are at risk of maintaining housing and falling into homelessness and may have limited access to health care and therefore, at greater risk of exposure to infectious disease, such as COVID-19; and

WHEREAS, over 42 percent of the housing stock in the City of Chula Vista is rental housing; and 44 percent of all Chula Vista renters pay more than 50 percent of their income towards housing costs (2011-2015 CHAS); and

WHEREAS, 47 percent of Chula Vista's households are of lower income and earn 80 percent of the Area Median Income or less (\$68,000 annual income for a family of four) and 46 percent of these households pay more than 50 percent of their income towards housing costs as renters and homeowners (2011-2015 CHAS); and

WHEREAS, even before the COVID-19 pandemic, there existed a lack of affordable housing in the State of California, including San Diego County (<https://www.gov.ca.gov/2019/03/11/governor-newsom-announces-legislative-proposals-to-confront-the-housing-cost-crisis/>); and

WHEREAS, given existing income levels of Chula Vista residents and the existing high cost of housing in San Diego County prior to the COVID-19 pandemic, any further reductions in income would further exacerbate existing housing affordability issues; and

WHEREAS, in consideration of the above facts and circumstances, and consistent with the Governor's Eviction Moratorium Orders, the City of Chula Vista adopted its own Eviction Moratorium on the terms set forth in Ordinance 3483A (the "City Eviction Moratorium") to provide eviction protections during this volatile period of time for vulnerable residents and commercial enterprises; and

WHEREAS, Amendments to the City Eviction Moratorium were made on April 7, 2020 to remain consistent with Executive Order N-37-20, provide greater clarity to tenants and landlords in implementing the eviction moratorium and protections provided thereby, and extend the moratorium through May 31, 2020; and

WHEREAS, the City Manager, acting as the Director of Emergency Services, has additionally signed Order 03-2020 approving and adopting Eviction Moratorium Regulations (the “Regulations”) to assist in implementing the City Eviction Moratorium, effective April 1, 2020; and

WHEREAS, in light of the continuing adverse conditions in the community as a result of the COVID-19 pandemic, on May 26, 2020, the City’s Eviction Moratorium providing protections afforded to tenants and homeowners against eviction or foreclosure as set forth in Ordinance No. 3489-A of the City of Chula Vista was amended to extend it through June 30, 2020 and further extended through July 31, 2020 by the Chula Vista Director of Emergency Services through Emergency Order No. 005-2020 and as ratified by resolution of the City Council; and

WHEREAS, since the last extension of the City’s Eviction Moratorium, the following has occurred:

(1) On July 16, 2020, the United States Department of Labor reported an insured unemployment rate of 11.9 percent as of July 4, 2020. Initial unemployment insurance claims of state programs totaled 1,503,892 in the week ending July 11, compared to 243,621 initial claims in the comparable week in 2019, representing a 517 percent increase. For the week ending June 27, 2020 California was among the highest insured unemployment rates in the nation at 15.9 percent, ranking the 6th highest (<https://www.dol.gov/ui/data.pdf>);

(2) A study by San Diego Workforce Partnership reported that San Diego County may lose up to 350,000 jobs as a result of the COVID-19 virus (<https://workforce.org/news/potential-impact-of-covid-19-on-employment-insan-diego-county/>);

(3) As of July 8, 2020, SANDAG reported the unemployment rate for the San Diego region at 14.3 percent, with roughly 240,000 unemployed people in the region, compared to about 50,000 pre-COVID. It is anticipated that with the increase in COVID-19 cases leading to a reversal in re-openings and closures beginning July 1, 2020 of bars, breweries, and wineries that do not serve food, and a stop of indoor operations of restaurants, wineries, movie theaters, family entertainment centers (including bowling alleys, miniature golf, batting cages, and arcades), zoos, museums, and card rooms on July 6, 2020, unemployment will also rise. Together, these activities represent more than 160,000 jobs, or 11 percent of the region’s employment pre-COVID. With funding from Paycheck Protection Program loans and State and local assistance nearing exhaustion, there is risk of another wave of layoffs. Chula Vista’s unemployment rate (based on zip code) is higher than the region’s, with the unemployment rate varying between 16 and 19 percent in zip codes 91910 and 91911, with a lower rate of 14 percent to 16 percent in the eastern areas of the City (https://www.sandag.org/uploads/publicationid/publicationid_4686_27696.pdf);

(4) As of July 20, 2020, there were 384,692 confirmed cases in California, including 23,684 cases in San Diego County or 6 percent of the total cases and 478 deaths. The number of cases has continued to grow with San Diego County placed on the State’s monitoring list on July 6, 2020, with San Diego County reporting 706 cases per 100,000 on July 19, 2020,

well above the State's metric of 100 per 100,000. Chula Vista's rates of infection have been among the highest in San Diego County, with 3,058 positive COVID-19 cases as of July 19, 2020, representing 13.1 percent of the County's cases, and reporting 1,127 cases per 100,000 well above the San Diego County rate and the State's metrics; and,

(5) A total of \$1.45 million has been allocated from the City's housing funds (\$1 million in Federal HOME Investment Partnership Program and \$250,000 in Low and Moderate Income Housing Asset funds) and County of San Diego CARES funding (\$200,000) towards tenant based rental assistance for lower income households financially impacted by COVID-19.

WHEREAS, with continued rising positive COVID-19 cases in San Diego County and Chula Vista and placement of San Diego County on the State's monitoring list placing restrictions over the next few weeks, further economic impacts are anticipated to continue beyond July 31, 2020, leaving tenants (both commercial and residential) vulnerable to eviction; and

WHEREAS, the action proposed by this Resolution seeks to amend the City Eviction Moratorium to extend it through September 30, 2020 ; and

WHEREAS, extensions of the City Eviction Moratorium by City Council Resolution are authorized pursuant to Section I.8 thereof (Emergency Ordinance No. 3489-A); and

WHEREAS, in the interest of protecting the public health, safety and welfare, preventing further transmission of COVID-19 within the community, preventing unnecessary housing displacement, protecting the City's affordable housing stock, preventing further hardship on commercial businesses, the City Council finds that it is necessary, appropriate, and in the best overall interests of the community to extend the City Eviction Moratorium.

NOW, THEREFORE, based on the facts, circumstances and findings set forth above, the City Council of the City of Chula Vista hereby resolves as follows:

1. The City Eviction Moratorium (Emergency Ordinance No. 3489-A) is hereby extended until September 30, 2020.
2. City staff is authorized and directed to take all necessary and appropriate measures to implement this action.
3. As circumstances warrant, the City Eviction Moratorium, or any City regulations issued to implement same, may be modified, further extended or earlier terminated, either by Emergency Order, issued by the City's Director of Emergency Services, and/or City Council Resolution.

Prepared by

Approved as to form by

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