

CLERK OF THE BOARD OF SUPERVISORS
SAN DIEGO COUNTY AIR POLLUTION CONTROL BOARD

TUESDAY, MAY 5, 2020

Legislative Services Section: (619) 531-5434

NEW INDEX:

New Page

NEW AGENDA PAGE AND BACKUP:

**AP01 BUSINESS STABILITY DURING THE COVID-19 CRISIS
(DISTRICTS: ALL)**

THIS PAGE IS INTENTIONALLY LEFT BLANK.

COUNTY OF SAN DIEGO AIR POLLUTION CONTROL BOARD
REGULAR MEETING
MEETING AGENDA
TUESDAY, MAY 5, 2020, 9:00 AM
BOARD OF SUPERVISORS NORTH CHAMBER
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

- A. Roll Call
- B. Public Communication: Opportunity for members of the public to speak to the Board on any subject matter within the Board's jurisdiction but not an item on today's agenda.

NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

Supporting documentation and attachments for items listed on the agenda can be viewed online at <http://www.sdcounty.ca.gov/cob/bosa/> or in the Office of the Clerk of the Board of Supervisors at the County Administration Center, 1600 Pacific Highway, Room 402, San Diego, CA 92101.

Agenda Items

Agenda #	Subject
1.	BUSINESS STABILITY DURING THE COVID-19 CRISIS [FUNDING SOURCE: AVAILABLE PRIOR YEAR GENERAL FUND FUND BALANCE] (4 VOTES) (RELATES TO BOARD OF SUPERVISORS AGENDA NO. 16)

THIS PAGE IS INTENTIONALLY LEFT BLANK.

**1. SUBJECT: BUSINESS STABILITY DURING THE COVID-19 CRISIS
(DISTRICTS: ALL)**

OVERVIEW

As a result of the COVID-19 health crisis and the Executive Orders from Governor Newsom to stay at home, the Board of Supervisors (Board) approved Vice-Chairman Jim Desmond's and Supervisor Kristin Gaspar's recommendation on March 24, 2020 (22) to provide food facilities a six-month payment deferral of annual health permit fees, plan check fees, and late fees. Additionally, the Board approved a recommendation directing the Chief Administrative Officer to analyze County requirements that may inhibit businesses from swiftly reopening once the health order is lifted and provide a report back to the Board.

On April 24, 2020, a memo titled, "County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted" (memo) was issued by Sarah E. Aghassi, Deputy Chief Administrative Officer of the Land Use and Environment Group outlining potential solutions to aid businesses and the local economy affected by the COVID-19 health crisis emergency. Potential solutions include permit and inspection fee waivers and deferrals, lease payment deferrals, ordinance amendments, new programs, and extended services.

Today's action will Direct the Chief Administrative Officer to implement specific options as described in the memo.

RECOMMENDATION(S)

VICE-CHAIRMAN JIM DESMOND AND SUPERVISOR KRISTIN GASPAR

1. Find that the proposed action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(3) and 15378(b)(5) of the State CEQA Guidelines."
2. Direct the Chief Administrative Officer and Air Pollution Control Officer to take the necessary steps to implement the following selection of options as itemized in the April 24, 2020 memo titled, "County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted."

Business Processes Streamlining, Changes or Waivers

- a. DEH - Shift Small Quantity Medical Waste Generator Inspections to a Registration Program
- b. DEH -New Minimal Inventory Variation/Low-Risk Business Type Flat Fee Category for Hazmat Facilities
- c. DEH - Revision of Fee Structure for Regulated Underground Storage Tank Facilities
- d. DEH - Eliminate Local Requirement for the Submittal of Redundant Supplemental Chemical Reporting to the CERS Website
- e. Stay Limited Enforcement of Zoning Ordinance for Impacted Businesses

- i. Add criteria for restaurants and similar businesses to use parking areas as customer dining/seating
- ii. Add criteria for curbside pick up for dining establishments
- f. Waiver Building Permit and Plan Check Fees for Remodels
- g. Waiver of Centerline Ordinance Review Costs
- i. For ministerial permit types only

Deferral of Fees and/or Permits

a) ~~APCD Permit Renewal Fees~~

- b. AWM Agricultural Export Certification Fees
- c. AWM Hazardous Material Permit Fees for Agricultural Operations
- d. AWM Direct Marketing Fees
- e. AWM Price Verification and Weights & Measures Devices Registration Fees
- f. DEH Annual Permit Fees for Body Art, Massage, and Camp Inspections
- g. DEH Swimming Pool Permit Fees
- h. DEH Hazardous Materials Facility Permit Fees
- i. DEH Small Drinking Water Systems Permit and Plan Check Fees
- j. DAS Kennel Application Fee
- k. Fire Authority Fire Safety Site Plans and Special Events

Lease Agreements

An extension to September 30, 2020 of the rent-deferral period and moratorium on evictions directed by the Board on April 7, 2020 (4) for renters of County-owned commercial or residential property in the incorporated and unincorporated areas. The repayment period shall begin on October 1, 2020 and shall otherwise remain the same as earlier directed by the Board.

- 3. Direct the Chief Administrative Officer to take the necessary steps to establish a new “Revitalization and Assistance Program” as described in the April 24, 2020 memo titled, “County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted.”
- 4. Establish appropriations of \$1,030,000 in the Department of Environmental Health, Services & Supplies, for the six-month waiver of plan check fees for restaurants based on COVID-19 health emergency federal or State funding, or available prior year General Fund fund balance. **(4 VOTES)**

5. Establish appropriations of \$420,000 in the Department of Planning & Development Services, Services & Supplies, for the six-month waiver of permit fees for restaurants or related small businesses for tenant improvements and Centerline Ordinance plan check reviews of ministerial permit types based on COVID-19 health emergency federal or State funding, or available prior year General Fund fund balance. **(4 VOTES)**
6. Waive Board Policy B-29, Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery, which requires full cost recovery for services provided under fees.
7. Establish appropriations of \$250,000 in the Department of Planning & Development Services, Services & Supplies, to establish a revitalization and assistance program based on COVID-19 health emergency federal or State funding, or available prior year General Fund fund balance. **(4 VOTES)**
8. For the six-month deferral of fees, permits and lease agreements, if the deferrals are not recouped and the costs of the activities are determined to be eligible for COVID-19 health emergency federal or State funding, this should first be applied as the funding source. If not eligible, the funding source is available prior year General Fund fund balance.
9. If the costs for Recommendations 4, 5, and 7 are eligible for COVID-19 health emergency federal or State funding, these funds should be used to recoup costs.
10. Direct the Air Pollution Control Officer to take the necessary steps to implement the following option as itemized in the April 24, 2020 memo titled, "County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted."

Deferral of Fees and/or Permits

a. APCD Permit Renewal Fees

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year (FY) 2019-20 Operational Plan for Department of Environmental Health (DEH) and Department of Planning & Development Services (PDS). If approved, this request will result in costs and revenues of \$1,700,000 in FY 2019-20, for the six-month waiver of plan check and permit fees for restaurants or related small businesses for tenant improvements and Centerline Ordinance plan check reviews of ministerial permit types. A six-month deferral of fees, permits, and lease agreements would result in delay cash flows of \$15,783,900. If not recouped and no additional funding is provided, service levels would be impacted by 135.45 staff years. A waiver of Board Policy B-29 is requested because of the proposed fee waivers. If the costs of the activities in these recommendations that establish appropriations is determined to be eligible for COVID-19 health emergency federal or State funding, this should first be applied as the funding source. If not eligible, the funding source is available prior year General Fund fund balance. There will be no additional staff years.

BUSINESS IMPACT STATEMENT

These actions will have a direct positive impact to businesses by waiving and deferring fees, deferring lease payments on County-owned property, and creating a new business assistance program.

(RELATES TO BOARD OF SUPERVISORS AGENDA NO. 16)



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

COUNTY OF SAN DIEGO
2020 MAY -1 PM 2:05
CLERK OF THE BOARD
OF SUPERVISORS

DATE: May 5, 2020

AP01

TO: Board of Supervisors sitting as the Board to:
County of San Diego
San Diego County Air Pollution Control District

SUBJECT

BUSINESS STABILITY DURING THE COVID-19 CRISIS (DISTRICTS: ALL)

OVERVIEW

As a result of the COVID-19 health crisis and the Executive Orders from Governor Newsom to stay at home, the Board of Supervisors (Board) approved Vice-Chairman Jim Desmond's and Supervisor Kristin Gaspar's recommendation on March 24, 2020 (22) to provide food facilities a six-month payment deferral of annual health permit fees, plan check fees, and late fees. Additionally, the Board approved a recommendation directing the Chief Administrative Officer to analyze County requirements that may inhibit businesses from swiftly reopening once the health order is lifted and provide a report back to the Board.

On April 24, 2020, a memo titled, "County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted" (memo) was issued by Sarah E. Aghassi, Deputy Chief Administrative Officer of the Land Use and Environment Group outlining potential solutions to aid businesses and the local economy affected by the COVID-19 health crisis emergency. Potential solutions include permit and inspection fee waivers and deferrals, lease payment deferrals, ordinance amendments, new programs, and extended services.

Today's action will Direct the Chief Administrative Officer to implement specific options as described in the memo.

RECOMMENDATIONS

VICE-CHAIRMAN JIM DESMOND AND SUPERVISOR KRISTIN GASPAR

1. Find that the proposed action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(3) and 15378(b)(5) of the State CEQA Guidelines."
2. Direct the Chief Administrative Officer and Air Pollution Control Officer to take the necessary steps to implement the following selection of options as itemized in the April 24, 2020 memo

**SUBJECT: BUSINESS STABILITY DURING THE COVID-19 CRISIS (DISTRICTS:
ALL)**

titled, “County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted.”

Business Processes Streamlining, Changes or Waivers

- a) DEH – Shift Small Quantity Medical Waste Generator Inspections to a Registration Program
- b) DEH -New Minimal Inventory Variation/Low-Risk Business Type Flat Fee Category for Hazmat Facilities
- c) DEH – Revision of Fee Structure for Regulated Underground Storage Tank Facilities
- d) DEH – Eliminate Local Requirement for the Submittal of Redundant Supplemental Chemical Reporting to the CERS Website
- e) Stay Limited Enforcement of Zoning Ordinance for Impacted Businesses
 - i. Add criteria for restaurants and similar businesses to use parking areas as customer dining/seating
 - ii. Add criteria for curbside pick up for dining establishments
- f) Waiver Building Permit and Plan Check Fees for Remodels
- g) Waiver of Centerline Ordinance Review Costs
 - i. For ministerial permit types only

Deferral of Fees and/or Permits

- ~~a) APCD Permit Renewal Fees~~
- b) AWM Agricultural Export Certification Fees
- c) AWM Hazardous Material Permit Fees for Agricultural Operations
- d) AWM Direct Marketing Fees
- e) AWM Price Verification and Weights & Measures Devices Registration Fees
- f) DEH Annual Permit Fees for Body Art, Massage, and Camp Inspections
- g) DEH Swimming Pool Permit Fees
- h) DEH Hazardous Materials Facility Permit Fees
- i) DEH Small Drinking Water Systems Permit and Plan Check Fees
- j) DAS Kennel Application Fee
- k) Fire Authority Fire Safety Site Plans and Special Events

Lease Agreements

An extension to September 30, 2020 of the rent-deferral period and moratorium on evictions directed by the Board on April 7, 2020 (4) for renters of County-owned commercial or residential property in the incorporated and unincorporated areas. The repayment period shall begin on October 1, 2020 and shall otherwise remain the same as earlier directed by the Board.

3. Direct the Chief Administrative Officer to take the necessary steps to establish a new “Revitalization and Assistance Program” as described in the April 24, 2020 memo titled, “County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted.”

**SUBJECT: BUSINESS STABILITY DURING THE COVID-19 CRISIS (DISTRICTS:
ALL)**

4. Establish appropriations of \$1,030,000 in the Department of Environmental Health, Services & Supplies, for the six-month waiver of plan check fees for restaurants based on COVID-19 health emergency federal or State funding, or available prior year General Fund fund balance. **(4 VOTES)**
5. Establish appropriations of \$420,000 in the Department of Planning & Development Services, Services & Supplies, for the six-month waiver of permit fees for restaurants or related small businesses for tenant improvements and Centerline Ordinance plan check reviews of ministerial permit types based on COVID-19 health emergency federal or State funding, or available prior year General Fund fund balance. **(4 VOTES)**
6. Waive Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery, which requires full cost recovery for services provided under fees.
7. Establish appropriations of \$250,000 in the Department of Planning & Development Services, Services & Supplies, to establish a revitalization and assistance program based on COVID-19 health emergency federal or State funding, or available prior year General Fund fund balance. **(4 VOTES)**
8. For the six-month deferral of fees, permits and lease agreements, if the deferrals are not recouped and the costs of the activities are determined to be eligible for COVID-19 health emergency federal or State funding, this should first be applied as the funding source. If not eligible, the funding source is available prior year General Fund fund balance.
9. If the costs for Recommendations 4, 5, and 7 are eligible for COVID-19 health emergency federal or State funding, these funds should be used to recoup costs.
10. Direct the Air Pollution Control Officer to take the necessary steps to implement the following option as itemized in the April 24, 2020 memo titled, “County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted.”

Deferral of Fees and/or Permits

a) APCD Permit Renewal Fees

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year (FY) 2019-20 Operational Plan for Department of Environmental Health (DEH) and Department of Planning & Development Services (PDS). If approved, this request will result in costs and revenues of \$1,700,000 in FY 2019-20, for the six-month waiver of plan check and permit fees for restaurants or related small businesses for tenant improvements and Centerline Ordinance plan check reviews of ministerial permit types. A six-month deferral of fees, permits, and lease agreements would result in delay cash flows of \$15,783,900. If not recouped and no additional funding is provided, service levels would be impacted by 135.45 staff years. A waiver of Board Policy B-29 is requested because of the proposed fee waivers. If the costs of the activities in these recommendations that establish appropriations is determined to be eligible for COVID-19 health emergency federal or State

SUBJECT: BUSINESS STABILITY DURING THE COVID-19 CRISIS (DISTRICTS: ALL)

funding, this should first be applied as the funding source. If not eligible, the funding source is available prior year General Fund fund balance. There will be no additional staff years.

BUSINESS IMPACT STATEMENT

These actions will have a direct positive impact to businesses by waiving and deferring fees, deferring lease payments on County-owned property, and creating a new business assistance program.

BACKGROUND

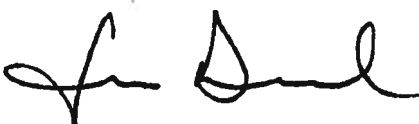
In March 2020, the County of San Diego Public Health Officer issued orders to limit gathering sizes, the implementation of social distancing requirements, and the prohibition of in-house dining, to reduce the spread of COVID-19. On March 19, 2020, the Governor of California issued a “stay at home” order requiring the closure of non-essential businesses and the limitation of commercial activity.

In response to the Executive Order from Governor Newsom to stay at home, the Board of Supervisors approved Vice-Chairman Jim Desmond’s and Supervisor Kristin Gaspar’s recommendation to provide food facilities a six-month payment deferral of annual health permit fees, plan check fees, and late fees. In addition the Board directed the Chief Administrative Officer to analyze County requirements that may inhibit businesses from swiftly reopening once the health order is lifted.

On April 24, 2020, a memo titled, “County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted” (memo) was issued, providing solutions to aid businesses and the local economy affected by the COVID-19 health crisis emergency. Potential solutions include fee waivers and deferrals, lease waivers and deferrals, ordinance amendments, new programs, and extended services.

To ensure local businesses can survive the loss of revenue and are positioned to recover quickly once the health order is lifted, today’s action will waive and defer fees and lease payments and implement a business assistance program as outlined in the memo.

Respectfully submitted,



JIM DESMOND
Vice-Chairman, Fifth District



KRISTIN GASPAR
Supervisor, Third District

ATTACHMENT(S)

**SUBJECT: BUSINESS STABILITY DURING THE COVID-19 CRISIS (DISTRICTS:
ALL)**

Attachment A – April 24, 2020 memo titled, “County of San Diego Requirements That May Inhibit Businesses Impacted by the Coronavirus Global Emergency from Swiftly Reopening Once the Public Health Order is Lifted”

SUBJECT: BUSINESS STABILITY DURING THE COVID-19 CRISIS (DISTRICTS:
ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

March 24, 2020 (22)

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

N/A

ORIGINATING DEPARTMENT: Board of Supervisors – Fifth and Third District

OTHER CONCURRENCE(S): N/A

CONTACT PERSON(S):

Benjamin Mills
Name
(619) 531-5555
Phone
Benjamin.Mills@sdcounty.ca.gov
E-mail

Anthony George
Name
(619) 531-5533
Phone
Anthony.George@sdcounty.ca.gov
E-mail



ATTACHMENT A

County of San Diego

SARAH E. AGHASSI
DEPUTY CHIEF ADMINISTRATIVE OFFICER

LAND USE AND ENVIRONMENT GROUP
1600 PACIFIC HIGHWAY, ROOM 212, SAN DIEGO, CA 92101
(619) 531-6256
www.sdcounty.ca.gov/lueg

April 24, 2020

TO: Supervisor Greg Cox, Chairman
Supervisor Jim Desmond, Vice Chairman
Supervisor Dianne Jacob
Supervisor Kristin Gaspar
Supervisor Nathan Fletcher

FROM: Sarah E. Aghassi
Deputy Chief Administrative Officer

COUNTY OF SAN DIEGO REQUIREMENTS THAT MAY INHIBIT BUSINESSES IMPACTED BY THE CORONAVIRUS GLOBAL EMERGENCY FROM SWIFTLY REOPENING ONCE THE PUBLIC HEALTH ORDER IS LIFTED

On March 12, 2020, an Order of the Health Officer (Health Order) was issued by the Health Officer of the County of San Diego (County) in response to the worldwide pandemic of the COVID-19 disease, also known as "novel coronavirus". The Health Order reiterated the Executive Orders issued by Governor Gavin Newsom and include further guidelines and restrictions for protecting public health in the San Diego region. On March 16, 2020, the County Health Officer issued an Amended Health Order and Emergency Regulations that provided stricter directives to help slow the rate of spread of COVID-19. The Amended Health Order included social distancing guidelines and required closures or modified levels of service for many businesses. As a result, restaurants and other establishments that serve food had to close all on-site dining and all food service was limited to delivery, pick-up, or drive thru. Additionally, businesses deemed non-essential, such as gyms, body art facilities, massage facilities, movie theaters, amusements parks, and hair and nail salons, have ceased operations entirely. On March 29, 2020, the County announced that the Amended Health Order and Emergency Regulations would be effective indefinitely.

The Health Order, amendments, and subsequent addenda were issued based on the increasing transmission of COVID-19 in California and the significant risk of widespread introduction and transmission of the virus into the community. The parameters of the Health Order were intended to reduce the likelihood of individuals being exposed to COVID-19, thereby slowing the spread of the disease in the region and helping to preserve critical healthcare capacity in San Diego county. The effects of the virus have resulted in widespread, varying economic impacts to businesses, residents, and customers the County serves.

In response to these economic impacts, the Board of Supervisors (Board) began taking actions to provide financial relief to the community. On March 24, 2020 (19), the Board approved Supervisor Fletcher's and Supervisor Gaspar's recommendation and adopted a Resolution to grant a moratorium in the unincorporated area on evictions and foreclosures for renters, property owners, and small businesses unable to pay rent or a commercial lease due to the COVID-19 emergency. In follow up to this action, on April 7, 2020 (4), the Board directed that renters of

County-owned residential and commercial property located in incorporated and unincorporated areas of San Diego county impacted by the COVID-19 emergency, would be entitled to rent deferral and a moratorium on eviction in accordance with the adopted Resolution from March 24, 2020.

On March 24, 2020 (22) the Board also approved Supervisor Gaspar's and Supervisor Desmond's recommendation to allow for a six-month payment deferral of annual health permit fees, plan check fees, and late fees for food facilities negatively impacted by the COVID-19 emergency. This deferral equates to a delayed cash flow of \$5.8M equating to 42 FTEs if not recouped and no additional funding is provided. Additionally, the Board approved a recommendation directing "...the Chief Administrative Officer to analyze County requirements that may inhibit businesses from swiftly reopening once the health order is lifted and report back with possible solutions".

Businesses in the region are primarily served by departments within the Land Use and Environment Group (LUEG); however, staff enterprise-wide have reviewed County requirements that could prevent businesses from quickly resuming their normal operations as a result of the pandemic. This report outlines these requirements and possible actions for consideration. The solutions include business process changes and waivers; fee deferrals or waivers; lease payment deferrals; and funding support for temporary assistance programs.

Board Policy B-29 – *Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery* requires departments to recover the full cost of services provided to agencies, businesses or individuals. Several other requirements are outlined in other Board Policies, the County Code of Regulatory Ordinances, the County Administrative Code, and stand-alone ordinances such as the Schedule of Rates and Charges and Use Control Policy for County Airports that outline fees, permits, and requirements that must be adhered to by businesses operating within the unincorporated areas of the county. County departments also have regulatory oversight of various types of businesses operating throughout the region, to which the abovementioned requirements would apply.

Based on Board direction, Agriculture, Weights & Measures (AWM), the Air Pollution Control District (APCD), the Department of Environmental Health (DEH), the Department of General Services (DGS), the Department of Parks & Recreation (DPR), the Department of Public Works (DPW), Planning & Development Services (PDS), the San Diego County Sheriff's Department (SDSO), the Department of Animal Services (DAS), and County Fire Authority (Fire Authority) have identified fees, permits, and lease agreements that require payments from businesses that may have been impacted. At this time, businesses within various industries may not be able to provide payments for County services rendered due to decreased operations or levels of service, and decreased revenue. This memo outlines possible options to offer relief to businesses that are impacted by the public health emergency through changes to County processes, deferral or waiver of fees, and implementation of new programs; all of which would provide economic support in connection with the COVID-19 public health emergency. If the Board waives fees, permits, or monthly lease payments, it will also require Board action to waive Board Policy B-29, which requires full cost recovery by departments for the services they provide. Depending on the scope of the waiver, additional action to adopt a resolution, amend ordinances, and amend lease and other agreements to implement the fee, permit, and lease payment waivers may also be necessary.

Business Processes Streamlining, Changes, or Waivers

County departments regularly work to streamline business processes and gain efficiencies to better serve customers, employees, and for cost savings. Some of these changes can be implemented by the departments, such as transitioning to online plan check reviews and virtual meetings. Other changes require the adoption of a resolution or amendments to County

Ordinances and will require additional Board approval to implement. DEH and PDS have identified where updates to their ordinances could alleviate requirements and eliminate barriers for businesses, without compromising the integrity of services.

DEH – Shift Small Quantity Medical Waste Generator Inspections to a Registration Program

Small quantity medical waste generators such as dentists, small medical clinics, veterinary clinics, or acupuncturists currently undergo routine, triennial inspections with DEH's CUPA program. Ensuring compliance by these facilities can be effectively performed through a registration and remote/virtual verification program. Shifting regulation of small quantity medical waste generators from an inspection program to a simplified registration program is permitted by State law and will reduce regulatory impacts to these businesses. The resulting savings in staff time will reduce the annual fee for approximately 3,000 small medical-related facilities from \$170 to \$80. This change would also simplify reporting requirements into a user-friendly online system. Ordinance changes are needed to implement the updates to this process, which require Board action and approval. Changes to County Ordinances require two hearings and are effective 30 days after adoption.

DEH – New Minimal Inventory Variation/Low-Risk Business Type Flat Fee Category for Hazmat Facilities

Some hazmat facilities have minimal inventory and/or utilize low risk hazardous materials, such as restaurants and breweries with soda machines and carbon dioxide tanks. Currently, DEH inspects these facilities every two years, which is more frequent than the State mandated frequency of every three years. The increased frequency of inspection is an internal goal but is not necessary for low risk facilities. Creation of a hazmat permit business category for minimal inventory/low risk hazmat facilities, modifying the frequency of inspections from every two years to the State mandated every three years, and switching these facilities from a per chemical fee to a fixed rate fee, will reduce reporting and regulatory requirements on these facilities. This change will also reduce annual permit fees for most of the 1,500 hazardous materials facilities in this new category from \$516 to \$447. The amount of fee reduction per business will vary depending on the number of chemicals on inventory, but the overall savings to customers is approximately \$103.5K. Ordinance changes are needed to implement the updates to this process, which require Board action and approval. Changes to County Ordinances require two hearings and are effective 30 days after adoption.

DEH – Revision to Fee Structure for Regulated Underground Storage Tank Facilities

Restructuring the Underground Storage Tank (UST) fee by separating the Hazardous Materials Business Plan inventory fee from the tank fee would result in a reduction in annual permit fees for 770 of the 900 currently permitted UST facilities. For example, permit fees for facilities with three tanks (most facilities) would adjust from \$1,788 to \$1,662, for a reduction of \$126. The amount of fee reduction per business will vary depending on the number of permitted tanks, but the overall savings to these customers is approximately \$97K annually. This change would also simplify the operator reporting requirements in the California Electronic Reporting System (CERS). Ordinance changes are needed to implement the updates to this process, which require Board action and approval. Changes to County Ordinances require two hearings and are effective 30 days after adoption.

DEH – Eliminate Local Requirement for the Submittal of Redundant Supplemental Chemical reporting to the CERS Website

Eliminating the local requirement for businesses to complete and upload a supplemental paper form listing small amounts of Proposition 65 chemicals to the CERS website every year will streamline the reporting requirements for over 2,000 facilities countywide,

including farms, biotech, manufacturing, aerospace, hospitals, laboratories, and medical facilities. This local requirement is duplicative of what is mandated at the State level since businesses are already required to notify their customers about Proposition 65 chemicals in the products they purchase. Eliminating this requirement will save time processing and following up on CERS submittals for both businesses and DEH staff. Ordinance changes are needed to implement the updates to this process, which require Board action and approval. Changes to County Ordinances require two hearings and are effective 30 days after adoption.

Stay Limited Enforcement of Zoning Ordinance for Impacted Businesses

When businesses like restaurants are allowed to reopen, they will likely want to have temporary signage announcing and advertising their return to service. These signs could be in violation of the Zoning Ordinance. Similarly, businesses such as wineries may want to have several special events to make up for lost revenue as a result of the pandemic. The Zoning Ordinance and/or existing discretionary permits currently place a limit on the size and type of these events, hours of operation, and the number of events allowed. While PDS has discretion to stay enforcement of the Zoning Ordinance for a period of time to allow impacted businesses greater flexibility to adapt operations to facilitate economic recovery, there may be concerns within the community of the type of signage or advertising used. PDS would establish criteria for what would be allowed. Board action is not required to stay enforcement of the Zoning Ordinance or to implement criteria. PDS estimates needing no more than one month to draft proposed criteria and implement. For businesses operating under discretionary permits such as Site Plans and Major Use Permits, Minor Deviations may be required, and this project would fund staff processing of Minor Deviations. An estimated 0.5 Full Time Equivalent (FTE) would be needed to develop and administer this program.

Waive Building Permit and Plan Check Fees for Remodels

Waiving building permit fees for remodels that would require a building permit (such as electrical, plumbing, mechanical, or structural changes) would provide support for restaurants that desire to renovate and related businesses or remove barriers to entry for new businesses. Building permit fee waivers for up to 100 restaurants or related small businesses for tenant improvements would equate to approximately \$220K, or 1 FTE. Similarly, waiving plan check fees for the initial submission of plans for the remodeling of food facilities or building new food facilities would provide further support to the restaurant industry and related businesses. A six-month waiver of food facility plan check fees for the initial submission of plans would result in customer savings of approximately \$1.03M. This amount of revenue equates to 7.32 FTEs. This calculation does not include fees associated with plan check corrections or expedited plan review that can be requested by customers for faster service.

Waiver of Centerline Ordinance Review Costs

Some restaurants and businesses may need to permanently close their doors due to financial hardship. However, new restaurants or businesses could take their place. As written, the Centerline Ordinance requires some new commercial businesses make road or frontage improvements, such as striping, sidewalk improvements, installation of streetlights, drainage enhancements, or road widening, which are proportionate to the project size and impacts. To help remove barriers for new businesses to open, the Board could waive the cost of the Centerline Ordinance plan check process or defer payment until the time of occupancy by the business. The cost of a Centerline Ordinance plan check can range from \$400 for small ministerial permits, to tens of thousands of dollars for larger projects that require discretionary permits and final engineering. Assuming 25-100 customers were granted a plan check fee waiver, costs could range from \$10K-\$200K, equating to 0.1 FTE to 0.75 FTE equivalents. Any business proposing to open with a

similar or equivalent use to what was there previously, may also qualify for a waiver under the Centerline Ordinance, and not be required to make physical improvements.

Deferral of Fees and/or Permits

In light of the challenges businesses are facing as a result of the pandemic, fees associated with County services could present a hardship for some businesses when the Health Order is lifted. Deferring payment of various fees for up to six months would provide businesses extra time to recover from the impacts they are experiencing. The amounts of the fee deferrals vary by department and their function and are provided in further detail below. A deferral of all fees and payments outlined below would result in delayed cash flows totaling \$29.0M to the County. Possible future closures of an unknown number of businesses, would reduce the ability to recoup the deferred amounts and would prevent full cost recovery. In the event that businesses are unable to pay, the deferral could result in a revenue shortfall up to \$29.0M and have staffing impacts of 298 FTEs. The potential for lost revenue would require additional fiscal support from the County to maintain current staffing and service levels. Other funding sources, such as General Fund fund balance, would need to be identified to mitigate revenue shortfalls and to maintain service levels to customers. To implement some fee deferrals, additional Board action such as the adoption of a resolution or amendment of ordinances may be necessary where, for example, payment is required in advance by County ordinances.

APCD Permit Renewal Fees

The APCD regulates facilities that emit air pollutants and conducts inspections of those facilities as required by federal and State of California (State) law in order to verify compliance with permit conditions, laws, and regulations. These businesses include permitted stationary (fixed) sources of air pollution such as power plants, industrial and manufacturing facilities, stationary engines (back-up power generators), gas stations, landfills, and solvent cleaning and surface coating operations.

There are 8,200 permitted stationary sources. The deferral of permit renewal fee payments for all stationary sources would require action by the APCD Board to approve temporary changes to the implementation of Rule 40. The process to implement the temporary changes includes a 30-day notice to stakeholders, a public workshop, and subsequent Board approval. A six-month deferral of the payment of the permit renewal fees would result in \$2.1M savings for the 8,200 stationary sources customers, or approximately \$350K per month. This delayed cash flow for APCD equates to approximately 31 FTEs if not recouped and no additional funding is provided with impacts to service levels. APCD is required to fulfill its legal mandates, including full cost recovery, under federal and State laws. Its failure to do so may lead to the Environmental Protection Agency penalizing the County and the State by suspending a portion of the highway funds the County and State receive.

AWM Agricultural Export Certification Fees

AWM inspects and certifies agricultural shipments for export, a service that is vital for the region's agricultural sector to access markets in other parts of the State, country, and world. To export agricultural shipments, customers pay an inspection hourly rate and a certification fee. AWM provides this service to approximately 140 customers. The industry has seen a reduction in exports and an increase in customers' order cancellations. A six-month deferral of the hourly rates and certification fees would provide a savings of \$675K for these 140 customers. Delayed cash flow of \$675K equates to 6.0 FTEs if not recouped and no additional funding is provided with impacts to service levels.

AWM Industrial Hemp Cultivation Fees

AWM promotes agricultural regulatory compliance at the local level for the California Industrial Hemp Program, which started in April 2019. Since this is a new program,

growers face regulatory, operational, and marketing challenges as the program evolves. AWM charges an hourly rate for services relating to the harvest and compliance related activities of harvest verification, regulatory sample collection, observation of crop removal, site inspections; or requested services. AWM serves approximately 165 Industrial Hemp Cultivation customers. A six-month deferral of the hourly rate would result in a savings of \$92K for these 165 customers. This amount of delayed cash flow equates to 0.5 FTE if not recouped and no additional funding is provided with impacts to service levels.

AWM Hazardous Material Permit Fees for Agricultural Operations

There are approximately 194 agricultural operations registered with AWM that utilize hazardous materials. AWM inspects the agricultural operations to ensure proper storage and reporting of hazardous chemicals. The registration fees paid by the operations are needed to support AWM's regulatory activities. A six-month deferral of the fees would result in \$10K savings for these customers. This delayed cash flow equates to 0.1 FTE if not recouped and no additional funding is provided.

AWM Direct Marketing Fees

Through the Direct Marketing Program, AWM certifies and inspects approximately 200 growers for participation in 35 registered Certified Farmers' Markets (Markets) in the region. Growers have had to find alternative venues to sell their perishable produce and have potentially experienced unexpected produce loss. Although the Markets are allowed to operate, currently only nine Markets are operating in the region and four are operating only as pickup locations. Deferral of these certification inspection fees for six months would result in a savings of \$27K for these customers. Delayed cash flow of \$27K equates to 0.25 FTE if not recouped and no additional funding is provided.

AWM Pesticide Regulation Fines

AWM conducts inspections and investigations to ensure safe and legal pesticide use. State law authorizes counties to issue fines to promote compliance. There are about \$22K of outstanding fines for existing pesticide related non-compliances that were identified in past inspections but have not yet been charged to the respondents. Based on historical data, AWM anticipates about \$8K of additional fines for the first quarter of Fiscal Year 2020-21. The regulated industry is experiencing reduced business and revenues. California Department of Pesticide Regulation supports the proposed deferral that would help approximately 40 customers. A six-month deferral of the fines would result in savings of \$30K for these 40 customers. Delayed cash flow of \$30K equates to 0.3 FTE if not recouped and no additional funding is provided.

AWM Price Verification and Weights & Measures Devices

To ensure consumer confidence and fair business competition, AWM charges fees and fines for regulatory activities related to price verification and commercial weights & measures devices at retail businesses throughout the region. AWM regulates approximately 4,700 price verification customers and 7,200 weights & measures device customers throughout the region. Those businesses deemed non-essential are currently closed. However, some, such as grocery stores, are open. A six-month deferral of the price verification and devices fees and fines will result in delayed revenue of approximately \$456K and \$1.1M, respectively. It is likely that the actual amount of delayed revenue collected after a six-month deferral will be less than expected since an unknown number of businesses are likely to permanently close due to the hardships during this timeframe. A six-month deferral of these fees and fines would result in savings of \$1.6M across 11,900 customers. Delayed cash flow of \$1.6M equates to 13.5 FTEs if not recouped and no additional funding is provided with impacts to service levels.

DEH Annual Permit Fees for Body Art, Massage, and Camp Inspections

DEH operates over 40 different programs aimed at protecting the environment and enhancing public health by preventing disease, promoting environmental responsibility and, when necessary, enforcing environmental and public health laws throughout the region. DEH conducts annual and complaint-based inspections at body art, massage, and camp facilities to protect public health. According to the State, these establishments are considered non-essential businesses and are not authorized to operate. When they can reopen, they may not have the funds to pay for annual permit fees or registrations. A six-month deferral of these fees would result in savings of \$177K for 277 facilities and 373 registrations. A delay in cash flow of \$177K equates to 1.3 FTE if not recouped and no additional funding is provided with impacts to service levels.

DEH Swimming Pool Permit Fees

DEH conducts annual and complaint-based inspections at public swimming pool facilities to protect public health. The public swimming pools DEH services are mostly associated with multi-family residential, however some public pools are associated with businesses that are currently closed. Of the 4,165 public swimming pools permitted by DEH, 642 are estimated to be associated with impacted businesses. A six-month deferral of payment for the 642 annual swimming pool permits associated with businesses would result in an estimated savings of \$149K. This delayed cash flow equates to 1.1 FTE if not recouped and no additional funding is provided with impacts to service levels.

DEH Hazardous Materials Facility Permit Fees

DEH permits a variety of facilities that handle or store hazardous materials or generate hazardous or medical waste as the region's Certified Unified Program Agency (CUPA). CUPA facilities must obtain a permit from DEH and pay an annual base fee of \$354 and an additional \$81 per-item fee associated with the number of materials or wastes managed onsite. The 15,000 CUPA permitted facilities are a wide variety of industry types, such as manufacturing, chemical suppliers, retail and non-retail fueling operations clinics, biotechnology, laboratories, research institutions, colleges, warehouses, contractors, dry cleaners, automotive shops, dentists, veterinarians, breweries, restaurants, retail stores public utilities, companies, hospitals, schools, military facilities, hotels and resorts, amusement parks, and other large operation types of businesses. According to the State, some of these establishments are considered non-essential businesses and are closed or operating at a reduced level. Some businesses have been identified as essential and are still operating or operating at a reduced level. A six-month deferral for all DEH hazardous materials facility permit fees, including the base and per-item fee, would result in a collective savings of approximately \$4.1M for 15,000 permitted facilities. Delayed cash flow of \$4.1M equates to approximately 29.3 FTEs if not recouped and no additional funding is provided with impacts to service levels.

DEH Small Drinking Water Systems Permit, Plan Checks, and Inspections Fees

There are 149 small public drinking water systems countywide. These water systems typically serve rural residential communities, schools, mobilehome or RV parks, County parks, campgrounds/resorts, and churches. Twelve of these systems have been identified to serve businesses that may have been impacted by the Health Order restrictions. A six-month deferral of these fees for the 12 water systems associated with businesses that are potentially impacted would provide savings of approximately \$33.8K for 12 customers. A delay in cash flow of this amount equates to approximately 0.2 FTE if not recouped and no additional funding is provided with impacts to service levels.

DEH Septic Systems and Well Permits, and Plan Check Fees

DEH conducts plan reviews and issues approximately 600 septic system permits, and 240 water well permits annually. Most of these permits are associated with residential

properties but a small number, about 10 permits per year for septic and 1 permit per year for wells, are commercial permits associated with businesses. Commercial septic and well permits may be associated with rural schools, campgrounds, mobilehome parks, and restaurants/wineries in areas of the county without public utility services. A six-month deferral of septic system and well permits and plan check fees would result in savings of approximately \$22.8K for 11 customers. Delayed cash flow of \$22.8K equates to less than 0.2 FTE if not recouped and no additional funding is provided.

DPW Private Development Construction Inspection (PDCI) Developer Deposits

PDCI inspects private development and utility projects to ensure conformance with grading and improvement permits, County construction standards, and State stormwater management requirements. These activities are cost-recoverable by charging staff time to developer deposits. PDCI generally serves between 1,000–1,200 customers each month. If PDCI charges are deferred for private development or utility customers for six months, it would result in savings of approximately \$2.1M. Delayed cash flow of \$2.1M equates to 16 FTEs if not recouped and no additional funding is provided with impacts to service levels.

DPW Airports Fuel Flowage Fee

The fuel flowage fees are charged on every gallon of aviation fuel being sold on the eight County airports to support proper maintenance, safety and oversight. This fee is charged to the vendors on the airport who sell aviation fuel. A fee waiver would benefit the users of the airport who purchase fuel if the on-airport vendors agree to pass on this savings to purchasers. The purchasers of the gas include pilots that come to visit the airport from other airports, as well as, based aircraft who purchase fuel at a County airport. Some lessees of County Airports property also sell fuel. A deferral or waiver of County Airports fuel flowage fees could create competition for lessees offering the same service. A fuel flowage fee deferral for a six-month period would result in delayed cash flow of approximately \$268K. This equates to 2.1 FTEs if not recouped and no additional funding is provided with impacts to service levels.

DPW Airports Parking Lot Fees

The parking lot fees are daily charges for use of the Palomar Airport parking lot by all airport users who park their vehicle within the parking lot area near the terminal. A deferral of parking lot fees for a six-month period would result in delayed cash flow of approximately \$6.5K. This equates to 0.05 FTE if not recouped and no additional funding is provided.

DPW Airports Transient Landing Fees

The landing fees are charged to transient aircraft over 12,500 pounds that land at a County airport. These fees are not charged to aircraft based at the County's eight airports. These fees are only collected when transient aircraft above the designated weight limits arrive at one of the eight airports. A deferral of transient landing fees for a six-month period would result in delayed cash flow of approximately \$35K. This equates to 0.3 FTE if not recouped and no additional funding is provided.

DPW Airports Transient Parking Fees

Transient Parking Fees are paid by visiting aircraft that park overnight on a County operated ramp. These fees do not apply to based aircraft. Some lessees of County Airports property also sell overnight parking spaces for transient aircraft. A deferral or waiver of County Airports transient parking fees could create competition for lessees offering the same service. A deferral of transient parking fees for a six-month period would result in approximately \$7K of delayed cash flow. This equates to 0.06 FTE if not recouped and no additional funding is provided.

DPW Airports U.S. Customs Pass-Through Fees

DPW has an agreement with U.S. Customs to provide customs inspections for flights coming in from international travels as a convenience for airport users. The agreement requires DPW Airports to pay U.S. Customs directly for the services provided to private aircraft. DPW Airports charges custom fees to the private aircraft as a pass-through charge. DPW Airports pays all U.S. Custom fees directly with the fees DPW collects from airport users. DPW's agreement with U.S. Customs does not allow for a waiver of fees. A U.S. Customs pass-through fee deferral for a six-month period would result in delayed cash flow of approximately \$248K. This equates to approximately 2 FTEs if not recouped and no additional funding is provided with impacts to service levels.

PDS Plan Check and Permits

PDS is the lead for reviewing, processing, and approving or denying permits for privately-initiated land development projects. These projects could include discretionary permits, such as site plans or subdivisions, final engineering requirements, such as grading permits, as well as all building permits. Applicants range from individuals processing a home remodel, to businesses seeking to open a new location, to developers small and big that may be constructing 2 homes or 2,000. If PDS were to defer payments from customers for six months, it would result in approximately \$9M in savings to approximately 600 customers. Delayed cash flow of \$9M equates to 132 FTEs if not recouped and no additional funding is provided with impacts to service levels.

DAS Kennel Application Fee

DAS currently licenses 82 kennels in the unincorporated areas. These licenses are renewed annually and DAS may inspect a kennel at any reasonable time. If kennel businesses have closed due to the COVID-19 emergency, they can reopen without inspection if they have a current license. If the business is required to apply for a new license, and if DAS were to defer payments for six months, it would result in approximately \$6,000 in savings to businesses. Delayed cash flow of \$6,000 would equate to less than 0.1 FTE if not recouped and no additional funding is provided.

Fire Authority Fire Safety Site Plans and Special Events

The Fire Authority conducts Fire Safety/Site plan reviews and inspections for businesses at the request of the Sheriff's Department. Fire Authority conducts approximately 60 reviews per year with an estimated cost to businesses of \$10,000. These businesses include salvage yards, gun shops or marijuana sales facilities. In addition, plan reviews and inspections are conducted for Special Events that are typically associated with an event that has a large, enclosed canopy with attached heating systems or a firework demonstration (such as at a high school homecoming game). Fire Authority conducts approximately five inspections per year with an associated cost to businesses of about \$1,100. Delayed cash flow would equate to less than 0.1 FTE if not recouped and no additional funding is provided.

Waiver of Fees and/or Permits

The fee deferrals and delayed revenue associated with each item in the above section can also be considered for fee waivers for businesses due to the COVID-19 emergency. If all fees above were waived, it would result in a permanent loss of revenue and budgetary impacts totaling \$29.0M for the County and have a staffing impact of 298 FTEs with significant service level impacts. Other funding sources, such as General Fund fund balance, would need to be identified to support current staffing and service levels during the waiver timeframe. If the Board waives all or some of the fees, departments will be unable to fully recover costs, which would require Board action to waive Board Policy B-29. In addition, adoption of a resolution and amendment or ordinances by the Board would be required to implement some fee waivers.

Special Event Ordinance

When large events can take place, restaurants and other businesses may be interested in holding such events to make up for lost revenue. To hold these events, businesses would typically be required to obtain special permits from County departments, including DEH, DPW, PDS, and SDSO. The application for a non-profit organization to hold a large event and the Community Event Permits for the event are free; however, businesses that do not have non-profit status must apply and pay for the appropriate permits. DEH, DPW, and PDS do not collect fees for their review of special event permit applications. The Board's action on March 24, 2020 (22) included a six-month payment deferral for temporary food facility event fees for annual permit holders.

The Sheriff's Outdoor Assemblage License fee totals \$611 per event and includes a \$457 fee for the event, a \$105 fee to permit an event manager, and a \$49 LiveScan fee. This year, the Sheriff's department has permitted one event and received three applications.

Lease Agreements

In response to the economic impacts businesses are facing due to the COVID-19 pandemic, the Board has taken actions to provide financial relief to the community. Specifically, On March 24, 2020 (19), the Board approved Supervisor Fletcher's and Supervisor Gaspar's recommendation and adopted a Resolution to grant a moratorium in the unincorporated area on evictions for renters and small businesses unable to pay rent or a commercial lease due to the COVID-19 emergency. In follow up to this action, on April 7, 2020 (4), the Board directed that renters of County-owned residential and commercial property located in incorporated and unincorporated areas of San Diego county impacted by the COVID-19 emergency, be entitled to rent deferral and a moratorium on eviction in accordance with the adopted Resolution from March 24, 2020. Under the Resolution, rent deferrals are effective through May 31, 2020 for tenants who met criteria established under the Resolution. Tenants have up to three months to pay the rent owed to the landlord.

The County has over 400 lease agreements across several departments. A six-month deferral or waiver of rents for these leases would equate to approximately \$7M. Other funding sources, such as General Fund fund balance, would need to be identified to support current staffing and service levels during the deferral or waiver timeframes. If the Board waives all or some of the fees, it would require Board action to waive Board Policy B-29.

DGS Lease Agreements

DGS manages over 200 lease agreements for County-owned properties on behalf of client departments. The County's tenants include non-profit and government organizations, small agricultural, concession and recreation businesses, and large companies such as commercial wireless carriers. DGS analyzed the revenue lease portfolio and estimated that 37 of those leases could likely demonstrate financial hardship due to the COVID-19 emergency. Of those 37 leases, 28 are LUEG properties, 7 are DGS-controlled properties, 1 is Health and Human Services Agency property, and 1 is Auditor & Controller property. The potentially impacted leases include non-essential operations that have lost business or that have had to close entirely due to the pandemic, as well as non-profit organizations. The County receives \$101K per month in rent from these leases. If the Board deferred or waived rent payments for these leases for six months the total delayed cash flow or lost revenue would be approximately \$606K. There would be minimal direct impact to DGS, as a majority of DGS staffing is supported by its client departments. A majority of the LUEG leases that are managed by DGS are for DPR-controlled properties. A six-month deferral or waiver of payments for the leases managed by DPR would total \$360K. This equates to approximately 4.5 FTEs if not recouped and no additional funding is provided with impacts to service levels. To date, DGS has received deferral requests from 13 lessees

under the April 7 Board action. Three of these requestors decided not to defer and paid rent that was due for the month of April.

DPW Lease Agreements (Airports)

DPW currently manages 239 lease agreements related to the eight County airports. Other than aviation businesses, businesses with lease agreements at County airports include church services, restaurants, museums, gyms, and salons. A number of these businesses provide services that are deemed non-essential and are not operating. Additionally, some lessees may also sublease the properties to businesses that are not operating. Consequently, tenants may be experiencing financial hardships and may not be able to make monthly rent payments. The 239 leases generate a monthly revenue of approximately \$1M. A deferral or waiver of these rent payments for six months would result in savings of \$6M for 239 tenants. Delayed cash flow or lost revenue of \$6M equates to 48 FTEs if not recouped and no additional funding is provided with impacts to service levels.

New Programs and Expanded Services

To help remove barriers and provide support for existing and new businesses in response to the COVID-19 emergency, several new programs could be established, but would require Board action, staffing, and funding to do so. Some businesses may not be able to reopen because of the financial impact of being inoperable for an unknown amount of time. In these cases, new businesses will take their place, but may also require resources to assist them with entering the marketplace.

Small Business Assistance Program

On April 21, 2020 (21), the Board approved Supervisor Desmond's and Supervisor Jacob's recommendation to negotiate and execute an agreement with the San Diego Foundation to contribute \$5M for implementation of a business recovery loan program for the unincorporated area. The program will provide no-to-low interest loans to local businesses in the unincorporated area to assist them with recovering from the financial impacts caused by the COVID-19 public health emergency.

To provide support to businesses as they recover from the impacts of COVID-19, the County could establish a Small Business Assistance Program. This program would serve as a coordinator for small businesses that may need services and permits from various departments across the County enterprise. This could include providing direct contract management for necessary discretionary permits. PDS anticipates needing two new FTEs to maintain the new services. Consultants would be required to assist with establishment of the program that backfill the FTEs until the hiring process can be completed. The program would be operated internally with costs ranging from \$150K–\$400K annually. The cost of the program is dependent on the number of customers using the program, which impacts the number of FTEs needed.

Revitalization and Assistance Program

The County could provide economic support to existing and new businesses by establishing a revitalization program. A revitalization program could provide façade improvement loans and grants to partially fund new signs; lighting; landscape; and door and window improvements. This program could also extend to other building rehabilitation and safety programs. Consultants would be required to assist with the development of the program and additional staff positions may be required to implement the program. Costs to develop and maintain the program are approximately \$100K–\$250K annually and depends on the duration of and number of individuals interested in the program.

Business Improvement Districts

The County could coordinate with community and business groups to develop business improvement districts to assist in the revitalization of villages and "Main Streets." There are constraints in existing law that make the use of some types of districts infeasible. The County would focus on forming districts pursuant to laws that can provide for the funding and continued maintenance of improvements through the lifecycle of the improvements. The business improvement districts would finance infrastructure improvements, such as streetscape improvements, shared parking, maintenance, and outreach. This would provide support for existing businesses and attract and encourage new businesses to occupy vacant space that become available. Costs to establish the business improvement districts are approximately \$100K–\$250K annually and depend on the duration of the program and level of interest. These costs include the evaluation that would need to be completed by PDS to assist business groups with the development.

Direct Investment in Business Improvements that will Reduce Greenhouse Gas Emissions

In adhering to the directives and guidance provided at the State and local levels, many businesses chose to leverage technology and continued operations by converting to telework practices and providing online and virtual services. With this shift, many areas have seen a reduction in pollution. For example, the smog that is characteristic of the Los Angeles skyline has visibly dissipated. As businesses have adjusted to this new normal and have found advantages associated with the changes, they may choose to carry some of these practices into future operations. An increase in businesses that permanently allow staff to telework and/or provide virtual services will help with the continued reduction of greenhouse gas emissions (GHG) by decreasing the number of commuting individuals and average daily trips. Information Technology improvements, including connectivity infrastructure, may be needed to support permanent teleworking, virtual, or remote services which could result in reduced GHG emissions. The improvements may be costly and could discourage businesses from making the permanent conversion. A component could be added to the Local Direct Investment (LDI) program of the County's Climate Action Plan to provide funding support to unincorporated community small businesses that want to make a permanent shift to virtual and online services and telework programs. Costs to develop and maintain this addition to the LDI program are approximately \$100K–\$250K annually and includes the funding support described above.

Conclusion

The COVID-19 public health emergency has had a significant impact on residents and businesses alike, throughout the San Diego region, the State, the nation, and the world. Federal, State, and local jurisdictions have established programs intended to provide financial relief for those impacted by this pandemic. This relief has included small business loan programs and economic stimulus packages. The Board has already taken such action in deferring permit fees for the food and beverage industry, placing a moratorium on evictions and deferring rents for residential and commercial tenants, and establishing a \$5M business recovery loan program through the San Diego Foundation for small businesses in the unincorporated community. This memo provides some additional information about streamlining efforts, possible fee deferrals, waivers, and new programs that could be established to assist businesses in response to the impact of the COVID-19 emergency. Fee deferrals or waivers for the services outlined above equate to a total of approximately \$29.0M of assistance to businesses. At the same time, there would be a decrease in cash flow and/or revenue (delayed or permanent) to the County. Other funding sources, such as General Fund fund balance, would need to be identified to maintain the 298 FTEs and existing service levels supported by this amount of revenue.

If I can be of further assistance, please do not hesitate to contact me.

Respectfully,

A handwritten signature in black ink that reads "Sarah E. Aghassi". The signature is written in a cursive style with a large initial "S" and a distinct "E" and "A" in the middle.

SARAH E. AGHASSI
Deputy Chief Administrative Officer

cc: Helen N. Robbins-Meyer, Chief Administrative Officer
Tracy M. Sandoval, Deputy Chief Administrative Officer/Chief Financial Officer
Nick Macchione, Agency Director, Health and Human Services Agency
Holly Porter, Deputy Chief Administrative Officer, Public Safety Group

THIS PAGE IS INTENTIONALLY LEFT BLANK.
