

EVICTIION MORATORIUM

City Council Meeting

March 30, 2020

Existing Renters Protection

- Governor Newsom issued Executive Order N-37-20 on March 27th.
- Protects Residential tenants from eviction for non-payment for COVID-19 related financial impacts for additional 60 days.
- If served a summons between March 27 and May 31, 2020, tenant is provided an additional 60 days to respond beyond the normal five days.
- Must have paid rent prior to Order or March 27th.
- Notify Landlord in writing before rent due or within 7 days afterward.

Existing Renters Protection

(Continued)

- Reasons:

1. Tenant sick with suspected or confirmed COVID-19 or caring for household member sick with suspected or confirmed COVID-19,
2. Tenant experienced a lay-off, loss of hours or other income reduction resulting from COVID-19 or state of emergency, or
3. Tenant needs to miss work to care for child whose school closed in response.

No specific level of financial impact indicated, appears any impact will trigger the 60-day protection.

Existing Renters Protection

(Continued)

- March 20, 2020 Chief Justice of the California Supreme Court issued guidance for superior courts to suspend most civil trials and hearings for 60 days.
 - Unlikely landlords could begin eviction proceedings for 60 days, regardless of the basis for eviction.
- Does not provide any extension of time to pay back-due rent.
- Does not provide relief from late fees or penalties.
- No protections for commercial tenants.
- Protections will add to but not supersede local ordinances.

Existing Protection for Homeowners

- Governor Newsom's 90-Day Mortgage Payment Relief During COVID-19 Crisis.
- Citigroup, JPMorgan Chase, U.S. Bank, Wells Fargo and nearly 200 state-chartered banks, credit unions and services agreed to provide protections.
- 90-day grace period for mortgage payments.
- No negative credit impacts.
- Moratorium of 60-days on foreclosure sales or evictions.
- 90-day relief from mortgage related late fees and other related banking fees.

Mendocino County Moratorium

- Applies to both residential and commercial tenants.
- Applies only to unincorporated areas of the County, not the cities.
- Effective from March 24 to May 31, 2020.
- Protections for:
 - Substantial decrease in income or expenses related to COVID-19.
- No extended payback period.
- No relief from late fees explicitly set forth.

Proposed City Ordinance

- Protections for residential and commercial.
- Eviction for non-payment from substantial decrease in household or business income or out of pocket medical expenses.
- Notice in writing on or before rent due date.
- Provide documentation within 30 days.
- Added protection from foreclosure from financial institutions within the City.
- 180 day repayment for back due rent.
- Protection from late fees and penalties.

Revised Council Optional Changes

- Time period Ordinance applies.
- Remove residential or commercial tenants. Note: residential tenants will still have protections from Governor's Order.
- Forgive portion of back due rent. Not recommended.
- Change notice requirements. Note: Would only apply to commercial tenants, residential tenants fall under Governor's Order.
- Documentation requirements. Note: Would likely only apply to commercial tenants, residential tenants fall under Governor's Order.
- Narrow applicability. Changes limited to commercial tenants.
- Increase, decrease or eliminate extended repayment period. Note: Governor's order does not provide for additional time, so Council may modify as it sees necessary.

Other City Business Assistance

- No penalties applied for March or April for late utility payments. No account (commercial or residential) will be shut off for nonpayment.
- Businesses that have closed because of the Shelter-in-Place Order may temporarily suspend water and wastewater service by calling the Finance Department (707) 961-2825.
- Transient Occupancy Tax (TOT) filers have until July 1st to file and pay taxes collected from their guest without penalty.
- Business License renewals will not incur late fees from March 1st through May 31st. Fees prior to March 1st will be applied.
- City CDBG economic development loans to businesses payment forbearance through July 1, 2020. Call Community Development Department (707) 961-2827, Ex 138.

Other Assistance for Businesses

- State and Federal Income Tax filing and paying deadlines extended to July 15, 2020.
- Request for extensions of sales tax filing are available from the California Department of Tax and Fee Administration: <https://www.cdtfa.ca.gov/services/covid19.htm>.
- Small Business Administration: Economic Injury Disaster Grants up to \$10k that does not need to be repaid. <https://www.sba.gov/funding-programs/disaster-assistance>
- Small Business Administration: Economic Injury Disaster Loans up to \$2 million with 30 year repayment. <https://www.sba.gov/funding-programs/disaster-assistance>
- Hiatus on paying existing SBA loans

Other Assistance for Individuals

- Income Tax filing and payments not due until July 15, 2020 for both state and federal returns
- Direct Payments to Federal Taxpayers
 - \$1,200 for Single Americans
 - \$2,400 for Married Couples
 - \$500 for each child under 17
 - Based on adjusted gross income (AGI) and phased out starting at AGI of \$75k for individuals, \$150k for married couples. Child payments phased out \$109k and \$198k.
- Suspend student loan payments – request through Department of Education
- An additional \$600 in unemployment benefits for up to 4 months
- Eliminated - week waiting period for state unemployment & disability
- RealID deadline September of 2021.

Questions and Direction