

May 13, 2021

**MEMORANDUM**

**To:** Community Economic Development Committee  
**From:** Lish Whitson, Analyst  
**Subject:** Council Bill 120071: Amendments to Ordinance 126066 related to small business and nonprofit rental payment plans

---

On May 18, 2021, the Community Economic Development committee will discuss and possibly vote on [Council Bill \(CB\) 120071](#), which would amend [Ordinance 126066](#) to clarify rules regarding payment plans for small businesses and nonprofits that have had difficulty paying rent on time during the COVID-19 emergency.

Ordinance 126066 requires property owners to negotiate payment plans with small business and nonprofit tenants that do not pay rent on time during or within six months after the end of the COVID State of Emergency. It augments the Mayor's ban on evictions of small businesses and nonprofits, which is scheduled to end on June 30 under [Executive Order 2021-02](#).

CB 120071 would make two changes to Ordinance 126066:

1. Small businesses and nonprofits that pay their rent pursuant to a payment plan negotiated with their landlord would not be considered to have paid their rent late; and
2. Small businesses and nonprofits that seek to negotiate a payment plan with their landlord but are unable to reach agreement on the terms of the payment plan would not be considered to have paid their rent late if they paid their rent according to the payment schedule they had proposed.

Councilmembers have heard from some small businesses whose leases require monthly payment of rent and who have been threatened with eviction under the terms of those leases, even though they have complied with the payment plan negotiated with their landlord. Other small businesses and nonprofits have had difficulty getting their landlords to negotiate a payment plan under the terms of Ordinance 126066.

CB 120071 seeks to reduce evictions of small businesses and nonprofits that have faced significant impacts due to the COVID-19 emergency if their landlords refuse to negotiate a payment plan or there are differences between the terms of their lease and their payment plan.

If the Community Economic Development committee recommends approval of CB 120071 at its May 18 meeting, the City Council could consider the bill as early as May 24.

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager