

City's COVID-19 Residential Eviction Moratorium Upheld

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ATTORNEYS

The residential eviction moratorium enacted by the City of Los Angeles in response to the COVID-19 pandemic has been upheld against a challenge from landlords.

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In *Apartment Association v. City of Los Angeles*, a trade association of landlords challenged the City's residential eviction moratorium as violating the Contracts Clause of the U.S. Constitution. The Contracts Clause prohibits states and municipalities from passing laws that impair contractual obligations. A law is unconstitutional under the Contracts Clause if: (1) the law substantially impairs a contractual relationship; and (2) the law is not drawn in an "appropriate" and "reasonable" way to "advance a significant and legitimate public purpose." The landlord association argued the City's eviction ban impaired the contracts between landlords and residential tenants when it protected tenants against eviction if they were unable to pay rent due to financial hardships from COVID-19. The federal trial court held that the landlord association is unlikely to succeed on its Contracts Clause claim because any impairment of landlords' contract rights appears to be "eminently reasonable under the extraordinary circumstances" of the pandemic.

A panel of the Ninth Circuit Court of Appeals affirmed the federal trial court's decision and ruled that the landlord association is unlikely to prevail on its claim that the City's eviction moratorium violates the Contracts Clause. The Ninth Circuit did not decide whether the eviction moratorium substantially impaired contractual relations between landlords and tenants. Instead, the court held that the eviction moratorium's challenged provisions are likely appropriate and reasonable measures to ensure housing security and promote public health during the COVID-19 pandemic.

The court emphasized that deference should be provided to local officials when assessing a potential violation of the Contracts Clause. The City tied its eviction moratorium to the goals of preventing housing displacement and promoting public health during the pandemic. The court explained that it must "refuse to second-guess" the City's determination that the eviction moratorium is the most appropriate way to advance these goals. The Ninth Circuit's decision likely supports other California cities' residential eviction bans that further the same goals.



If you have any questions about how this decision may impact your agency, please contact **Chelsea Straus** or **Brendan Kearns**.