

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Regina Dick-Endrizzi  
**Small Business Commission, City Hall, Room 448**

FROM: Linda Wong, Assistant Clerk  
Budget and Finance Committee

DATE: August 5, 2020

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Budget and Finance Committee

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File No. 200786**

**Ordinance waiving, for a two-year period, permit and renewal fees in the Public Works Code for café tables and chairs in public sidewalks and roadway areas, and for display of fruits and vegetables or nonfood merchandise on public sidewalks; and waiving fees for use of parklets.**

Please return this cover sheet with the Commission's response to Linda Wong at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

\_\_\_\_\_ **No Comment**

\_\_\_\_\_ **Recommendation Attached**

\_\_\_\_\_  
**Chairperson, Small Business Commission**

1 [Temporary Waivers of Permit Fees for Café Tables and Chairs and Display Merchandise in  
2 the Public Right-of-Way, and Use Fees for Parklets]

3 **Ordinance waiving, for a two-year period, permit and renewal fees in the Public Works**  
4 **Code for café tables and chairs in public sidewalks and roadway areas, and for display**  
5 **of fruits and vegetables or nonfood merchandise on public sidewalks; and waiving fees**  
6 **for use of parklets.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
10 **Board amendment additions** are in double-underlined Arial font.  
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
12 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
13 subsections or parts of tables.

14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. **Findings.**

16 (a) The COVID-19 shutdown has had a major adverse impact on the variety of  
17 small businesses that contribute to San Francisco's economic vitality, and experts are  
18 predicting that a third of the businesses shuttered during this time will never re-open.  
19 Whatever the precise number, it will be very large.

20 (b) Even when restaurants, cafes, and retail establishments are allowed to operate  
21 in some capacity, the space available to conduct their business activities and the number of  
22 customers who may be served are greatly curtailed due to social distancing requirements.

23 (c) Application and renewal fees present barriers to entry and unnecessary burdens  
24 to businesses seeking to avail themselves of permitted uses of public rights of way. The  
25 revenue to the City generated by those fees is low relative to the barriers to entry that they  
present to small businesses, in particular.

1 (d) The urgency of the COVID-19 response demonstrates that businesses are  
2 capable of implementing sidewalk and street encroachments pursuant to clear City guidelines  
3 designed to allow for safe pedestrian and disability access to public rights of way. The ability  
4 of businesses to self-implement has also alleviated some of the City's burden to oversee  
5 implementation, and to instead focus the City's resources on compliance with and  
6 enforcement of those guidelines.

7 (e) This ordinance will temporarily waive the fees for businesses to use sidewalk  
8 and other public spaces for dining and display of merchandise in order to support the  
9 continued operation of these businesses, most of which are suffering severe economic losses  
10 due to the COVID-19 pandemic.

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12 **Section 2. Fee Waivers.**

13 Notwithstanding the provisions of Public Works Code Section 2.1.1 or any other permit  
14 fee provisions of the Public Works Code, permit fees and annual renewal fees for the  
15 following are waived for the period set forth in Section 3:

- 16 (a) Tables and Chairs Permit pursuant to Article 5.2 (Sections 176 et seq.);  
17 (b) Display Merchandise Permit pursuant to Article 5.3 (Sections 183 et seq.); and  
18 (c) Fees for use of parklets.

19  
20 **Section 3. Duration of Fee Waiver Authorization.**

21 The fee waivers authorized in Section 2 shall expire on August 1, 2022 unless revised  
22 or extended by ordinance. As provided in Section 4, the Board of Supervisors intends that the  
23 fee waivers commence on August 1, 2020.

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1           Section 4. **Effective Date; Retroactivity.**

2           (a)     This ordinance shall become effective 30 days after enactment. Enactment  
3 occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or  
4 does not sign the ordinance within ten days of receiving it, or the Board of Supervisors  
5 overrides the Mayor’s veto of the ordinance.

6           (b)     Upon its effective date, this ordinance shall be retroactive to August 1, 2020.  
7 Any fees waived in this ordinance that are collected between August 1, 2020 and the  
8 effective date of this ordinance shall be promptly reimbursed by the City.

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10 APPROVED AS TO FORM:  
11 DENNIS J. HERRERA, City Attorney

12 By:    /s/ JUDITH BOYAJIAN  
13        JUDITH BOYAJIAN  
14        Deputy City Attorney

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## **LEGISLATIVE DIGEST**

[Temporary Waivers of Permit Fees for Café Tables and Chairs and Display Merchandise in the Public Right-of-Way, and Use Fees for Parklets]

**Ordinance waiving, for a two-year period, permit and renewal fees in the Public Works Code for café tables and chairs in public sidewalks and roadway areas and for display of fruits and vegetables or nonfood merchandise on public sidewalks; and waiving fees for use of parklets.**

### Existing Law

Section 2.1.1 establishes fees for the use of the public right-of-way, sidewalk and roadway areas for café tables and chairs and the display of merchandise.

### Amendments to Current Law

This ordinance will waive for a two-year period the fees described above.

### Background Information

The COVID-19 shutdown has had a major adverse impact on the variety of small businesses that contribute to San Francisco's economic vitality, and experts are predicting that a third of the businesses shuttered during this time will never re-open. Whatever the precise number, it will be very large. Even when restaurants, cafes, and retail establishments are allowed to operate in some capacity, the space available to conduct their business activities and the number of customers who may be served are greatly curtailed due to social distancing requirements.

Application and renewal fees present barriers to entry and unnecessary burdens to businesses seeking to avail themselves of permitted uses of public rights-of-way. The revenue to the City generated by those fees is low relative to the barriers to entry that they present to small businesses, in particular.

The urgency of the COVID-19 response demonstrates that businesses are capable of implementing sidewalk and street encroachments pursuant to clear City guidelines designed to allow for safe pedestrian and disability access to public rights-of-way.