



**MEMORANDUM
FACILITIES MANAGEMENT
REAL ESTATE SERVICES DIVISION**
County of Placer

TO: Honorable Board of Supervisors DATE: July 27, 2021
FROM: Steve Newsom, Director of Facilities Management
By: Ferrin Call, Project Manager
SUBJECT: Real Estate Services Division / Rent Adjustments for County Commercial
Tenants Affected by COVID-19 Emergency

ACTION REQUESTED

Receive an update on the rent adjustments approved for existing County commercial tenants who, due to COVID-19 related restrictions, were required to close their business, were restricted to limited operations, and/or have demonstrated a financial hardship based on the Rent Adjustments Schedule (Attachment A) approved by the Board of Supervisors on September 22, 2020, and January 26, 2021.

BACKGROUND

On March 19, 2020, Governor Gavin Newsom issued a statewide stay-at-home order (Executive Order N-33-20), requiring California residents to stay home thereby closing nonessential businesses. Between March 19, 2020, and June 14, 2021, various State actions restricted the operations of businesses in Placer County, as more fully described in Placer County Board of Supervisors Resolution No. 2020-194.

Many of the County's commercial tenants experienced economic impacts due to the State's actions. After being approached by impacted commercial tenants, Real Estate Services offered rent deferrals to County tenants who paid rent on a monthly basis. On September 22, 2020, and again on January 26, 2021, your Board authorized the Director of Facilities Management, or designee, to waive and/or renegotiate rent for existing County commercial tenants who demonstrated a financial hardship for the periods of March 19, 2020, through December 31, 2020, and January 1, 2021, through June 30, 2021, respectively. Tenants have until July 10, 2021, to submit rent waiver requests. Real Estate Services has received rent waiver requests from eight tenants. As of July 8, 2021, Facilities Management has waived \$43,270 in rent and will continue to process any additional timely requests for the authorized period.

The County rent waiver and renegotiation program expired on June 30, 2021. With the lifting on June 15, 2021, of the State's COVID-19 related restrictions on businesses, staff does not recommend that the rent waiver and renegotiation program be further extended. Businesses needing assistance with reopening may continue to use the Placer Business Resource Center and the Small Business Administration to access resources and advice.

ENVIRONMENTAL IMPACT

The expiration of the rent waiver and renegotiation program is exempt from environmental review under CEQA Guidelines Section 15301 (Existing Facilities).

Honorable Board of Supervisors

July 27, 2021

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FISCAL IMPACT

The loss of revenues to the County from the rent adjustments total \$43,270 for the period from March 19, 2020, through June 30, 2021.

ATTACHMENTS

Attachment A –Rent Adjustments Schedule

Attachment A
Rent Adjustments – Commercial Tenants

Condition No.	If Tenant:	Then County will:
1.	Was unable to operate due to State restrictions	Waive monthly rent for the Waiver Period that such restrictions were in place
2.	Has remained open or been allowed to re-open but demonstrates loss of gross revenues in comparison to the same period during the prior year (due to restrictions on operations or reduced business due to stay-at-home orders)	Waive portion of rent for the Waiver Period (base percentage reduction on lost revenues as compared to prior year)
3.	Deferred rent paid to County	Apply amount paid in excess of unwaived rent towards future rent
4.	Received grant funds to assist with payment of rent	Waive or reduce rent per Condition 1 or 2 in amount not covered by grant funds
5.	Terminated lease due to inability to operate due to State restrictions and desires to return to premises and renew lease	Renew lease and apply rent paid during Waiver Period that such restrictions were in place towards future rent

