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To our valued clients,

We hope you and your loved ones are staying safe during this unprecedented time. With the novel coronavirus (COVID-19), many changes have occurred with respect to ALL litigation and how evictions will be handled. To keep you best prepared, I wanted to make you aware of these changes; however, the laws also seem to change every few days. As to rent payments between tenants and their landlords, there are special rules for tenants and strategies that landlords may want to consider. Please call us for a consultation or for any forms or notices you may require.

CORONAVIRUS (COVID-19) EVICTION MORATORIUM (Residential & Business)

CITY OF LOS ANGELES

Eviction Moratorium On New Notices to Pay Rent or Terminate a Tenancy

The City of Los Angeles has enacted an eviction moratorium prohibiting landlords from terminating tenancies based on **non-payment of rent** due to COVID-19 related inability to pay, and certain “no fault” evictions. **Examples of no fault evictions are termination of a tenancy due to service of a 30/60 Day Notice to Quit, after foreclosure, or an Ellis Act eviction (landlord going out of the rental business).** Further, **no evictions are allowed if a member of the household is quarantined or ill from COVID-19.** Tenants will have **12 months** after the end of the local emergency (as declared by the Mayor and TBD) to repay the delayed (unpaid) rent. Prior to the end of the local emergency period or within 90 days of the first missed rent payment, landlord and tenant may agree to a payment plan from options developed by the City. **Landlords are also prohibited from charging interest or a late fee on rent not paid under the provisions.** Landlords also cannot force a particular re-payment plan or assignment of government money that may be paid to the tenant.

Tenants are **still obligated to pay lawfully charged rent**, but during the emergency period, tenants may not be evicted for failure to pay rent due to adverse financial impact related to COVID-19. Examples if inability to pay due to circumstances related to COVID-19 include:

1. Loss of income due to workplace closure or reduced hours due to COVID-19
2. Loss of income or childcare expenditures due to school closures
3. Health care expenditures stemming from COVID-19 infection of the tenant or a member of the tenant's household who is ill with COVID-19
4. Reasonable expenditures stemming from government ordered emergency measures.

5. Commercial Tenant Exception: Multi-national, publicly traded or company employing over 500 employees **are not be protected** under the Los Angeles Ordinance.

For the text of the ordinance click [here](#).

IF YOU ARE A COMMERCIAL OR RESIDENTIAL TENANT, please note that **within seven (7) days after the day rent is due**, you must provide **written notice** to your landlord that you will not be able to make rent. Once you notify your landlord by this deadline and provide appropriate documentation, you can discuss repaying your missed rent within one (1) year of the lifting of the state of emergency. [See Los Angeles Ordinance, at Page 2, bullet 1a.](#)

IF YOU ARE A LANDLORD, please note that you are **required to provide notice of the tenant protections provided by the ordinance within 30 days of its effective date of March 27, 2020**

Rent Freeze

On March 30, 2020, the City of Los Angeles also ordered a rent freeze, **prohibiting owners from increasing rents on occupied rental units that are subject to the Los Angeles Rent Stabilization Ordinance** beginning on the date of the order through 60 days after expiration of the local emergency period (as declared by the Mayor). This order thus does NOT apply to single-family homes or condos exempt from local rent control under Costa-Hawkins or to units built on or after October 2, 1978 (these units remain subject to the state's anti-price gouging law (Penal Code 396 prohibiting increases of more than 10%) and may also be subject to state rent caps under AB 1482 (capping annual rent increases at 5% plus rate of inflation).

The text of the order can be found [here](#).

Further, as to units under rent control, the Rent Adjustment Commission (RAC) Regulations, Section 364 authorizes landlords to offer temporary rent discounts, which may be canceled and rent restored to the original maximum adjusted rent by providing a 30 or 60 day notice as required by state law depending on whether the change exceeds 10%.

COUNTY OF LOS ANGELES

On March 19, Los Angeles County issued an executive [order](#) prohibiting all no-fault residential and commercial evictions, starting retroactively on March 4 and lasting until **May 31, 2020**. Tenants will have six months after the end of the emergency proclamation to pay the back rent owed. It is unclear what will be the rules as to "payback" of past due rent.

STATE MORATORIUM:

California Governor Gavin Newsom has also issued an [Executive Order](#) to Protect Renters and Homeowners during the pandemic. This includes a suspension of evictions **and foreclosures of residential and commercial tenants** where the failure to pay rent or the foreclosure arises out of a substantial decrease in household or business income or substantial out-of-pocket medical expenses and the decrease or expenses was caused by the COVID-19 pandemic or by any governmental response to COVID-19, and is documented. The Governor's order is in effect **through May 31, 2020**.

[Here](#) are some frequently asked questions and answers concerning Governor Newsom's executive orders on evictions.

IF YOU ARE A LANDLORD and need financial assistance due to loss of income as a result of tenants' inability to pay rent or otherwise related to economic damage from COVID-19, you may be able to apply for a disaster loan through the SBA [here](#).

LA COUNTY SUPERIOR COURT OPERATIONS

All Los Angeles County Superior Court courthouses were closed from March 17-19, but are set to reopen as of March 20, 2020 (except for Beverly Hills and Catalina), with scaled down operations for **time-sensitive, essential and emergency functions only**. These include but are not limited to civil and family temporary restraining orders, ex parte proceedings, and probate emergency petitions. **All other matters have been continued by the court**, which will send notice to the parties or their attorneys notifying them of the continued dates and times of their hearings.

Nearly 400 courtrooms will remain closed at least through **April 16, 2020**. All civil and criminal trials are suspended through April 16. Further, due to the court's inability to hold unlawful detainer related hearings throughout the emergency period, the court has **continued all unlawful detainer trials** without a determination. However, some courts are setting trials after June 1, 2020. Generally, trial are delayed 60 days unless the public health is at risk. Read the text of the recent court rule changes here: [Click here for the new Court Rules for Covid-19](#).

As of March 23, 2020, the clerk's offices are closed to the public and services are transitioned to telephonic and remote solutions. Courthouse access is limited to authorized parties only through June 22, 2020.

For unlawful detainer, or eviction cases, the State has changed some rules as to entry of defaults

Please note that given the everchanging nature of the current situation with COVID-19, all of the above information is subject to change at any time. Further, **while court hearings and trials have been continued, court filings are still being accepted. If you want or need to file a lawsuit, you may continue to do so. In addition, if you are currently involved in a lawsuit, all other timing requirements and filings remain unchanged, including discovery.**

Please continue to communicate with us so you do not lose your substantive rights.

This is a time of uncertainty for all of us, but I want to assure you that I am doing my best to continue providing effective counsel for you. Please stay safe and stay well.

Sincerely,



MICHAEL J. SIMKIN
MJS/ea