

## LEGISLATIVE DIGEST

[Emergency Ordinance - Commercial Evictions for Non-Payment During COVID-19 Pandemic]

**Emergency ordinance to regulate evictions of commercial tenants due to non-payment of rent, when the tenant was unable to pay due to financial impacts related to the COVID-19 pandemic.**

### Existing Law

The City does not currently regulate commercial evictions due to non-payment of rent.

### Amendments to Current Law

The ordinance covers commercial tenants in the City with fewer than 100 employees. If a covered tenant failed to make a rent payment due on or after March 17, 2020, the landlord could not evict for non-payment without first providing the tenant notice and an opportunity to cure. The cure process would consist of the landlord giving the tenant a certain amount of time to either pay the rent, or provide documentation that the tenant is unable to pay due to a financial impact related to COVID-19. If the tenant gives the landlord such documentation, the landlord and tenant would then have one month to discuss a payment plan in good faith, and if unable to agree to one, the tenant would have until the end of the one-month period to cure the violation. At the end of that period, the tenant would need to either pay the outstanding rent, or provide additional documentation of its ongoing inability to pay. The tenant with an inability to pay could extend the cure period to up to six months beyond the original due date, under this procedure. At the end of the cure period, if the tenant still had not paid, the landlord could evict for non-payment.

The ordinance only regulates when a landlord may evict a covered tenant due to non-payment of rent. It does not relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover the rent due through means other than an eviction for non-payment.

The ordinance is an emergency ordinance, so under Charter section 2.107, it will take effect immediately upon enactment and will remain in effect for 60 days, unless reenacted. If not reenacted, it will expire on the 61st day.

### Background Information

The ordinance is necessary to address the COVID-19 emergency, and follows the Governor's March 16, 2020 Executive Order (No. N-28-20).