

LEGISLATIVE DIGEST

[Amendments to Port Leases - Forgive Tenant Rent During COVID-19 Pandemic]

Ordinance authorizing the Port Commission to amend certain leases under the Port's Rent Forgiveness Program with nonresidential tenants without Board of Supervisors approval under Charter, Section 9.118, and waiving Administrative Code and Environment Code requirements enacted after the most recent modification of each lease for lease amendments under the Port's Rent Forgiveness Program, in order to allow for expeditious rent forgiveness necessitated by Port tenants' financial hardships caused by the public health emergency related to the COVID-19 pandemic.

Existing Law

Charter Section 9.118 requires the Board of Supervisors by resolution to review and approve certain types of leases and amendments to those leases.

In light of the extended and significant adverse impacts of the COVID-19 pandemic on nonresidential tenants, in August 2020, the Port Commission adopted a rent forgiveness program to grant standardized relief to certain targeted tenant sectors and authorized the Port's Executive Director to execute lease amendments with a specific list of eligible tenants using a form lease amendment. Under Charter Section 9.118, approximately 32 lease amendments authorized under the Port's program would require Board of Supervisors approval.

City law requires departments to include specific terms in lease agreements. Most of those requirements are codified in the City's Administrative and Environment Codes. When departments amend lease with their tenants, departments generally are required to modify the terms of the leases to incorporate recent changes in the Administrative and Environment Codes that have been enacted since the department initially executed the lease.

Amendments to Current Law

This ordinance would waive the requirement for Board of Supervisors approval of certain amendments to Port leases that are authorized under the Port's rent forgiveness program. The ordinance would also allow the Port to amend leases covered under the Port's rent forgiveness program without modifying the leases to comply with recently added requirements in the Administrative or Environment Codes.

FILE NO. 201163

The Port would be required to submit a copy of each amendment to a lease that has previously been approved by Board of Supervisors to the Board of Supervisors within 30 days after execution.

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