



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember Raul Peralez

**SUBJECT:** SEE BELOW

**DATE:** August 24, 2020

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Approved by:

Date: 8/24/2020

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**SUBJECT: REPORT ON ECONOMIC INDICATORS TO EVALUATE NEED FOR  
CONTINUING THE EVICTION MORATORIUM AND EXTENSION OF  
COVID-19 EVICTION MORATORIUM TO SEPTEMBER 30, 2020**

## **RECOMMENDATION**

Direct the City Manager to:

1. Explore amending the Eviction Moratorium to extend the Eviction Moratorium to align with the Local Declared State of Emergency,
2. Return with an analysis on the economic indicators evaluating the need of a moratorium with every extension of the Local Declared State of Emergency for Council's consideration to end the existing Eviction Moratorium if needed,
3. Prohibit non payment of rent that was not paid during the COVID-19 pandemic as a cause for eviction at any time after the eviction moratorium ends.

## **BACKGROUND**

On March 16, 2020, Santa Clara County along with the five neighboring counties made the decision to enact the nation's first Shelter in Place (SIP) order to slow the spread of COVID-19. This required that residents stay home and severely limited travel only for essential tasks, prompting an unprecedented wave of business closures and layoffs. Immediately following those orders, the City quickly enacted an eviction moratorium, intending to protect thousands of the City's most vulnerable residents who were most impacted by the closure. While actions have

been taken to halt displacement during the pandemic, once the moratorium ends many families will be placed at great risk of being evicted considering the amount of debt that has accrued for the last six months and counting.

**ANALYSIS:**

Cities around the Bay have already responded to this impending crisis, passing stronger protections to prevent mass evictions from taking place. The County of Alameda and the cities of Berkeley, Oakland, and most recently San Francisco, all passed policies that prevent tenants from being evicted if the reason is because they are unable to complete back payment of rent accumulated during the crisis, even after the repayment period is over. While tenants remain responsible for any back rent owed, the possibility of being evicted is no longer an option. This means that in San José, Landlords would still have options to seek the back rent owed through the Rent Stabilization Program's mediation services, small claims court, or a civil lawsuit.

Currently the moratorium only covers the terms of repayment; once the eviction moratorium ends, tenants must pay back 50% of the back rent owed within six months and the remainder in the following six months. If the moratorium was to end on September 30, a family living in a rent controlled unit at the average rent of \$1,979, would be responsible for \$11,874 to be repaid in 12 months. On top of the \$1,979 current rent they would have to make, there would be an additional \$989.50 each month if they were to make the repayment period. This 50% increase in rent would prove to be insurmountable as many of our low income families are living paycheck to paycheck, with no wage increase, and push even more households into becoming rent-burdened.

In addition, extending the moratorium to align with the City's local declared state of emergency will provide residents the security that the moratorium will not end abruptly. Council will still ultimately have the decision to end the moratorium given the analysis that is provided at each extension of the emergency shows the moratorium can be lifted.

In March, Sacred Heart's COVID-19 relief fund of \$11 million served over 4,600 families, however 13,000 families were added to the interest list, illustrating the financial vulnerability thousands of our low income families are experiencing. According to a report by the Working Partnerships USA and the Law Foundation of Silicon Valley, it is estimated that over 43,000 tenants, disproportionately Black and Latino, will be at the highest risk for eviction. What will happen after the end of the local emergency will exacerbate our housing crisis if no further action is taken. During these unprecedented times, it is imperative that we consider all measures that protect the health and welfare of all our residents. No family should lose their home due to uncontrollable circumstances of the pandemic.