

West Hollywood COVID-19  
Webinar Series

# TEMPORARY COMMERCIAL EVICTION MORATORIUM

The webinar will begin  
momentarily.



City of West Hollywood  
California 1984

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Webinar Series

# TEMPORARY COMMERCIAL EVICTION MORATORIUM

[www.weho.org/coronavirus](http://www.weho.org/coronavirus)



City of West Hollywood  
California 1984

# WEBINAR AGENDA

## **Welcome and Introductions**

Paolo Kespradit, Management Specialist

## **Ordinance Review**

Lauren Langer, Assistant City Attorney

## **Applicable Scenarios**

Tara Worden, Business Development Analyst

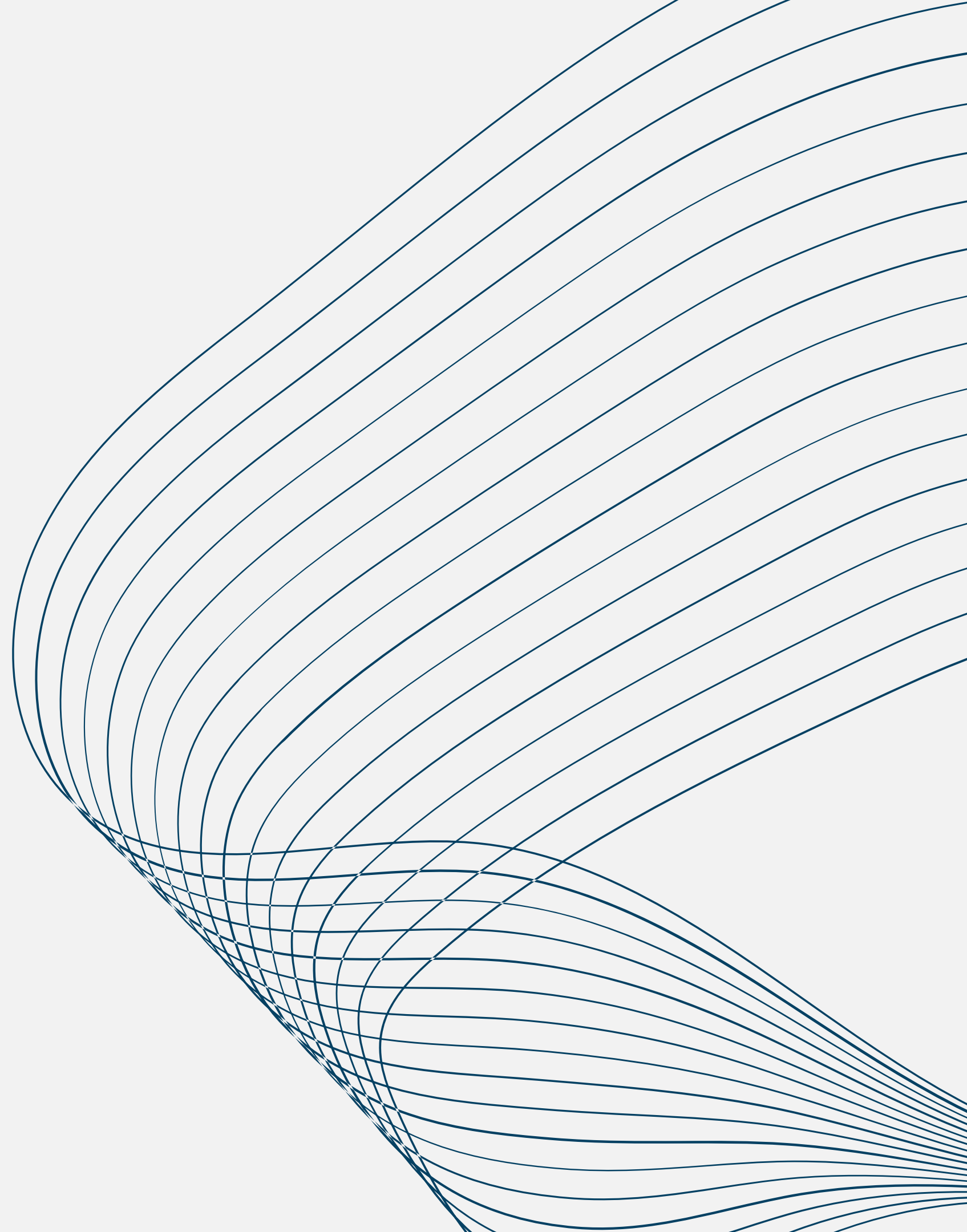
## **Questions and Answers**

Fielded by City Staff

# HOUSEKEEPING ITEMS

**Platform features:** chat, questions, poll

Webinar will be recorded and posted at  
**[www.weho.org/coronavirus](http://www.weho.org/coronavirus)**





# ORDINANCE REVIEW

## **City Council approved on April 6, 2020**

- Temporary Moratorium on Evictions for Commercial Tenants Impacted by COVID-19

## **Order is effective from March 16, 2020 to May 31, 2020**

- No commercial landlord should try to evict a tenant for nonpayment of rent if the tenant demonstrates loss of income.

## **Moratorium only applies to evictions for non-payment of rent due to financial impact or hardship related to COVID-19 during the local emergency**

- All parties involved are advised to act in good faith.

# ORDINANCE REVIEW

## Section 2. A.

- During the local emergency, landlords shall not evict for nonpayment of rent if the tenant demonstrates lost income and inability to pay as a result of business being limited or closed (either voluntarily or by mandate).

# ORDINANCE REVIEW

## Section 2. B.

- Tenant must notify Landlord in writing within 30 days after the date rent is due of their inability to pay rent for that month due to limitation or closure of business.
  - Letter recommended, text or email acceptable if you've communicated in that manner before.
- Tenant must provide supporting documentation that demonstrates their inability to pay as promptly as feasible, and up to 90 days of when the rent became due.
  - All financial information shall be confidential
- If tenant suffers only a partial loss of income, the tenant shall pay the pro-rated share of their rent that corresponds to the income they generated during the period of loss.

# ORDINANCE REVIEW

## Section 2. C.

- Ordinance grants a defense in the event that an unlawful detainer action is commenced.
- Violation of this ordinance is a violation of Chapter 2.80 of the West Hollywood Municipal Code.



# ORDINANCE REVIEW

## Section 2. D.

- Commercial Tenant must pay any unpaid rent within six months of the expiration of the local emergency.
- Landlord may not charge a late fee or interest for rent that is delayed during the period of the local emergency.
- Landlord may not seek rent that is delayed for the reasons stated in this ordinance through the eviction process during or after the period of local emergency.
  - So long as the tenant is paying rent and back rent.
- Landlords are strongly encouraged to offer payment plans to tenants, which may go beyond the six-month payment period.

# ORDINANCE REVIEW

## **Section 2. E.**

- No other legal remedies available to landlord are affected by this ordinance.

## **Section 2. F.**

- Section 2 is retroactive to March 16, 2020, the date that the City of West Hollywood declared a local emergency.

# SCENARIO 1: ESSENTIAL BUSINESS THAT VOLUNTARILY CLOSED

## **Eddie's Essentials closed March 20, 2020**

- Voluntarily closed businesses that can demonstrate financial impact qualify

## **Eddie notified his landlord on April 1, 2020 of the impact to his business**

- Provided documentation that the business closed on March 20 and gave a point-of-sale summary for March 2020 compared to March 2019
- Receipts indicate the Eddie's sales declined 30% compared with last year.

**The parties agreed to defer 30% of April's rent, to be repaid within six months of the expiration of the local emergency.**

## SCENARIO 2: ESSENTIAL BUSINESS THAT REMAINED OPEN

### **Rita's Restaurant shifted to delivery and take-out on March 16, 2020**

- Per LA County Public Health Officer's Countywide Order

### **Rita notified her landlord on April 1, 2020 of the impact to her business**

- Provided a summary of shifted operations, and an estimate of the impact to her monthly revenue. She explained that it takes a month for her to know her true net income of the month prior. She has 90 days to provide accurate financial information documenting the impact.

**Because Rita's was open for normal operations for half of the month and then open for take out and delivery, the parties agreed to defer 40% of April's rent, to be repaid within six months of the expiration of the local emergency.**

# SCENARIO 3: OFFICE SPACE WORKING FROM HOME

**Clarice's CPA Business shifted to working from home on March 18, 2020.**

- Per the Governor of California's "Safer at Home" Executive Order

**Clarice experienced a significant drop in clients, due to the postponed IRS Tax Filing Deadline. She notified her landlord on April 3, 2020.**

- Provided an estimate of the impact to her business, but assured her landlord that she would provide the documented impact to her business by June 1, 2020.

**Due to the drop in clientele for the last half of the month, the parties agreed to defer 50% of April's rent, to be repaid within 12 months of the expiration of the local emergency.**



# SCENARIO 4: DOCTOR'S OFFICE SHIFTING TO TELEMEDICINE

**Dr. Doug's Family Practice quickly shifted to telemedicine operations on March 18, 2020.**

- Per the Governor of the State of California's "Safer at Home" Executive Order

**It took Dr. Doug's team a full week to completely transition to the new telemedicine platform. During that week, Dr. Doug did not see any patients. He notified his landlord on April 2, 2020.**

- Provided a statement that he lost one full week of income due to the transition period, but his office is now operating at usual capacity via the telemedicine platform.

**The parties agreed to deferring 25% of Dr. Doug's April rent, with the understanding the May's rent payment will not be impacted.**

# KEY TAKEAWAYS FOR TENANTS

- Tenants must notify landlord within 30 days after rent is due of their inability to pay. It's a continuing obligation to provide documentation during the local emergency
- It is incumbent upon tenants to provide accurate and understandable documentation that demonstrates their inability to pay
  - As promptly as feasible, within 90 days of claim
- If tenants suffered only a partial loss of income, they must pay the pro-rated share of their rent that corresponds to the income they generated.

# KEY TAKEAWAYS FOR LANDLORDS

- Landlords will receive all deferred rent within six-months of the expiration of the local emergency, unless they have agreed to a payment plan that extends beyond the six-months.
- Landlords cannot charge fees or interest on unpaid rent during the local emergency.
- Nonpayment of rent cannot be grounds for eviction during the local emergency or within six-months of its expiration, if the tenant is paying rent and back rent.
- Landlords can request adequate documentation to support the use of this extraordinary protection and City is working on a letter for landlords to provide to banks explaining ordinance.

## KEY TAKEAWAYS FOR EVERYONE

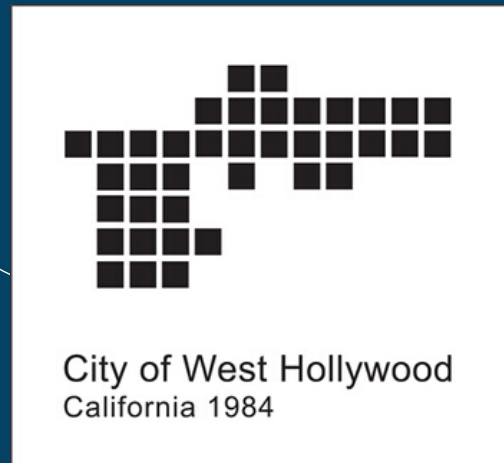
- These are unprecedented times for an unprecedented public health crisis and we know that everyone is impacted. We expect everyone to operate in good faith. Pay as much rent as you can, and landlords please work out payment plans with your tenants. Consider using security deposits.
- The City is working quickly to get a contract in place to provide mediation services available through the West Hollywood Chamber of Commerce. More information will be available soon.
- We all have a vested stake in our future, let's work together to get through this.  
#WeHoStrong



**PLEASE DIRECT YOUR INQUIRIES TO:**

**TARA WORDEN, BUSINESS DEVELOPMENT ANALYST  
TWORDEN@WEHO.ORG**





# WEST HOLLYWOOD CORONAVIRUS UPDATES



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