

ORDINANCE NO. 2020-0027

Adopted by the Sacramento City Council

June 30, 2020

**An Ordinance Amending the Temporary Moratorium on Evicting Commercial Tenants
and Declaring the Ordinance to be an Emergency Measure
to Take Effect Immediately Upon Adoption**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. Findings.

The City Council finds and declares as follows:

A. On March 4, 2020, the Governor declared a State of Emergency in California due to the threat of Coronavirus Disease 2019 ("COVID-19"). On March 5, 2020, the Sacramento County Public Health Officer declared a public health emergency in Sacramento County due to COVID-19, and on March 19, 2020 issued an order of the County Health Officer to Stay At Home or Place of Residence, which imposed strong restrictions on the activities of persons and the operation of businesses throughout the county.

B. On March 16, 2020, the Governor issued Executive Order N-28-20. The order suspended any state law that would preempt or otherwise restrict the city's exercise of its police power to impose substantive limitations on evictions based on nonpayment of rent resulting from the impacts of COVID-19.

C. On March 24, 2020, the city council adopted Sacramento City Ordinance No. 2020-0017, establishing a moratorium on commercial evictions due to nonpayment of rent during the COVID-19 emergency.

D. On May 8, 2020, the Governor announced that the State of California was entering the beginning of State 2 of the COVID-19 recovery process. This allowed expanded retail businesses with curbside pickup and delivery only, and associated manufacturing and supply-chain businesses to reopen and begin conducting business consistent with social-distancing requirements. The Governor also announced a variance process to allow local jurisdictions to accelerate through the phases of Stage 2, which approval Sacramento County received from the California Department of Public Health on May 20, 2020.

E. On May 29, 2020, the Governor issued Executive Order N-66-20, which extended the protections set forth in Executive Order N-28-20 an additional 60 days.

F. On June 12, 2020, the Sacramento County Public Health Officer issued a

new order to relax restrictions on low-risk businesses consistent with the direction from the State of California Public Health Officer to proceed into later phases of Stage 2 and into Stage 3. This new order allows dine-in restaurants, bars and wineries, retail stores, personal care services, entertainment, gyms, and other retail services to re-open. As a result, retail tenants will be able to resume operations, but will still be subject to social-distancing requirements that may limit patronage and revenues.

G. City Ordinance 2020-0017 provided commercial tenants with a short-term protection from eviction due to the inability to pay rent and helped avoid further business closures and job losses. Even with the re-opening of retail businesses as allowed by the County Public Health Officer, tenants need time to recoup their losses and generate income in order to pay rent.

SECTION 2. Moratorium on commercial tenant evictions due to non-payment of rent.

A. Sacramento City Ordinance No. 2020-0015 (as amended by Ordinance No. 2020-0017) is amended as follows:

1. Subsection 2.B is amended to read as follows:

B. This ordinance applies to all residential tenants and to commercial tenants that are retail businesses located on the first floor of buildings.

2. Subsection D.3 is added to read as follows:

3. As of July 1, 2020, the term “commercial tenant” means a retail business that is an adult entertainment business, alcoholic beverage sales establishment, amusement center, athletic club, auto rental, auto repair, auto sales, bar, cannabis dispensary, cardroom, check cashing center, child care center, cinema, commercial service, community market, drive-through restaurant, equipment rental, equipment sales, firearms business, fitness studio, gas station, laundromat, mobile home sales, nightclub, plant nursery, retail store, superstore, theater, tobacco retailing, and wholesale store.

3. Section 4 is amended to read as follows:

Residential tenants who were afforded eviction protection under Section 2.C of this ordinance shall have up to 120 days after the expiration of the Governor’s Executive Order N-28-20, including any extensions, to pay their landlord all unpaid rent without any related late fees. During that 120-day period, the protections against eviction found in Section 2.C of this ordinance apply for residential tenants.

Commercial tenants that are not retail businesses identified in Section

2.D.3 who were afforded eviction protection under Section 2.C of this ordinance shall have 120 days after June 30, 2020 to pay their landlord all unpaid rent without any related late fees. During that 120-day period, the protections against eviction found in Section 2.C of this ordinance apply for commercial tenants.

Retail businesses identified in Section 2.D.3 who were who were afforded eviction protection under Section 2.C of this ordinance shall have up to 120 days after the expiration of the Governor's Executive Order N-28-20, including any extensions, to pay their landlord all unpaid rent without any related late fees. During that 120-day period, the protections against eviction found in Section 2.C of this ordinance apply for retail tenants.

B. Except as amended by subsection A above, all provisions of Ordinance No. 2020-0015 (as amended by Ordinance No. 2020-0017) remain unchanged and in full effect.

SECTION 3. Effective Date.

This ordinance takes effect immediately upon adoption.

SECTION 4. Emergency Declaration.

The city council declares this ordinance to be an emergency measure, to take effect immediately upon adoption pursuant to Sacramento City Charter section 32(g)(2). The facts constituting the emergency are as follows:

The state and local public health orders to contain the spread of COVID-19 prohibited or severely restricted operations of retail tenants during Stage 1 and Stage 2, resulting in temporary business closures and limited patronage, thereby significantly reducing revenues needed to pay rent. To protect the public health, safety, and welfare, the city must act to prevent eviction of retail tenants who are unable to pay rent due to revenue losses caused by the effects of COVID-19. An emergency measure is necessary to protect retail tenants from eviction for a temporary period to allow such tenants time to generate revenue in order to afford to pay rent.

Adopted by the City of Sacramento City Council on June 30, 2020, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:  **Mindy Cuppy**
Digitally signed by Mindy Cuppy
Date: 2020.07.06 12:57:23
-07'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Passed for Publication: Not applicable
Published: To be published in its entirety
Effective: June 30, 2020