

LEGISLATIVE DIGEST
(Substituted 9/22/20)

[Administrative Code - Eviction of Commercial Tenants During COVID-19 Pandemic]

Ordinance amending the Administrative Code to temporarily restrict landlords from evicting commercial tenants for non-payment of rent that was not paid due to the COVID-19 pandemic.

Existing Law

On March 16, 2020, the Governor issued Executive Order N-28-20, paragraph 2 of which allows local governments to enact measures to protect commercial tenants from being evicted due to their inability to pay rent due to COVID-19. Paragraph 2 of the Executive Order is currently set to expire on September 30, 2020.

On March 19, 2020, the Mayor issued an Emergency Order to restrict landlords from evicting commercial tenants registered to do business in San Francisco with worldwide gross receipts for tax year 2019 equal to or below \$25 million (“covered tenants”). The Order applies to rent owed by covered tenants from March 19 through the end of September. Under the Order, a landlord may not evict a covered tenant for non-payment of rent that fell due during this time period, for up to six months after the rent payment was first due. For example, if a covered tenant missed an April 1 rent payment, the tenant could receive an extension up until October 1 for that month’s rent. Likewise, a rent payment originally due on May 1 could be extended up until November 1. However, a landlord could evict for non-payment before the six-month mark by demonstrating that the eviction is necessary to avoid a significant financial hardship to the landlord.

Amendments to Current Law

The proposed ordinance would prohibit landlords from evicting covered tenants who had missed rent payments that fell due while paragraph 2 of the Executive Order was in effect (i.e., from March 16 until September 30, unless the Governor extends the September 30 date further), until January 1, 2022, or six months after the time period covered by paragraph 2 of the Executive Order (as said time period may be extended by the Governor from time to time) has ended, whichever is later (the “Forbearance Period”). But, an eviction may proceed if the landlord owns less than 25,000 square feet of rentable square feet in the building and can demonstrate that being unable to evict would create a significant financial hardship for the landlord.

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