



## Staff Report

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Honorable Mayor and Members of the Hermosa Beach City Council  
Regular Meeting of November 24, 2020

**ADOPTION OF AN URGENCY ORDINANCE OF THE CITY OF HERMOSA BEACH,  
CALIFORNIA, AMENDING THE TEMPORARY MORATORIUM ON COMMERCIAL  
EVICTIONS TO PREVENT PREMATURE EVICTIONS IN ADVANCE OR  
REMODEL/DEMOLITION DURING THE COVID-19 PANDEMIC AND SETTING FORTH THE  
FACTS CONSTITUTING SUCH URGENCY**

(City Attorney Michael Jenkins)  
(Assistant City Attorney Lauren Langer)

**Recommended Action:**

Staff recommends that the City Council adopt Urgency Ordinance No.20-1420U of the City of Hermosa Beach to amend provisions of the moratorium on commercial evictions and setting forth the facts constituting such urgency (**Attachment 1**).

The urgency ordinance requires four-fifths vote of the city council and if approved, will take effect immediately

**Executive Summary**

In response to the devastating economic impacts of COVID-19, the City passed an Urgency Ordinance on March 24, 2020, which instituted an eviction moratorium covering nonpayment of rent due to COVID-19 retroactive to March 16, 2020. The Urgency Ordinance currently in effect allows commercial tenants to avoid eviction for non-payment of rent due to financial impacts related to COVID-19. Commercial tenants may be evicted when a landlord intends to demolish or substantially remodel the commercial property leased by the tenant. The proposed ordinance would prohibit commercial landlords from terminating a commercial tenancy in order to demolish or substantially remodel the property unless and until they obtain all permits necessary to commence the work.

**Background:**

On March 4, 2020, California Governor Gavin Newsom declared a State of Emergency to address the global pandemic caused by a respiratory disease which has been named "COVID-19". On March 15, 2020, the Mayor of the City of Hermosa Beach ("City"), Mayor Mary Campbell, declared a state of local emergency. At a special meeting on March 16, 2020, the City Council approved and ratified the declaration of local emergency.

On March 24, 2020, the City passed an Urgency Ordinance, which instituted an eviction moratorium covering nonpayment of rent due to COVID-19 retroactive to March 16, 2020. The eviction moratorium was extended and modified through a series of amendments to respond to the changing nature of the COVID-19 pandemic and various laws enacted at the state and county level.

The Urgency Ordinance currently in effect (Ordinance No. 20-1417U) allows commercial tenants to avoid eviction for non-payment of rent due to financial impacts related to COVID-19 and ultimately, to defer paying that rent during the moratorium period if they notify their landlords and demonstrate an inability to pay full rent due to COVID-19-related financial distress. The moratorium period is March 16, 2020 through January 31, 2021. The existing eviction moratorium therefore only protects commercial tenants that are unable to pay rent due to COVID-19 economic impacts.

Commercial tenants may be evicted when a landlord intends to demolish or substantially remodel the commercial property leased by the tenant. This creates a potential situation where a commercial landlord evicts a tenant, and then delays in starting the demolition or remodeling work. Such a delay could result in premature evictions that leave otherwise vibrant business establishments vacant and in disuse for an indefinite period of time. There is no limit on how long a landlord has to begin work once the tenant is evicted.

At a time when the City is experiencing a severe economic downturn and unemployment rates are high, the unnecessary loss of businesses within the City will only devastate the local economy further. Therefore, additional protections are needed to ensure that commercial tenants and their businesses are not victims of premature evictions and their former retail spaces left to idle.

## **Analysis**

### **Proposed Urgency Ordinance**

The proposed ordinance would prohibit commercial landlords from terminating a commercial tenancy in order to demolish or substantially remodel the property unless and until they obtain all permits necessary to commence the work. The ordinance does not prevent commercial landlords from evicting tenants from property they want to demolish or substantially remodel; it merely changes the sequence of steps needed before they may do so. "Substantially remodel" means to make a modification of the property that requires a permit from the City. This proposed ordinance applies to tenancy termination notices, and eviction notices, and unlawful detainer actions based on such notices, served or filed on or before the effective date of this ordinance; but, where the time to vacate the property has not passed. These tenant protections would expire on January 31, 2021, the end date of the City's existing moratorium period.

The degree of the health and economic impact of the pandemic is unprecedented and unknown. Millions of people have filed for unemployment, further fueling a decline in business revenues. The

City has been hit hard economically. By preventing premature evictions, the proposed ordinance ensures that employees remain employed for as long as possible and vacated commercial spaces do not stay empty for long periods, potentially resulting in blight, vandalism, and trespassing.

In light of the foregoing, the proposed ordinance should be adopted on an urgency basis, taking effect immediately pursuant to Government Code section 36937, for the preservation of the public peace, health, and safety of residents living within the City, based on the facts described herein and set forth in the Urgency Ordinance.

**Fiscal Impact:**

There is no anticipated direct fiscal impact from this ordinance. The City of Hermosa Beach initially incurs all costs related to the City's response to the COVID-19 Pandemic, but will submit requests for cost recovery to the California Office of Emergency Services (CalOES), either directly, or through the Los Angeles County Office of Emergency Management, (LACoOEM), the local reporting agent.

**Attachments:**

1. Urgency Ordinance No.20-1420U

**Respectfully Submitted by:** Michael Jenkins, City Attorney  
Lauren Langer, Assistant City Attorney

**Approved:** Suja Lowenthal, City Manager