

**LEGISLATIVE DIGEST**

[Administrative Code - COVID-19 Commercial Rent Relief Fund]

**Ordinance amending the Administrative Code to establish the COVID-19 Commercial Rent Relief Fund to provide financial support to landlords of certain Commercial Tenants where the tenant was unable to pay rent due to the COVID-19 pandemic, and setting a sunset date of 24 months from the effective date of the legislation.**

Existing Law

The City currently does not have a special program or fund to support landlords whose commercial tenants did not pay rent due to the COVID-19 pandemic.

Amendments to Current Law

The proposal is an ordinance that would amend the Administrative Code to establish the COVID-19 Commercial Rent Relief Fund (the “Fund”) to provide financial support to landlords of commercial tenants, where the tenants were unable to pay their rent because of the COVID-19 pandemic. A landlord would not be eligible for a grant from the Fund if the tenant had annual gross receipts of more than \$2.5 million.

The Office of Economic and Workforce Development (OEWD) would administer the Fund. The OEWD Director would be responsible for adopting rules for the Fund, including rules for prioritizing at-risk tenants and landlords facing financial hardship because of unpaid rent.

An individual grant could not exceed \$35,000. The landlord and the tenant would have to agree in the grant application that the landlord would credit the full amount of the grant against the tenant’s unpaid rent. They would have to agree to either restructure the existing lease by extending its term to at least three years from the date of the grant, or commit to honor an existing lease that had three years or more left on its term. And the agreement would have to explain how the parties had addressed or will address the missed rent payments.

The ordinance would make it City policy to distribute grants from the Fund to landlords whose tenants constituted a diverse range of businesses within the City, and would authorize OEWD to give special consideration to businesses that were Legacy or Neighborhood Anchor Businesses.

The Fund would expire after two years.