

Office of the Mayor

ACTION CALENDAR February 27, 2023

To: Members of the City Council

From: Mayor Jesse Arreguín

Subject: Resolution Extending the Covered Period of the COVID-19 Emergency

Response Ordinance (Chapter 13.110)

RECOMMENDATION

Adopt a Resolution extending the Covered Period of the COVID-19 Emergency Response Ordinance for 60-days beyond the eventual expiration of the Local Emergency.

FISCAL IMPACT OF RECOMMENDATION

To be determined

CURRENT SITUATION AND ITS EFFECTS

Pursuant to California Government Code section 8630 and Berkeley Municipal Code Chapter 2.88, on March 3, 2020, the City Manager, in her capacity as Director of Emergency Services, proclaimed a local emergency due to conditions of extreme peril to the safety of persons and property within the City as a consequence of the global spread of a severe acute respiratory illness caused by a novel (new) coronavirus (COVID-19), including a confirmed case in the City of Berkeley. As a result of multiple confirmed and presumed cases in Alameda County, the County declared a local health emergency. The Proclamation of Local Emergency empowers the Director of Emergency Services to make and issue rules and regulations on matters reasonably related to the protection of life and property as affected by such local emergency. Pursuant to Government Code section 8630(b) and Berkeley Municipal Code section 2.88.040.A.1, on March 10, 2020, the City Council ratified the Proclamation of Local Emergency with the passage of Resolution No. 69-312.

Pursuant to Government Code section 8630(c), the City Council must review the need for continuing the local emergency at least once every sixty (60) days. The Council last reviewed and ratified the Proclamation of Local Emergency on January 31, 2023. The Council therefore must review the continuing need for the local emergency by April 1, 2023, if the Council wishes to continue the local emergency.

If at any time the Council determines that the need for continuing the local emergency has ended, state law directs the Council to terminate the local emergency at the earliest possible date that conditions warrant. (Cal. Gov. Code section 8630(d).)

While COVID-19 remains prevalent in the community, the City has made significant progress in addressing the impacts of COVID-19, including a reduction in the rates of hospitalization and death, as well as a citywide vaccination rate of at least ninety-four percent (94%). Governor Gavin Newsom has announced that the statewide COVID-19 State of Emergency will end on February 28, 2023. At this time it is unknown when conditions will warrant the termination of the City's Local Emergency.

The end of the City's eviction moratorium, which has been in place since March 17, 2020, will be triggered immediately upon the termination of the COVID-19 local emergency unless the City Council extends the Covered Period by resolution. (BMC § 13.110.030.A.)

BACKGROUND

On March 1, 2020, Alameda County Public Health Department and Solano County Public Health Department reported two presumptive cases of COVID-19, pending confirmatory testing by the Centers for Disease Control (CDC), prompting Alameda County to declare a local health emergency.

On March 3, 2020, the City's Director of Emergency Services proclaimed a local emergency due to the spread of COVID-19, including a confirmed case in the City of Berkeley and multiple confirmed and presumed cases in Alameda County. On March 10, 2020, the City Council ratified the Proclamation of Local Emergency.

The City Council has subsequently reviewed and ratified the Proclamation of Local Emergency on April 21, 2020, June 16, 2020, July 28, 2020, September 22, 2020, November 17, 2020, December 15, 2020, February 9, 2021, March 30, 2021, May 25, 2021, July 20, 2021, September 14, 2021, December 14, 2021, February 8, 2022, March 22, 2022, May 10, 2022, June 28, 2022, July 26, 2022, September 20, 2022, November 3, 2022, December 13, 2022, and January 31, 2023.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS Not applicable.

RATIONALE FOR RECOMMENDATION

If the City's eviction moratorium ends abruptly, there is a need to provide a transition to ensure that property owners and tenants are aware that the end of the moratorium is forthcoming and to provide a date by which lawful eviction notices can be served and when tenants are fully covered by state and local eviction laws. As such, the Council will consider the adoption of an ordinance creating a transition period in which certain evictions will remain prohibited, including evictions of tenants with a Covered Reason for Delayed Payment. If such legislation is adopted by Council it will require a second reading and 30 days to take effect, during which time it is possible that conditions may

warrant the termination of the Local Emergency. At a minimum, a 60-day period following the end of the Local Emergency would provide crucial time for tenants and landlords to get their affairs in order prior to the filing of unlawful detainer (eviction) cases in Superior Court.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Mayor Jesse Arreguín 510-981-7100

Attachments:

1: Resolution

RESOLUTION NO. -N.S.

RESOLUTION EXTENDING THE COVERED PERIOD OF THE COVID-19 EMERGENCY RESPONSE ORDINENCE (CHAPTER 13.110)

WHEREAS, in accordance with the Emergency Services Act, Government Code sections 8558(c) and 8630, the Director of Emergency Services beginning on March 3, 2020, did proclaim the existence of a local emergency caused by epidemic in the form of the global spread of a severe acute respiratory illness caused by a novel (new) coronavirus ("COVID-19"), including confirmed cases in California and the San Francisco Bay Area, and presumed cases in Alameda County prompting the County to declare a local health emergency; and

WHEREAS, on March 10, 2020, the City Council ratified the Proclamation of Local Emergency with the passage of Resolution No. 69-312; and

WHEREAS, on March 17, 2020, the City Council adopted the COVID-19 Emergency Response Ordinance, Berkeley Municipal Code Chapter 13.110, prohibiting evictions for the duration of the Local Emergency; and

WHEREAS, on December 15, 2020, the City Council amended the COVID-19 Emergency Response Ordinance to empower the City Council to extend the duration of the "Covered Period" beyond the expiration of the local emergency by resolution; and

WHEREAS, COVID-19 remains prevalent in the community, and while the City has made significant progress in addressing the impacts of COVID-19, including a reduction in rates of hospitalization and death, as well as a citywide vaccination rate of at least ninety-four percent (94%); progress remains to be made in other areas, such as reducing case rates, increasing administration of vaccines to children under 5 (41%) and administration of bivalent boosters (42% citywide); and

WHEREAS, Governor Gavin Newsom has announced that the statewide COVID-19 State of Emergency will end on February 28, 2023; and

WHEREAS, it is unclear to Berkeley tenants and landlords when the Local Emergency may end, which would result in an abrupt end to the COVID-19 Emergency Response Ordinance; and

WHEREAS, the County of Alameda has adopted a COVID-19 Eviction Moratorium that will not expire until 60 days after the termination of the County's Local Emergency;

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Berkeley that it is hereby proclaimed and ordered that the "Covered Period" in the COVID-19 Emergency Response Ordinance (Chapter 13.110) is hereby extended until 60 days after the termination of the Local Emergency.



ACTION CALENDAR February 27, 2023

To: Members of the City Council

From: Mayor Jesse Arreguín

Subject: Amendments to COVID-19 Emergency Response Ordinance, BMC Chapter

13.110.

RECOMMENDATION

Adopt the first reading of an Ordinance amending Berkeley Municipal Code (BMC) Chapter 13.110, the COVID-19 Emergency Response Ordinance to suspend the application of the ordinance to commercial property, permit lawful owner move-in evictions, and establish a Transition Period during which time specified evictions would be prohibited.

BACKGROUND

The City of Berkeley first declared a local emergency on March 3, 2020 in response to the COVID-19 pandemic. Shortly thereafter, Council passed BMC Chapter 13.110 - the COVID-19 Emergency Response Ordinance ("Chapter 13.110") - prohibiting most evictions in Berkeley, which has been subsequently updated over the past couple of years. Pursuant to Government Code section 8630(b) and Berkeley Municipal Code section 2.88.040.A.1, on March 10, 2020, the City Council ratified the Proclamation of Local Emergency with the passage of Resolution No. 69-312.

Pursuant to Government Code section 8630(c), the City Council must review the need for continuing the local emergency at least once every sixty (60) days. The Council last reviewed and ratified the Proclamation of Local Emergency on January 31, 2023. The Council therefore must review the continuing need for the local emergency by April 1, 2023, if the Council wishes to continue the local emergency.

If at any time the Council determines that the need for continuing the local emergency has ended, state law directs the Council to terminate the local emergency at the earliest possible date that conditions warrant. (Cal. Gov. Code section 8630(d).)

While COVID-19 remains prevalent in the community, the City has made significant progress in addressing the impacts of COVID-19, including a reduction in the rates of hospitalization and death, as well as a citywide vaccination rate of at least ninety-four percent (94%). Governor Gavin Newsom has announced that the statewide COVID-19 State of Emergency will end on February 28, 2023. At this time it is unknown when conditions will warrant the termination of the City's Local Emergency.

The end of the City's eviction moratorium, which has been in place since March 17, 2020, will be triggered immediately upon the termination of the COVID-19 local emergency unless the City Council extends the Covered Period by resolution. (BMC § 13.110.030.A.)

The Council on February 27, 2023 will be considering a resolution to extend the Covered Period by sixty days after the local emergency expires. Given the evolving nature of the COVID-19 pandemic and the need for a transition after the moratorium expires, this ordinance would make a number of substantive changes to the application of the eviction moratorium:

1. Sunset the application of the eviction moratorium to commercial properties

The authority to implement a moratorium on commercial evictions rested in the Governor Newsom's Executive Order N-28-20 which has since expired. Given that the local economy is beginning to stabilize after nearly three years of the pandemic, there are no longer any mandated business closures and tax revenues are increasing, there is no longer a need to maintain a moratorium for commercial evictions. Moreover, unlike residential eviction cases, commercial evictions take longer to process, which affords time for parties to resolve outstanding rent debt. The City Council has also allocated over \$1 Million dollars in American Rescue Plan Act funds for a needs-based grant program to aid small business who have significant rent debt, as well as provide counseling to assist businesses in negotiations with property owners regarding back rent. The Office of Economic Development will be administering this grant program.

2. Permit Lawful Owner Move-In Evictions for owners of only one rental property

The City has learned of small property owners who have been unable to occupy their property as their principal residence because the eviction moratorium prohibits a lawful owner move-in eviction to proceed. This ordinance amendment would allow for owners who own only one rental property to initiate an owner move-in eviction so that they can conduct a lawful OMI eviction and take possession of their property.

3. Establish a Transition Period after the end of the Covered Period

If the City's eviction moratorium ends abruptly, there is a need to provide a transition to ensure that property owners and tenants are aware that the end of the moratorium is forthcoming and to provide a date by which lawful eviction notices can be served and when tenants are fully covered by state and local eviction laws. This ordinance would establish a Transition Period from the end of the Covered Period or no sooner than May 1, 2023 to August 31, 2023. This will provide a transition of an additional three months in which certain evictions will remain prohibited, including evictions for health and safety

reasons, owner move-in evictions, evictions of tenants with a Covered Reason for Delayed Payment. During this Transition Period, if a tenant does not pay their rent on time, and does not have documentation justifying a Covered Reason, then an owner may initiate a three-day notice.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

FISCAL IMPACTS OF RECOMMENDATION

None

CONTACT PERSON

Mayor Jesse Arreguín 510-981-7100

Attachments:

1: Ordinance

ORDINANCE NO. -N.S.

ORDINANCE AMENDING CHAPTER 13.110 OF THE BERKELEY MUNICIPAL CODE, THE COVID-19 EMERGENCY RESPONSE ORDINANCE

BE IT ORDAINED by the Council of the City of Berkeley as follows:

<u>Section 1</u>. That Berkeley Municipal Code Chapter 13.110 is hereby amended to read as follows:

Chapter 13.110 COVID-19 EMERGENCY RESPONSE ORDINANCE

Sections:

13.110.010 Findings and Purpose
13.110.020 Prohibited Conduct
13.110.030 Definitions
13.110.040 Collection of Back Rent and Late Fees
13.110.050 Application
13. 110.060 Implementing Regulations
13.110.070 Waiver
13.110.080 Remedies
13.110.090 Severability
13.110.100 Liberal Construction

13.110.010 Findings and Purposes

International, national, state and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus named "SARS-CoV-2." And and the disease it causes has been named "coronavirus disease" 2019," abbreviated COVID-19, ("COVID-19"). In response to this emergency, on March 3, 2020, the City Manager acting as the Director of Emergency Services declared a local State of Emergency based on COVID-19 (hereinafter referred to as "the Local Emergency"), which the City Council subsequently ratified on March 10, 2020. On April 21, 2020, June 16, 2020, July 28, 2020, September 22, 2020, November 17, 2020, December 15, 2020, February 9, 2021, March 30, 2021, May 25, 2021, July 20, 2021, September 14, 2021, December 14, 2021, February 8, 2022, March 22, 2022, May 10, 2022, June 28, 2022, and July 26, 2022, September 14, 2021, December 14, 2021, February 8, 2022, March 22, 2022, May 10, 2022, June 28, 2022, July 26, 2022, September 20, 2022, November 3, 2022, December 13, 2022, and January 31, 2023, the council ratified an extension of the local emergency. In addition, on March 4, 2020, the Governor declared a state of emergency in California and the President of the United States declared a national state of emergency on March 13, 2020 regarding the novel coronavirus and COVID-19.

On March 16, 2020, the City of Berkeley Public Health Officer, along with several other neighboring jurisdictions issued a Shelter in Place Order directing all individuals living in

the City of Berkeley to shelter at their place of residence except that they may leave to provide or receive certain essential services or engage in certain essential activities, and prohibiting non-essential gatherings and ordering cessation of non-essential travel. On March 31, 2020 this Shelter in Place Order was extended to May 3, 2020, and restricted activities further.

Furthermore, on March 16, 2020, the Governor issued Executive Order N-28-20, specifically authorizing local governments to halt evictions for commercial tenants, residential tenants, and homeowners who have been affected by COVID-19, emphasizing that the economic impacts of COVID-19 have been significant and could threaten to undermine housing security as many people are experiencing material income loss as a result of business closures, the loss of hours or wages or layoffs related to COVID-19, hindering their ability to keep up with rents, mortgages and utility bills.

The Order also stated that because homelessness can exacerbate vulnerability to COVID-19, Californians must take measures to preserve and increase housing security for Californians to protect public health and specifically stated that local jurisdictions may take measures to promote housing security beyond what the state law would otherwise allow.

On April 21, 2020, Alameda County enacted an urgency ordinance prohibiting eviction for any reason other than withdrawal of rental property under the Ellis Act or court-ordered eviction for public safety. Although the Alameda County ordinance does not have effect within the incorporated area of Berkeley, it is desirable to ensure that Berkeley residents have at least the same level of protection as the residents of unincorporated Alameda County.

During this State of Emergency and during the transition period thereafter, and in the interests of protecting the public health and preventing transmission of the COVID-19, it is essential to avoid unnecessary displacement and homelessness. It is the intent of this Ordinance to fully implement the suspension of the statutory bases for eviction for nonpayment of rent and for default in the payment of a mortgage as authorized by Executive Order N-28-20.

While COVID-19 remains prevalent in the community, the City has made significant progress in addressing the impacts of COVID-19, including a reduction in the rates of hospitalization and death, as well as a citywide vaccination rate of at least ninety-four percent (94%).

Governor Gavin Newsom has also announced that the statewide COVID-19 State of Emergency will end on February 28, 2023. President Joe Biden has announced that the nationwide COVID-19 State of Emergency will end on May 11, 2023.

Based on the current conditions in the City of Berkeley related to COVID-19, and to stay consistent with state actions, the City Manager has recommended that the City Council terminate the local emergency.

The effect of this chapter suspending the statutory basis for eviction due to non-payment of rent remains in effect throughout the Covered Period, which concludes on the expiration of the local emergency. BMC Section 13.110.030.A allows the City Council to extend the duration of the Covered Period by resolution.

This ordinance makes further amendments to Chapter 13.110 to permit lawful owner-move in evictions pursuant to BMC Section 13.76.130.A.9 and to establish a Transition Period until August 31, 2023, during which time specified evictions would be allowed to take place.

At the same time, the Governor, as well as, the Berkeley Health Officer, and those of other jurisdictions ordered the closure of businesses, except those deemed essential. Many businesses, such as restaurants, are open only for take-out or pick up services and face a critical loss of business.

The City Council is aware that some landlords of commercial properties are seeking significant rent increases during the period when many commercial tenants are closed or are experiencing substantial and catastrophic reductions in their business and income. Such rent increases force tenants who are closed or have substantially reduced revenues face the choice of accepting a significant rent increase, moving at a time when it is virtually impossible, or closing altogether. Accepting a rent increase while closed or in a reduced state of operations means that the commercial tenants face even more debt to the landlord when the emergency is over, and may face a substantially increased rent when the tenant returns to normal operations, if ever.

Landlords of commercial property that unreasonably increases rents on tenants of commercial property during the COVID-19 emergency significantly impacts vulnerable small businesses, nonprofits, and artists who form a large part of the backbone of Berkeley's economy, revenue sources, and employment opportunities. These rent increases are coming at a time when the commercial rents are likely falling due to business closures and potential loss of businesses at the end of the emergency. Thus, these rent increases appear as a way of evading the Governor's and Berkeley's commercial tenant eviction moratorium by forcing tenants to agree to rent increases or leave. Such conduct constitutes constructive evictions in contravention of the eviction moratorium. Furthermore, such rent increases may affect businesses providing goods and essential services, resulting in increases in those costs of essential goods and services contravening the intent of anti-price gouging laws.

On expiration of leases when the emergency order is in place, unreasonable rent increases have already forced the closure of businesses and will result in closing of additional business causing loss of income for the business owners, loss of employment for the employees and of revenue to the city, and an increase in homelessness. To reduce the spread of COVID-19, it is essential to avoid unnecessary displacement and homelessness. Because of the emergency restrictions, businesses forced out due to increased rents will be unable to move to new locations and new businesses will be

unable to open during this emergency period. During a state of emergency cities have extraordinary powers and jurisdiction to create legislation in order to counteract the effects of the emergency situation on its people and businesses. Protecting tenants from excessive rent increases will prevent additional loss of employment and essential services for Berkeley residents. In order to effectively implement an eviction moratorium, the City Council finds it imperative to prevent constructive eviction through unreasonable rent increases.

Accordingly, the City of Berkeley adopts the following amendments to Berkeley Municipal Code Chapter 13.110.

13.110.020 Prohibited Conduct

A. During the Covered Period, no Landlord or Lender shall evict or attempt to evict a Resident of <u>residential</u> real property, or otherwise require a <u>residential</u> Tenant to vacate, unless necessary to stop an imminent threat to the health and safety of other occupants, or for purposes of a lawful owner move-in eviction under Section 13.76.130.A.9 provided that the owner owns only one residential property in the City of Berkeley as specified in <u>subsection C.2 below</u>. For purposes of this Ordinance, the basis for an exception to this Ordinance cannot be the Resident's COVID-19 illness or exposure to COVID-19, whether actual or suspected.

- B. Residential Eviction Moratorium. It shall be a complete defense to any action for unlawful detainer that the notice upon which the action is based was served or expired, or that the complaint was filed or served, during the Covered Period, except that after the effective date of this ordinance, a Landlord may serve a lawful notice pursuant to Section 13.76.130.A.9.
- C. During the Transition Period, no Landlord or Lender shall evict or attempt to evict a Resident of residential real property, or otherwise require a residential Tenant to vacate unless at least one of the following conditions is met:
- 1. Recovery of possession of real property is necessary to stop an imminent threat to the health and safety of other occupants; or
- 2. Owner Move-in Eviction. The Landlord seeks to recover possession of a residential unit for their own use and occupancy as their principal residence and the Landlord fully complies with all "Owner Move-in Eviction" requirements set forth in Berkeley Municipal Code section 13.76.130.A.9. However, a Landlord may not recover possession of any residential unit in this manner unless the Landlord owns only one residential property in the City of Berkeley; or
- 3. The Landlord or Lender seeks to recover possession of real property following the tenant's default in payment of rent that came due after the expiration of the Covered

Period and for which tenant did not provide to the Landlord or Lender documentation establishing a Covered Reason for Delayed Payment as set forth in Berkeley Municipal Code section 13.110.040.C. Any notice to terminate tenancy served pursuant to this section must inform the tenant of their rights to submit documentation establishing a Covered Reason for Delayed Payment as set forth in Berkeley Municipal Code section 13.110.040.C. Notwithstanding any other notice requirements identified in Berkeley Municipal Code section 13.110.040.C, a tenant who asserts a Covered Reason for Delayed Payment during the Transition Period shall provide landlord all required documentation prior to the expiration of the notice to terminate tenancy.

C. No landlord of an Impacted Business or Nonprofit may upon expiration of a lease increase rent for an Impacted Business or Nonprofit in an amount greater than ten (10) percent over the rent in effect at the commencement of the local emergency declared by the Director of Emergency Services. For purposes of this section, rent means all consideration for the use and enjoyment of the rented premises, including base rent and any additional rent or other charges for costs such as utilities, maintenance, cleaning, trash removal, repairs and any other charges to the tenant required under the rental agreement. This section 13.110.020 C. shall expire on May 31, 2020, concurrent with Executive Order N-28-20; provided, however, that this section shall be automatically extended if Executive Order N-28-20 is extended or the tenant protections therein are extended pursuant to another Governor's Executive Order.

D. For the duration of the Covered Period, if a <u>residential</u> tenant has a Covered <u>reason</u> Reason for <u>delayed Delayed paymentPayment</u>, the tenant may terminate a lease or rental agreement with 30 day' notice without penalty. A tenant may also exercise rights under this subsection if the tenants or roommates of the tenants are or were registered at an educational institution that cancelled or limited in-person classes due to the COVID-19 pandemic.

13.110.030 Definitions

A. "Covered Period" means the period of time beginning with March 17, 2020 and concluding 60 days after upon the expiration of the local emergency but not sooner than May 1, 2023. However, the City Council may vote by resolution to extend the duration of the Covered Period.

B. "Transition Period" means the period of time beginning with the expiration of the Covered Period and ending on August 31, 2023.

BC. "Covered Reason for Delayed Payment" means:

(1) The basis for the eviction is nonpayment of rent, arising out of a material decrease in household, business, or other rental unit occupant(s)'s income (including, but not limited to, a material decrease in household income caused by layoffs or a reduction in the number of compensable hours of work, or to caregiving responsibilities, or a material

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decrease in business income caused by a reduction in opening hours or consumer demand), or material out-of-pocket medical expenses, or a reduction in the number of tenants living in the unit (including due to difficulty finding new tenants and/or subtenants willing and able to cover a sufficient share of rent) which reduces the ability of the remaining tenants to pay rent, or a rent increase that exceeds the Annual General Adjustment for the current year; and

- (2) The decrease in household, business, or other rental unit occupant's income or the expenses or reduction in number of tenants described in subparagraph (1) was caused by the impacts of COVID-19 pandemic, or by any local, state, or federal government response to COVID-19.
- <u>CD</u>. "Delayed Rent Payment Agreement" means a mutual agreement between a landlord and tenant regarding the timing and amount of payments for rent that is delayed by a Covered Reason for Delayed Payment.
- <u>**DE**</u>. "Homeowner" means the owner or owners of a Residential Unit subject to a mortgage or similar loan secured by the residential unit. "Homeowner" is limited to owners who reside in the unit and includes the individuals residing in the unit with the homeowner.
- E<u>F</u>. "Impacted Business or Nonprofit" means a business or nonprofit organization that had a business license in 2019 or 2020 in the City of Berkeley or is a registered nonprofit in either or both of those years and:
- 1. whose operation has been shut down due to the COVID-19 emergency, or
- 2. that is unable to accept customers at its location and is open for limited virtual, take-out or pickup services only, or
- 3. who suffered a material loss of income.
- FG. "Landlord" includes owners, lessors, or sublessors of either residential or commercial rental property, and the agent, representative, or successor of any of the foregoing.
- GH. "Lender" means the mortgagee of a purchase money or similar mortgage, or the holder or beneficiary of a loan secured by one or more units, which person has the right to mortgage or similar payments from the owner as mortgagor, including a loan servicer, and the agent, representative, or successor of any of the foregoing.
- HI. "Resident" means a Tenant, Homeowner, or their household.
- LJ. "Tenant" includes a tenant, subtenant, lessee, sublessee, lodger or any other person entitled by written or oral rental agreement to use or occupancy of either residential or commercial property. "Tenant" includes a former trustor or homeowner who has lost title the real property in which they reside after a Trustee's sale.

13.110.040 Collection of Back Rent and Late Fees

A. Nothing in this Chapter shall relieve the tenant of liability for unpaid rent, which the landlord may seek after expiration of the <u>-Covered Period</u>, or after the Transition Period

if the tenant establishes a Covered Reason for Delayed Payment. local State of Emergency. Notwithstanding any lease provision to the contrary, a landlord may not charge or collect a late fee, fine, or interest for rent that is delayed by a Covered Reason for Delayed Payment. The City will develop standards or guidelines for tenants to repay unpaid rent accrued during the Covered Period course of the local State of Emergency. Landlords are encouraged to work with local agencies that will be making rental assistance available for qualifying tenants.

В.

- 1. For rent accrued through January 31, 2021, Tenants shall have until March 31, 2022, or the date adopted by state law, as applicable, to pay rent that was delayed by a Covered Reason for Delayed Payment unless the landlord and tenant come to a mutual repayment agreement ("Delayed Rent Payment Agreement").
- 2. For rent accrued beginning February 1, 2021, Tenants shall have until <u>July 31, 2023</u>, twenty-four (24) months after the conclusion of the Covered Period to pay rent that was delayed by a Covered Reason for Delayed Payment, or the period of time adopted by state law, as applicable, unless the landlord and tenant come to a mutual repayment agreement ("Delayed Rent Payment Agreement").
- 3. Notwithstanding any lease provision to the contrary, a landlord may not charge or collect a late fee, fine, or interest for rent that is delayed by a Covered Reason for Delayed Payment.
- C. A Tenant is not required to provide documentation to the Landlord in advance to qualify for the delayed repayment of rent. However, upon the request of a Landlord, a Tenant shall provide such documentation to the Landlord within forty-five (45) days after the request or within thirty (30) days after the Covered Periodprior to the expiration of a lawfully drafted and served notice of termination of tenancy, whichever is latersooner. A declaration sworn under penalty of perjury shall constitute documentation for the purpose of this requirement. In the case of nonpayment of rent, the failure of a Tenant to notify the landlord in advance of being delinquent in the payment of rent prior to being served with a notice pursuant to Code of Civil Procedure sections 1161(2) et seq. does not waive the Tenant's right to claim this Chapter as a complete defense to nonpayment of rent in an unlawful detainer action.
- D. Any medical or financial information provided to the landlord shall be held in confidence, and shall not be disclosed to other entities unless such disclosure is permitted or required by the law, or unless the tenant explicitly authorizes the disclosure of the information in writing.
- E. Any relief from the City of Berkeley either directly to a property owner on their own application or as a pass through for City relief payments to the tenant shall directly reduce the amount of any rent that was delayed by a Covered Reason for Delayed Payment. This requirement shall be applied into any Delayed Rent Payment Agreement, regardless of the terms of that agreement.

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13.110.050 Application

A. This Chapter applies to eviction notices and unlawful detainer actions based on notices served, filed, or which expire during the Covered Period and Transition Period. It does not apply to commercial leases where the term has expired and the City has issued a permit for the demolition or substantial alteration of the commercial unit, or to units ordered by the City to be vacated for the preservation of public health, including where the City deems necessary to control the spread of COVID-19.

- B. Except where expressly required by state law (such as Assembly Bill 3088 or any subsequent statewide COVID-19 relief legislation), a landlord may seek rent accrued during the Covered Period as set forth in Section 13.110.040, but may not file an action pursuant to Code of Civil Procedure sections 1161(2) et seq. or otherwise seek to recover possession of a rental unit based on the failure to pay rent that accrued during the Covered Period. In any action to evict based on alleged nonpayment of rent, it shall be a complete defense to such action if any part of the rent in dispute accrued at any time during the Covered Period, or if the action otherwise demands any fees or amounts contrary to the provisions of this Chapter. A landlord shall not apply any rent payment towards rent that is delayed by a Covered Reason for Delayed Payment before applying it towards any other Rent owed without the explicit written permission of the Tenant.
- C. A Landlord or Lender shall not retaliate against a Resident for exercising their rights under this Ordinance, including but not limited to shutting off any utilities reducing services or amenities, refusing to make or delaying repairs to which the Resident would otherwise be entitled, or taking actions which hurt the Resident's credit rating based on non-payment of rent during the Covered Period as allowed under this ordinance.
- D. In addition to the affirmative defenses set forth above, in any action to recover possession of a rental unit filed under Berkeley Municipal Code section 13.76.130(A)(1), it shall be a complete defense that the landlord impeded the tenant's effort to pay rent by refusing to accept rent paid on behalf of the tenant from a third party, or refusing to provide a W-9 form or other necessary documentation for the tenant to receive rental assistance from a government agency, non-profit organization, or other third party. Acceptance of rental payments made on behalf of the tenant by a third party shall not create a tenancy between the landlord and the third party.

13.110.060 Implementing Regulations

The City Manager may promulgate implementing regulations and develop forms to effectuate this Ordinance. This includes the option of requiring Landlords and Lenders to give a notice to Residents informing them of this Chapter and the right to seek the benefits of this Chapter.

13.110.070 Waiver.

A. By entering into a Delayed Rent Payment Agreement, Tenants do not waive any rights under this Chapter.

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B. Any agreement by a Tenant to waive any rights under this ordinance shall be void and contrary to public policy.

13.110.080 Remedies

A. In the event of a violation of this Ordinance, any person or entity aggrieved by the violation may institute a civil proceeding for injunctive relief, and money actual damages as specified below, and whatever other relief the court deems appropriate.

- 1. An award of actual damages may include an award for mental and/or emotional distress and/or suffering. The amount of actual damages awarded to a prevailing plaintiff shall be trebled by the Court outside of the presence, and without the knowledge of, the jury, if any, if a defendant acted in knowing violation of, or in reckless disregard for, the provisions of this Chapter.
- 2. A defendant shall be liable for additional civil penalties of up to five thousand dollars for each violation of this Chapter committed against a person who is disabled within the meaning of California Government Code section 12926, et seq., or aged sixty-five or over.
- 3. In addition to the above awards of damages in a civil action under this Chapter, a prevailing plaintiff shall be entitled to an award of reasonable attorney's fees. A prevailing defendant in a civil action under this Chapter shall only be entitled to an award of attorney's fees if it is determined by the Court the action was wholly without merit or frivolous.
- 4. In addition, this Chapter grants a complete defense to eviction in the event that an eviction notice or unlawful detainer action is commenced, filed, or served in violation of this Chapter.
- B. The protections provided by this ordinance shall be available to all Residents, regardless of any agreement wherein a Resident waives or purports to waive their rights under this Ordinance, with any such agreement deemed void as contrary to public policy.
- C. A. Violations of Section 13.110.020(C) (Commercial rent restrictions).
- 1. Violations of Section 13.110.020(C) may be enforced by an administrative fine of up to \$1,000 pursuant to Chapter 1.28. Each day a commercial property landlord demands rent in excess of the amount permitted pursuant to Section 13.110.020(C) is a separate violation. The City may also charge the costs of investigating and issuing any notices of violations, and any hearings or appeals of such notices.
- 2. The City Attorney may refer those violators of Section 13.110.020(C) to the Alameda County District Attorney for redress as a violation of Business and Professions Code section 17200, et seq. or, if granted permission by the District Attorney, may bring an action pursuant to Business and Professions Code section 17200, et seq.

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D. Nonexclusive Remedies and Penalties. The remedies provided in this subdivision are not exclusive, and nothing in this Chapter shall preclude any person from seeking any other remedies, penalties or procedures provided by law.

13.110.090 Severability.

If any section, subsection, sentence, clause, phrase, or word of this Chapter, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Chapter. The Council of the City of Berkeley hereby declares that it would have passed this Chapter and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Chapter or application thereof would be subsequently declared invalid or unconstitutional.

13.110.100 Liberal Construction

The provisions of this Chapter shall be liberally construed so as to fully achieve its purpose and provide the greatest possible protections to tenants.

<u>Section 2.</u> Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

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