



For Immediate Release

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CITY OF BEVERLY HILLS UPDATES REGULATIONS RELATED TO TEMPORARY COMMERCIAL TENANT EVICTION MORATORIUM

Beverly Hills, CA – The Beverly Hills City Council has approved an updated Urgency Ordinance related to the temporary moratorium on commercial tenant evictions. In response to the COVID-19 pandemic, the Beverly Hills City Council declared a local emergency on March 15, 2020 that imposed a temporary moratorium on evictions of residential and commercial tenants. On June 19, 2020 the City Council updated the ordinance specific to Commercial Tenants.

The updated ordinance establishes terms for both Small Commercial Tenants and Large Commercial Tenants regarding the non-payment of rent and the repayment period for deferred rent.

Small Commercial Tenants

Parties are required to meet and make a good faith attempt to develop an agreement. Any agreement worked out between the parties will take precedence over this ordinance and may extend the period for repayment.

Notification Date (July 10, 2020) - The landlord must send a notice to any commercial tenant who has not agreed to a repayment plan for outstanding rent. The notice must be mailed by July 10, 2020.

Rent Recommencement Date (August 1, 2020) - This is the date that regular payment of rent will need to recommence. On and after August 1, 2020 unless they work out a payment plan with their landlord, tenants can no longer claim under the ordinance that they cannot pay their rent due to COVID-19.

Amnesty Date (September 1, 2020) – Amnesty period for non-payment of rent ends. If all past due rent is paid by this date, no interest or late fees will accrue. If all past due rent is not paid by this date, then the landlord may charge ½ the amount of either the late

fee or the interest that is provided in the lease capped at 5%. No other late fee, interest or other penalty shall be charged by the landlord during the emergency.

Repayment Date (January 1, 2021) - All past due rent and late fees/interest must be paid by this date. Any agreement worked out between the parties will take precedence over this ordinance and may extend the period for repayment. If parties do not meet to develop an agreement this date may be adjusted as provided in the ordinance.

- Failure to Meet on Part of the Landlord -
If the landlord fails to send the notice or otherwise fails to meet with the commercial tenant, then the Repayment Date shall be extended to July 1, 2021.
- Failure to Meet on Part of the Tenant -
If the commercial tenant fails to contact the landlord in response to the notice or otherwise fails to meet with the landlord, then the Repayment Date shall be shortened to October 1, 2020.

Large Commercial Tenants

A large commercial tenant is defined as: a business that, together with its Affiliates, (1) employs more than 100 employees, or (2) has an average annual gross receipts of more than \$15 million over the previous three years, or (3) has business operations, other than sales conducted solely through online channels, in three or more countries, including the United States; or (4) a business whose payment of rent is guaranteed by a business falling within the above list. Any agreement worked out between the parties will take precedence over this ordinance and may extend the period for repayment.

Rent Resumption Date (August 1, 2020) - This is the date that regular payment of rent will need to recommence. On and after August 1, 2020 unless they work out a payment plan with their landlord, tenants can no longer claim under the ordinance that they cannot pay their rent due to COVID-19.

Amnesty Date (August 1, 2020) – Amnesty period for non-payment of rent ends. If all past due rent is paid by this date, no interest or late fees will accrue. If all past due rent is not paid by this date, then the landlord may charge late fees or the interest that is provided in the lease. No other late fee, interest or other penalty shall be charged by the landlord during the emergency.

Repayment Date (September 1, 2020) - All past due rent and late fees/interest must be paid by this date. Any agreement worked out between the parties will take precedence over this ordinance and may extend the period for repayment.

Very Large Commercial Tenants

This ordinance does 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 is 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. 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. As such, very large commercial tenants are exempt from the ordinance and must pay rent according to their rent schedule or agreed upon terms.

For questions about the City's eviction moratorium, please visit www.beverlyhills.org/coronavirus or contact the City's Rent Stabilization Division at 310-285-1031.

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