

MEMO

To: City of Cupertino
Legislative Review Committee

From: Townsend Public Affairs, Inc.

Date: May 22, 2020

Subject: Consider adopting a position on SB 939 (Wiener) – COVID-19: commercial tenancy evictions

Summary

SB 939 would prohibit the eviction of tenants of a commercial property, including businesses and non-profit organizations, and from taking other actions related to the eviction of tenants of commercial real property, while the Governor's COVID-19 state of emergency proclamation is in effect.

SB 939 would make an eviction in violation of the bill's provisions void and unenforceable and would make harassment or mistreatment of, or retaliation against, a tenant punishable by a fine not to exceed \$2,000 for each violation. The bill would not prohibit the continuation of evictions that lawfully began prior to the proclamation of the state of emergency and would not preempt local ordinances prohibiting or imposing more severe penalties for the same conduct.

SB 939 would also authorize a commercial tenant that is a small business, an eating or drinking establishment, a place of entertainment, or a performance venue, that meet certain financial criteria, to engage in negotiations with its landlord to modify rent or other economic requirement. The bill would require notice to the landlord, and other requirements, for engaging in negotiations to modify the lease, including that the tenant affirm, under the penalty of perjury, that the tenant meets the required financial criteria. SB 939 would also authorize a tenant to terminate a lease if the tenant and landlord cannot reach a mutually satisfactory agreement within 30 days of the date that the landlord receives negotiation notice.

The provisions of SB 939 would be in effect until December 31, 2021 or two months after the declared state of emergency ends, whichever is later.

SB 939 will ensure that commercial tenants will not be evicted, during the COVID-19 State of Emergency declared by Governor Newsom, due to reduced economic activity related to the response to the coronavirus pandemic. Additionally, certain vulnerable sectors will be provided the opportunity to work with landlords to modify leases and stay in business.

Status

SB 939 has been referred to the Senate Judiciary Committee and is scheduled to be heard on May 22nd.

Support

The support for SB 939 is unknown at this time.

Opposition

The opposition for SB 939 is unknown at this time.

Recommended Action

Adopt a support position for Senate Bill 939 (Wiener) – COVID-19: commercial tenancy evictions and authorize the Mayor to send a letter of support to the State Legislature.