

# PROCLAMATION



City and County of Denver

## Proclamation No. 20-0350

### Urging Rent and Mortgage Moratoriums for those Unable to Pay During the COVID-19 Emergency

**WHEREAS**, Coronavirus Disease 2019 (COVID-19) first appeared in December 2019, was declared a global pandemic by the World Health Organization on March 11, 2020, resulting in declarations of emergency by Colorado Governor Jared Polis on March 10, 2020 and by Denver Mayor Michael B. Hancock on March 12, 2020; and

**WHEREAS**, on March 16, 2020, Denver Mayor Hancock placed restrictions on restaurants and bars prohibiting dining-in options to mitigate the spread of COVID-19, and on March 23, 2020, Denver issued orders to stay-at-home and cease non-essential activities, followed two days later by similar orders from Colorado Governor Polis; and

**WHEREAS**, tens of thousands of employees in the service and hospitality industries, non-food retail, non-essential manufacturing, fitness and personal care providers, and others have lost hours or jobs as businesses comply with these orders to decrease the spread of COVID-19, resulting in more than 127,393 claims for unemployment, but recently employed workers and some immigrants are not eligible for unemployment, and even eligible recipients experience delays in benefits and only partial replacement of earnings; and

**WHEREAS**, the federal stimulus package will provide most adult Americans with a one-time check for \$1,200, but many immigrant workers will not receive these benefits in spite of paying taxes, while low-income non-tax filers face significant barriers, and even filers who are eligible may not receive checks for three weeks or more for those with direct-deposit and up to three months for Americans without direct deposit, and many households' monthly rent and necessity expenses exceed the amount of the one-time payment; and

**WHEREAS**, the CDC recommends extreme social distancing practices be extended at least until April 30 but may be extended longer based on modeling data on what measures are needed to prevent the spread of COVID-19, meaning many workers will have been out of work for a minimum of 6 weeks, but depending on future orders and the pace of recovery after orders are lifted, many could remain out of work longer; and

**WHEREAS**, many Denverites were already struggling to keep up with rent prior to the crisis, with an average rent of \$1,475 and 46% of renters paying more than 30% of their income to housing costs making them cost-burdened or severely cost-burdened, and home price appreciation has already outpaced wage growth causing 24% of homeowners to be cost-burdened or severely-cost burdened; and

**WHEREAS**, Denver Municipal Court has delayed all civil cases including Forced Entry and Detainer eviction cases through May 31, and Mayor Hancock has directed Denver Sheriff Department to no longer assist in eviction orders that may have been issued prior to the COVID-19 crisis, but eviction filings continue to be accepted by the Denver Municipal Court and residents are still expected to make rent payments causing an accumulation of debt and risk of housing loss when Court reopens; and

**WHEREAS**, Governor Polis' Executive Order on March 20, 2020 directs agencies to explore and encourage prevention of foreclosures and evictions, and requests landlords not to impose fees, and banks to halt foreclosures, but it did not utilize the governor's emergency authority under C.R.S. 24-33.5-704 to order such actions and is therefore not binding protection for renters, homeowners or mortgage holders of rental properties; and

**WHEREAS**, renters in Denver have shared that some laudable landlords have worked with them as tenants to reduce rent or accept delayed payment, but others have continued to post rent demands, file evictions, and have refused requests to accommodate their renters, and while both Denver and the state fund rental assistance programs, Denver already saw a 245% increase in applications for Temporary Rental and Utility Assistance in March 2020, and there will not be sufficient city or state funding to pay all rent shortfalls in Denver; and

**WHEREAS**, the closure of businesses to prevent the spread of COVID-19 has caused significant financial hardship to small businesses also impacting their ability to pay rent; and

**WHEREAS**, through the Governor's Emergency Declaration on March 11, 2020 Governor Polis opened the opportunity to use certain emergency powers under the Colorado Disaster Emergency Act (Colorado Disaster Emergency Act, C.R.S. § 24-33.5-701); and

**WHEREAS**, one of the first responses to the economic impact of the COVID-19 crisis by the U.S. Federal Reserve on March 12, 2020 was to inject \$1.5 trillion in loans to banks to stabilize the economy, which will help banks withstand nonpayment of debt during this emergency, so they can work out extensions and other ways for debt to be refinanced when the health emergency is over; and

**WHEREAS**, there is a direct connection between the ability of banks to provide relief to those who owe debt on homes or multi-family properties that are rented to tenants and those landlords' ability to provide relief from rent to tenants, and by halting mortgage payments during this time, the urgent need for landlords to collect rent will be paused; and

**WHEREAS**, to-date there is no national rent or mortgage relief program other than restrictions in the CARES Act for properties with federally backed mortgages, which protect only about one-third of rental apartments, and there is no government program of any kind for mortgages on multi-family dwellings.

**NOW THEREFORE, BE IT PROCLAIMED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**

**Section 1.** That the Council of the City and County of Denver calls on Governor Jared Polis to use the full legal extent of his emergency powers to impose an immediate moratorium on residential and small business commercial rent payments for those unable to pay due to COVID-19 and Public Health Orders, such that no Coloradan or small business who is unable to pay through no fault of their own should be required to pay rent during this health emergency, nor should they accumulate debt or interest for unpaid rent, and to support efforts to achieve similar action from other state and federal officials as described in Sections 2; and

**Section 2.** That the Council of the City and County of Denver calls on the administration of President Donald Trump, members of the congressional delegation representing Denver, and Congressional leaders -- specifically Representative Diana DeGette, Senator Cory Gardner, Senator Michael Bennet, Speaker Nancy Pelosi and Financial Services Committee Chair Maxine Waters -- to enact by Executive Order or by law an immediate moratorium on all residential and commercial mortgage payments and rents for those unable to pay due to COVID-19 or Public Health Orders, such that no owner of property in the nation who is unable to pay through no fault of their own should be required to pay mortgage during this health emergency, nor should they accumulate additional debt or interest for unpaid mortgage payments, and no renter in the nation who is unable to pay through no fault of their own should be required to pay rent during this health emergency, nor should they accumulate debt for unpaid rent; and

**Section 3.** That the Clerk of the City and County of Denver shall affix the seal of the City and County of Denver to this proclamation and that a copy be transmitted to Governor Jared Polis, Representative Diana DeGette, Senator Cory Gardner, Senator Michael Bennet, House Speaker Nancy Pelosi, Financial Services Committee Chair Maxine Waters, and President Donald Trump.

PASSED BY THE COUNCIL April 13, 2020

\_\_\_\_\_ PRESIDENT