



LOS ANGELES AREA
CHAMBER OF COMMERCE



May 19, 2020

Senator Scott Wiener
California State Senate
Sacramento, CA 95814
Via email to: Miles.Horton@sen.ca.gov cc: cynthia.alvarez@sen.ca.gov & rhime@cbpa.com

Re: OPPOSITION of SB 939 – UNFAIRLY NEGATES LEASES & UNEVENLY HARMS BUSINESSES

Dear Senator Wiener:

Established in 1924, Central City Association is an advocacy organization committed to the vibrancy of Downtown Los Angeles and increasing investment in the region. As you know from our support of SB 50 and SB 827, we are strong advocates for walkable and inclusive communities and **greatly appreciate the work you have done to support businesses across California; however, we strongly oppose SB 939 as proposed.** CCA understands the impossible fiscal challenges that businesses are facing across the state due to the COVID-19 pandemic, but we **believe SB 939 unfairly benefits one business over another.**

COVID-19 will continue to impact the health and safety of our communities and businesses. As a membership organization that represents approximately 400 organizations in LA County, we know that all businesses are impacted by this pandemic. However, **SB 939 only provides protection to a small segment, while shifting economic harm to other private businesses and removing rights from commercial property owners.**

Governor Newsom has shown strong leadership in issuing a series of executive orders limiting evictions, including Executive Order N-28-20 which gives local government the ability to protect commercial tenants from evictions. Legislative leadership has also proposed a plan that helps lessors and lessees. We request your bill be changed to protect all businesses and not a special subset.

By withholding rent for more than a year, removing existing legal remedies and rights to lessors 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 Contracts Clause of the U.S. Constitution and fails the basics of the Blaisdell Test 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.

SB 939 will unreasonably deny commercial real estate lessors 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 appreciate your consideration and ask that you significantly change or drop your bill before it further exacerbates our current economic emergency.

Sincerely,

Central City Association (CCA)
Greater San Fernando Valley Chamber of Commerce
Hollywood Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles Business Council (LABC)
Los Angeles County Business Federation (BizFed)
United Chamber of Commerce
Valley Industry & Commerce Association (VICA)

cc: Honorable Members of the Senate Judiciary Committee:

Senator Hannah-Beth Jackson (Chair)

Senator Andreas Borgeas (Vice Chair)

Senator Maria Elena Durazo

Senator Lena A. Gonzalez

Senator Brian W. Jones

Senator Bill Monning

Senator Henry I. Stern

Senator Thomas J. Umberg

Senator Bob Wieckowski

Via email to: sjud.fax@sen.ca.gov