



May 15, 2020

The Honorable Scott Wiener
California State Senate
Sacramento, CA 95814

OPPOSE – SB 939: Evictions and Unfair Lease Termination

Dear Senator Weiner,

On behalf of the Downtown Sacramento Partnership Board of Directors, I am writing to convey strong concerns related to provisions within SB 939 that makes commercial evictions unlawful during the emergency declaration, allows tenants to unfairly negate lease agreements, and gives certain businesses the right walk away from a lease without squaring up for owed rent nor paying for property improvements.

While we are very understanding of the need to protect commercial tenants in California, we need to ensure that our policies do not perpetuate unintended consequences that could make our current economic uncertainty far more damaging in the very near future. SB 939 provides no financial protections to those businesses who are required to continue servicing debt on their properties. Without similar protections, you are benefiting one class of business over another.

By withholding rent for more than a year, removing existing legal remedies and rights to property owners for an extended period of time, and giving only one party to a contract the right to walk away from a legal obligation with no responsibilities, SB 939 clearly violates the U.S. Constitution and fails the basic legal requirements that any court will apply to this legislation. SB 939 is not narrowly tailored to the problem, does not balance the needs of both parties, creates a substantial impairment to one party to the contract, and is not a necessary solution as existing remedies under current law exist.

This measure is an unnecessary overreach. The Judicial Council of California has essentially created a moratorium on evictions, and local governments have prohibited evictions on commercial properties. SB 939 will unreasonably deny commercial real estate owners' income which will push many into foreclosure, force them to lay-off staff, and will set a bad precedent that undermines all contracts in the state. We urge you to oppose this measure and work towards sustainable solutions that help tenants and property owners to weather this economic and health crisis.

While we understand your bill is well intended, it will cause significant commercial harm.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Ault", is positioned above the typed name.

Michael T. Ault
Executive Director
Downtown Sacramento Partnership

cc: Assembly Member Kevin McCarty
Senator Dr.

Richard Pan

Downtown Sacramento Partnership Board of Directors