

**RESOLUTION NO. 2020-11**

**A RESOLUTION OF THE BELLINGHAM CITY COUNCIL CALLING ON THE FEDERAL AND STATE GOVERNMENTS TO RESPOND TO THE COVID-19 EMERGENCY BY ENACTING IMMEDIATE RENT AND MORTGAGE PAYMENT RELIEF**

**WHEREAS**, Novel Coronavirus (COVID-19) first appeared in December 2019 and has spread throughout the world, and on March 11, 2020, the World Health Organization declared the outbreak a global pandemic; and

**WHEREAS**, on January 21, 2020 the first case in the United States was identified in Washington, and on February 24, 2020 the first death in the United States was identified in Washington, and on March 11, 2020 the World Health Organization declared the outbreak a global pandemic; and

**WHEREAS**, on February 29, 2020, Washington Governor Jay Inslee declared a state of emergency to help the state respond to the broader spread of COVID-19; and

**WHEREAS**, the state is acting in strong and definitive ways to slow the spread of the virus and save lives, with Governor Jay Inslee amending Proclamation 20-05 to order residents to shelter-in-place and cease non-essential activities as of March 25, 2020, with such restrictions extending at least to May 4, 2020; and

**WHEREAS**, Governor Jay Inslee on March 19, 2020 ordered a 30-day moratorium on residential evictions for nonpayment of rent due to COVID-19 loss of income, but renters are still obligated to pay landlords, and this order expires soon and does not prevent commercial evictions; and

**WHEREAS**, because of shelter in place orders and their impact on service and other industries, labor organizations representing hospitality workers estimate that 80 percent or more of hospitality workers will lose their jobs, along with thousands of arts, travel, nonprofit, retail, and other service workers; and

**WHEREAS**, new claims for unemployment benefits in Washington State for the week ending March 28, 2020 reached a record 181,975, representing a 3,513% increase from the same period last year, and a sevenfold increase over the peak week during the last recession, which was 26,075 weekly initial claims; and

**WHEREAS**, expected relief to some idled workers in the form of unemployment insurance is currently facing delays, and in any case is of limited duration; and

**WHEREAS**, even in normal economic times many households are cash-strapped, with a 2019 Federal Reserve study indicating that 40 percent of adults would not be able to cover an unexpected expense of \$400 from savings and would have to take on debt or sell

City of Bellingham  
City Attorney  
210 Lottie Street  
Bellingham, Washington 98225  
360-778-8270

something to cover that expense, and that 12 percent of all adults would be unable to pay the unexpected expense by any means; and

**WHEREAS**, residential vacancy rates in Bellingham hover around 2% and average rents have increased more than 60% from 2000 and, according the U.S. Census Bureau, median monthly rents for an apartment in Bellingham are now around \$1000, one of the highest in the state; and

**WHEREAS**, extremely low income Bellingham residents (earning less than 30% of Area Median Income - AMI) and very low income households (earning less than 50% of AMI) continue to be the overwhelming majority of households facing severe housing cost burdens of 50% or more of income, and almost half (48%) of all Bellingham renters are rent burdened; and

**WHEREAS**, in Whatcom County, 17 percent of households are below the extremely low level of income used to determine the official poverty level, and another 22 percent have been determined to be asset limited, income constrained, and employed (ALICE)—households that earn more than the poverty level, but less than the basic cost of living for the county—meaning that four in ten households were already in economic distress before the COVID crisis began; and

**WHEREAS**, in Bellingham, the number of households either in poverty or that are income constrained is even higher, making up almost half (48%) of all households; and

**WHEREAS**, tenants protected by eviction moratoria enacted by the state, or by the federal government, still owe rent for the days they were unable to pay, meaning that those who defer payments will accumulate significant personal debt; and

**WHEREAS**, it is critically important that Bellingham residents who currently have housing are not made homeless or destitute because of this public health crisis; and

**WHEREAS**, when the public health crisis subsides, Bellingham residents must be able to resume everyday activities, including going back to service sector and other jobs; and

**WHEREAS**, many small business owners must pay on leases even though they are not producing revenue, bringing a threat of insolvency; and

**WHEREAS**, according to data from the U.S. Small Business Administration, small business jobs make up more than two-thirds of all employment in Whatcom County; and

**WHEREAS**, although all type of jobs are affected to varying degrees by the current crisis, service sector jobs are most directly impacted, especially leisure, hospitality, and retail trade jobs, which together make up more than one in five jobs in the Whatcom County, with the vast majority of these jobs in Bellingham; and

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**WHEREAS**, one portion of the service sector heavily impacted by the stay at home order, the tourism industry, accounts for over \$700 million dollars of total revenue in Whatcom County and supports more than 7,000 jobs, and many of these businesses have rent obligations that threaten their continued solvency; and

**WHEREAS**, service industries such as restaurants and small retailers make up a substantial share of downtown businesses and downtown employment and are critical to the health and vibrancy of the City's downtown core; and

**WHEREAS**, Bellingham values our creative class and service providers made up of artists, musicians, caretakers, non-profit employees, small retailers, and others who add to the City's uniqueness and quality of life and are currently without income or underemployed; and

**WHEREAS**, commercial and residential renters, and building owners, will all be better off in the long run if critical cash crunches currently facing renters do not result in eviction or bankruptcy; and

**WHEREAS**, on March 19, 2020, Mayor Seth Fleetwood issued an Executive Order providing various forms of economic relief, including rent relief to commercial tenants renting from the City, but the City does not have the resources to directly provide relief to most commercial and residential renters; and

**WHEREAS**, one of the first responses, on March 12, 2020, to the economic impact of the COVID-19 crisis by the US federal government was to inject \$1.5 trillion in loans to banks to stabilize the economy; and

**WHEREAS**, to date no rent relief program is in place and mortgage forbearance guidance for single-family homeowner mortgages has been issued by Freddie Mac and other government agencies, but this relief requires that individual banks decide how and if to implement it; and

**WHEREAS**, banks therefore have access to sufficient capital to be able to withstand nonpayment of debt during this emergency and to work out extensions and other ways for debt to be refinanced when the health emergency is over; and

**WHEREAS**, by halting mortgage payments during this time, the urgent need for landlords to collect rent will be suspended; and

**WHEREAS**, relief will be needed for an extended period of time after stay at home orders are eased, necessitating a longer period of rent and mortgage relief.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLINGHAM:**

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That the City Council of the City of Bellingham requests that the Governor and/or the Federal Government provide immediate forgiveness of residential and commercial mortgage payments, such that no owner of property should be required to make mortgage payments during this health emergency or accumulate additional debt for unpaid mortgage payments, with forgiveness extending at least to November 1, 2020, with extensions possible for ongoing hardship; and

That the State or Federal governments use emergency powers to impose immediate suspension of rent payments, such that no U.S. or Washington resident should be required to pay rent during this health emergency, nor should they accumulate debt for unpaid rent, with relief extending at least to November 1, 2020, with extensions possible for ongoing hardship; and

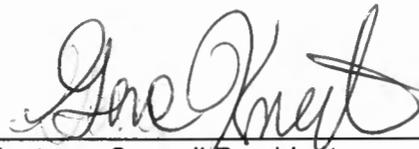
That Washington Governor Jay Inslee should extend the residential eviction moratorium, with needed exceptions for health and safety, and implement a commercial moratorium, so that landlords are prohibited from issuing eviction or unlawful detainer notices for nonpayment of rent to commercial tenants; prohibited from initiating eviction actions in court; and prohibited from advancing eviction actions already initiated, during the duration of the state emergency, with relief extending at least to November 1, 2020, with extensions possible for ongoing hardship; and

FURTHERMORE, that the Federal and/or State Governments should develop a rent relief program that will provide grants, not loans, in the amount equal to monthly rent payments, for long-term relief of residential and commercial renters impacted by the COVID-19 emergency, for a period of recovery after the lifting of the emergency declaration, with relief extending at least to November 1, 2020, with extensions possible for ongoing hardship; and

FURTHERMORE, that these measures should be extended to undocumented individuals and adult college students who are not eligible for cash or rental assistance because they are claimed as dependents on their parents' tax returns; and

BE IT FURTHER RESOLVED, that the City of Bellingham shall transmit this Resolution to Governor Jay Inslee; Senators Patty Murray and Maria Cantwell; members of US Congress Nancy Pelosi, Suzan DelBene, and Rick Larson; and President Donald Trump.

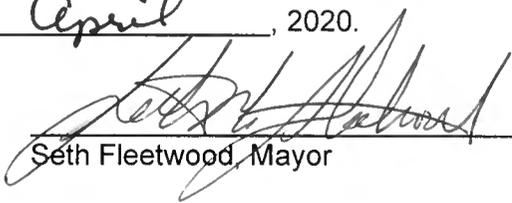
**PASSED** by the Council this 13<sup>th</sup> day of April, 2020.



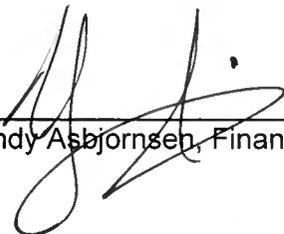
Gene Knutson, Council President

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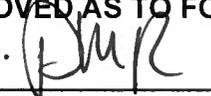
APPROVED by me this 24<sup>th</sup> day of April, 2020.

  
Seth Fleetwood, Mayor

ATTEST:

  
Andy Asbjornsen, Finance Director

APPROVED AS TO FORM:

  
Office of the City Attorney

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