



City of San Diego announces new COVID-19 construction site protocols – effective April 24, 2020, the City of SD is requiring all active construction sites within the City follow new safety protocols to protect the health and safety of construction workers. The protocols include guidance on tenant improvement projects based upon input from NAIOP and other commercial real estate construction experts. The full plan was developed with input from the residential and contracting community, as well as the building trades. The key rule is social distancing with a minimum separation of 6-feet. Construction industry employers must develop a comprehensive COVID-19 “exposure control plan” which includes social distancing, symptom checking and reporting, hygiene, decontamination procedures and training. Additionally, gatherings of 10 or more people are prohibited at any time on the job site. Click [HERE](#) to view the new protocols.

Congress approves new stimulus package – The House approved on Thursday, and the President signed into law TODAY, the next round of stimulus funding related to economic impacts from the COVID-19 health crisis. The nearly \$500 billion measure is intended to help reload the Paycheck Protection Program, which was quickly over-subscribed and suspended, as well as help hospitals and provide for expansion of testing nationwide. The breakdown of the package is:

- \$310 billion in new funds for the Paycheck Protection Program, which gives small firms loans that could be forgiven if they use them on wages, benefits, rent and utilities. Within that pool, \$60 billion will specifically go to small lenders to address concerns expressed following the last stimulus funding vote.
- \$60 billion for Small Business Administration disaster assistance loans and grants (EIDL).
- \$75 billion in grants to hospitals impacted by the Covid-19 situation.
- \$25 billion to bolster coronavirus testing, which is a core piece of the Federal, State(s) and local government(s) plans to restart the U.S. economy.

The bill details can be found [HERE](#). More analysis would be provided subsequent to the bill being signed into law. This is the fourth measure passed by the Congress, which collectively represent nearly \$3 trillion in new spending to curb the economic impacts and stimulate the economy.

Of note for the PPP program, additional guidance was given by the Small Business Administration about eligibility ([HERE](#)) to address concerns about who was accessing these funds and whether they met the criteria outlined in the measures.

The next stimulus package is already being considered, which could include funding for states and cities hard hit by revenue declines and COVID related spending. It’s unclear when, or if another measure will be considered, but it sounded like it could be weeks, rather than days before the Congress considers any additional funding for the COVID crisis.

NAIOP meets with County Leaders – NAIOP San Diego members met with the County [Supervisor Jim Desmond](#) and the [County’s Chief Medical Officer, Nick Yphantides](#), on Thursday to discuss the COVID situation

and re-opening plans. The discussion included the potential timeline for re-opening (will be driven by health), the “gating” for determining what re-opens as well as the pace (determined by testing, infections and capacity), the expected length of time social distancing requirements might be in place (likely through the end of the year and possibly longer), the interplay between the federal, state and local government decisions on re-opening (one follows the other, but doesn’t necessarily mean the state and local government won’t do more) and how commercial real estate operators can inform the development of guidance for re-opening (provide input directly to the County, as well as the RECOVER Task Force announced by Mayor Faulconer and County Board Chair Greg Cox last week). Supervisor Desmond asked our members to draft plans and submit them to the County for consideration noting that they are relying on public health to drive decisions, but also experts like our members on how to feasibly implement social distancing rules in the workplace.

City of San Diego announces larger budget shortfall – Mayor Kevin Faulconer provided a budget update this week ([HERE](#)), refreshing the numbers presented in the draft budget a couple of weeks ago. The new projected budget deficit for FY 2020-2021 is ~\$300 million. This is \$50 million more than the previous estimate. This increasing deficit is the result of several large show/convention and event cancellations this week including Comi-Con, ESRI and the Pride Weekend festivities. The “May Revise” will likely be the next estimate of budget impacts resulting from the economic realities caused by the stay at home/shutdown orders.

County of San Diego to delay budget adoption – the County of San Diego Board of Supervisors approved this week a delay in the adoption of their budget until August (see Board Letter [HERE](#)). The delay reflects the unusual situation and the uncertainty around revenue shortfalls. The Board will attempt to ascertain the results of the second installment of property tax payments this past April 10th, as well as the amount of state and federal government assistance programs available to the County. As a part of the staff recommendation, the Board also suspended all capital improvement projects that are not yet started or unfunded. No layoffs were announced, and no detail given as to projected budget deficits.

City of San Diego Launches Electronic Plan Submittal – The City of San Diego this week announced this week it’s transition to permitting online, electronic plan submittal. This has been planned for some time, but the “stay at home” orders have placed a new emphasis on remote work and online resources. The target implementation date for the transition is May 4, 2020, although some beta testing is occurring with some users to work out the bugs in the system. The plan is for applicants to apply on-line through the “Open DSD” portal ([HERE](#)) and submit plans in PDF format. NAIOP will track implementation progress and let members know when the platform is live for use.

Plans to re-open the economy get more detail – governments are starting to give more detail on plans to get the economy restarted. The City of San Diego recently announced the LIMITED re-opening of neighborhood parks ([HERE](#)) on Thursday with requirements for social distancing and a strong recommendation for facial coverings. Beaches and boardwalks were not included, and some notable city trail systems were also still closed to public use. Several coastal city Mayors also announced the plan to re-open beaches to those city’s residents, but the timing for opening is still pending announcement. All re-opening plans, including the parks, are subject to immediate closure if public social distancing requirements are NOT followed. In terms of allowed economic activity beyond “essential services”, it’s unclear when that might occur, but the County Health Order expires April 30, 2020, and, while it is expected to be extended, it is also possible it is modified to allow for the slow re-opening. NAIOP is involved in discussions about re-populating job spaces with the City and County of San Diego (as well as the State and Federal level) and working to see that it’s done as soon as safely possible and within public health requirements.

REMINDER - County of San Diego Health Orders STILL in effect AND being enforced – The County of San Diego’s health orders ([found HERE](#)), including the requirement for facial coverings for many essential businesses. The County’s health orders, also STILL require that essential businesses that have remained open and **allow access to members of the public as of April 7th** must create and post a document outlining their protocol on physical distancing and hygiene. A downloadable version of the document can be found [HERE](#).

NEW – Facial coverings NOW REQUIRED in Chula Vista and National City – the Cities of Chula Vista and National City (news coverage [HERE](#) and [HERE](#) for National City) have now mandated broader use of facial coverings while outside and in public. Where other jurisdictions are strongly recommending, Chula Vista now requires them at and around essential businesses, although it’s still only recommended elsewhere in public. National City’s rules went further, requiring facial coverings in public. Both requirements are now in effect starting this week.

REFERENCE LIST:

County of San Diego COVID-19 Resource Page – [LINK HERE](#)

City of San Diego COVID-19 Resource Page – [Link HERE](#)

US Federal Government COVID-19 Resource Website – [Link HERE](#)

US Small Business Administration COVID-19 Resource Page – [Link HERE](#)

US Federal Reserve COVID-19 Resource Page – [Link HERE](#)

State of California COVID-19 Resource Website – [Link HERE](#)

Essential Services – There has not been any further change to either the definitions or the rules for “essential services” as previously defined by [Governor Newsome’s Executive Order](#) (EO) to “stay at home” issued on March 19, 2020. The EO provided guidance on “Essential Critical Infrastructure Workers” and pointed to the [federal guidance](#) on “essential critical infrastructure workforce” contained within the EO by reference. That was updated on March 28th, but did not change the applicability for commercial real estate. Find the updated CISA document [HERE](#).

For now, at the local, state and federal levels, NAIOP Corporate and NAIOP CAL, in addition to our local team, are working to make sure our members continue to be seen as essential, since our services include economic resiliency and sustainability. We are also working to make sure that local government operations related to our members’ needs, like planning, permitting and inspections also continue.