

ORDINANCE NO. 20-O- 2809

AN URGENCY ORDINANCE OF THE CITY OF BEVERLY HILLS ADOPTING EMERGENCY REGULATIONS RELATED TO RESIDENTIAL AND COMMERCIAL TENANT EVICTIONS, AND OTHER MEASURES, REPEALING ORDINANCE NO. 20-O-2808, AND DECLARING THE URGENCY THEREOF

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY ORDAINS AS FOLLOWS:

WHEREAS, international, national, state, and local health and governmental authorities are responding to an outbreak of respiratory disease caused by a novel coronavirus named “SARS-CoV-2,” and the disease it causes has been named “coronavirus disease 2019,” abbreviated COVID-19, (“COVID-19”); and

WHEREAS, on March 4, 2020, the Los Angeles County Board of Supervisors and Department of Public Health declared a local emergency and local public health emergency to aid the regional healthcare and governmental community in responding to COVID-19; and

WHEREAS, on March 4, 2020, the Governor of the State of California declared a state of emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for the broader spread of COVID-19; and

WHEREAS, on March 13, 2020, the President of the United States of America declared a national emergency and announced that the federal government would make emergency funding available to assist state and local governments in preventing the spread and addressing the effects of COVID-19; and

WHEREAS, on March 15, 2020, the City Manager, in his role as the Director of Emergency Services, proclaimed the existence of a local emergency pursuant to Section 2-4-107 of the Beverly Hills Municipal Code to ensure the availability of mutual aid and an effective City response to the novel coronavirus (“COVID-19”) and that state of emergency was ratified by the City Council on March 16, 2020; and

WHEREAS, the California Department of Public Health and the Los Angeles County Department of Public Health have all issued orders including, but not limited to, social distancing, staying home if sick, canceling or postponing large group events, working from home, and other precautions to protect public health and prevent transmission of this communicable virus; and

WHEREAS, as a result of the public health emergency and the precautions recommended by health authorities, many tenants in Beverly Hills have experienced or expect soon to experience sudden and unexpected income loss; and

WHEREAS, the Governor of the State of California has stated that individuals exposed to COVID-19 may be temporarily unable to report to work due to illness caused by COVID-19 or quarantines related to COVID-19, and individuals directly affected by COVID-19 may experience loss of income, health care and medical coverage, and ability to pay for housing and basic needs, thereby placing increased demands on already strained regional and local health and safety resources, including shelters and food banks; and

WHEREAS, further economic impacts are anticipated, leaving tenants vulnerable to eviction; and

WHEREAS, the City of Beverly Hills is redoubling its efforts to maintain hand hygiene, respiratory etiquette, and social distancing. It is absolutely critical that the City does everything possible to slow the pace of community spread and avoid unnecessary strain on our medical system. To aid in these efforts, the City Council is ordering a series of temporary restrictions be placed on certain establishments throughout the City in which large numbers of people tend to gather and remain in close proximity and is requiring the wearing of face coverings.

WHEREAS, during this local emergency, and in the interest of protecting the public health and preventing transmission of COVID-19, it is essential to avoid unnecessary housing displacement, to protect the City's affordable housing stock, and to prevent housed individuals from falling into homelessness; and

WHEREAS, commercial tenants who operate businesses within the City may have to close their businesses in response to emergency orders, which will substantially decrease or eliminate their income, and businesses that are permitted to remain open also are likely to experience a significant loss of income while the emergency orders are in effect; and

WHEREAS, in the interest of public peace, health and safety, as affected by the emergency caused by the spread of COVID-19, it is necessary for the City Council to exercise its authority to issue these regulations related to the protection of the public peace, health or safety.

Section 1. The City Council of the City of Beverly Hills does adopt the recitals and the following emergency regulations which shall take effect immediately:

1. A temporary moratorium on eviction for non-payment of rent by residential tenants substantially impacted by the COVID-19 crisis is imposed as follows:

a. During the period of local emergency declared in response to COVID-19, no landlord shall endeavor to evict a tenant in either of the following situations: (1) for nonpayment of rent if the tenant demonstrates that the tenant is unable to pay rent due to substantial financial impacts related to COVID-19, or (2) for a no-fault eviction, unless necessary for the health and safety of tenants, neighbors, or the landlord, other than based on illness of the tenant or

any other occupant of the residential rental unit. A landlord who receives notice that a tenant cannot pay some or all of the rent temporarily for the reasons set forth above shall not serve a notice pursuant to Code of Civil Procedure section 1161(2), file or prosecute an unlawful detainer action based on a 3-day pay or quit notice, or otherwise seek to evict for nonpayment of rent. A landlord receives notice of a tenant's inability to pay rent within the meaning of this Ordinance if the tenant, within seven (7) days after the date that rent is due, notifies the landlord in writing, of lost income or extraordinary expenses related to COVID-19 and inability to pay full rent due to substantial financial impacts related to COVID-19, and within thirty (30) days after the date the rent is due, provides written documentation to the landlord to support the claim, using the form provided by the City. A copy of both the seven-day notice and the documentation to support the claim shall also be provided by email (or if email is not feasible by mail along with notification by telephone) to the City's Rent Stabilization office. For purposes of this Ordinance, "in writing" includes email or text communications to a landlord or the landlord's representative if that is the method of written communication that has been used previously, or correspondence by regular mail, if that is the method of written communication that has been used previously and the parties have not agreed to use email or text messaging. Any medical or financial information provided to the landlord shall be held in confidence, and shall be used only for evaluating the tenant's claim.

b. Nothing in this Ordinance shall relieve the tenant of liability for the unpaid rent, which the landlord may seek after expiration of the local emergency, and which the tenant must pay in full within one year of the expiration of the local emergency. One year after the end of the emergency, unless if the rent is paid in full, a landlord may charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance; or a landlord may seek rent that is delayed for the reasons stated in this Ordinance through the eviction or other appropriate legal process. No fee for the late payment of rent shall be charged by a landlord during the period of the emergency or one year after the end of the emergency. If a landlord makes an accommodation with respect to rent forbearance from a tenant pursuant to subsection 1.a, and the tenant is in conformance with the tenant's obligations under that subsection, then the landlord shall not make a negative report to a credit bureau so long as the tenant remains in compliance with those obligations.

c. For purposes of this Ordinance, "financial impacts related to COVID-19" include, but are not limited to, lost household income or extraordinary expenses as a result of any of the following: (1) being sick with COVID-19, or caring for a household or family member who is sick with COVID-19; (2) lay-off, loss of hours, or other substantial income reduction resulting from business closure or other economic or employer impacts of COVID-19 including for tenants who are salaried employees or self-employed; (3) compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency; (4) extraordinary out-of-pocket medical expenses related to COVID-19; or (5) child care needs arising from school closures related to COVID-19.

d. For purposes of this Ordinance, "no-fault eviction" refers to any eviction for which the notice to terminate tenancy is not based on alleged fault by the tenant, including but

not limited to, eviction notices served pursuant to Code of Civil Procedure sections 1161(1), 1161(5), or 1161b, use by landlord or relatives as specified in Beverly Hills Municipal Code Chapters 5 and 6, demolition or condominium conversion, major remodeling, and the Ellis Act, which is called withdrawal of residential rental structure from the rental market in the Beverly Hills Municipal Code.

e. During this emergency, any notice served by a landlord on a tenant under Section 4-5-513 or Section 4-6-6 L of the Beverly Hills Municipal Code is hereby tolled.

f. This Ordinance applies to nonpayment eviction notices, no-fault eviction notices, and unlawful detainer actions based on such notices, served or filed on or after the date on which a local emergency was proclaimed on March 15, 2020.

g. For purposes of this Ordinance, including residential and commercial tenancies, “substantial” shall be defined as a material decrease of monthly income, the incurring of extraordinary expenses related to COVID-19, or any other circumstance which causes an unusual and significant financial impact on the tenant.

h. Because some tenants may not be aware of this Ordinance’s provisions, the Deputy Director of the Rent Stabilization may extend the seven (7) day deadline for notifying the landlord for up to thirty (30) days.

2. If a landlord disagrees with the residential tenant’s assertion regarding: (1) whether a substantial financial impact exists; (2) whether the substantial financial impact is related to COVID-19; or (3) the amount of rent that the tenant will pay, then the landlord shall notify the tenant of the disagreement in writing within ten (10) days of receipt of the written documentation from the tenant. The residential tenant may file a written appeal to the City, on a form provided by the City, within ten (10) days of receipt of the landlord’s written determination and shall provide a copy of the appeal to the landlord. Appeals will be heard by the Standing Committee of the City Council appointed to hear disruptive tenant hearings or other Members of the City Council as designated by the Mayor, to make a final determination of the dispute, until fifteen (15) days after the Rent Stabilization Commission is appointed and sworn into office, in which case the Rent Stabilization Commission shall make a final determination of the dispute. If the Rent Stabilization Commission cannot render a decision by a majority vote, then the Standing Committee or other Members of the City Council, as designated by the Mayor, will make a final determination of the dispute. Final Decisions of the Subcommittee, Council Members designated by the Mayor, or the Rent Stabilization Commission are subject to judicial review filed pursuant to Section 1094.6 of the California Code of Civil Procedure. The hearing procedures shall be established by the City Attorney.

3. A temporary moratorium on eviction for non-payment of rent by commercial tenants substantially impacted by the COVID-19 crisis is imposed as follows:

a. During the period of local emergency declared in response to COVID-19, no landlord shall endeavor to evict a commercial tenant in either of the following situations:

(1) for nonpayment of rent if the commercial tenant demonstrates that the commercial tenant is unable to pay rent due to substantial financial impacts related to COVID-19; or (2) for a no-fault eviction unless necessary for the health and safety of tenants, neighbors, or the landlord, other than based on illness of the tenant, the tenant's family or any of tenant's employees. A landlord who receives notice that a commercial tenant cannot pay some or all of the rent temporarily for the reasons set forth above shall not serve a notice or otherwise seek to evict for nonpayment of rent. A landlord receives notice a commercial tenant's inability to pay rent within the meaning of this Ordinance if the commercial tenant, within seven (7) days after the date that rent is due, notifies the landlord in writing of lost income or extraordinary expenses related to COVID-19 and inability to pay full rent due to substantial financial impacts related to COVID-19, and within thirty (30) days after the date the rent is due, provides written documentation to the landlord to support the claim. For purposes of this Ordinance, "in writing" includes email or text communications to a landlord or the landlord's representative if that is the method of written communication that has been used previously, or correspondence by regular mail, if that is the method of written communication that has been used previously and the parties have not agreed to use email or text messaging. Any medical or financial information provided to the landlord shall be held in confidence, and only used for evaluating the commercial tenant's claim. Nothing in this Ordinance shall relieve the commercial tenant of liability for the unpaid rent, which the landlord may seek after expiration of the local emergency, and which the commercial tenant must pay within one year of the expiration of the local emergency. One year after the end of the emergency if the rent is unpaid, a landlord may charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance; or a landlord may seek rent that is delayed for the reasons stated in this Ordinance through the eviction or other appropriate legal process. No fee for the late payment of rent shall be charged by a landlord during the period of the emergency or after the end of the emergency.

b. For purposes of this Ordinance, "financial impacts related to COVID-19" include, but are not limited to, a tenant who lost substantial business income or has extraordinary expenses as a result of any of the following: (1) being sick with COVID-19, or caring for a household or family member who is sick with COVID-19; (2) income reduction resulting from business closure or other economic or employer impacts of COVID-19; (3) compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency; (4) extraordinary out-of-pocket medical expenses related to COVID-19; or (5) child care needs arising from school closures related to COVID-19.

c. This Ordinance shall not apply to any commercial tenant that is a publicly traded entity, an entity that is listed on the Fortune 1000, or any entity that employs more than 500 employees or any commercial tenant that owned by another entity that is publicly traded, listed on the Fortune 1000 or combined with the commercial tenant and other subsidiaries employs more than 500 employees. As used in the preceding sentence, the term "owned" shall mean ownership of a majority of the ownership interest of the commercial tenant. This exemption shall not apply to a franchisee or similar small business owner who is the responsible tenant on the lease unless such small business owner meets the criteria of this exemption.

(1) Any commercial tenant covered by the exemption set forth in this subsection c, and who otherwise complied with this ordinance, shall have until 10 days, after the tenant has received notice as provided below, to pay all forborne rent that became due since March 16, 2020. The landlord shall not charge a late fee or interest in connection with such unpaid rent. If a commercial tenant fails to pay all forborne rent within 10 days after the tenant has received written notice delivered by certified mail with return receipt, overnight courier service, or by any other delivery method and provides written evidence of receipt, the landlord may charge a late fee or interest from that date.

d. A dispute as to whether the commercial tenant has demonstrated facts sufficient to result in a temporary payment reduction or other legal remedy shall be determined according to civil law.

Section 2. In addition to the requirements of the Governor's Executive Order and the requirements of the Los Angeles County Department of Health order, the following regulations related to businesses, located in the City of Beverly Hills are adopted in order to implement recommended practices as a result of the COVID-19 pandemic:

a. Business located in the City with self-service unwrapped food items such as buffets are prohibited.

b. Enforcement of City codes and regulations may be relaxed as City staff deems appropriate in connection with commercial signs and banners displayed on or adjacent to restaurants, bars or other businesses that are permitted to remain open pursuant to this Ordinance.

c. The City shall provide for additional loading zones near businesses that are authorized to be open in order to facilitate curbside pickup.

Section 3. During the period of local emergency declared by the Director of Emergency Services on March 15, 2020 and affirmed by the City Council on March 16, 2020, in response to the COVID-19 pandemic, a temporary moratorium is hereby imposed on the annual rent increases authorized by Sections 4-5-303(c) and 4-6-3 of the Beverly Hills Municipal Code. This moratorium on rent increases shall be applied to any rent increase scheduled to take effect on or after March 15, 2020. Nothing in this Ordinance shall alter the date of annual rent increases in future years.

Section 4. During the period of local emergency declared by the City Council on March 16, 2020, in response to the COVID-19 pandemic, there shall be no increase in internet access fees or reduction in service.

Section 5. For the period beginning Saturday, May 9, 2020 at 6:00 p.m. through Monday, May 11, 2020 at 6:00 a.m., all City parks, fields, sports courts, and other recreational facilities shall be closed; provided however, restrooms in parks shall remain open during normal hours.

Section 6. For those establishments offering food pickup options, and other essential businesses, proprietors are directed to establish social distancing practices for those patrons in the queue for pickup and other reasons, as well those allowed in the premises or otherwise working. Such restaurants and essential businesses shall establish health and safety measures for their employees and customers, including but not limited to appropriate gloves and masks.

Section 7. **Face Coverings.** All persons shall wear face coverings that cover their mouth and nose openings such as scarves (dense fabric, without holes), bandannas, neck gaiters, or other fabric face coverings, when they leave their homes or places of residence for essential activities, such as taking a walk through their neighborhood, if that person has potential to come within six feet of another person not a member of their household. All persons, including non-medical essential workers are discouraged from using Personal Protective Equipment (PPE), such as N95 masks, for non-medical reasons.

Exceptions: These following exceptions will apply to this Section 6:

- (1) Children under the age of 2 are not required to wear face coverings.
- (2) Persons who must remove the face covering in order to receive medical services.
- (3) Persons who are directed to remove the face covering by a law enforcement officer.

For the purposes of this Ordinance, the terms “essential business,” “essential workers,” and “essential activity” shall have the same meanings as they do under State law.

Section 8. **Business Tax.** No penalties or interest shall accrue on outstanding business tax during the period that the City of Beverly Hills has declared an emergency related to the COVID-19 pandemic. The Director of Finance is authorized in his sole discretion to waive any penalties and/or interest on business tax imposed prior to the March 15, 2020 declaration of emergency, upon a request by a business owner and a demonstration by the business owner of economic hardship due to COVID-19.

Section 9. **Hoarding.** The City Council urges residents not to hoard essential goods such as hand sanitizer, cleaning supplies, toilet paper, canned food, frozen food and other needed supplies. The City Council strongly condemns hoarding. Retail establishments located in the City shall be responsible for limiting the sales of such items, as they see fit to provide greater accessibility to a larger group of customers.

Section 10. **Violations.** Violations of this Ordinance shall be punishable as set forth in Section 2-4-111 and Chapter 3 of Title 1 of the Beverly Hills Municipal Code except violations of Section 6 which shall be solely subject to the administrative citation process set forth in Chapter 3 of Title 1 of the Beverly Hills Municipal Code. In addition, this Ordinance provides a defense to a tenant, in the event that an unlawful detainer action is commenced in violation of this Ordinance.

Section 11. **Remain in Effect.** This Ordinance shall remain in effect for the duration of the local emergency.

Section 12. Ordinance No. 20-O-2808 is hereby repealed and replaced by this Ordinance.

Section 13. Uncodified. This Ordinance shall not be codified.

Section 14. Severability. If any provision of this Ordinance is held invalid by a court of competent jurisdiction, such provision shall be considered a separate, distinct and independent provision and such holding shall not affect the validity and enforceability of the other provisions of this Ordinance.

Section 15. Publication. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the city within fifteen (15) days after its passage in accordance with Section 36933 of the Government Code, shall certify to the adoption of this Ordinance and shall cause this Ordinance and the City Clerk's certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

Section 16. Effective Date. This Ordinance is adopted as an urgency ordinance for the immediate preservation of the public peace, health and safety within the meaning of Government Code Section 36937(b), and therefore shall be passed immediately upon its introduction and shall become effective at 12:01 a.m., May 6, 2020 upon its adoption by a minimum 4/5 vote of the City Council.

Section 17. Duration. This Ordinance shall remain in effect until it is superseded by another Ordinance adopted by the City Council.

Section 18. Certification. The City Clerk shall certify to the adoption of this Ordinance.

Adopted: May 5, 2020

Effective: May 6, 2020

LESTER J. FRIEDMAN
Mayor of the City of Beverly Hills,
California

ATTEST:

_____(SEAL)
HUMA AHMED
City Clerk

****DOCUMENT SIGNED IN COUNTERPARTS****

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

LAURENCE S. WIENER
City Attorney

GEORGE CHAVEZ
City Manager

****DOCUMENT SIGNED IN COUNTERPARTS****

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