



NAIOP San Diego Legislative Update | July 24, 2020

URGENT ACTION ITEM – City of San Diego to consider rent payback EXTENSION under eviction moratorium to **March 2021** – the San Diego City Council will consider next Tuesday an extension of the repayment period for those who fall under the City’s eviction moratorium ordinance and are accruing unpaid rent to **March 31, 2021**. This falls hard on the heels of the City Council’s decision to extend their eviction moratorium ordinance until September 30, 2020.

NAIOP has expressed concern about the extensions of these ordinances, since many of the most impacted are receiving state and federal benefits and should be able to pay their rent. Additionally, NAIOP has argued that if local or state government feels it is necessary to help, they should do so in the form of rental assistance that goes directly to rent payment, rather than place the burden on property owners who have their own obligations, including mortgage/finance payments, service contractors and taxes. It is for these reasons that NAIOP opposes this additional delay in rent repayment. NAIOP’s members, and property owners, in general, have been working with their tenants to address their individual needs, but these kinds of actions only incentivize those who are abusing the rules, looking for free rent, coming at the expense of the property owner.

TO TAKE ACTION, interested members can communicate to the Council on this matter through the City’s **eComment** link (click [HERE](#)). You will need to enter the agenda number (Item S500) and limit your written comments to 200 words. You can also call in and make **public comment** at the virtual hearing. The hearing is on Tuesday, July 28th and starts at 9am. Comments will likely be limited to ONE MINUTE, so be concise. Please click [HERE](#) for call in instructions.

NEW – Governor Newsom announces new guidance for moving certain business activities outdoors – Gov. Gavin Newsom announced a change in the rules for hair salons and other beauty services at his Monday, July 20th press briefing. This follows the announcement the previous week that hair salons, barbershops, nail salons, massage parlors and other beauty services have to close indoor operations in counties on the state's watch list, which includes San Diego County. These businesses are now allowed to move those services outdoors.

The guidelines for outdoor hair salons and barbershops include:

- Employees and customers have to wear masks the entire time
- Create an outdoor reception area where guests can check in
- No handshakes, hugs or similar greetings

Nail salons can offer manicures and pedicures outside. Other services like massages, body waxing and threading are also now allowed outdoors. Those personal care services have to follow the guidelines above, as well as:

- Workers should wear a face shield with a face covering when doing services on the face/neck that don't allow clients to wear a mask

- Disposable gloves should be worn during the entire service
- Use single-use applicators instead of reusable ones (where necessary)
- Ask manicure clients to use hand sanitizer first
- Allow only one manicurist to work at a single station
- Offer color palettes instead of nail polish color displays

Full guidelines for hair salons and barbershops can be found [HERE](#). Full guidelines for nail salons and other personal care services can be found [HERE](#).

NEW – City of San Diego Mayor Faulconer announces outdoor options for gyms, salons and churches – following the Governor’s announcement, the Mayor announced on Monday that he had signed an executive order allowing for the expansion of certain business services to be conducted outside. These include gyms, churches, barbershops and nail salons, which can expand their operations into private parking lots effective immediately. The Mayor’s action will be followed by an ordinance further expanding outdoor options for those businesses to include sidewalks and on-street parking. Those changes will require a City Council vote in the coming weeks. The Mayor’s executive order will limit enforcement of parking regulations for those businesses so they can operate in private parking lots, as well as limit enforcement of the San Diego Municipal Code for the above-mentioned industries so they can operate outdoors in the City of San Diego. For more information, please see the Mayor’s Executive Order [HERE](#).

NEW – Governor Newsom announces guidance for public and private schools and when they can open – Governor Newsom released last Friday state guidance for the reopening of public and private schools. He also announced that all public or private schools in a County on the state watch list will **ONLY BE ABLE TO OFFER DISTANCE LEARNING**, which includes San Diego County. In order to resume in-person class instruction, the Governor noted that a county must have been off the state's COVID-19 watch list for 14 consecutive days. For schools that are allowed to reopen for in person instruction, face coverings will be required for students in third grade and older. Under the new guidance, face coverings are recommended but not required for kindergarten, first graders and second graders. Masks will be required for all teachers and staff. Staff will also be required to get tested for the virus regularly.

The Governor also announced new rules on when schools will be forced to close back down:

- A classroom “cohort” has to go home when there is a confirmed COVID-19 case
- The entire school also has to close when multiple cohorts have cases or if 5% of all teachers and students test positive
- An entire school district must close when 25% of its schools close within a 14-day period

For more information on the state’s schools’ guidance, please go [HERE](#).

New – County of San Diego releases draft FY 2020-21 budget – the County of San Diego released their draft budget earlier this week. The recommended \$6.4 billion budget for fiscal year 2020-21 shows an increase of \$159 million or 2.5% over last year and includes \$100 million to fight the COVID-19 public health crisis. The recommended budget also calls for accessing the County’s reserves. The \$100 million allocated for pandemic related issues will go toward the County’s Testing, Tracing and Treatment Strategy (T3), food distribution, medical supplies, personal protective equipment (PPE) and shelter. Another \$15 million will pay for technology needs to support behavioral health services, including: telehealth, electronic health record upgrades, outreach and engagement, workforce recruitment and retention. The County will take public comment on the proposed budget through August 19th. Virtual budget hearings will begin at 9 a.m. on Monday, Aug. 10th with another virtual evening hearing will take place at 5:30 p.m. on Wednesday, Aug. 12th. The County Board of Supervisors is scheduled to adopt the budget at a virtual public hearing at 2:00pm on Tuesday, August 25th. For more information, please go to the County’s press link [HERE](#).

NEW – San Diego City Council places Midway height limit removal measure on ballot – envisioned as a catalyst for redevelopment, the San Diego City Council earlier this week placed a measure on the November ballot to remove the height limitation from the Midway-Pacific Highway community (where the Sports Arena is located). The ballot measure was championed by Councilmembers Jennifer Campbell (who represents the area) and Chris Cate. It was approved on a 7-2 vote, with Councilmembers Bry and Gomez opposed. The measure would essentially amend the coastal height limit of 30 feet adopted by voters in 1972, reverting the community area back to the limits in the community plan, which have a range up to ~100 feet. To read the ordinance, please click [HERE](#).

NEW – City of SD Housing Commission announces launch of Emergency Rental Assistance program – The online application for the City of San Diego’s COVID-19 Emergency Rental Assistance Program is now live. This program helps low income individuals and families in San Diego experiencing financial hardship due to COVID-19 to pay their rent. The Emergency Rental Assistance Program is administered by the San Diego Housing Commission (SDHC) and will provide one-time payments of up to \$4,000 per qualifying household to help pay past-due and/or upcoming rent. Payment will be made directly to the household’s landlord through direct deposit on behalf of the tenant. **The online portal opened on Monday and will be accepting applications through August 7, 2020.** Funding for the program is limited. In order to disburse funds fairly and assist households who are most in need, a prioritization system and random-selection process will be used to select the applicants who will receive a rental assistance payment. For more information about this program or to apply, click [HERE](#).

REMINDER – San Diego County STILL on the state watch list – the County of San Diego, while improving, is still on the State of California’s watch list, meaning the order for closure of indoor activities remains in effect. You can find the state announcement [HERE](#). The continued rise in positive COVID testing and the concurrent rise in hospitalizations in many counties is driving the pulling back of re-opening. The order for all county compliance went into effect July 13th. San Diego County’s official order went into effect July 15th and will last indefinitely. Under the orders the following industries or activities must cease unless they can be modified to operate outside or by pick-up. They include:

• **Offices for non-essential sectors**

- Fitness centers
- Worship services
- Protests
- Personal care services, like nail salons, body waxing and tattoo parlors
- Hair salons and barbershops
- Malls

For more information, and to see what’s open and not open please refer to the County’s updated resiliency webpage [HERE](#).

REMINDER – City of San Diego will begin FULL enforcement of city parking regulation enforcement on August 1st – the City of San Diego announced last week that they are *extending* the warning period leading up to full enforcement of city parking regulations until August 1, 2020 when full enforcement will start. The City previously announced that full enforcement would start on July 1, 2020. The pause comes on the heels of the recently announced “toggling back” of reopening in the County of San Diego. The City will continue to issue written warnings until July 31, 2020 for vehicles violating street sweeping, metered parking, time limits and yellow commercial zones. Citations will continue to be issued for vehicles parked illegally at red and blue painted curbs. **STARTING August 1, 2020, full enforcement will go into effect for all parking regulations, including all curb colors.**

REMINDER – SD City Council ordinance for temporary outdoor business operations in effect – the San Diego City Council, last week, approved an urgency ordinance that will allow for certain business to obtain permits for the temporarily use of outdoor spaces for business operations. This follows Mayor Kevin Faulconer’s

executive order signed the week prior to waive permitting and parking requirements for the use of sidewalks and private parking lots as outdoor dining venues. Both actions are an effort to help businesses who have been impacted by the various state and local health orders related to COVID-19, including the recent decision this week to shut down indoor operations for various business activities. The Council's action waives fees and provides funding to help accelerate processing of these permits. To learn more or obtain a permit, please click [HERE](#).

REMINDER – PROP 15 (SPLIT ROLL) Initiative has been placed on the State of CA Fall 2020 Ballot – Proposition 15 (this is the **SPLIT ROLL** measure (the second one that recently qualified; the other one that previously qualified was withdrawn)) sponsored by the CA Teachers Association, SEIU and the Chan-Zuckerberg Initiative has been placed on the November 2020 ballot. The measure would split the property tax rolls between residential and commercial properties, reassess eligible commercial properties to current market value and, then, reassess those properties every three years. It is estimated that this would be a nearly **\$12 BILLION tax increase** that will impact small businesses and tenants. For more information on the opposition campaign to protect Prop 13 and commercial properties, as well as ways you can help, including **FINANCIAL CONTRIBUTIONS**, please go to the Stop Higher Property Taxes committee webpage [HERE](#).

REMINDER – County of San Diego small business relief program – the County of San Diego Board of Supervisors approved last week a \$17 million small business stimulus grant program utilizing federal CARES Act funding. This program provides \$17 million in CARES Act Coronavirus Relief Funds to eligible for-profit and non-profit businesses suffering financial hardship due to the COVID-19 pandemic. **Eligible for profit and non-profit businesses need to submit their application by October 16, 2020 but are encouraged to apply early as funding is subject to availability.** For-profit and nonprofit businesses can apply for grant money if they can show their losses and costs are a direct result of the COVID-19 pandemic. To qualify a business must have:

- 100 or fewer employees
- Headquarters in San Diego County
- A minimum 1-year operating history as of February 14, 2020
- Documentation of financial hardship because of COVID-19 pandemic

For more information, including the application, please go to the County's website [HERE](#).

REMINDER – City of San Diego expands “Rapid Review” process for minor permit approvals – the City of San Diego has announced that rapid review is **NOW** available for certain types of electronic permits submittal digitally (for more information go [HERE](#)). This replaces the “over the counter” review process previously used by applicants. The types of projects NAIOP's members might submit are:

- Construction permits for minor interior remodels for commercial tenant improvements
- Standard public improvements as identified on Information Bulletin 165 (link [HERE](#))

REMINDER – City of San Diego NOW requires ALL new development applications and submittals to be processed ONLINE – AS OF JULY 1, 2020, the City of SD is now requiring ALL NEW applications for permits and approvals to be submitted online. In an effort to improve operational efficiency, **no new** applications will be accepted in paper form. Requests for construction changes will also be required to submit digitally. Applications received before July 1 may continue to be processed in paper form. Learn more by clicking [HERE](#).

REMINDER – City of San Diego changes “STAMP TRANSFER” process – the City of San Diego recently announced that they are changing the internal “stamp transfer” process for paper submittals. This is due to the public closure of DSD and problems DSD and customers, including NAIOP San Diego, have identified in getting these transfers tracked and completed in a timely manner. **A new pink “Stamp Transfer Drop Off” form should be used in lieu of the goldenrod colored “Project/Issue Drop Off” form.** The form contains

clarifying information and reminders specific to the stamp transfer process intended to help ensure more accurate submittals that will save both staff and customer time and improve efficiencies. For successful processing, the City's announcement notes, it is important to follow all instructions on the form. You can find a link to the new form [HERE](#).

REMINDER – the NAIOP negotiated inclusionary housing regulations for the City of San Diego **NOW** in effect – the City of San Diego's adopted changes to the City's Inclusionary Affordable Housing regulations **are now** in effect starting July 1, 2020. The updated regulations will be implemented incrementally so they are fully effective by July 1, 2024. The updated regulations apply to residential developments of 10 or more dwelling units and condominium conversions of two or more dwelling units, with some exceptions. They do NOT apply in the Coastal Zone but will be considered by the California Coastal Commission soon. For more information, please click [HERE](#).

REMINDER – County of San Diego maintains **PAUSES** for future re-opening due to increased community outbreaks **INDEFINITELY** – the County of San Diego Public Health Officer, Dr. Wilma Wooten, as a part of this week's actions, noted that reconsideration of current closures will be determined as the County's trigger thresholds are no longer exceeded. An updated version of the County's Public Health Order can be found [HERE](#).

REMINDER – City of San Diego offers online zoning and parcel information map – the City of San Diego has launched its NEW Zoning and Parcel Information Portal (ZAPP – find link [HERE](#)). This portal is intended to make it easier for customers to research real time zoning and property information 24 hours a day, 7 days a week. The interactive portal allows customers to review multiple layers of information, including assessor parcel numbers, zoning maps, City Council districts, school districts, historic districts, fire risk areas, earthquake fault buffers and various regulatory areas.

REMINDER NOTICE – Previously adopted City of San Diego development fees have increased, effective July 1, 2020 – Adopted three years ago, the City announced that the next **planned increase of 6.2% is now effective as of July 1, 2020**. According to the City, the increase will allow the Development Services Department (DSD) to meet established levels of service, provide full cost recoverability and provide sufficient resources to continue to improve the quality of the mandated regulatory review process. The increased fees will apply to all projects submitted on or after July 1, 2020. For the City's Public Information Notice on the fee increase, please click [HERE](#). Information Bulletins containing fees are in the process of being updated and will be posted to the DSD web site as they become available, but no later than July 1, 2020.

REMINDER – County of San Diego Clarifies rules on health screening – The County updated and posted its written Health Order, last week, effective May 10th, which includes the newly clarified provisions for either temperature checks **OR** health screening when equipment isn't available, as well as the facial covering provisions for businesses **WHEN** you're within six feet of someone else noted above. You can read the Health Order [HERE](#).

REMINDER – High-risk groups, **INCLUDING essential infrastructure workers**, can be tested for COVID-19 – the County has expanded their recommendations for testing in San Diego, including for "high-risk" groups. **This includes anyone in an "essential infrastructure" occupation (more information [HERE](#))**. In order to get tested at a hospital, health care provider or one of the County's testing sites, individuals who fall into any of these expanded testing categories should contact their doctor or call 2-1-1.

REMINDER – City of San Diego 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 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 construction site protocols.

REMINDER – County of San Diego Health Orders **STILL in effect AND being enforced** – Please continue to follow the County of San Diego’s health orders ([found HERE](#)), including the “stay at home” orders for those not in an essential business or newly opened non-essential businesses. These orders include the requirement for facial coverings in public or at work and within six feet of another person not in your family. The County’s health orders, also require that **essential** businesses complete and post their checklist (see link [HERE](#)) AND **non-essential** businesses that can operate must create and post a **DIFFERENT** “Safe Reopening Plan” or SRP. A downloadable version of the SRP template can be found [HERE](#). If you are an essential business, you do NOT need to complete, distribute to employees and post an SRP, but you do need to complete a “Social Distancing and Sanitation Protocol” checklist linked above.

REMINDER – County of San Diego mandates **FACIAL COVERINGS in public and at work starting MAY 1st (when you’re within in six feet of someone)** – the County of San Diego has mandated that facial coverings be worn when in public and within six feet of another person not in your immediate household. This includes when you’re working in either an essential job or a job in a non-essential business that has been allowed to open, again, when you get closer than six feet to another person who is not a member of your direct, household family. The requirements can be found [HERE](#).

REMINDER – San Diego Superior Court services remain **CLOSED** until an estimated re-opening on May 26th. Until then, nearly all court services, except for some criminal case processing and **consideration of temporary restraining orders** are suspended.

REFERENCE LIST:

State of California *Resilience Roadmap* Page (including industry specific guidance and checklists) – LINK [HERE](#)

State of California COVID-19 County Variance Attestations (list of all CA Counties and their specific attestation plans) – Link [HERE](#)

County of San Diego Public Health Order – Link [HERE](#)

County of San Diego’s SPECIFIC VARIANCE ATTESTATION PLAN – Link [HERE](#)

County of San Diego Essential Business *Social Distancing and Sanitation Protocol* Template – LINK [HERE](#)

County of San Diego *Safe Reopening Plan* (SRP) Template for NON-ESSENTIAL businesses – LINK [HERE](#)

County of San Diego *Restaurant/Food Facility Operating Protocol* Template – Link [HERE](#)

County of San Diego *Hair Salon/Barber Shop* reopening protocols – Link [HERE](#)

City of San Diego COVID-19 *Construction Safety* Protocols - [LINK HERE](#)

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

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

City of San Diego DIGITAL DSD (Development Services Department) Webpage (for online permitting and submittal) – Link [HERE](#)

County of San Diego REOPENING PLAN Attestation Document – 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. In short, office buildings are still allowed to be open, but certain tenants and tenant functions may not be allowed to occur. Each tenant should individually verify whether they can open (as an essential or non-essential business). For reference to the federal government’s definition of what constitutes an “essential service”, please 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 operate, and their tenants get back to work as soon as safely possible. We are also working to make sure that local government operations related to our members’ needs, like planning, permitting and inspections also continue.