

# CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

## MEMORANDUM

**Date:** January 20, 2022  
**To:** Harbor Commission  
**From:** Mike Wiltshire, Waterfront Director  
**Subject:** **Business Services Report**

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### COVID-19 DEFERRED RENT UPDATE

The City of Santa Barbara allowed City tenants to enroll in a Deferred Rent Program in order to assist business during the heart of the COVID-19 pandemic. The Deferred Rent Program allowed tenants to defer their monthly rent from April of 2020 through December of 2020.

Nineteen (19) Waterfront tenants (a mix of commercial and food service) initially enrolled in the City's Rent Deferral Program. These deferred rents are due and payable by December 31, 2024, with incentives to pay earlier. The incentive program was provided to those tenants that suffered economic hardship, which in this case is defined as a revenue loss of 25% or greater when compared to the previous 3-year average (2017, 2018, and 2019). The incentive program for those who have suffered economic hardship is as follows:

- **20% Relief on Deferred Rents Paid By December 31, 2021**  
Receive a 20% reduction on any portion of deferred rents paid back by December 31, 2021.
- **10% Relief on Deferred Rents Paid By December 31, 2022**  
Receive a 10% reduction on any portion of deferred rents paid back by December 31, 2022.
- **5% Relief on Deferred Rents Paid By December 31, 2023**  
Receive a 5% reduction on any portion of deferred rents paid back by December 31, 2023.
- **All Remaining Deferred Rents Due by December 31, 2024**  
Remaining deferred rents due in entirety by December 31, 2024 to avoid being in default.

The total amount outstanding from these nineteen tenants as of December 31, 2020, was nearly \$1,500,000. As of January 1, 2022, sixteen of the nineteen tenants have paid back the entirety of their deferred rent. Currently, three tenants owe a combined total of approximately \$79,000 in deferred rents. This represents a nearly 95% payback rate

which is a huge success and a testament to the strength of the Waterfront business community.

Prepared By: Brian Bosse, Waterfront Business Manager