

November 6, 2020

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VIA E-MAIL AARON.PESKIN@SFGOV.ORG

Supervisor Aaron Peskin
San Francisco Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Re: Proposed Commercial Eviction Moratorium Ordinance

Dear Supervisor Peskin:

This letter is in support of the proposed Commercial Eviction Moratorium Ordinance and to provide data for need of the proposed ordinance.

National Data

The number of working business owners in the United States dropped from 15 million in February 2020 to 11.7 million in April 2020 because of COVID-19.¹ This represents a 22% loss of business owners in the US, for the period from February to April 2020 alone.

We also know that gender, race and immigration status have been determinants of the business outcomes and survivability of small businesses. The National Bureau of Economic Research reports the disparate impact to small business along racial and gender lines. Female businesses were especially hard hit by COVID-19; the number of female business owners dropped from 5.4 million to 4 million between February and April 2020. This represents an unprecedented one-fourth (25%) decline of female business owners.

The number of African-American business owners dropped 41% from February 2020 to April 2020, from 1.1 million to 640,000 businesses. Latinx business owners dropped 32%, Asian business owners dropped 26%, and white business owners dropped 17% during this same time period. Finally, immigrant business owners experienced a whopping 36% loss, while non-immigrant business owners experienced an 18% loss.

¹ NBER Working Paper Series, "The Impact of COVID-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey," Robert Fairlie, June 2020.

Unlike professional services or other businesses that operate in an office environment, many small businesses generally entail high-contact work that does not translate to online work or services. Restaurants are one such example; dining and food services clearly does not translate to any “work from home” capacity.

San Francisco Chinatown

The national numbers reflect a similar story playing out in the small business communities of San Francisco. A survey of Chinatown restaurants revealed that its small businesses generally employ between 1 to 10 employees, and these small businesses suffered major economic losses that led to the termination of its workforce. The majority of these businesses have not received any form of government aid or loans; only 37% of these businesses have applied and received any funding. Chinatown restaurants have lost on average 70% of revenue, with the majority of those surveyed sustaining losses between 65 to 80%. As a result of the pandemic, nearly 60% of restaurant jobs in Chinatown have been eliminated and less than 25% of restaurants surveyed believe they can maintain their business.²

The financial stressors of the pandemic have been exacerbated by high fixed costs that have contributed to the losses of small businesses, namely, rents for commercial storefronts that remain empty or closed during this pandemic. 75% of Chinatown restaurant owners felt that high rent is the primary cause of vacant storefronts. The commercial vacancy rate in July had jumped from a low of 0% and high of 30%, to about 15% to 80% depending on the specific block of Chinatown. As of August 2020, the majority of blocks had between a 30% - 60% vacancy rate, with certain blocks with a 100% vacancy rate.³

San Francisco Japantown

The statistics of Japantown’s small businesses reflect a worsening economic situation and the very real threat of the displacement of one of the three remaining Japantowns in the United States.

Our firm represents approximately 40 Japan Center tenants in in the East and West Malls and in the Kinokuniya Center. All are small businesses and employ less than ten employees. Each have suffered devastating financial losses caused by the COVID-19 pandemic.

² Chinatown Economic Survey, Chinatown Community Development Center

³ Pandemic Chinatown Street Level January to August 2020, Malcolm Collier, August 2020

The schedules below demonstrate the average monthly losses sustained by the tenants and the range of losses incurred by restaurant versus retail tenants.

	Monthly Loss	Average Monthly Loss
All Establishments	\$793.60 - \$29,451.27	\$ (6,861.97)
Retail Establishments	\$838.20 - \$13,114.90	\$ (4,306.75)
Restaurant Establishments	\$793.60 - \$29,451.27	\$ (10,899.65)

	Percentage of Total Establishments	Percentage of Total Retail Establishments	Percentage of Total Restaurant Establishments
Losses between 0-\$5,000 per month	46.15%	42.86%	50.00%
Losses between \$5,000-\$10,000 per month	38.46%	57.14%	25.00%
Losses between \$10,000-\$20,000 per month	7.69%	0.00%	0.00%
Losses greater than \$20,000 per month	7.69%	0.00%	25.00%
Total	100.00%	100.00%	100.00%

The COVID-19 crisis has impacted all residents and businesses of San Francisco, but the negative impact of the pandemic has been most acutely felt by the small businesses of San Francisco, particularly communities of color. These small businesses do not have the resources to survive this prolonged economic crisis.

The commercial eviction moratorium ordinance is a lifeline to these merchants and would give small businesses an opportunity to survive. These small businesses are an essential part of the fabric of our communities of color and their survival is crucial to continued economic opportunities, sustained employment, and essential services to residents. At this point, legislative action is the only route for preservation of the small business community that is the heart and soul of San Francisco.

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The proposed Commercial Eviction Moratorium Ordinance is vital to the survival of small businesses, and particularly small businesses in communities of color in San Francisco, and I urge you to approve it.

Very Truly Yours,



Anne Li

Enclosures:

- Exhibit 1 - NBER Working Paper Series, "The Impact of COVID-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey," Robert Fairlie, June 2020
- Exhibit 2 - Chinatown Economic Survey, Chinatown Community Development Center
- Exhibit 3 - Pandemic Chinatown Street Level January to August 2020, Malcolm Collier, August 2020
- Exhibit 4 Selected Articles

cc: Supervisor Dean Preston
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Exhibit 1

NBER Working Papers

[Attached]

NBER WORKING PAPER SERIES

THE IMPACT OF COVID-19 ON SMALL BUSINESS OWNERS:
EVIDENCE OF EARLY-STAGE LOSSES FROM THE APRIL 2020 CURRENT POPULATION SURVEY

Robert W. Fairlie

Working Paper 27309
<http://www.nber.org/papers/w27309>

NATIONAL BUREAU OF ECONOMIC RESEARCH
1050 Massachusetts Avenue
Cambridge, MA 02138
June 2020

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The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey

Robert W. Fairlie

NBER Working Paper No. 27309

June 2020

JEL No. J15,J16,L26

ABSTRACT

Social distancing restrictions and demand shifts from COVID-19 are expected to shutter many small businesses, but there is very little early evidence on impacts. This paper provides the first analysis of impacts of the pandemic on the number of active small businesses in the United States using nationally representative data from the April 2020 CPS – the first month fully capturing early effects from the pandemic. The number of active business owners in the United States plummeted by 3.3 million or 22 percent over the crucial two-month window from February to April 2020. The drop in business owners was the largest on record, and losses were felt across nearly all industries and even for incorporated businesses. African-American businesses were hit especially hard experiencing a 41 percent drop. Latinx business owners fell by 32 percent, and Asian business owners dropped by 26 percent. Simulations indicate that industry compositions partly placed these groups at a higher risk of losses. Immigrant business owners experienced substantial losses of 36 percent. Female-owned businesses were also disproportionately hit by 25 percent. These findings of early-stage losses to small businesses have important policy implications and may portend longer-term ramifications for job losses and economic inequality.

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1. Introduction

The widespread closing of stores and businesses in the United States and around the world due to the coronavirus is unprecedented. Stores, factories and many other businesses have closed by policy mandate or downward demand shifts. Many of these closures may be permanent because of the inability to pay ongoing expenses and survive the shutdown. The impact on small businesses around the world is likely to be severe.

Although the effects of COVID-19 on the economy showed up quickly in the stock market, the real estate market and unemployment claims, the effects on small business are not well known because of the lack of timely business-level data released by the government. This paper addresses this limitation by creating estimates of the number of business owners from monthly Current Population Survey (CPS) microdata files. Using these timely data, I examine how COVID-19 impacted small business owners in mid-April 2020 – the first month to capture the wide-spread shelter-in-place restrictions in the United States. The CPS data are used by the Bureau of Labor Statistics (BLS) to track unemployment rates, and have been used in previous research to study determinants of business ownership (e.g. recently, Levine and Rubenstein 2017, Wang 2019, Fairlie and Fossen 2019). The data allow for an analysis of recent trends in the number of business owners by business characteristics such as corporation status and industry, and demographic characteristics such as gender, race, and immigrant status.

This study provides the first estimates of the early-stage effects of COVID-19 on small business owners from April 2020 CPS microdata. I find that the number of working business owners plummeted from 15.0 million in February 2020 to 11.7 million in April 2020 because of COVID-19 mandates and demand shifts. The loss of 3.3 million business owners (or 22 percent) was the largest drop on record. When conditioning on working roughly two days per week or four days a week, the losses are even larger (28 percent and 31 percent, respectively). Although incorporated businesses are more growth-oriented and stable, they experienced a drop of 20 percent from February to April 2020.

Patterns across gender, race and immigrant status reveal interesting findings. African-Americans experienced the largest losses, eliminating 41 percent of business owners. Latinx also experienced major losses with 32 percent of business owners disappearing between February and April 2020. Immigrant business owners suffered a large drop of 36 percent, and female business owners suffered a disproportionate drop of 25 percent.

Most major industries faced large drops in the number of business owners with the only exception being agriculture. Construction, restaurants, hotels and transportation all faced large declines in the number of business owners due to COVID-19. Simulations reveal that the concentrations of female, black, Latinx and Asian businesses in industries hit hard by the pandemic contributed to why losses were higher for these groups than the national average loss. Overall, these first estimates of impacts of COVID-19 on small businesses from the April 2020 CPS indicate that losses were spread across demographic groups and types of business – no group was immune to negative impacts of social distancing policy mandates and demand shifts.

These results build on the findings from a few previous studies of the early effects of the coronavirus on small businesses. Employer business applications as measured by the U.S. Census weekly Business Formation Statistics fell in the five weeks from mid-March to mid-April by over 27 percent relative to the previous year (Wilmoth 2020). Estimates from the U.S. Census Small Business Pulse Survey indicate that roughly 50 percent of businesses report having a large negative effect from the COVID-19 pandemic and that only 15-20 percent of businesses have enough cash on hand to cover 3 months of operations (U.S. Census Bureau 2020; Bohn, Mejia and Lafortune 2020). Bartik et al. (2020) conducted a survey in late March of nearly 6,000 small businesses that were members of the Alignable business network. They find that 43 percent of businesses are temporarily closed, large reductions in employees, and the majority of businesses have less than one month of cash on hand. The Stanford Latino Entrepreneurship Initiative (2020) surveyed 224 high-revenue Latinx-owned businesses and found that 86% of respondents reported immediate negative effects such as delayed projects and closure from the pandemic. This paper is the first to use CPS data covering the early effects of COVID-19 mandates and demand shifts on small businesses, and the first to explore differential effects for female, minority and immigrant business owners, which is potentially important for targeting government aid to preserve small businesses and the jobs they create.¹

2. Data

¹ Large literatures explore the causes and consequences of disparities in ownership and success of minority-, female-, and immigrant-owned businesses. For broader discussions and reviews of these literature, see, for example, Davila and Mora (2013); Fairlie and Robb (2008); Jennings and Brush (2013); Kerr and Kerr. (2020); Parker (2018).

2.1 Current Population Survey (CPS)

Although research on small businesses and entrepreneurship is growing rapidly, there are very few national datasets that provide information on ownership with additional information on demographic characteristics of the owners. Using microdata from the Current Population Surveys (CPS), I measure self-employed business ownership at the individual owner level. The underlying datasets are the basic monthly files to the Current Population Survey (CPS). These surveys, conducted monthly by the U.S. Bureau of the Census and the U.S. Bureau of Labor Statistics, are representative of the entire U.S. population and contain observations for more than 130,000 people.

Measures of the number and rate of business ownership are available from only a handful of other large, nationally representative government datasets, such as the Survey of Business Owners (SBO), Census PUMS files, and the American Community Survey (ACS). Measures of business ownership based on these cross-sectional data, however, cannot capture recent patterns because there is often a 1 to 2 year delay in release. The CPS is ideal in that it release microdata within a month of the survey week.

The measure of business ownership in the CPS captures all business owners including those who own incorporated or unincorporated businesses, and those who are employers or non-employers. Although some business owners own large businesses the predominate form are small businesses. I interpret the data as predominately covering small business owners.

To estimate business ownership in the CPS data, I identify all individuals who own a business as their main job in the survey month (based on the class of worker question and monthly labor force recode). The business ownership rate is thus defined as the percentage of the labor force that owns and is actively employed in a business. The main job is defined as the one with the most hours worked during the survey week. Thus, individuals who start side businesses will not be counted if they are working more hours on a wage and salary job. In addition to providing information on business ownership, the CPS data include information on detailed demographic information including gender, race, and immigrant status of the owner. The data also include information on the industry and incorporation status of the business.

Survey Timing and Shelter-in-Place Restrictions

The CPS survey reference period is generally the calendar week that contains the 12th day of the month. For April, the week was Sunday, April 12th through Saturday, April 18th. The March survey reference week was March 8th through March 14th. Given that shelter-in-place restrictions started after this reference week, the April 2020 is the first CPS survey fully covering the early-stage impacts of COVID-19. On March 16, 2020 San Francisco Bay Area imposed shelter-in-place restrictions followed by the State of California on March 19. New York State followed the next day. By early April all state imposed social distancing restrictions. The analysis below mostly relies on comparisons between February 2020 (prior to social distancing policy mandates) and April 2020 (the first month after policy mandates).²

3. Results

3.1 Number of Business Owners

I first examine small business ownership patterns over time to determine the impacts of COVID-19. Long-term trends in the number of business owners are displayed in Figure 1 (and recent months in Table 1). The number of business owners working any amount and working at least 15 hours in the survey week are reported. The choice of 15 hours is made to approximate two days a week and accommodate lumpy hours reporting (i.e. often 10, 15, 20, etc...). Over the past two decades, the number of business owners in the United States has shown relatively smooth patterns over time with a slight upward trend. What is clear, however, is the dramatic drop in the number of business owners in April 2020. The number of working business owners dropped from 15.0 million in February 2020 to 11.7 million in April 2020 because of COVID-19. March 2020 only shows a small drop in business owners because of the limited effect from shelter-in-place restrictions.

The loss of 3.3 million business owners (or 22 percent) from February to April 2020 was the largest drop on record. When conditioning on working roughly two days per week, the losses are even larger. There were 13.6 million business owners working 15+ hours in February 2020 and only 9.8 million in April 2020. The drop of 3.8 million business owners or 28 percent was

² In most analyses March 2020 is not included because of partial effects. On March 11, the World Health Organization (WHO) declared COVID-19 a pandemic which might have resulted in early demand shifts over health concerns predating shelter-in-place restriction policies.

unprecedented. Conditioning on 30 or more hours worked results in losses of 3.4 million or 31 percent (see Table 1).

Separating the number of business owners into unincorporated and incorporated status indicates large drops for both groups (see Table 1). Incorporated businesses are viewed as more growth- oriented, committed, pro-cyclical and entrepreneurial (e.g. Fairlie, Miranda and Zolas 2020; Levine and Rubinstein 2016, 2018). The number of unincorporated business owners dropped precipitously from 7.8 million to 5.1 million (34 percent). But, incorporated business owners were not immune to the COVID-19 impacts. The number of incorporated business owners in the United States dropped from 5.8 million to 4.7 million (20 percent).

Demographic Patterns

The CPS data provide detailed information on gender, race and immigrant status. Figure 3 (Table 2) displays the number of female and male business owners in February and April 2020. Female businesses were especially hit hard by COVID-19. The number of female business owners dropped from 5.4 million to 4.0 million in the crucial two-month window. The decline of one-fourth of female business owners is unprecedented. Male business owners also suffered major losses with a reduction of 2 million representing 20 percent of previous levels.

Turning to racial patterns, Figure 4 (Table 2) displays business ownership by major racial groups. The findings are alarming. The number of African-American business owners plummeted from 1.1 million in February 2020 to 640,000 in April. The loss of 440,000 black business owners representing 41 percent of the previous level is disconcerting.

Latinx business owners also suffered major losses. The number of Latinx business owners dropped from 2.1 million to 1.4 million (32 percent) from February to March. Asian business owners suffered losses of 230,000 representing 26 percent of February levels. The losses for whites were also large at 1.8 million business owners, but smaller as a percentage of starting levels (17 percent).

Focusing on immigrants, the number of business owners dropped from 3.1 million to 2.0 million (Figure 5 and Table 2). The loss of over 1 million immigrant business owners is alarming. It represents a drop of 36 percent from February levels. For U.S. born, the number of business owners dropped by 2.2 million representing 18 percent of February levels.

Comparing back to April 2019 levels, the conclusions do not differ. For all of the demographic groups, the number of business owners dropped precipitously from April 2019 to April 2020. In general, the number of self-employed business owners for each group does not change substantially over time especially during stable economic conditions, and thus February 2020 accurately captures previous levels. April 2020 is clearly an unprecedented shock to business owners that hit all groups hard throwing business totals off relatively stable longer-term levels.

Industry Patterns

Table 3 reports estimates by major industry groupings. Almost every industry experienced sizeable drops in the number of business owners. The only exception was Agriculture where the number of business owners increased since February 2020. Construction which in some cases is considered essential experienced a major decline of nearly 670,000 business owners in the United States. Although construction businesses experience a lot of swings in demand, it is not clear how many of these business owners will be able to come back.

Store fronts across the country have been closed due to COVID-19 mandated restrictions. Retail trade showed a decline of 108,000 business owners representing 10 percent of February 2020 levels. Restaurants experienced a decline of 22 percent even though many of those remaining open turned to take-out or delivery services. The broad sector of arts, leisure and accommodations was hit especially hard losing 35 percent of business owners.

Both high-skilled and less-skilled services were hit hard by COVID-19. Transportation services which includes taxi and some uber drivers dropped by 22 percent. Higher-skilled services such as financial activities and professional and business services lost 12 percent and 18 percent, respectively. Even health services experienced a drop of 16 percent.

Although there is some variation across industries COVID-19 had large impacts on all of them with the exception of agriculture.

It is also possible to categorize industries into essential vs non-essential according to state or local government guidelines, although there is a lot of variation across these guidelines in terms of specific industries. Delaware State provides the most detailed and comprehensive list of essential businesses at the 4-digit industry level and follows the same 4-digit industry codes as

the CPS (North American Industry Classification System, NAICS).³ The classification is likely to be imperfect, however, because definitions, enforcement, business owner compliance and consumer reactions vary across the country. Using this categorization, “essential” industries comprise 76 percent of business owners. Losses in the number of business owners are lower for essential industries at 17 percent compared with 38 percent among non-essential industries (as expected).

Importance of Industry Distributions

Did the industry distribution of businesses owned by different demographic groups place them at a higher or lower risk of COVID related shutdowns? To explore this question I simulate the total number of business owners for each demographic group by switching their industry distribution for the U.S. national industry distribution. The industry distributions are both measured in February 2020. Table 2 reports estimates from the simulations.

The number of female business owners declined by 25 percent from February to March 2020. The industry distribution of female business owners was partly responsible for relatively high business losses from February to April. When switching to the U.S. national industry distribution the decline in business owners is lower at 19 percent. Thus, the female industry distribution was “unfavorable” in terms of placing them at risk of business losses in April 2020. The opposite is true for male business owners. Their industry distribution partly protected them from larger losses due to COVID-19. Switching industry distributions to the national distribution results in a higher predicted drop in business owners of 23 percent. For both female and male business owners the differences between actual and predicted declines due to COVID-19 are not that different, however.

The industry distribution of black business owners placed them at a higher risk of losses due to COVID-19. The percent change in black business owners becomes considerably smaller when simulations are run with the national industry distribution. The change is from a loss of 41 percent to a loss of 35 percent.

A similar pattern is found for Latinx although to a lesser extent. When switching the Latinx industry distribution to the U.S. national industry distribution the predicted number of

³ Delaware’s list can be accessed at “List of Delaware Business Categories that are Essential and Non-Essential (March 22, 2020)”, <https://coronavirus.delaware.gov/resources-for-businesses/>.

Latinx business owners drops from 32 percent to 28 percent. Latinx business owners had an “unfavorable” industry distribution partly placing them at higher risk of business losses. Asian business owners show a similar pattern. I also find that they were more concentrated in industries placing them at a higher risk of losses. White business owners experienced the same level of losses when switching to the national industry distribution as expected given their large representation of the total.

Interestingly, the large loss in the number of immigrant business owners is not due to a less favorable industry distribution. The loss of 1.1 million immigrant business owners (or 36 percent) remains essentially unchanged when switching to the national industry distribution. U.S. born (“native”) business owners also have an industry distribution that is similar to the national distribution consistent with the size of the group.

Another way to estimate industry impacts is to examine the percentage of each demographic group that is in “essential” industries. As noted above the classification is not perfect and other factors such as differences in customer demand, enforcement and compliance by businesses also influence whether they are open. The percentage of black business owners in essential industries is 66 percent which is lower than the national percentage of 76 percent, and consistent with the less “favorable” industry distribution placing them at higher risk of losses due to COVID-19. Similarly, female-owned businesses are less concentrated in essential businesses at 61 percent. On the other hand, using the Delaware codes, Latinx and immigrant business owners are slightly more likely to be concentrated in essential industries (79-80 percent), and Asian business owners have the same concentration in essential industries as the national average (76 percent). The classification is likely to be imperfect and does not line up entirely well with patterns of group-specific losses.

4. Conclusions

The first estimates of the effects of COVID-19 on the number of business owners from nationally representative April 2020 CPS data indicate dramatic early-stage reductions in small business activity. The number of active business owners in the United States plunged from 15.0 million to 11.7 million over the crucial two-month window from February to April 2020. No other one-, two- or even 12-month window of time has ever shown such a large change in business activity. For comparison, from the start to end of the Great Recession the number of

business owners decreased by 730,000 representing only a 5 percent reduction. In general, business ownership is relatively steady over the business cycle (Fairlie 2013; Parker 2018). The loss of 3.3 million business owners (or 22 percent) was comprised of large drops in important subgroups such as owners working roughly two days per week (28 percent), owners working four days a week (31 percent), and incorporated businesses (20 percent).

African-American businesses were hit the hardest by COVID-19. The first estimates from April 2020 for black business owners in the United States indicate a massive drop of 41 percent. Simulations indicate that the industry distribution of blacks was partly responsible placing black business owners at greater risk of losses due to the pandemic. Latinx businesses were also hit hard by COVID-19 losing 32 percent of business owners. Asian business owners experienced a 26 percent decline over the critical two-month window. Simulation estimates also point to unfavorable industry distributions for these two groups. Immigrant businesses were also devastated with losses of 36 percent. The negative early-stage impacts on minority- and immigrant-owned businesses, if prolonged, may be problematic for broader racial inequality because of the importance of minority businesses for local job creation (disproportionately for other minorities), economic advancement, and longer-term wealth inequality (Boston 1999, 2006; Bradford 2003, 2014; Fairlie and Robb 2008).

The first estimates of early stage impacts on female-owned businesses are also worrisome. Female business ownership is substantially lower than male business ownership and female-owned businesses have lower revenues, employees and profits on average (U.S. Census Bureau 2016). The disproportionate losses in April 2020 to the number of female business owners will only further increase gender inequality in business ownership and perhaps broader economic inequality.

The next important question is whether the shutdowns of small businesses are temporary or longer term. The government has been responding to concerns over longer-term effects on small businesses through several programs. The largest directed program is the Paycheck Protection Program (PPP) which has thus far provided \$669 billion to small businesses (although with some controversy when businesses such as Ruth's Chris Steak House, Potbelly Sandwich Shops, and the Lakers received approval for funds). Another program that is less directed but also could be important are stimulus checks already totaling \$200 billion. Foundations are also starting to contribute to relief efforts with a notable recent example being a \$100 million

commitment to minority- and female-owned businesses left out of the PPP program by Magic Johnson Enterprises. Can these programs help small businesses survive the setbacks and shutdowns due to the coronavirus pandemic, or will more assistance be needed? More permanent mass closures of small businesses in the United States are likely to have a dramatic effect on employee job losses, further income inequality, and contributing to a prolonged recession.

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Table 1: Number of Business Owners in the United States before and after COVID-19

	Worked in Survey Week	Worked 15+ Hours	Worked 30+ Hours	Unincorporated	Incorporated
April 2020	11,710,360	9,821,255	7,684,501	5,140,050	4,681,205
March 2020	14,475,704	12,803,107	10,392,909	7,297,898	5,505,209
February 2020	15,012,692	13,582,876	11,086,054	7,765,488	5,817,387
January 2020	14,832,717	13,293,991	11,093,877	7,519,945	5,774,046
April 2019	14,662,821	13,279,008	11,171,800	7,775,450	5,503,559
Changes					
Feb 2020 to Apr 2020	-3302331	-3761621	-3401554	-2625439	-1136182
Apr 2019 to Apr 2020	-2952461	-3457754	-3487299	-2635400	-822354
Change (Percent)					
Feb 2020 to Apr 2020	-22%	-28%	-31%	-34%	-20%
Apr 2019 to Apr 2020	-20%	-26%	-31%	-34%	-15%

Notes: Estimates from CPS Microdata. Monthly sample sizes are roughly 55,000 for the labor force and 5,000 for business owners.

Table 2: Demographic Group Losses and Simulations of Business Losses from Switching Industry Distributions

Group	Business Losses (Feb. to April 2020)				Predicted using U.S. Industry Distribution	
	Feb. 2020 Number	Apr 2020 Number	Actual Losses		Number	% Change
			Number	% Change		
Total	15,012,692	11,710,360	-3,302,331	-22%	-3,302,331	-22%
Female	5,389,399	4,048,205	-1,341,194	-25%	-1,029,305	-19%
Male	9,623,293	7,662,156	-1,961,137	-20%	-2,184,231	-23%
Black	1,079,116	637,769	-441,347	-41%	-379,452	-35%
Latinx	2,070,896	1,412,925	-657,971	-32%	-583,009	-28%
Asian	888,528	657,896	-230,632	-26%	-195,041	-22%
White	10,553,415	8,761,531	-1,791,884	-17%	-1,928,907	-18%
Immigrant	3,120,275	2,009,597	-1,110,677	-36%	-1,095,536	-35%
Native	11,892,417	9,700,763	-2,191,654	-18%	-2,256,417	-19%

Notes: Estimates are from CPS microdata. Predicted changes switch the group's industry distribution for the U.S. industry distribution but continue to use the group's rate of change from February to April 2020.

Table 3: Business Losses by Selected Industries from COVID-19

Industry	April 2020	Change from Feb. 2020	Percent Change	February 2020	Percent in Feb. 2020
Agriculture	928,156	58494	7%	869,661	6%
Construction	1,768,875	-667182	-27%	2,436,057	16%
Manufacturing	506,019	-60174	-11%	566,192	4%
Retail Trade	960,872	-107612	-10%	1,068,484	7%
Transportation	624,498	-173827	-22%	798,325	5%
Financial activities	1,149,105	-152665	-12%	1,301,769	9%
Professional and bus.	2,695,136	-600739	-18%	3,295,875	22%
Health services	1,034,240	-204094	-16%	1,238,335	8%
Arts, leisure, hotels	442,964	-242045	-35%	685,009	5%
Restaurants	319,194	-90411	-22%	409,605	3%
Repair and maintenance	385,400	-127003	-25%	512,403	3%
All other industries	895,901	-935074	-51%	1,830,976	12%
"Nonessential" industry	2,292,949	-1382990	-38%	3,675,939	24%
"Essential" Industry	9,417,411	-1919342	-17%	11,336,752	76%

Notes: Estimates from CPS microdata. Essential industries are defined using the classification provided by Delaware State for essential and nonessential businesses.

Figure 1
Number of Business Owners in the United States (January 2000 - April 2020)

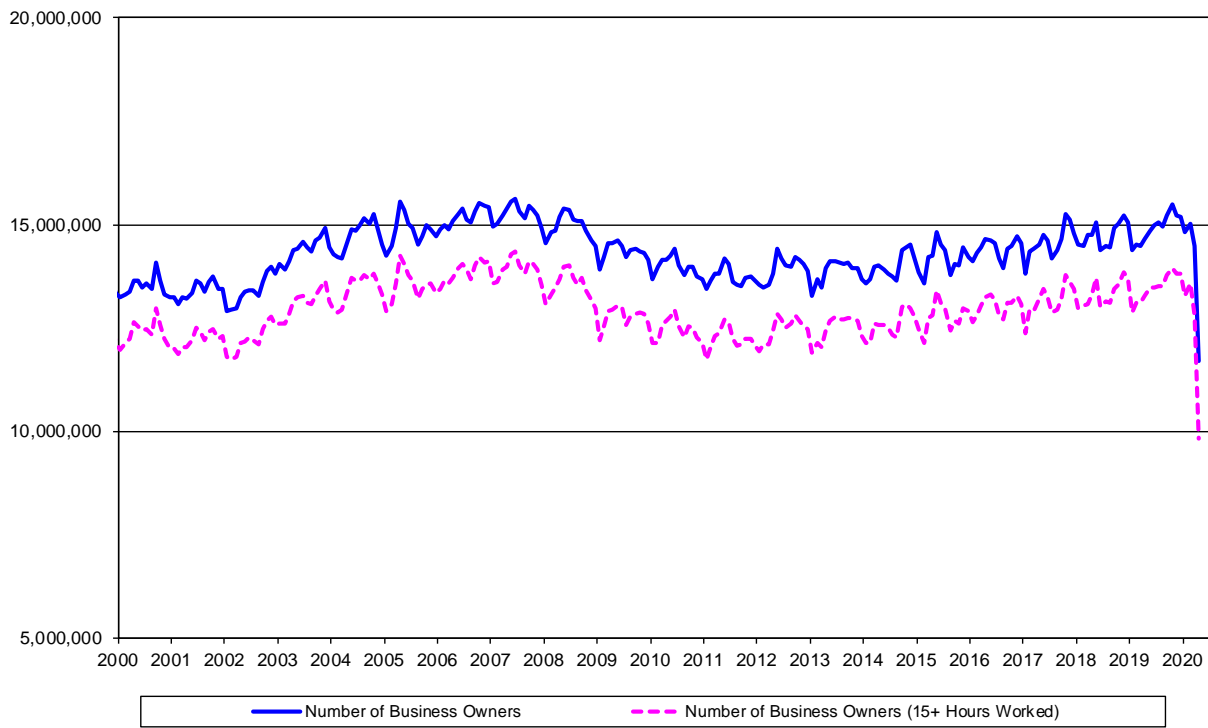


Figure 2: Number of Self-Employed Business Owners before and after COVID-19

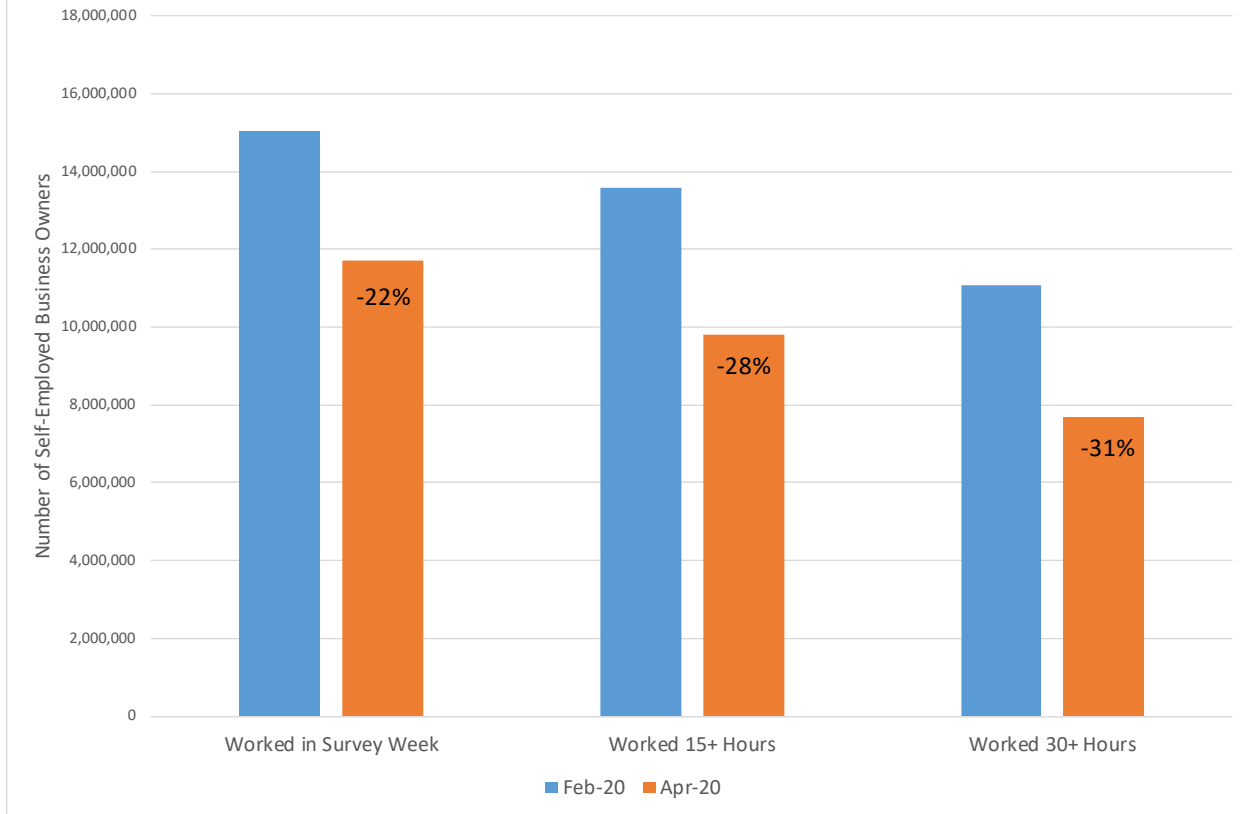


Figure 3: Number of Self-Employed Business Owners before and after COVID-19 (Corporation Status)

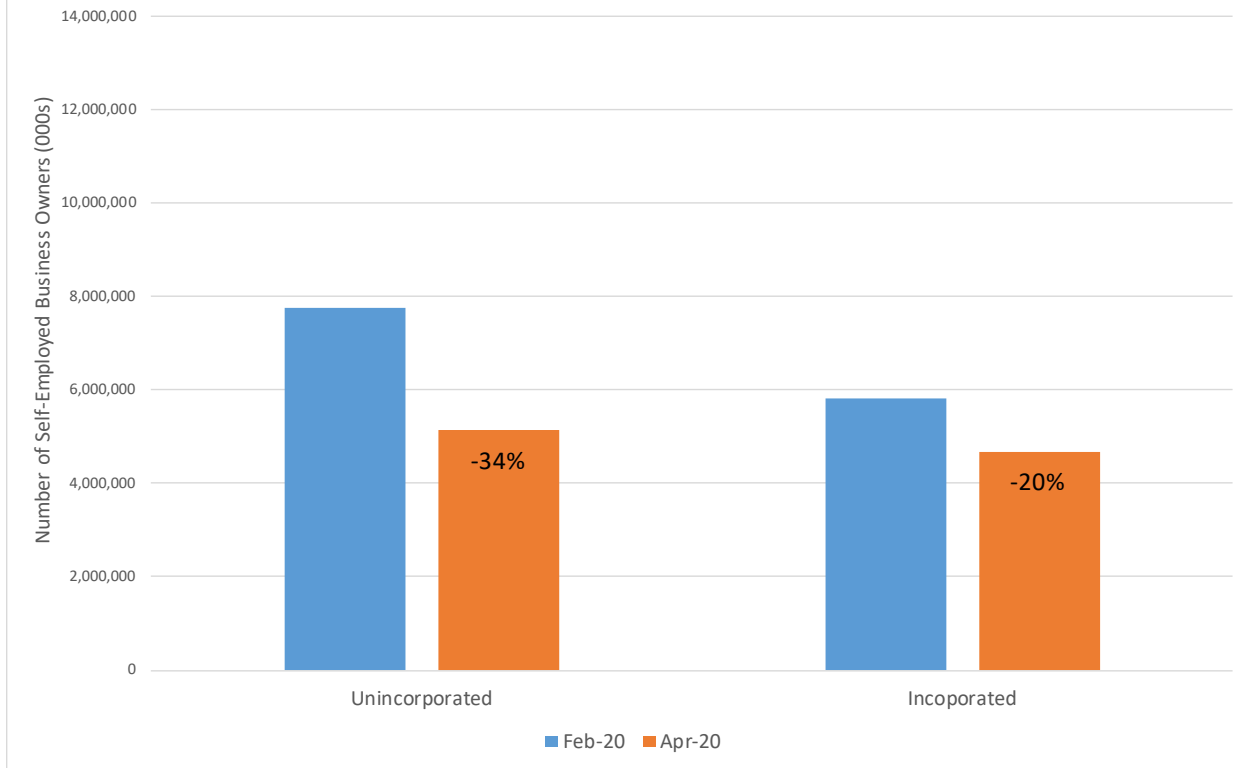


Figure 4: Number of Self-Employed Business Owners before and after COVID-19 (Gender)

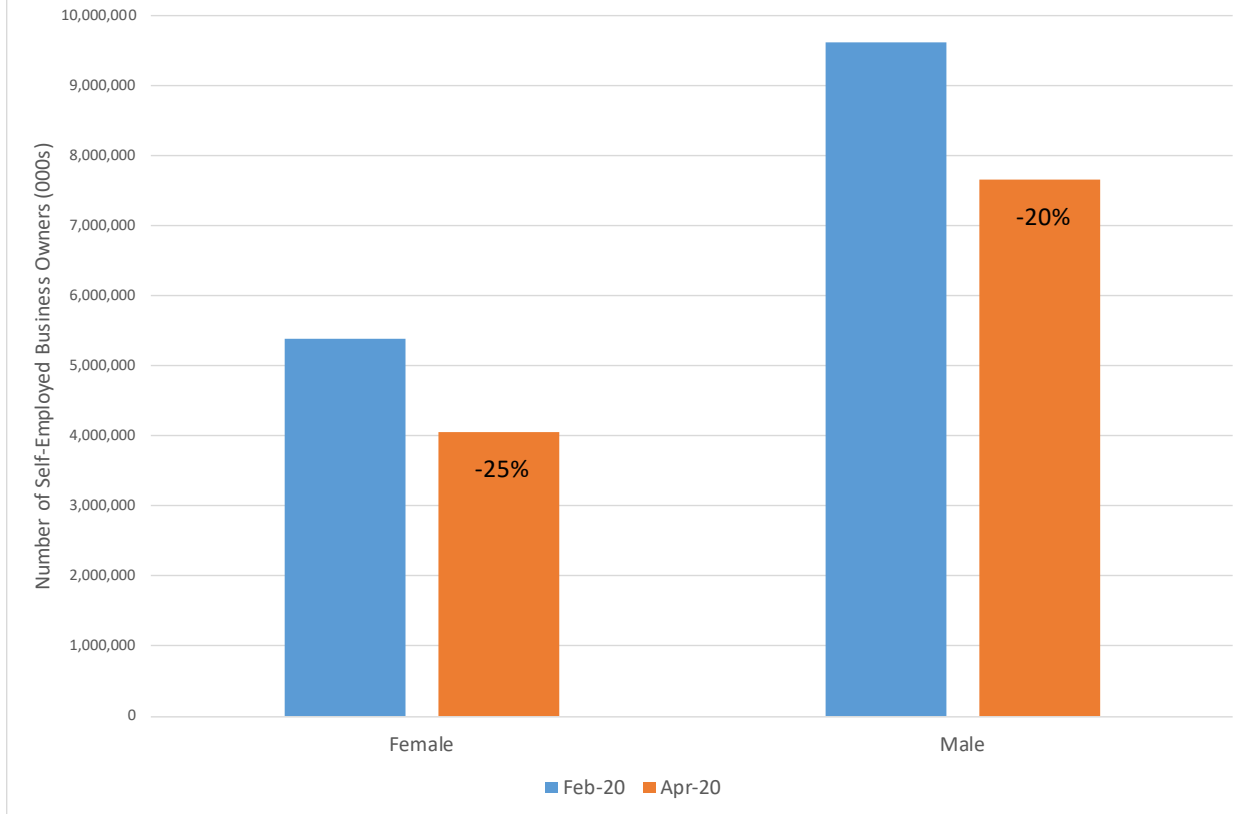


Figure 5: Number of Self-Employed Business Owners before and after COVID-19 (Racial Minority Groups)

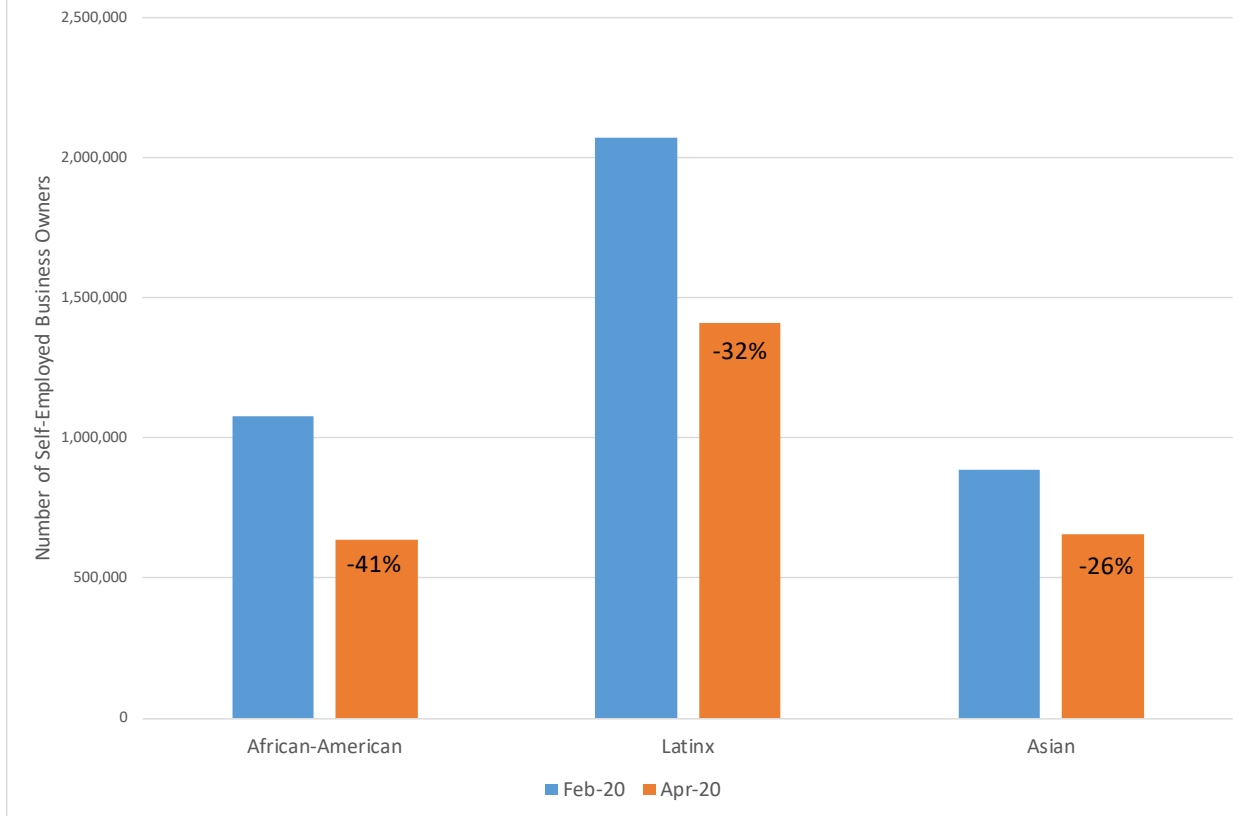
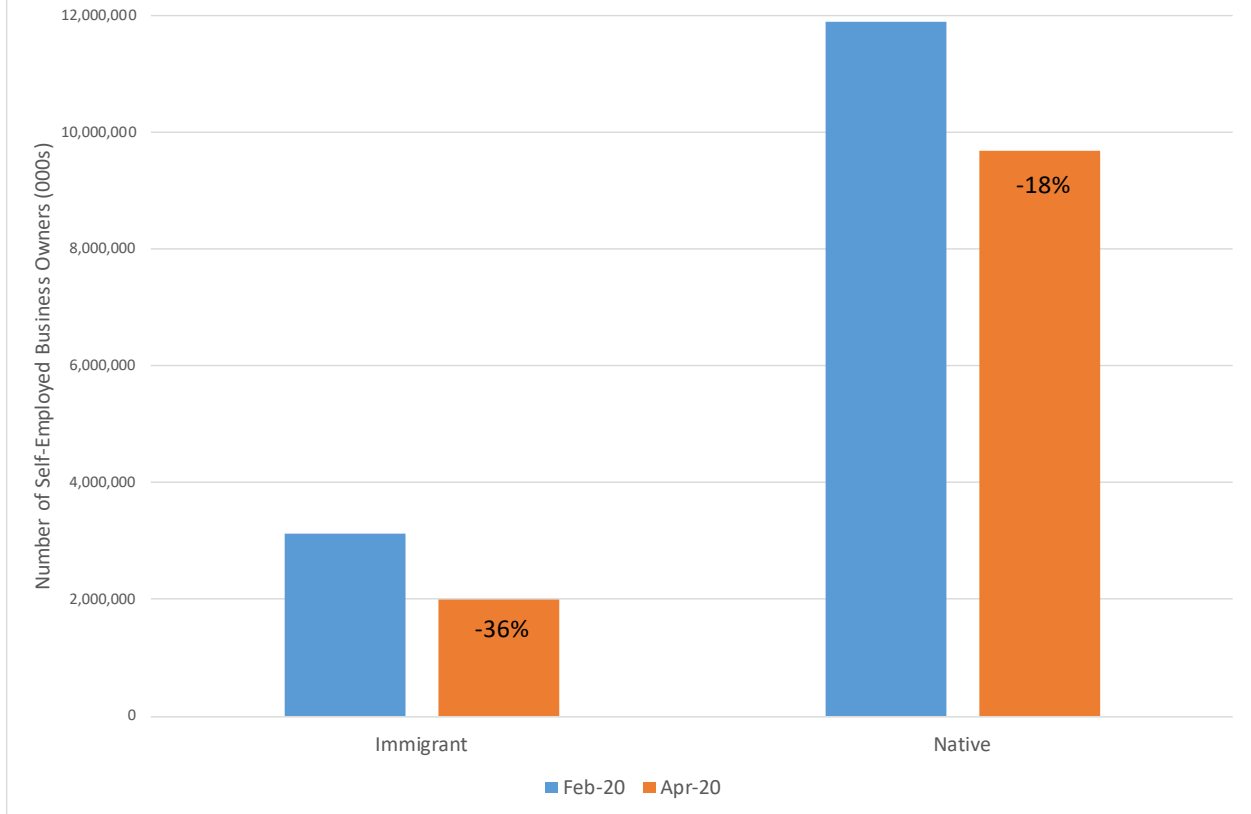


Figure 6: Number of Self-Employed Business Owners before and after COVID-19 (Immigrant Status)



Supervisor Aaron Peskin
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Exhibit 2

Chinatown Economic Survey

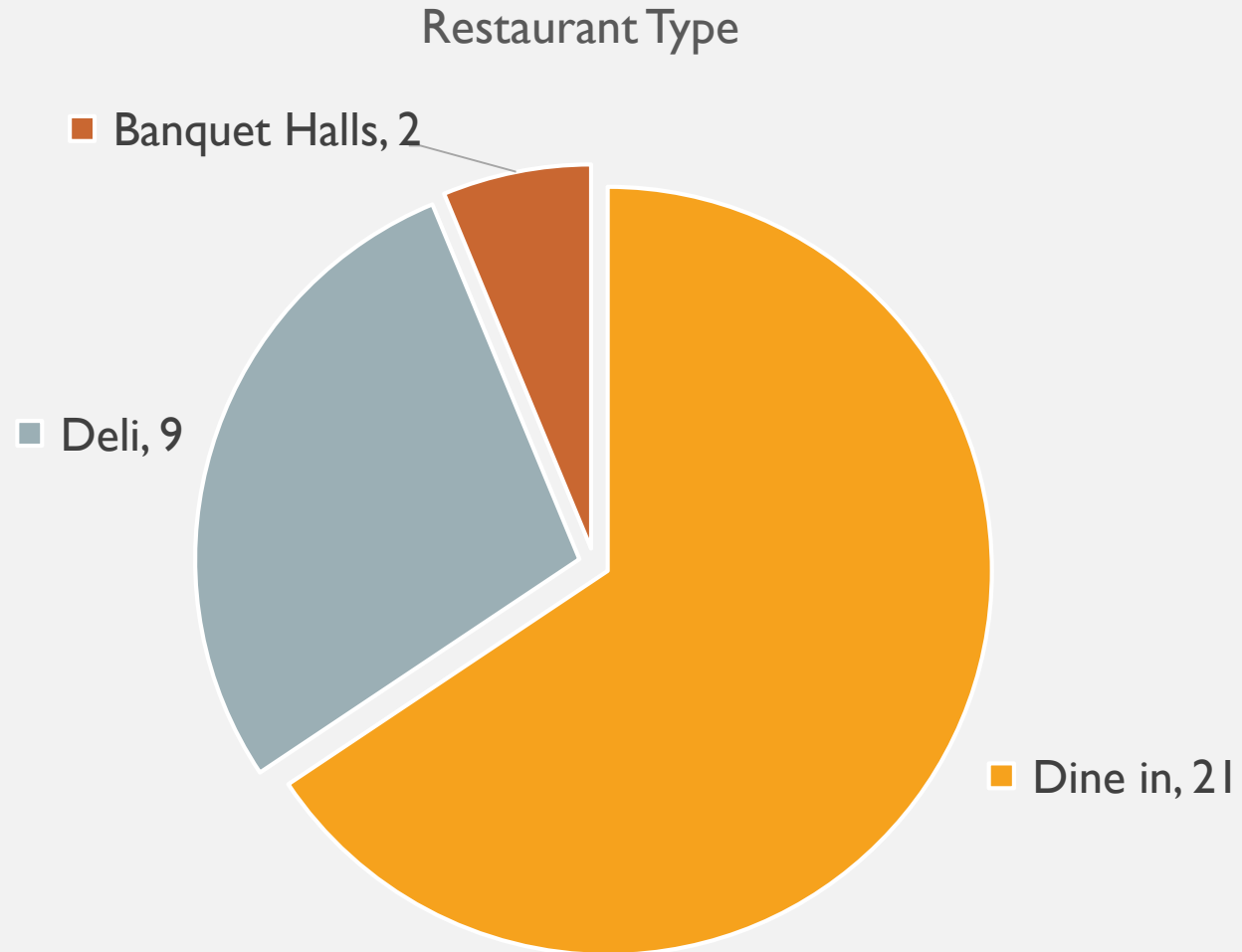
[Attached]

CHINATOWN ECONOMIC SURVEY

**Survey questions for 32 Chinatown restaurants owned
primarily by limited English proficiency Chinese
families/individuals**

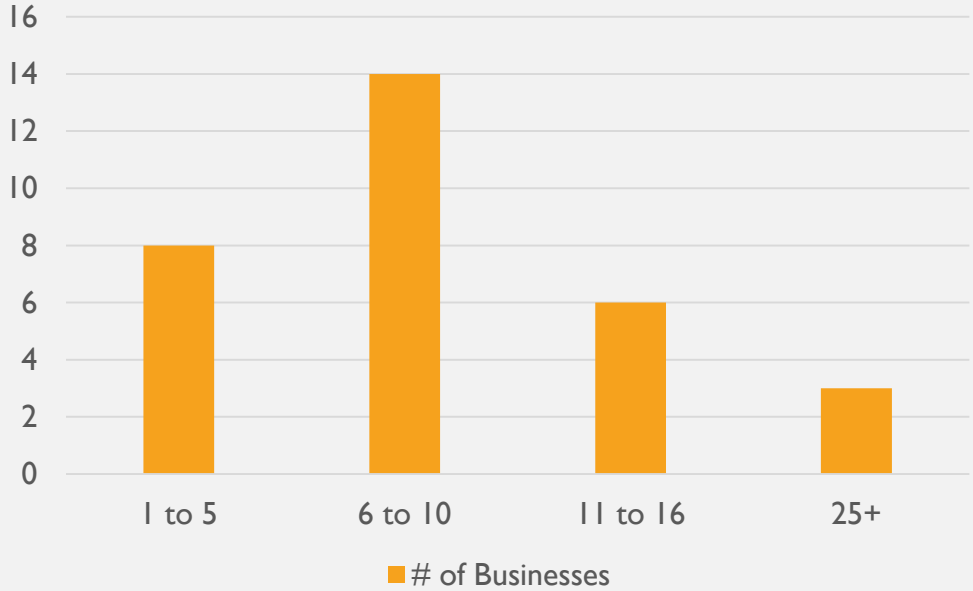
INTRODUCTORY QUESTIONS

WHAT KIND OF RESTAURANT DO YOU RUN OR OWN?

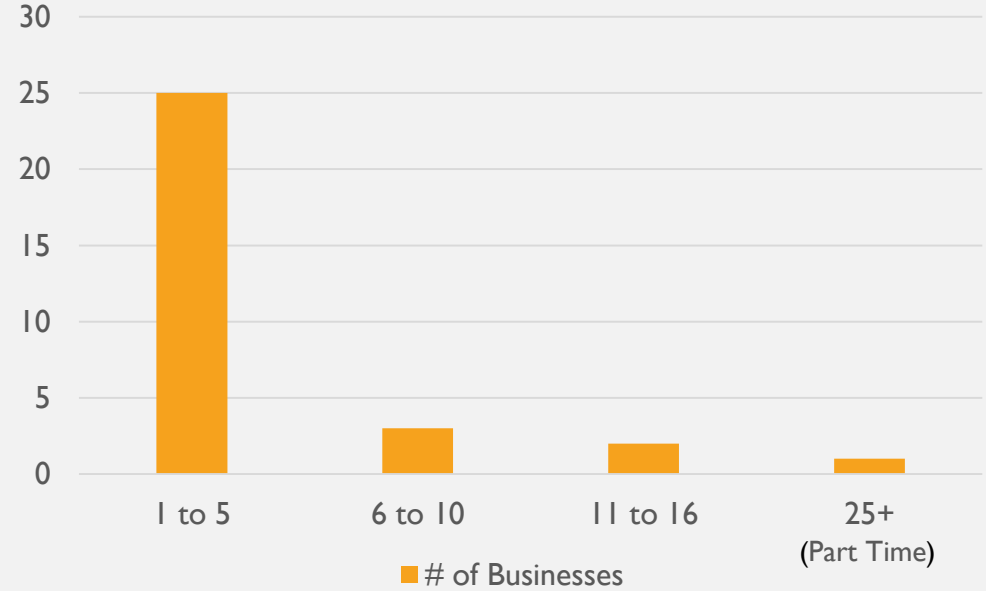


HOW MANY EMPLOYEES DID YOU HAVE BEFORE AND AFTER THE SHELTER IN PLACE ORDER?

Employee Count by Business Before March 2020

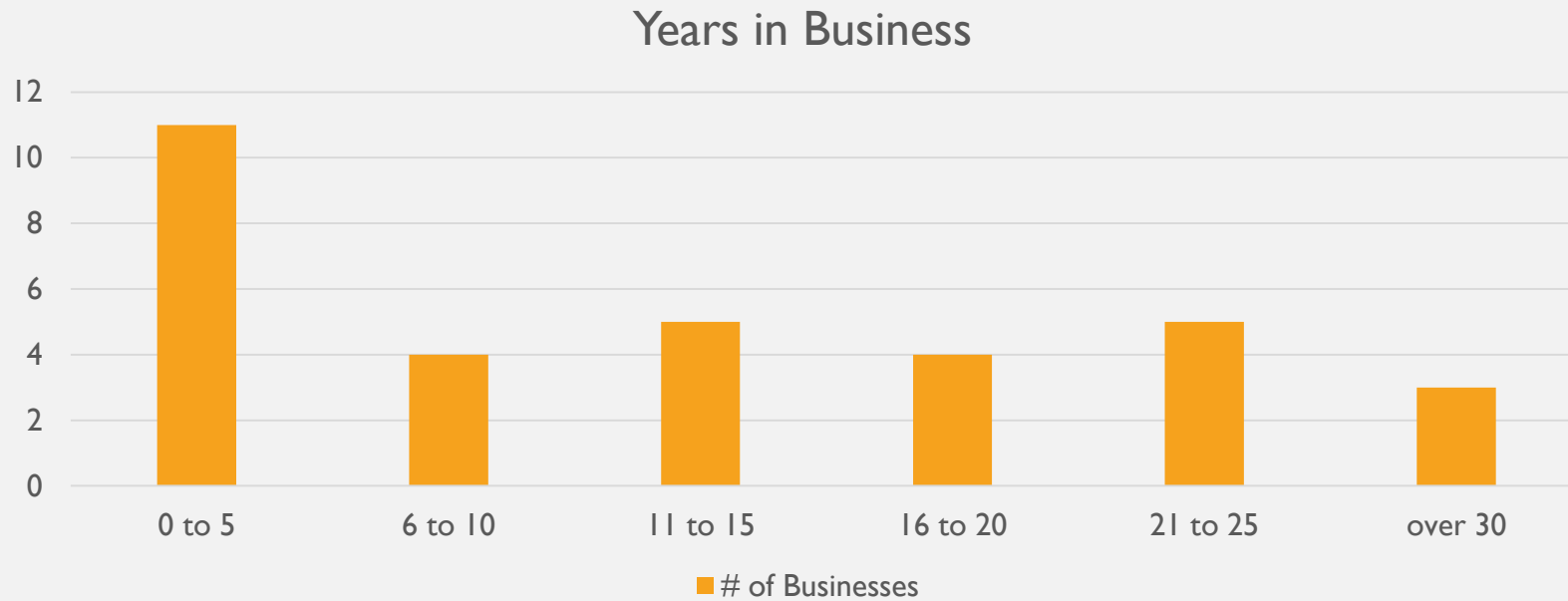


Employee Count by Business After March 2020



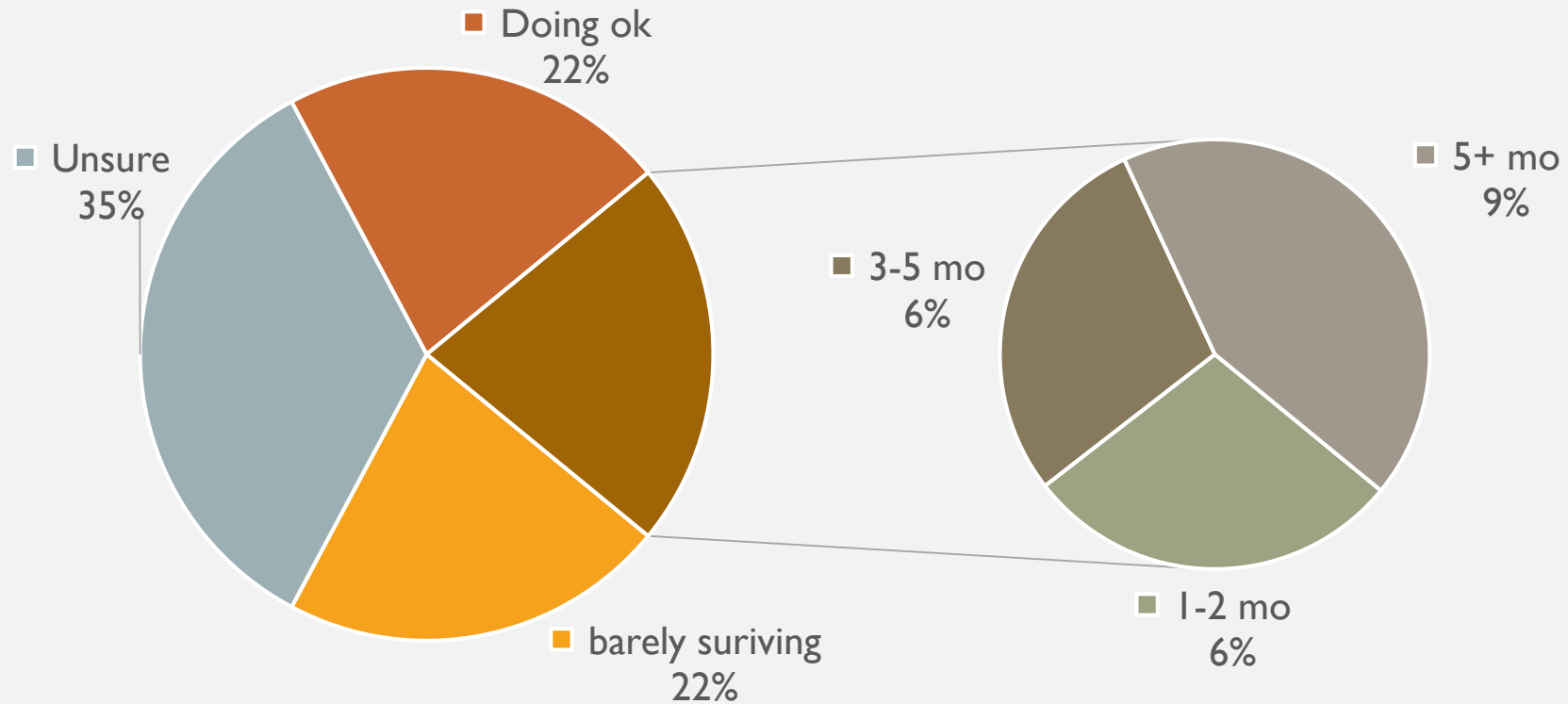
***195 Jobs were lost equating to a 58.38% reduction**

HOW LONG HAVE YOU BEEN IN BUSINESS?



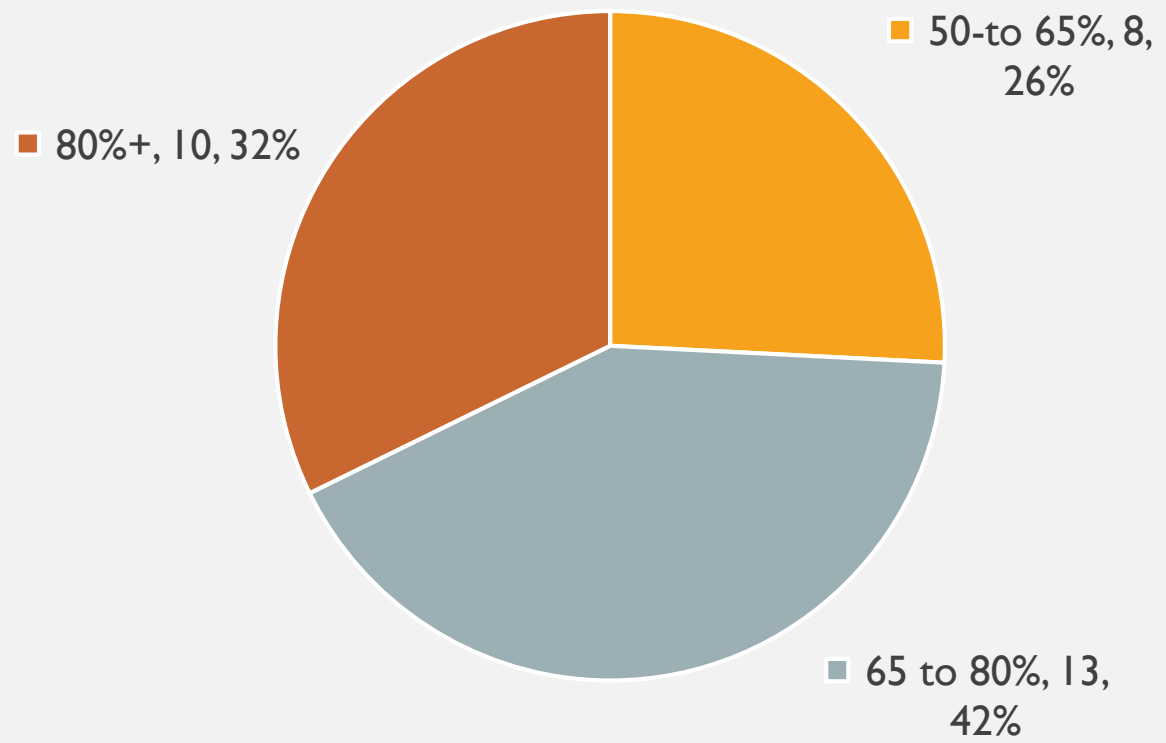
FINANCIALS

HOW LONG COULD YOUR BUSINESS STAY AFLOAT FINANCIALLY UNDER CURRENT CONDITIONS?



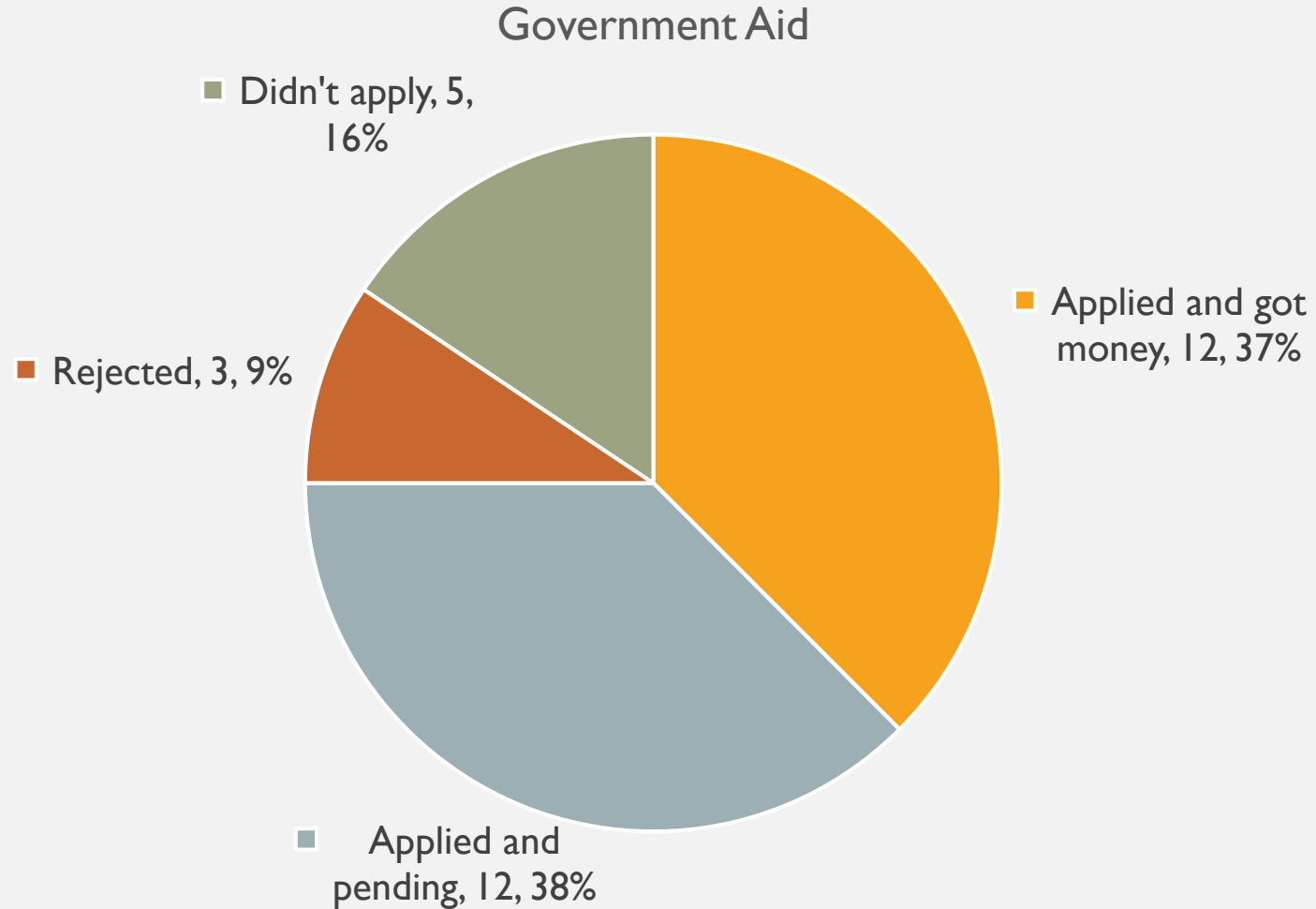
HOW MUCH REVENUE HAVE YOU LOST SINCE THE START OF THE HEALTH EMERGENCY?

Revenue Lost



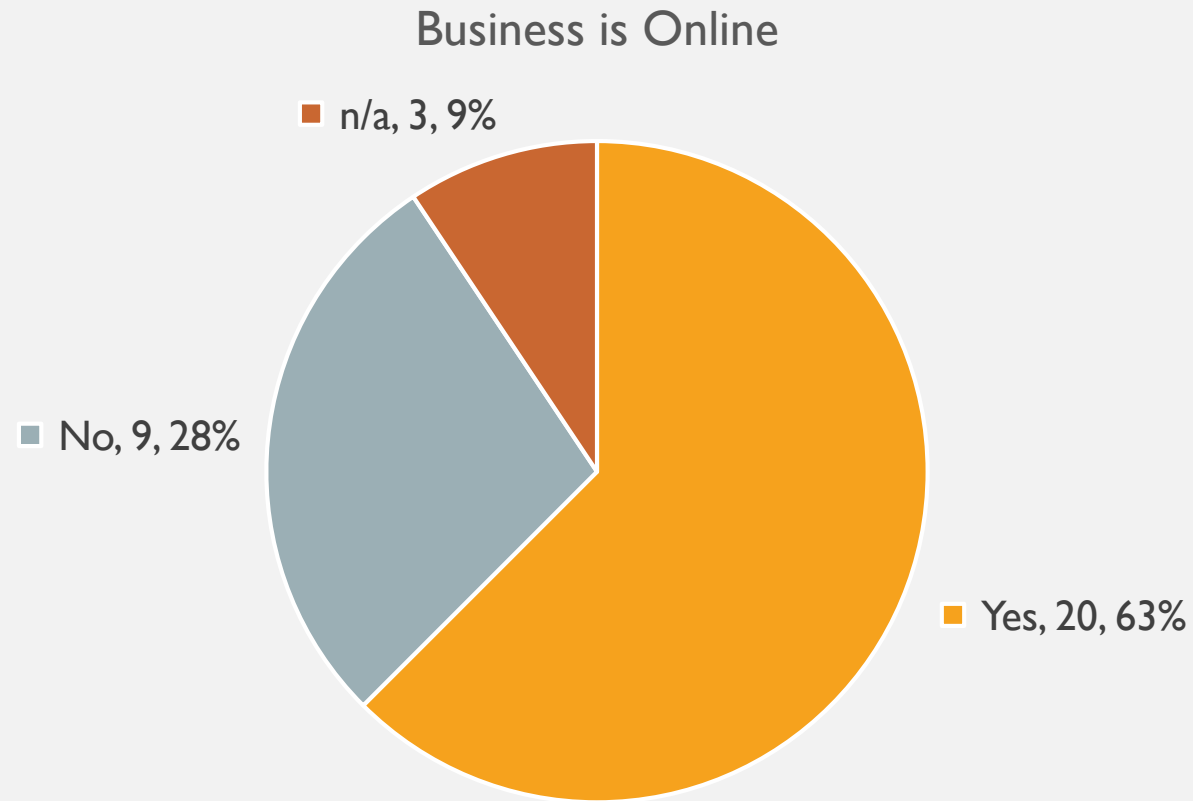
Average Revenue Loss: 70%

DID YOU APPLY FOR GRANTS OR LOANS FROM THE GOVERNMENT?



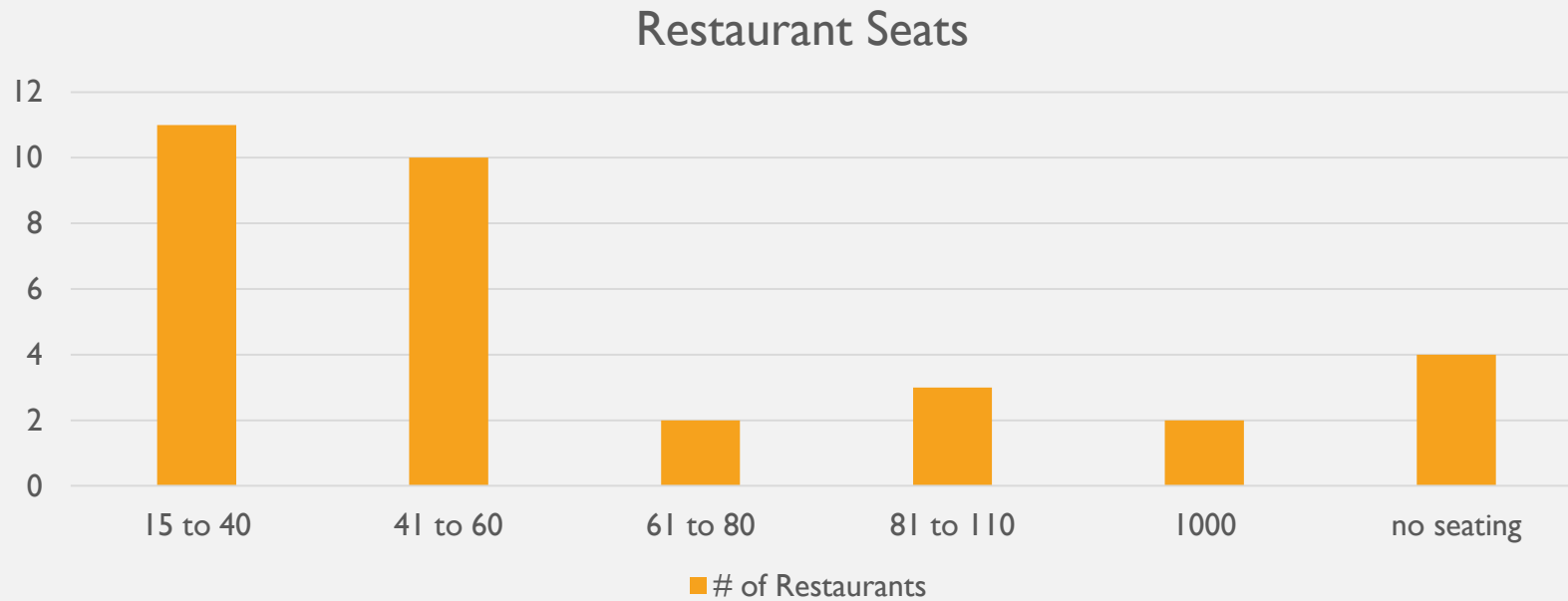
ONLINE BUSINESS

CAN YOU ADAPT TO ONLINE SERVICES, SUCH AS HAVING CUSTOMERS ORDER ONLINE OR PAYING ONLINE?



RESTAURANT CAPACITY

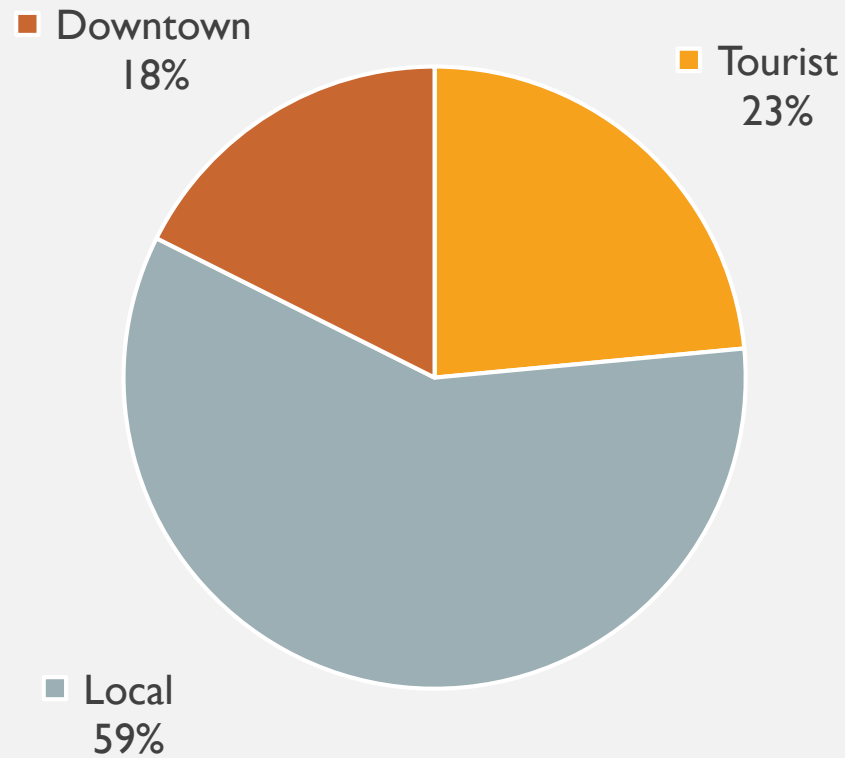
WHAT IS YOUR NORMAL SIT DOWN CAPACITY?



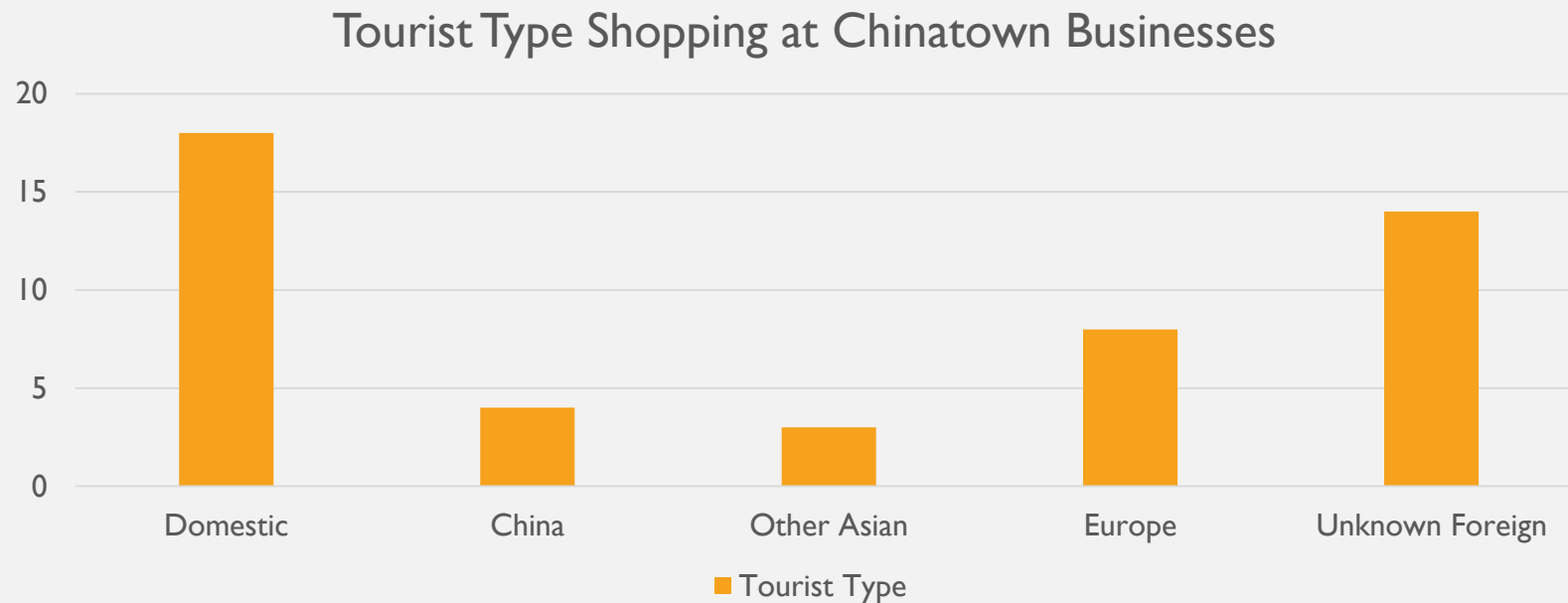
WHO ARE YOUR CUSTOMERS?

Averages of all Businesses

Customer Type



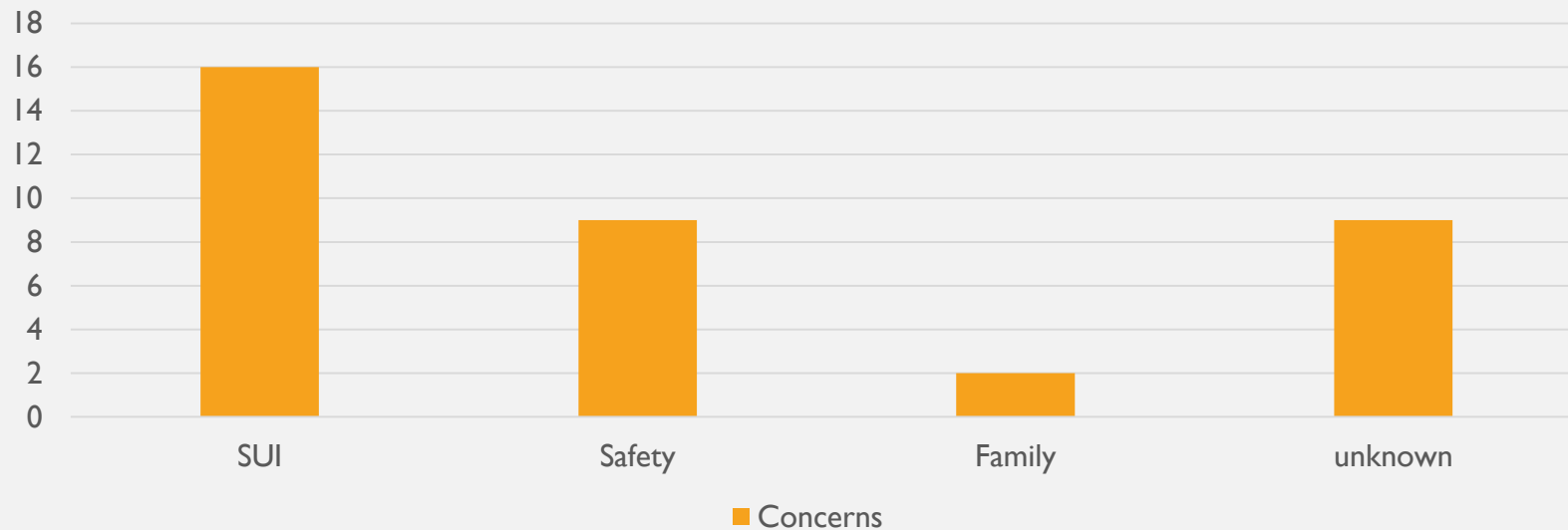
WHAT COUNTRIES WERE YOUR TOURIST CUSTOMERS FROM?



EMPLOYEES

WHAT WOULD KEEP YOUR EMPLOYEES FROM RETURNING TO WORK?

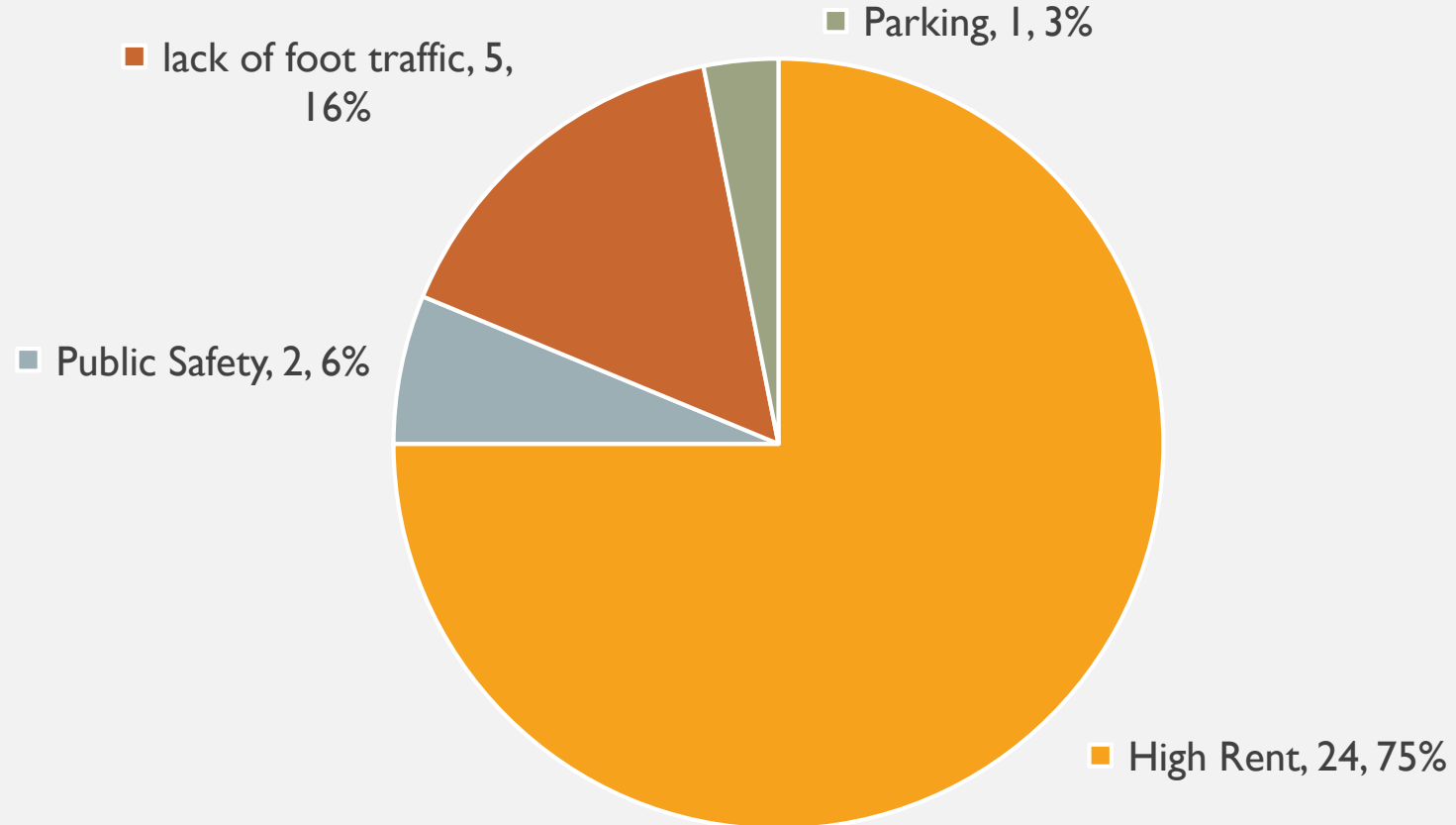
Reasons for not Returning to Work



IDEAS/PROPOSALS

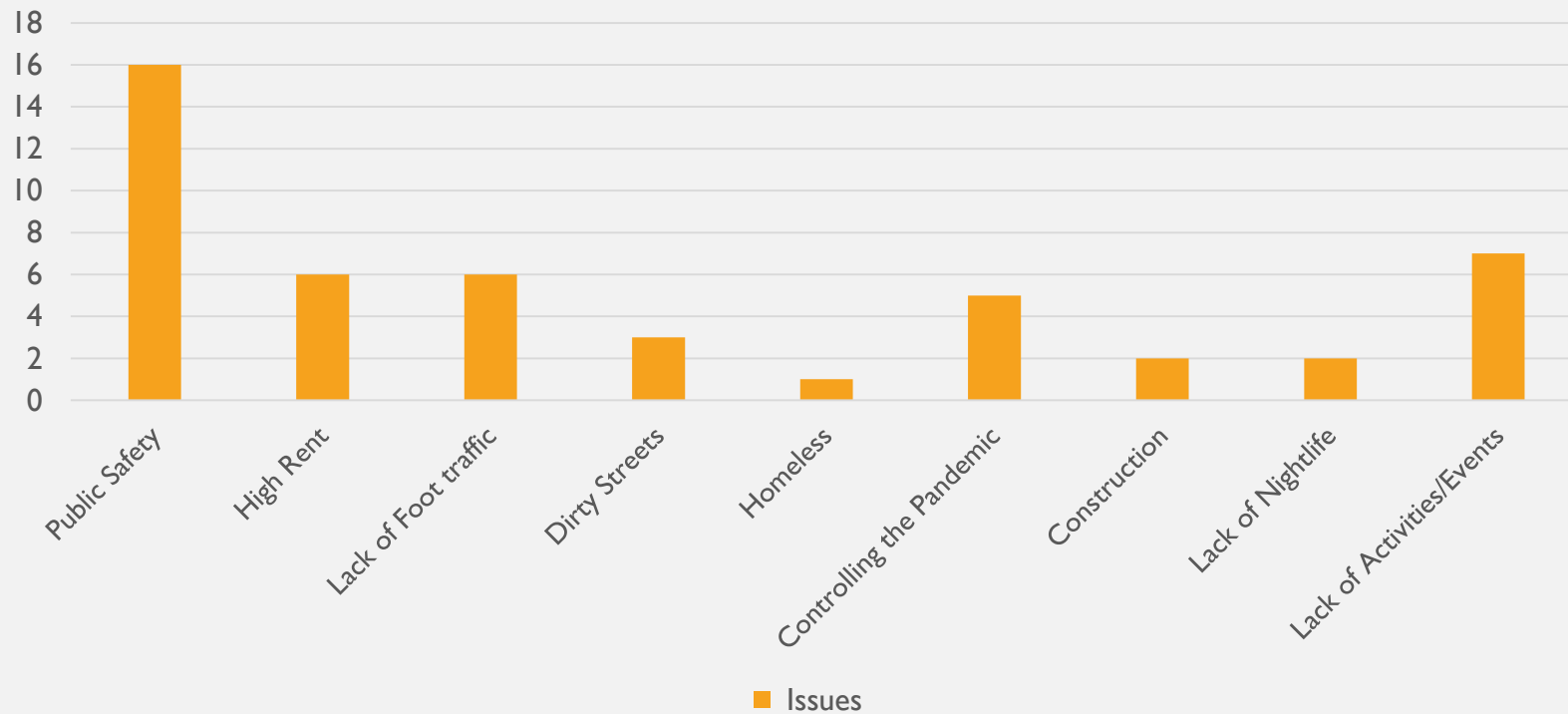
WHY ARE THERE VACANT STOREFRONTS?

Vacant Storefronts



WHAT NEEDS TO BE ADDRESSED TO MAKE CHINATOWN THRIVE AGAIN?

Chinatown Issues that Need to be Addressed



Supervisor Aaron Peskin
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Exhibit 3

Pandemic Street Level

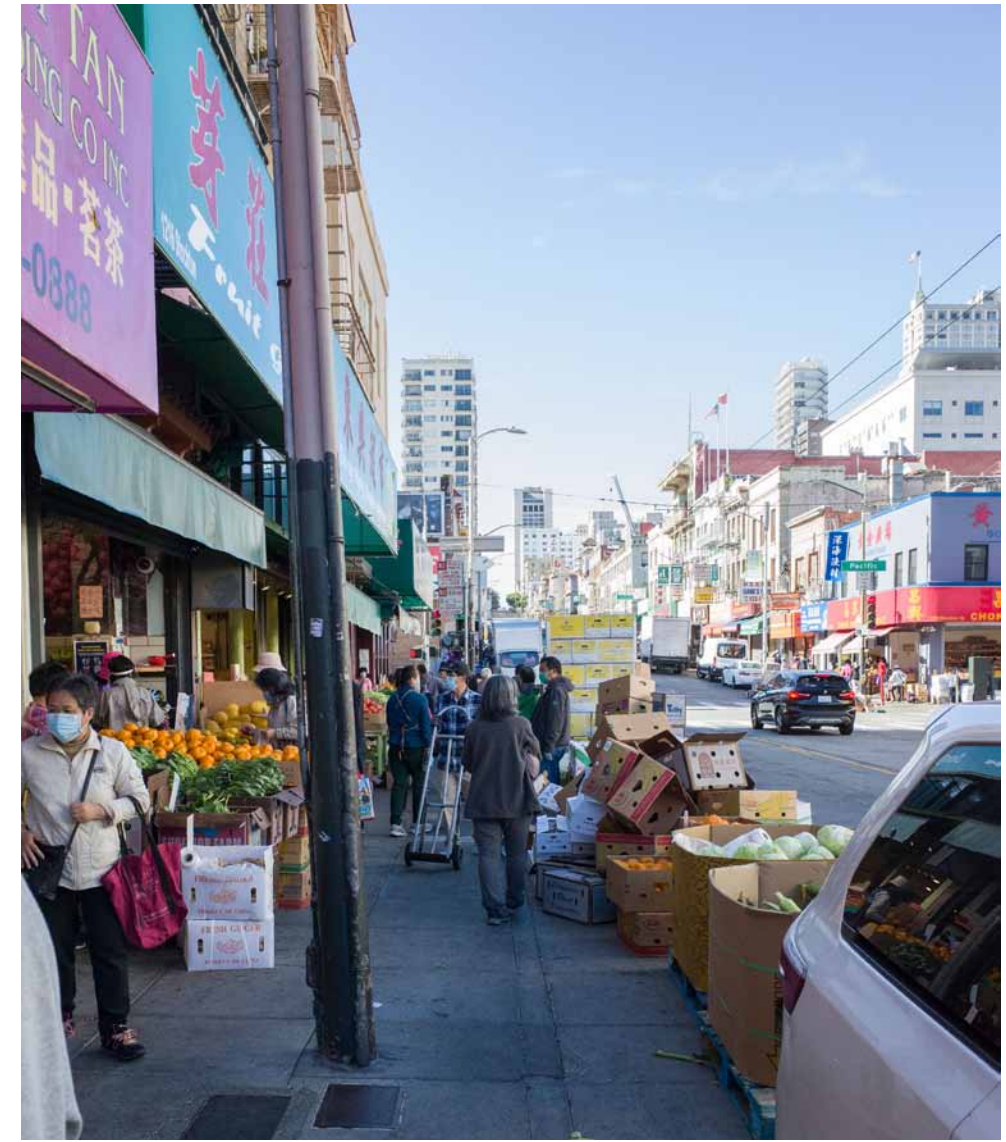
[Attached]



Pandemic Chinatown Street Level January to August 2020

Photographs, analysis, and text
by Malcolm Collier

© 2020



Pandemic Chinatown to August 2020

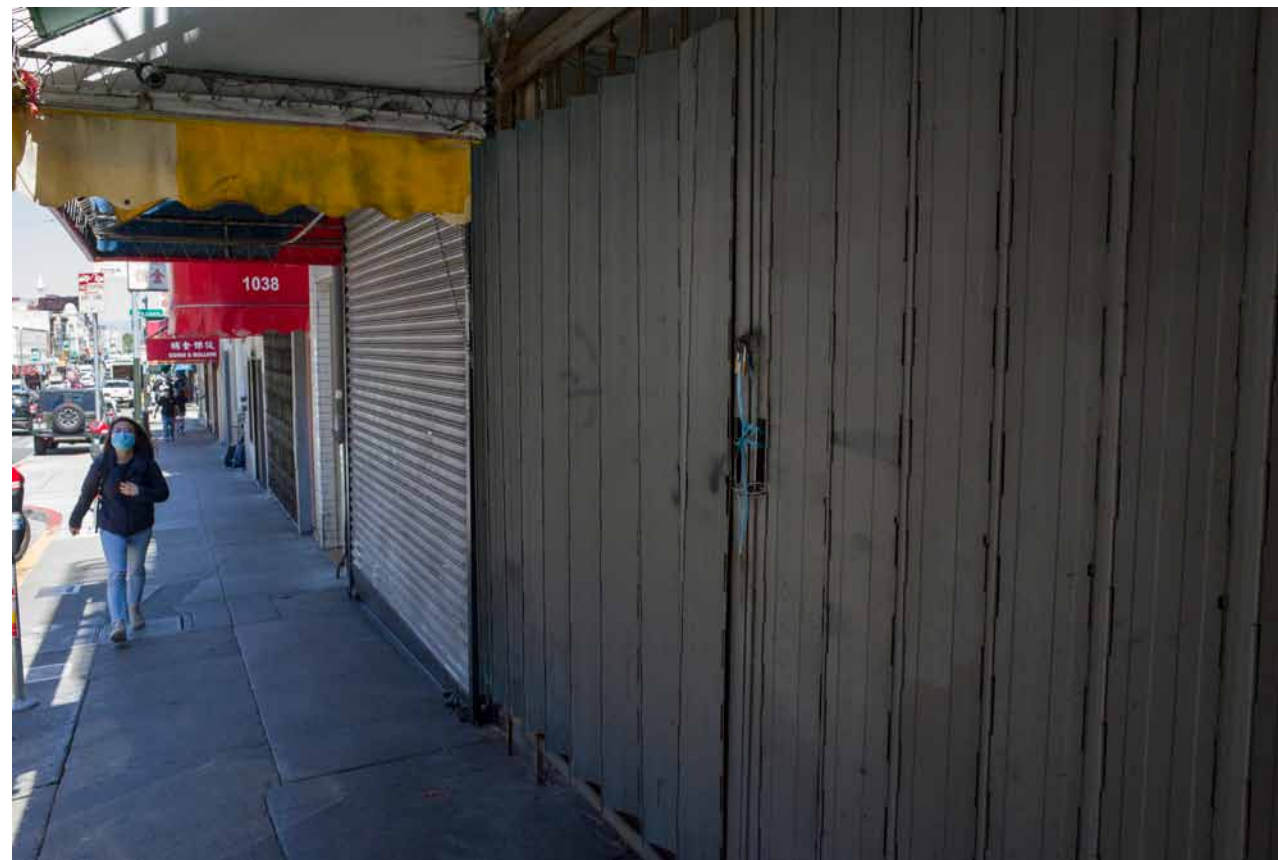
This report is a summary of what I found looking at vacancy/closures of street level activity and commercial spaces in Chinatown from before pandemic closures, through partial re-openings in June, through to August 2020. With further re-opening of hair salons and other such businesses anticipated for September 14, 2020, it may be useful to look at the impact of the first five months of the pandemic on Chinatown.

The summary is based on analysis of photographic mapping of Stockton Street and Grant Avenue on Feb. 21, May 5, and July 31, 2020, and on photographic surveys of the east/west cross streets on August 11, 2020. Additional photographs were made on other dates during 2020 as well. The photographic data was supplemented by study of other records, including Google Street views from 2019 and early 2020.

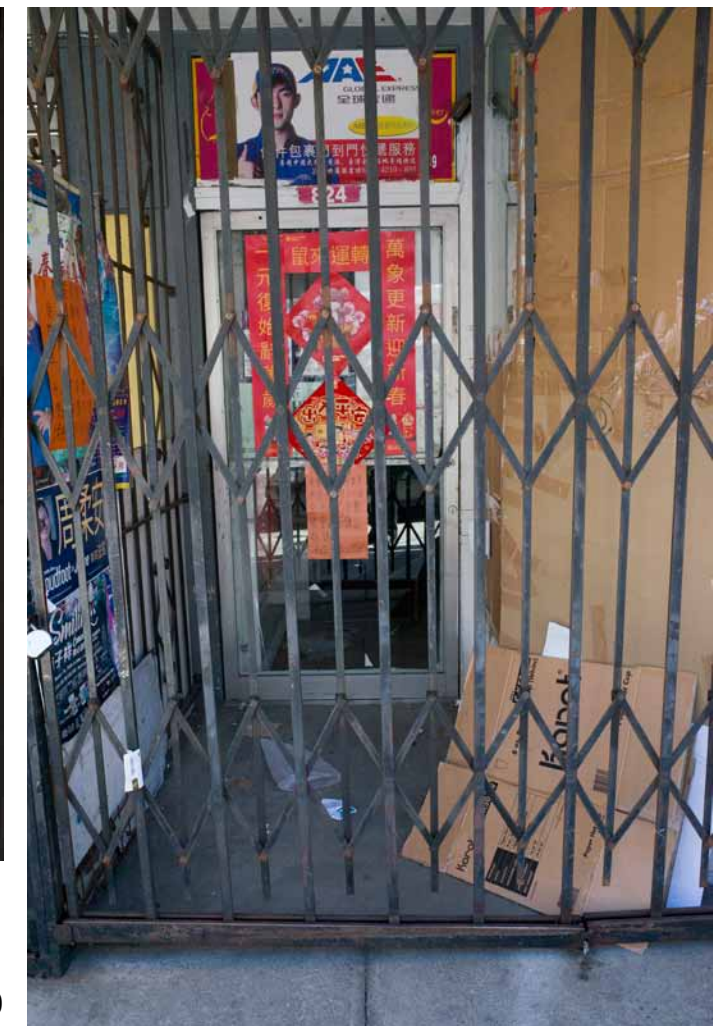
In my analysis I have defined "vacant" as meaning the space is closed and empty. I counted as "closed" any business that appeared to be occupied but was closed with no indication that it was open at other hours than the time I made the survey. I counted as open any restaurant, even if closed, that had signs indicating they were doing take out. I counted all banks as open, since most were and it is not always possible to determine from the photos whether or not a bank is open or closed. I counted as open several businesses that, from personal knowledge, I knew to be open at other times than when the images were made.

There is a margin of error, so these findings should be seen as well informed estimates. It is possible that the figures generated may slightly over-estimate closures but the trends should be reasonably accurate. Closure rates will drop a bit if hair salons and related businesses re-open after September 14, 2020.

This summary does not include coverage of Powell Street, Waverly, or any of the smaller alleys nor can it really tell how well open businesses are actually doing.



May 5, 2020



May 5, 2020

July 31, 2020

August 20, 2020





People social distancing, Stockton Street, 12:36 PM May 5.



More casual about it, 11:56 AM July 31.

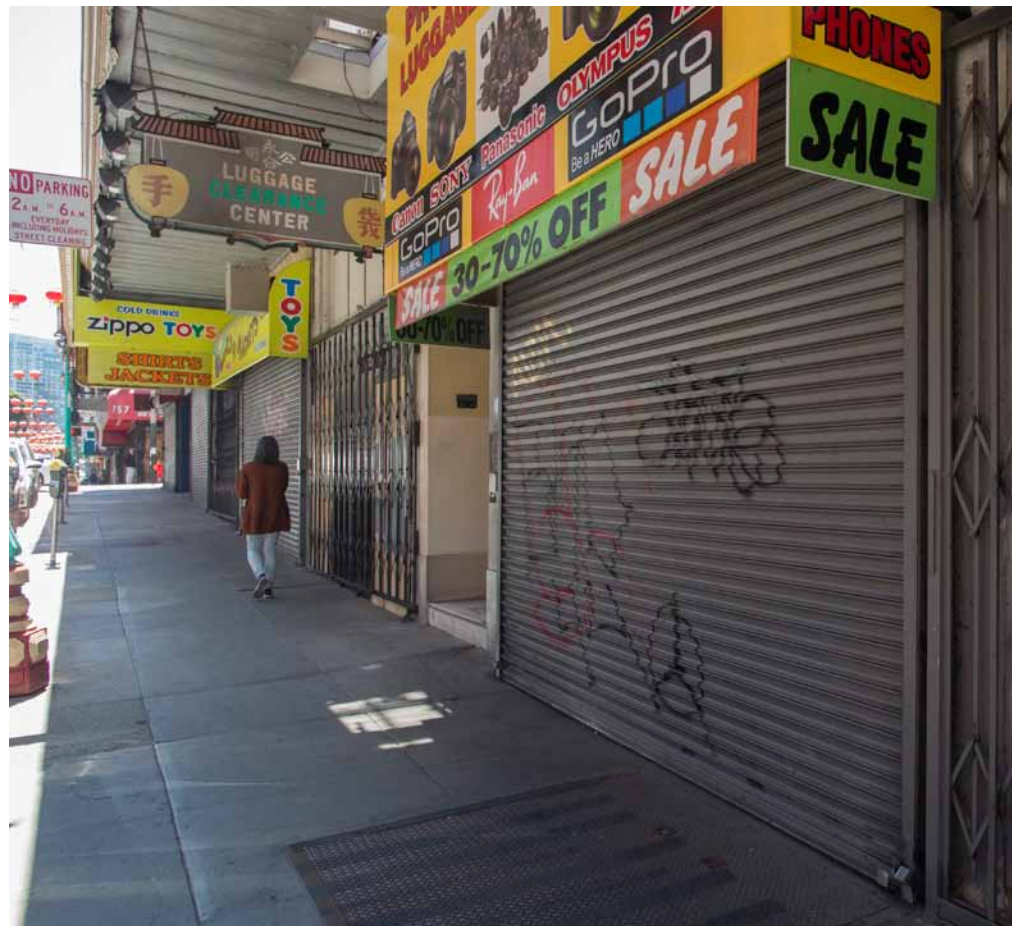


In any case, hard to social distance with narrow sidewalks on Stockton, July 31, 2020.

Social distance in Chinatown

Chinatown residents have been very good about wearing masks in public, almost 100%, but circumstances can make social distancing more of a challenge.

May 5, 2020: Social distancing is easy on Grant Avenue.



Generally, people are good about social distancing when it is possible - here a line on Powell for a give away. The line stretched from Trenton, up Pacific, along Powell, and down Clay. August 19, 2020.



Vacancies and business closures on Stockton Street and Grant Avenue Feb. 21, May 5, and July 31, 2020

By fortunate accident, I made photo mappings of Stockton Street and Grant Avenue on February 21, 2020, with plans to make additional records in other parts of Chinatown in March. The original intent was to make a comparison to the business situation on those and other streets in Chinatown in 2020 with that which was found previously in 2016. Events have over taken those plans. Instead I made photo mappings of the two streets on May 5th and a photo survey on July 31st. All photographs were made on weekdays between 11:30 am and 4:30 p.m., with a focus on storefronts rather than people. These records were used to examine vacancies and closures on those dates. An statistical overview of the two streets is presented here, with more detailed information and additional images on following screens/pages.

Stockton Street - Overview

Here are the summary figures for commercial vacancies and closures on February 21, May 5, and July 31 for Stockton Street between Sacramento and Columbus. The first figures are the raw number of commercial vacancies or closures identified and the second figures are those numbers as a percentages of the total number of commercial spaces identified, both open and closed.

	Feb. 21	May 5	July 31
Vacant or closed	10 7%	65 48%	43 32%

Grant Avenue - Overview

Below are summary figures for commercial vacancies and closures along Grant Avenue on the three dates in 2020. I did not make records of the blocks between Bush and California on May 5, so no data is available for that section for May 5. However, given the nature of the business activity in that section of Grant, it is likely that almost all the businesses were closed on May 5th.

	Feb. 21	May 5	July 31
Vacant or closed between California and Broadway	25 20%	108 86%	98 52%
Vacant or closed between Bush and California	3 7%	no data no data	33 75%



Peak of closures, May 5, 2020. Above: Stockton Street, with many food stores, still had at least some foot traffic in May. Below: Tourist dependent Grant, with 86% of businesses closed, had almost none.



Stockton Street - details and photos

Stockton Street, unlike Grant, serves a primarily local and regional clientele, with an emphasis on retail food sales. In 2016, the commercial vacancy rate was just under 3%, in February 2020 it had increased to 7%, still significantly lower than other parts of Chinatown. This pre-pandemic increase derives from closures for soft story retrofitting on the west side of Stockton north of Broadway and a gradual business contraction due to the displacement of the Chinese American population north and west of the Chinatown.

Because many of the businesses on Stockton Street are categorized as “essential”, the impact of pandemic closures was and is less dramatic than along Grant Avenue. Food related business, which are concentrated on the west side from Washington to Broadway and on the east side from Jackson to Vallejo, have largely remained open. Other businesses have suffered, as can be seen in the higher figures for blocks south of Washington and north of Vallejo. Some of these figures are likely to improve with re-opening of hair salons and other such businesses in mid September, 2020.

Vacancies/closures on Stockton Street Feb. 21 and July 21, 2020

Street/ block	Total store fronts	Feb 2020 vacant/closed	Feb 2020 vacant/closed as percent	July 2020 vacant/closed	July 2020 vacant/closed as percent
Sacramento					
800 EAST	16	0	0.0%	11	68.8%
800 WEST	5	0	0.0%	1	20.0%
Clay					
900 EAST	10	0	0.0%	5	50.0%
900 WEST	4	0	0.0%	3	75.0%
Washington					
1000 EAST	14	0	0.0%	5	35.7%
1000WEST	13	0	0.0%	1	7.7%
Jackson					
1100 EAST	3	0	0.0%	0	0.0%
1100 WEST	11	0	0.0%	0	0.0%
Pacific					
1200 EAST	10	1	10.0%	1	10.0%
1200 WEST	14	1	7.1%	3	21.4%
Broadway					
1300 EAST	8	0	0.0%	0	0.0%
1300WEST	12	7	58.3%	7	58.3%
Vallejo					
1400 EAST	6	1	16.7%	2	33.3%
1400 WEST	10	0	0.0%	4	40.0%
Columbus					
Total	136	10	7.4%	43	31.6%



May 5 on east side between Washington and Jackson, no closures Feb. 21, in July 36% remained closed.

Almost everything open on west side between Washington and Jackson, July 31, 2020





Food store draw crowds at Stockton and Pacific on Aug. 1, but other businesses remain closed as between Clay and Sacramento, July 31, 2020.

All stores open and many people between Jackson and Pacific, July 31, 2020.



Stockton Street contrasts

Small retail, open Feb. 6 (below, left) then closed in May and remaining closed (below) July 31, 2020.

Small retail, was closed in May, open again July 31.



Grant Avenue

Businesses on Grant Avenue have been suffering for quite some time. In 2016, the commercial vacancy rate on Grant was approximately 8~9%, considerably higher than in the past, although still lower than many other parts of the city. By Feb. 21, 2020 it had increased to 20% in the core Chinatown area from California to Broadway and 17% overall. Prior to the pandemic, the Chinatown core had been doing worse than the downtown blocks between California and Bush but the situation is now reversed following pandemic closures and partial re-openings in June. In the core area, 52% of businesses remain vacant or closed while in the downtown section the figure is 75%. The core Chinatown blocks have a little more local clientele than the downtown blocks but both areas are heavily tourist dependent, had very little foot traffic in July and August, and unlikely to have major recovery until there are more visitors to San Francisco.

Vacancies/closures on Grant Feb. 21 and July 21, 2020

Street/ block	Total store fronts	Feb 2020 vacant/closed	Feb 2020 vacant/closed as percent	July 2020 vacant/closed	July 2020 vacant/closed as percent
Bush					
400 EAST	8	0	0.0%	5	62.5%
400 WEST	11	0	0.0%	8	72.7%
Pine					
500 EAST	12	2	16.7%	10	83.3%
500 WEST	13	1	7.7%	10	76.9%
California					
Subtotal	44	3	6.8%	33	75.0%
California					
600 EAST	5	0	0.0%	1	20.0%
600 WEST	10	6	60.0%	6	60.0%
Sacramento					
700 EAST	13	0	0.0%	7	53.8%
700 WEST	10	0	0.0%	4	40.0%
Clay					
800 EAST	9	4	44.4%	7	77.8%
800 WEST	13	2	15.4%	5	38.5%
Washington					
900 EAST	14	2	14.3%	11	78.6%
900 WEST	15	3	20.0%	6	40.0%
Jackson					
1000 EAST	7	0	0.0%	1	14.3%
1000 WEST	9	2	22.2%	6	66.7%
Pacific					
1100 EAST	11	3	27.3%	5	45.5%
1100 WEST	10	3	30.0%	6	60.0%
Broadway					
Subtotal	126	25	19.8%	65	51.59%
Total	170	28	16.5%	98	57.6%



Above: Lunar New Year street fair January 19, 2020 between Washington and Jackson.

Below: Same block on August 11, 2020.

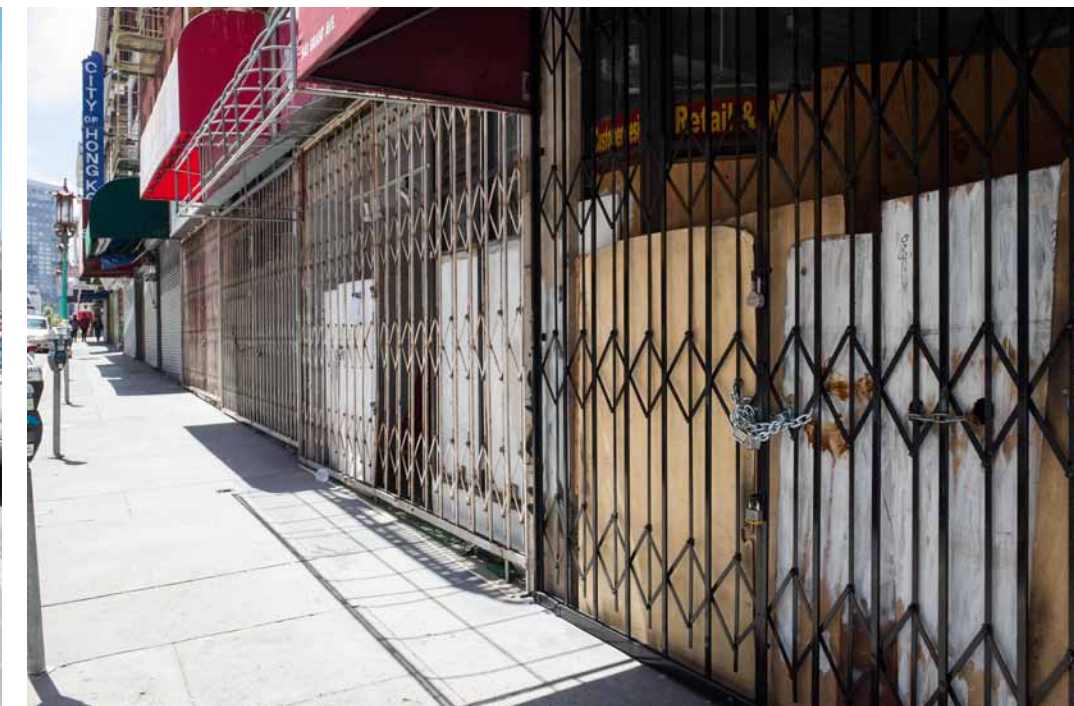




Vacancies were already at 20% before the pandemic, as reflected here between California and Sacramento on Feb. 21, 2020



These businesses between Jackson and Pacific were open in February, closed here in May. The larger building is for sale.



There was only one vacancy on this block between California and Pine in February but 10 out 13 were closed or vacant on July 31, 2020.

July 31, 2020. Some long time import/curio stores like Canton Bazaar re-opened after the initial closures but there appeared to be few customers.

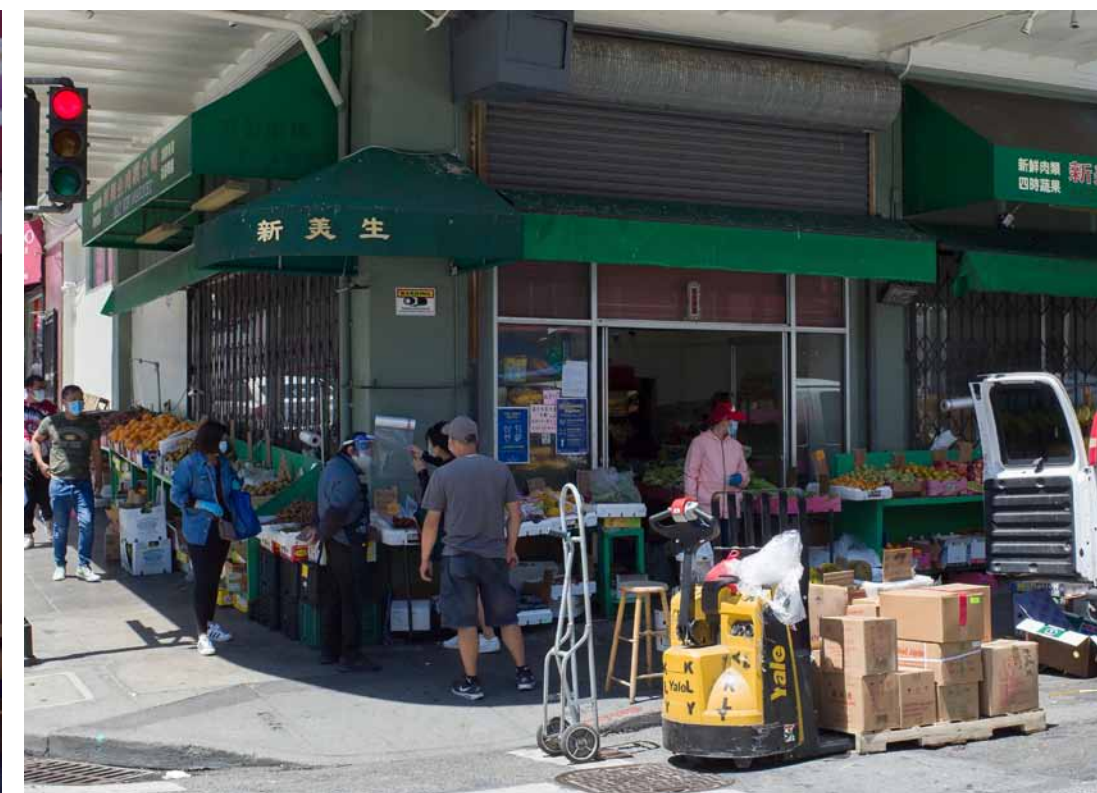
Grant Avenue open and closed



Bow Hon trying out sidewalk dining. July 31, 2020.



This produce market at the corner of Pacific has been the last one on Grant for several years. It remained open throughout the pandemic, as have a number of other nearby businesses that serve a primarily local clientele. July 31, 2020.



Chinatown East/West streets - Vacancies and Closures

This is a summary of what I found looking at August 2020 vacancy/closures on the East/West streets in Chinatown and comparing that information to the most recent pre-pandemic information I could obtain. The information for August 2020 is from a photographic survey made at mid day on August 11th, supplemented by additional images made shortly before and after that date. I tried to record every vacant or closed ground level storefront. The information for pre-pandemic vacancies/closures (mostly vacancies) are from notes and photographs I made in 2019 and early 2020 and from study of Google street views from several dates in 2019 and early 2020.

The statistical information obtained is summarized in the tables seen here and then each street is examined in turn, with photographs. Unless otherwise noted all photographs were made on August 11, 2020.



Multiple adjacent vacancies/closures on Jackson Street.

Broadway Grant to Powell	Total store fronts	January 2020 vacant/closed	Jan 2020 as percent	August 2020 vacant/closed	Aug 2020 as percent
600 north	12	5	41.7%	5	41.7%
600 south	10	0	0.0%	1	10.0%
700 north	13	4	30.8%	9	69.2%
700 south	6	2	33.3%	4	66.7%
total	41	11	26.8%	19	46.3%
percent		26.8%		46.3%	

Pacific Columbus to Powell	Total store fronts	January 2020 vacant/closed	Jan 2020 as percent	August 2020 vacant/closed	Aug 2020 as percent
600 north	9	2	22.2%	1	11.1%
600 south	1	1	100.0%	0	0.0%
700 north	8	2	25.0%	3	37.5%
700 south	0	0	0.0%	0	0.0%
800 north	3	0	0.0%	2	66.7%
800 south	4	1	25.0%	1	25.0%
total	25	6	24.0%	7	28.0%
percent		24.0%		28.0%	

Jackson Kearny to Powell	Total store fronts	April 2019 vacant/closed	April 2019 as percent	August 2020 vacant/closed	Aug 2020 as percent
600 north	13	1	7.7%	8	61.5%
600 south	18	2	11.1%	6	33.3%
700 north	12	1	8.3%	8	66.7%
700 south	18	3	16.7%	6	33.3%
800 north	11	4	36.4%	7	63.6%
800 south	nd	nd	nd	nd	nd
total	72	11	15.3%	35	48.6%
percent		15.3%		48.6%	

Washington Kearny to Stockton	Total store fronts	May 2019 vacant/closed	May 2019 as percent	August 2020 vacant/closed	Aug 2020 as percent
700 north	6	0	0.0%	2	33.3%
700 south	4	1	25.0%	1	25.0%
800 north	18	6	33.3%	8	44.4%
800 south	13	1	7.7%	6	46.2%
total	41	8	19.5%	17	41.5%
percent		19.5%		41.5%	

Clay Kearny to Stockton	Total store fronts	May 2019 vacant/closed	May 2019 as percent	August 2020 vacant/closed	Aug 2020 as percent
700 north	5	2	40.0%	3	60.0%
700 south	17	1	5.9%	10	58.8%
800 north	12	1	8.3%	8	66.7%
800 south	10	1	10.0%	8	80.0%
total	44	5	11.4%	29	65.9%
percent		11.4%		65.9%	

Sacramento Kearny to Stockton	Total store fronts	January 2020 vacant/closed	Jan 2020 as percent	August 2020 vacant/closed	Aug 2020 as percent
700 north	17	2	11.8%	9	52.9%
700 south	5	0	0.0%	4	80.0%
800 north	4	2	50.0%	4	100.0%
800 south	6	3	50.0%	4	66.7%
total	32	7	21.9%	21	65.6%
percent		22%		65.6%	

Broadway between Grant and Powell



On the south side immediately below Stockton, the mainly food related businesses have fared better. Further toward Grant business are not doing as well, although only one was closed on August 11.



Here customers are socially distancing while waiting to enter "Dim Sum Bistro". Sidewalks on Broadway are distinctly less crowded than on Stockton.

Overall, the pandemic has increased vacancies and closures on Broadway from 27% to 46% between January and August 2020.

Vacancies/closures on Broadway, January 2020 and August 11, 2020

The south side of Broadway has been more stable, with no vacancies below Stockton in January 2020 and only one (out of ten businesses) closed on August 11, although several of the non-food related businesses were not doing well. Above Stockton, the North Ping Yuen and CCDC's Bayside Senior Housing dominate the south side so there are fewer commercial spaces. Two were vacant in January 2020 and four vacant or closed on August 11, 2020, giving a vacancy rate of 67%. The business locations closer to Powell have been struggling for several years and the pandemic has only made the situation worse.

Broadway Grant to Powell	Total store fronts	January 2020 vacant/closed	Jan 2020 as percent	August 2020 vacant/closed	Aug 2020 as percent
600 north	12	5	41.7%	5	41.7%
600 south	10	0	0.0%	1	10.0%
700 north	13	4	30.8%	9	69.2%
700 south	6	2	33.3%	4	66.7%
total	41	11	26.8%	19	46.3%
percent		26.8%		46.3%	

Chinatown businesses on the north side of Broadway have been suffering for many years. This started above Stockton, with a vacancy rate of over 55% in some years between 2013 and 2016, as Chinatown serving businesses closed. The opening of a few new businesses, with a different focus, brought the vacancies down to 31% in January of 2020 but now the combined vacancies and closures total 69% on August 11, 2020. The north side of Broadway below Stockton, had been more stable but by January 2020 there had been major closures of Chinatown serving businesses there as well, including both a major market and a hardware store, with a vacancy rate of 42% before the pandemic. On the bright side, there have been no new closures following the pandemic.

Broadway between Grant and Powell



Ironically, surviving Chinatown related businesses, like the trading company and poultry store above, have fared better during the pandemic than the newer, more upscale ones that had begun to replace other Chinatown businesses prior to the pandemic.



The status of this more upscale clothing store is unclear.

These businesses on the north side above Stockton have been vacant for a long time.



On the north side below China Live, only one out of six businesses remain open. However, all these vacancies predate the pandemic.



Pacific between Columbus and Powell

To some extent, Pacific appears to have been the least impacted by the pandemic of all the East/West streets in Chinatown, with an increase in vacancies/closures from 24% in January to 28% in August. Pacific at Stockton is one of the areas of greatest density of foot traffic in Chinatown, which may also help businesses in hard times. However, in making my analysis I had no before and after information on what has happened to businesses within the Miriwa Center, so the data is somewhat incomplete.

Vacancies/closures on Pacific, January 2020 and August 11, 2020

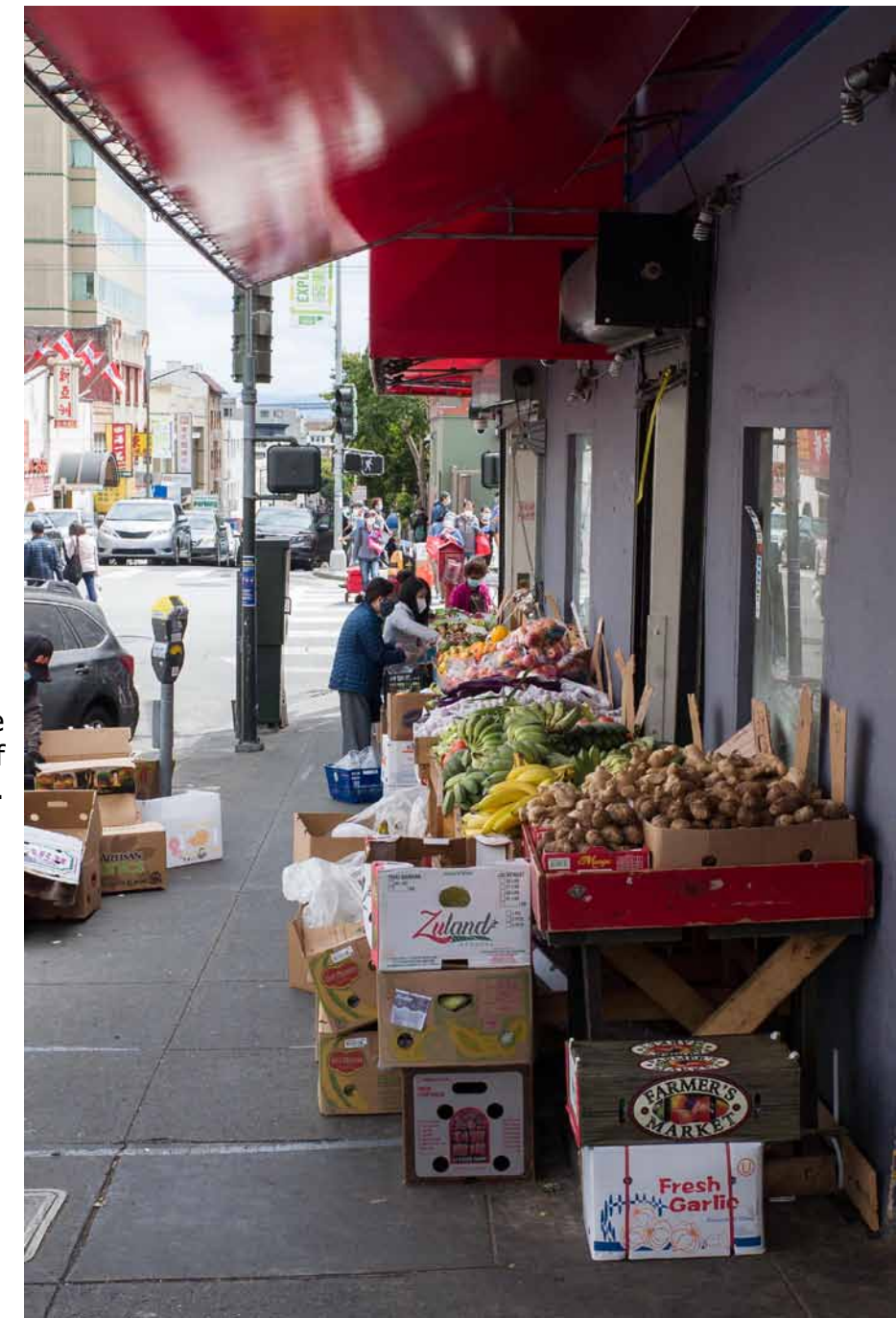
Pacific Columbus to Powell	Total store fronts	January 2020 vacant/closed	Jan 2020 as percent	August 2020 vacant/closed	Aug 2020 as percent
600 north	9	2	22.2%	1	11.1%
600 south	1	1	100.0%	0	0.0%
700 north	8	2	25.0%	3	37.5%
700 south	0	0	0.0%	0	0.0%
800 north	3	0	0.0%	2	66.7%
800 south	4	1	25.0%	1	25.0%
total	25	6	24.0%	7	28.0%
percent			24.0%		28.0%



Left - Mid day scramble crossing at Pacific and Stockton. Ordinarily the most congested pedestrian area in Chinatown, density is distinctly less now than before pandemic. Photo June 26, 2020.

Conversely - **below** - even before the pandemic, foot traffic had declined further up Pacific at Powell, leaving this store the last one selling fresh produce on Powell or upper Pacific. The two business locations below it on Pacific were open in January but now remain closed.

Right - Food drives most commerce on Pacific and mitigates the impact of pandemic on vacancies and closures.



Pacific between Columbus and Powell



New Wing Lung is the only store market open above Stockton on the south side. The two buildings to its right house medical related offices and although closed to entry by the public are not counted as closed here because the agencies are still in operation. August 19, 2020.



Small retail food stores, cafes, restaurants, and community retail remain open below Grant but foot traffic is very light.

New Asia restaurant has converted into a retail food market for the time being.



This location was vacant in January, now is an electric bike rental, a example of general audience business moving into the Chinatown.



Jackson between Kearny and Powell

The pandemic has hit commercial activity on Jackson Street hard. The vacancy/closed rate was about 15% in April 2019, more than on Stockton Street but less than Grant, Broadway, Pacific, Washington, and Sacramento. But in August 2020 almost half - 49% - of commercial spaces were vacant or closed. The north side of Jackson is particularly affected; with 62% vacant/closed between Kearny and Grant, 67% between Grant and Stockton, and 64% between Stockton and Powell. Many businesses that remain open are clearly struggling.

Jackson has many restaurants, those still open are take out only. The steep street, narrow side walks, and west winds are not conducive to setting up for out door service, although at least one restaurant appears to have tried it, briefly. I was not always able to tell whether restaurants were still in business but just closed at the time the survey photos were made, so I may be counting as closures a few restaurants actually open for take out only in evenings.

Vacancies/closures on Jackson, April 2019 and August 11, 2020

Jackson Kearny to Powell	Total store fronts	April 2019 vacant/closed	April 2019 as percent	August 2020 vacant/closed	Aug 2020 as percent
600 north	13	1	7.7%	8	61.5%
600 south	18	2	11.1%	6	33.3%
700 north	12	1	8.3%	8	66.7%
700 south	18	3	16.7%	6	33.3%
800 north	11	4	36.4%	7	63.6%
800 south	nd	nd	nd	nd	nd
total	72	11	15.3%	35	48.6%
percent		15.3%		48.6%	



Above: Sadly typical view.

Below, left: In August, hair salons remain closed by health orders and many small retail and service related stores had not re-opened.

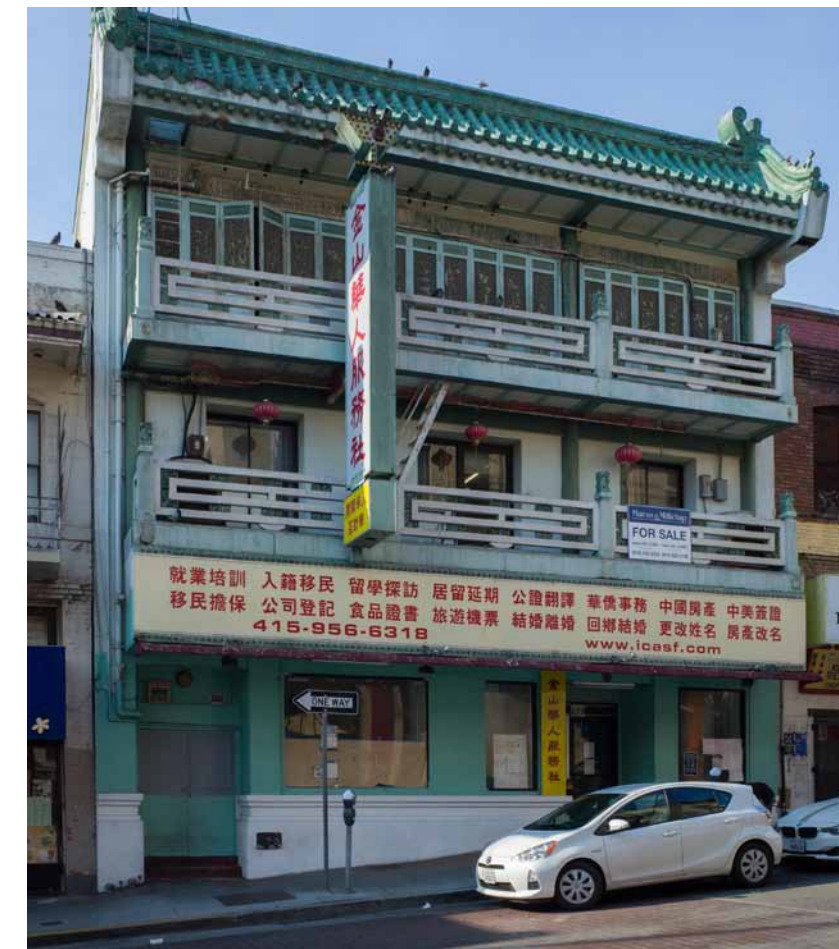
Below: This bookstore was semi open but five adjacent businesses were closed or vacant.

Right: at noon on July 31, 2020. Woey Loy Goey had tables out for side walk service, but no takers. When I returned at the same time on August 11, the tables were gone.





Many restaurants, cafes, bakery remain open for take out, which helps explain the lower closure rates for the south side of Jackson.



One of several buildings in Chinatown with "for sale" signs - a sign of the times?

Looking down Grant from Jackson at mid-day on August 11, empty of traffic and not many people.



In the midst of closures, someone was remodeling to open a new business in the right hand store front.



Washington Street between Kearny and Stockton

Vacancies/closures on Washington, May 2019 and August 11, 2020

Washington Kearny to Stockton	Total store fronts	May 2019 vacant/closed	May 2019 as percent	August 2020 vacant/closed	Aug 2020 as percent
700 north	6	0	0.0%	2	33.3%
700 south	4	1	25.0%	1	25.0%
800 north	18	6	33.3%	8	44.4%
800 south	13	1	7.7%	6	46.2%
total	41	8	19.5%	17	41.5%
percent		19.5%		41.5%	

Washington Street vacancies/closures have doubled to 42% in August, 2020. There are relatively fewer businesses below Grant and many are restaurants that have stayed open with take out and/or sidewalk dining service, contributing to fewer vacancies and closures. Above Grant are more small retail and service businesses that have been hard hit and remain closed or vacant. Pedestrian traffic is light.



As is true on other cross streets, hair salons remain closed by health orders while retail food businesses remain. As of September 11, 2020, they will be allowed to re-open on September 14.

Another sign of the times at entrance to residential floors at 858 Washington - "outsiders please do not enter."

Washington Bakery and Grant Place Restaurant next door were reasonably crowded with outside diners for lunch on August 11.



Clay Street - Kearny to Stockton

Clay Street commercial activity has been decimated by the pandemic, going from a vacancy/closure rate of 11% in May 2019 to one of 66% in early August 2020. Even allowing for possible errors on my part in identifying closures, this is a bad situation. Some of the high closure rate is driven by closed personal services businesses like hair and nail salons that will be permitted to re-open on September 14, 2020.

Vacancies/closures on Clay, May 2019 and August 11, 2020

Clay Kearny to Stockton	Total store fronts	May 2019 vacant/closed	May 2019 as percent	August 2020 vacant/closed	Aug 2020 as percent
700 north	5	2	40.0%	3	60.0%
700 south	17	1	5.9%	10	58.8%
800 north	12	1	8.3%	8	66.7%
800 south	10	1	10.0%	8	80.0%
total	44	5	11.4%	29	65.9%
percent		11.4%		65.9%	

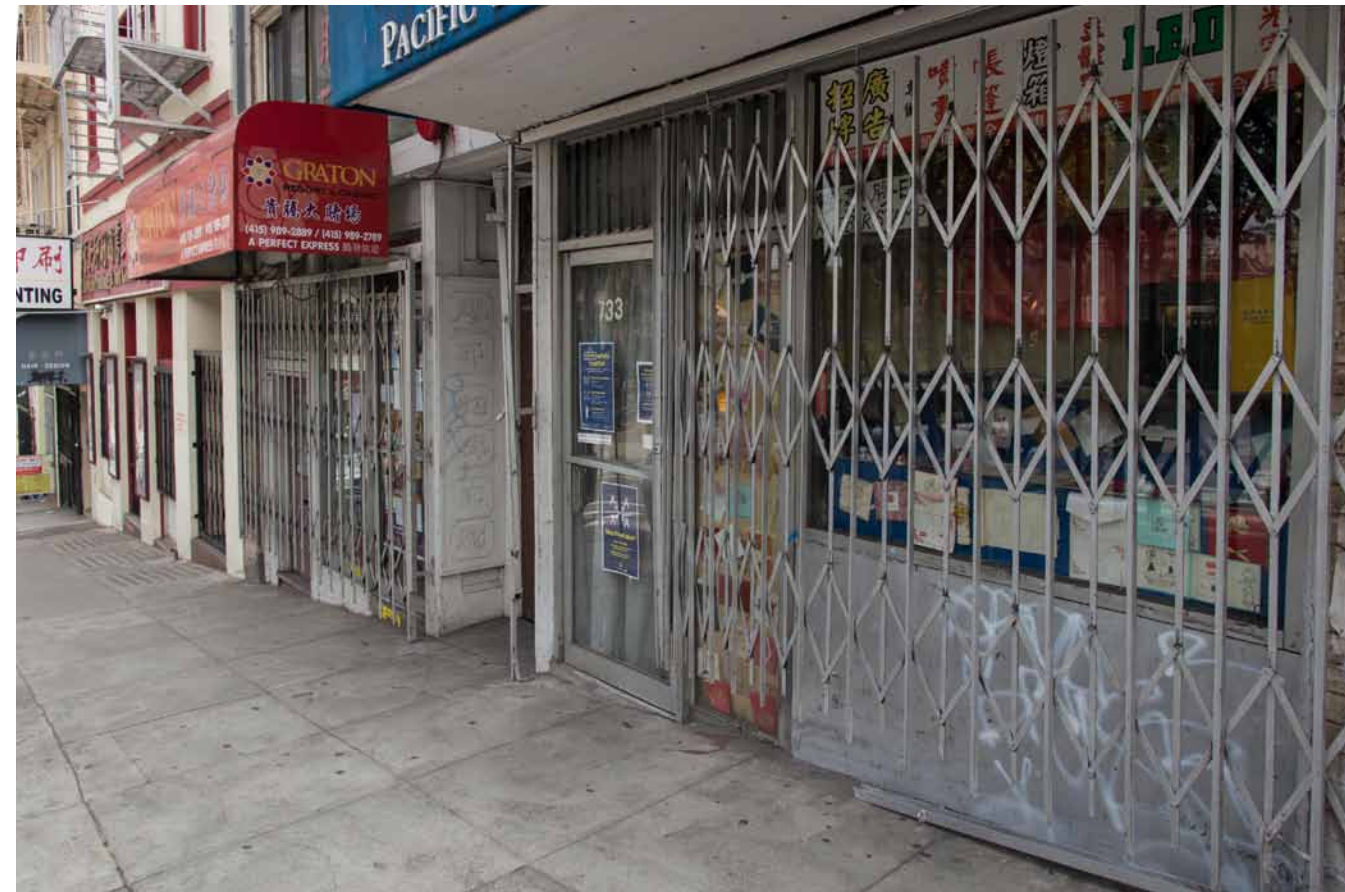


As elsewhere in Chinatown, food businesses have held on the best.



Travel agencies are closed throughout Chinatown.

Multiple adjacent closures below Grant.



Sign on windows of Dragon Seed bridal shop, which appears closed.



Sacramento Street, Kearny to Stockton

Sacramento Street does not have as much retail as other cross streets in Chinatown and has more personal and professional services and related businesses. It has had vacancy issues for many years above Grant but less so toward Kearny, although there have been reports of many vacancies in second floor office spaces, which are not addressed in these street surveys.

The pandemic has hit hard, with an August 11, 2020, vacancy/closure rate of 66%, up dramatically from 22% in January of 2020. In part this is driven by hair salon and massage parlour closures but many other businesses have been affected as well. Many of the "open" businesses were barely open.

Vacancies/closures on Sacramento, January 2020 and August 11, 2020

Sacramento Kearny to Stockton	Total store fronts	January 2020 vacant/closed	Jan 2020 as percent	August 2020 vacant/closed	Aug 2020 as percent
700 north	17	2	11.8%	9	52.9%
700 south	5	0	0.0%	4	80.0%
800 north	4	2	50.0%	4	100.0%
800 south	6	3	50.0%	4	66.7%
total	32	7	21.9%	21	65.6%
percent		22%		65.6%	

Businesses on the north side between Grant and Stockton have struggled for years and all were closed or vacant on August 11.



Work continues on Chinese Playground



Friends Indeed Art Gallery is open by appointment above Kearny. The larger building was listed for \$9~10 million in July.

Travel agency closed, office supplies closed, insurance agent appears open, gate open but lights are out - by appointment only?



Counted as open - a) optometrist's gate open but lights off; b) CPA office gate and door locked but sign says "open" and to ring bell for upper floor - maybe both only by appointment? The trading company store was one of only two businesses on the block that really "looked" open.





A new day begins, 9:10 AM
August 20, 2020

AN END, NOT THE END

Supervisor Aaron Peskin
Support for Commercial Eviction Moratorium
November 6, 2020
Page 8

Exhibit 4

Selected Articles

[Attached]

Business

A new gentrification crisis

The coronavirus recession could wipe out minority-owned businesses, fueling displacement from historic ethnic neighborhoods

Los Angeles business owners fear coronavirus shutdowns will hasten the gentrification that has encroached on Latino, Black and Asian communities in Boyle Heights, South L.A. and Chinatown since the Great Recession.

By **Tracy Jan**

Photos by Philip Cheung for The Washington Post

JULY 31, 2020



When the newly retired firefighter opened South L.A. Cafe in November,

he was the latest in a string of Black entrepreneurs hoping to contain the spread of gentrification in South Los Angeles.

Facing the development of luxury condos, hotels and upscale restaurants that many residents cannot afford, Joe Ward-Wallace opened a coffee shop and market where neighbors can linger and buy fresh food. Sales increased by 10 percent each month, he said, part of a renaissance of Black-owned cafes and other businesses in the historically African American community.

“It was a tactic for cultural preservation,” Ward-Wallace said. “We were on an upward swing right before covid to reclaim our community.”

Then the [coronavirus pandemic](#) ground the nation’s economy to a halt. Overnight, business at South L.A. Cafe dropped 70 percent. Ward-Wallace furloughed nine of his 10 employees.

The recession threatens to devastate Black commercial districts and other [ethnic enclaves](#) that fuel the vibrancy,

economies and identities of American cities. In many cases, these neighborhoods were the products of earlier generations of discrimination, including racial segregation and [redlining](#). Now, entrepreneurs of color are being pushed out.

In Los Angeles, business owners, community leaders and economists predict that months of shutdowns will hasten the gentrification that has encroached on Black, Asian and Latino communities in [South L.A.](#) (formerly known as [South Central](#)), [Chinatown](#) and [Boyle Heights](#) since the Great Recession.

With a renewed surge of the novel [coronavirus](#) in California, many [small businesses](#) are not expected to survive a recession that has hammered the restaurant, retail and personal services industries in which many entrepreneurs of color are concentrated. Black, Latino and Asian workers, overrepresented in the leisure and hospitality sectors, are [more likely to be unemployed](#) as a result of the pandemic, which has also

disproportionately infected and killed Black and Hispanic Americans.

“Sorry, we’re closed” signs adorn the doors of hair salons and nail shops in South L.A., where some shuttered businesses have launched crowdfunding campaigns to pay rent. Restaurants in Chinatown are surviving on takeout orders and contracts to deliver food to homebound seniors. Sidewalks in some parts of Boyle Heights have largely emptied of street vendors selling tamales and tacos.



A view of downtown Los Angeles from the Latino community of Boyle Heights. Local businesses have struggled to stay open since the coronavirus pandemic spread across the city, and with it, fears of further gentrification.

Minority-owned small businesses tend to be undercapitalized mom-and-pop operations, with lower sales and a small financial cushion, economists say — potentially making it easier for outside investors to snap up their properties at low rates after the crisis. Black and Hispanic families **lost a larger percentage** of their wealth than White families during the **last recession**.

“The covid-19 recession is disproportionately hurting these minority businesses, making their communities more vulnerable to gentrification pressures than they already were before,” said Paul Ong, a UCLA economist and urban planner whose research focuses on minority and immigrant enclaves. “The expectation is that minorities will lag behind in the recovery, putting them in a weaker position to hang onto their businesses. That will make these areas much more attractive to outside investors in terms of profits because the prices will be lower.”

Businesses located in minority communities were less likely to receive government assistance under the \$660 billion [Paycheck Protection Program \(PPP\)](#), according to a Washington Post analysis of data recently released by the Small Business Administration. Nationally, about three-quarters of [PPP loans](#) of more than \$150,000 went to businesses in census tracts where a majority of residents are White.

The loans, which are [forgivable](#) if largely used to maintain payrolls at precrisis levels, are designed to keep small businesses afloat during the coronavirus shutdown. But an SBA [inspector general's report](#) found that the agency failed to follow congressional guidelines to prioritize minority-owned businesses and other underserved borrowers.

Ong's analysis of the PPP loans showed that businesses in the ethnic neighborhoods of Leimert Park in South L.A., Chinatown and Boyle Heights received disproportionately less federal support than businesses in

three neighborhoods with more Whites.

Many are not even applying because of linguistic or other barriers, said Ong, the director of UCLA's Center for Neighborhood Knowledge. Minority-owned businesses are less likely to have relationships with the big banks that more easily allow them to tap into the government assistance or other safe credit options. "They are not in a great position to start with," he said, "and they seem to be falling further behind by not getting support to weather the storm."



Nicole Young, 44, owner of Q Stuff, checks on her shuttered jewelry store in Chinatown. She is in the process of moving her business online because stores in the shopping plaza have been closed since mid-March.

The first sign of trouble arrived in downtown L.A.'s Chinatown in February, seven weeks before California Gov. Gavin Newsom (D) issued a statewide stay-at-home order to combat the coronavirus.

Instead of the usual hordes of tourists who descend upon the one-square-mile neighborhood for the annual Lunar New Year parade, Nicole Young noticed lots of space on the streets and sidewalks surrounding the Dynasty

Center, where she owns a small store called Q Stuff that specializes in custom-made beaded jewelry. The nearby plaza, with red lanterns strung between pagoda-style buildings, remained half-empty.

Fear as well as racist associations with a virus that had its first epicenter in Wuhan, China, were keeping people away from Chinese restaurants and other Asian-owned businesses — just as in other [Chinatowns](#) across the country amid a flare in [anti-Asian sentiment](#).

TOP: One of the first areas to feel the economic impact of the coronavirus, Chinatown has been empty of tourists since February. BOTTOM LEFT: Young makes custom beaded jewelry. But since tourism to Chinatown stalled, she fears she may have to close her store for good. BOTTOM RIGHT: Ducks hang in Hop Woo BBQ & Seafood Restaurant. At least five Chinatown restaurants have permanently closed since the coronavirus pandemic began.

“I could sense that people really didn’t want to come to shop and eat in Chinatown,” said Young, who began wearing a mask in January but removed it when she sensed customers were uncomfortable. “I didn’t want people to think I was sick.”

By mid-March, the [indoor flea market](#) housing her store and dozens of other stalls selling traditional Chinese dresses, suitcases and tchotchkes closed, in line with government orders. Four months later, stores remain shuttered. Young, who had plans to expand before the pandemic, now fears she may never reopen.

“Why would I stay here and pay rent when there is no business?”

Instead, she’s brushing up on her photography and written English skills and learning how to build a website so she can move her business online. She worries something will be lost with e-commerce — her ability to explain Chinese culture to tourists. And with it, something greater.

“I see Starbucks and American franchise stores close to Chinatown’s entrance,” Young said. “The coronavirus may force Chinatown to disappear faster. All the businesses will look no different from the shopping malls in the rest of America.”

Young said she started to apply for a PPP loan in May. But after neighboring business owners told her it was a waste of time because they did not receive any money, she never bothered completing the application.

For other businesses, it’s already too late. At least five Chinatown restaurants have [closed for good](#) despite Congress having passed the

\$2.2 trillion Cares Act at the end of March, said Peter Ng, chief executive of L.A.'s Chinatown Service Center.

To help some survive, Ng's nonprofit contracted with restaurants to prepare and deliver meals to 1,300 senior housing residents who no longer had safe access to grocery stores and communal kitchens.



Judy Cen and her husband, Yening "Lupe" Liang, the owners of Hop Woo BBQ & Seafood Restaurant, lost half their daily business because of the coronavirus shutdown. They are staying afloat with a federal loan, takeout orders and a contract to deliver meals to homebound seniors.

The senior meals program helped
Yening "Lupe" Liang, owner of Hop

Woo BBQ & Seafood Restaurant, stay afloat. Liang, who worked in Tijuana before opening his Mexican-influenced Cantonese-style restaurant in Chinatown in 1993, lost more than half his daily business as a result of the pandemic and had to cut his staff of two dozen down to just a handful of family members. His wife runs the front of the house. Their two daughters take orders over the phone, pack food and collect money. He is the chef, preparing 300 boxed lunches a week of rice, eggplant and tofu for seniors at \$6 apiece.

His landlord has granted a rent deferral, but Liang said delayed payments are due in full by 2021. For now, he said, Hop Woo is able to survive on takeout orders, as well as a PPP loan of \$52,000. “Otherwise, we would have had to close permanently,” said Liang, whose cooking has been featured on local Chinese- and Spanish-language TV.

He is not optimistic about Chinatown’s future, even if customers are eventually allowed to dine inside again. “People have already lost so

much. In Chinatown, a lot of restaurants and stores will be closed forever. They don't have a choice."



Nico Avina, 46, owns Espacio 1839, which has been shuttered since mid-March. It sold apparel and books representing Latino cultures in Boyle Heights and hosted a gallery and community radio.

Less than three miles away, across the Los Angeles River in the Latino community of Boyle Heights, Nico Avina remains haunted by what happened to his business and neighborhood after the 2008 recession.

Avina, an artist, owns [Espacio 1839](#), a bookstore, gallery and community

space. It is the second incarnation of a concept his wife, Myra Vasquez, had launched in 2004, before the economy crashed and their store closed in 2009. Theirs was hardly the only casualty.

All across town, local businesses disappeared. [Large galleries](#) spilled across the river from the neighboring Arts District, and developers tried rebranding Boyle Heights as “BoHe” and “East Bank L.A.” A real estate agent promoted a bike tour of Avina’s working-class community in 2014, distributing fliers in the Arts District that said, “Why rent downtown when you could own in Boyle Heights?”

“Articles quoted gallery owners saying this was nothing before they got here, completely dismissive of the existing community and the fact that this was the Chicano mural capital of the world,” Avina said.

The community staged intense protests against gentrification, and at least six galleries have [closed or moved out](#) of Boyle Heights in recent years. But more luxury high-rise

apartments are slated for construction. Warner Music Group [relocated its headquarters](#) from Burbank to a former Ford factory just across the river in 2019. Spotify also moved its regional headquarters to the Arts District. Avina and other activists predict that a slew of upscale businesses will move into Boyle Heights to cater to the newest neighbors.

“I can just imagine what’s going to happen this time around, especially since the Arts District is fully developed now,” Avina said. “It’s going to completely change the character of a community. It will be artificial — like replacing the natural flavors of cane sugar with corn syrup. It might be sweet, but in the end, it will kill you.”

In 2012, Avina and Vasquez revived their concept for a community creative space with the opening of Espacio 1839, leasing a storefront steps from Mariachi Plaza, where musicians rehearse and Avina had been selling T-shirts. The landlord, it turned out, had owned the apartment

building where Avina grew up, and recognized him from his Mexican immigrant parents' food stand as "the taco man's son." He offered to rent the space to Avina instead of putting it on the market.

TOP: Musicians rehearse and book gigs from Mariachi Plaza. BOTTOM LEFT: Leonardo Acosta, a single father of three daughters, has been a hot-dog vendor for 15 years. He used to make about \$400 a

week, but he has not worked for five months because of the pandemic. “The entire community is suffering,” he said. **BOTTOM RIGHT:** A man prepares flowers to sell in Boyle Heights, a Latino neighborhood that has been gentrifying since large galleries spilled across the river from the neighboring Arts District after the Great Recession.

Avina, Vasquez and their two sons live just blocks from their store. Until they shut Espacio 1839 in mid-March, it hosted an [Internet radio station](#) and community podcasts, sold T-shirts that Avina designed, held poetry and book readings, showcased the work of local artists, and offered free writing, photography and printmaking workshops. One wall of the store depicts a seven-foot-tall Virgen de Guadalupe staring down at an eviction notice, a painting Avina titled “Lupita Was Displaced.”

Now his family is surviving on savings, and making rent with a newly created store website that sells T-shirts and homemade masks. Vasquez runs a side business selling [gelatinas](#) from their home. The couple had initially planned on reopening the store during weekends in July — or by appointment only. But they scrapped that idea after coronavirus infections in L.A. skyrocketed again.

“We’re just trying to survive. Out of the four months we’ve been closed, two of those months have been assisted by others,” Avina said.

L.A. poet Yesika Salgado, who held readings at the store, donated one month’s rent. A national fundraiser for small businesses, featuring musicians including local band Chicano Batman, covered another month’s rent. Avina doesn’t think Espacio 1839 can survive much beyond six months of closure.

“One of our biggest fears is this is going to speed up the gentrification process,” he said. “It’s not just a threat. It’s real. If we look at history and what happened in 2008, there were sharks waiting to take their vacant spots.”

He doesn’t want to let his community down by closing again for good and giving outsiders an opportunity to take over. Proceeds from local businesses are reinvested back into the neighborhood — into small grocers and food vendors so they could feed their families too, he said.

Avina laments what will be lost with thousands in his community out of work, and local entrepreneurs getting priced out: daily rhythms like the cinnamon-chocolatey smell of champurrado in the morning, replaced by vendors selling jicama and pineapples in the afternoon and tacos al pastor in the evening as norteñas and cumbias blare from open windows. How long, he wonders, will the sound of guitars and trumpets continue wafting from Mariachi Plaza?

“With something unforeseen like coronavirus, it’s a left hook to a community out of nowhere,” he said. “In the fight against gentrification, we have to occupy space. That’s what we’re trying to do with Espacio.”



Joe and Celia Ward-Wallace, owners of South L.A. Cafe, opened their coffee shop near Leimert Park in November. Joe, a retired firefighter, was the latest in a string of Black entrepreneurs hoping to stop the spread of gentrification in South Los Angeles.

That's what Black entrepreneurs were trying to do around Leimert Park, the cultural center of the African American community in South L.A., hoping to halt a 25 percent drop in the Black population since the Great Recession.

At least five Black-owned coffee shops have opened in recent years. They welcomed lower-income residents to plug in their computers and stay all

day. They featured vegan menus and hosted political panels, after-school cooking classes and talks on gentrification. But some community leaders fear that the only businesses that will survive the coronavirus recession will be the fast-food chains ubiquitous in this food desert.

Joe and Celia Ward-Wallace, owners of the new South L.A. Cafe, had spent decades fighting for food justice and racial economic equality in South Central before opening their own coffee shop. They decided halfway through construction last year to lease a second neighboring space where they would sell affordable, fresh food.

As the coronavirus outbreak worsened in China in January and February, just months after opening, the couple discussed whether they should close their business. Instead they stayed open, selling \$35 grocery boxes with essential provisions: beans, rice, pasta, vegetable broth, almond milk, fruits and vegetables, toilet paper and medical masks. Nonprofits, corporations and individuals sponsored hundreds of boxes each

week for them to hand out to financially struggling customers.

They launched an online ordering app for curbside pickup, expanding to grocery and meal delivery. They've asked the community for recurring \$10 monthly donations; more than 500 people have signed up.

Pop stars Ariana Grande and Beyoncé promoted [South L.A. Cafe](#) along with other [Black-owned businesses](#) during the [national protests](#) over police brutality and systemic racism.

“People are elevating us because of the civil unrest happening right now around racial justice,” Ward-Wallace said. “But given what’s happening with covid, it’s such a frightening projection so we don’t know what that will mean for business moving forward. I think the majority of Black and Brown businesses are going to really struggle to reopen because they are falling deeper and deeper into a hole.”

The Ward-Wallaces say they have dipped into their personal savings to

keep the business afloat and still owe
thousands of dollars in back rent.

TOP: Customers wait for their cars to be washed in Leimert Park, the cultural center of the African American community in South L.A. The Black population has dropped by 25 percent in the neighborhood since the Great Recession. BOTTOM LEFT: Bronwyn “Ms. Bronnie” Hardy, 70, owner of Vergess Palace De Bella Donna hair salon in South L.A., has a long-standing policy of styling hair at no charge if someone in the neighborhood has a job interview and can’t afford to pay. “Economically, the coronavirus has broke us,” she said. BOTTOM RIGHT: Meals prepared by local restaurants, including

Dulan's on Crenshaw Soul Food Kitchen, are distributed to those in need at the Good News Missionary Baptist in South L.A.

The Black Lives Matter movement has made people recognize that Black-owned businesses are especially vulnerable because of the pandemic, said Greg Dulan, owner of the famed Dulan's on Crenshaw Soul Food Kitchen. Anonymous donors have paid him to feed coronavirus first responders for six weeks.

Corporations he never heard from in the past are reaching out to discuss future catering and promotional opportunities. But he wonders how long that surge in support will last.

“If we're going to have a strong African American business community which helps to uplift African American neighborhoods, then some of these things that are happening have to continue long-term,” Dulan said.

Dulan, whose cafeteria-style restaurant opened weeks after the 1992 Rodney King uprising, is planning for the future. He is in the process of buying an adjoining property that he plans to turn into a

parking lot and also use for his catering headquarters.

A Howard University graduate, Dulan said he took a cue from [Ben's Chili Bowl](#), a Washington, D.C., institution that survived U Street's gentrification in part by buying the adjoining property and opening the more upscale [Ben's Next Door](#) in 2008.

Dulan, too, wants to control his real estate — and his fate — in the face of gentrification. Despite his decreased profits due to the recession, he made the calculation to buy the property now, before he's priced out.

“The only way African American businesses are going to survive is we have to own our own stuff,” Dulan said. “I’m determined for there to be soul food in the Crenshaw district for as long as I’m able to do it. This is Black Los Angeles. That’s who I serve every day.”



Greg Dulan, owner of Dulan's on Crenshaw Soul Food Kitchen, said he has never seen such a surge in support for Black-owned businesses in his more than 30 years in the restaurant industry.

Andrew Ba Tran contributed to this report. Design by Clare Ramirez. Photo editing by Annaliese Nurnberg.

Coronavirus: What you need to read

The Washington Post is providing some coronavirus coverage free, including:

Updated Sept. 28, 2020

The latest: [Live updates on coronavirus](#)

Coronavirus maps: [Cases and deaths in the U.S.](#) | [Cases and deaths worldwide](#)

What you need to know: [Vaccine tracker](#) | [Coronavirus etiquette](#) | [Summertime activities & coronavirus](#) | [Hand sanitizer recall](#) | [Your life at home](#) | [Personal finance](#)

[guide](#) | [Make your own fabric mask](#) | Follow all of our [coronavirus coverage](#) and sign up for our free newsletter.

How to help: [Your community](#) | [Seniors](#) | [Restaurants](#) | [Keep at-risk people in mind](#)

Asked and answered: [What readers want to know about coronavirus](#)

Have you been **hospitalized for covid-19**? [Tell us whether you've gotten a bill.](#)



YuBalance gym owner Rory Cox, right, and trainer Joshua Reeves work out in the gym's newly reopened Church Street location in Noe Valley. The gym, which has several locations, has struggled to make rent payments due to the pandemic. (Kevin N. Hume/S.F. Examiner)

Small businesses in limbo as end of eviction moratorium nears

Many commercial tenants 'teetering on the edge,' unable to pay rent



New Harmony Cafe owner Ben Angel, right, greets a food delivery person. The cafe, which opened just before the pandemic, has survived in part through revenues from the Great Plates Delivered SF program, which delivers free meals to older adults. (Kevin N. Hume/S.F. Examiner)

While Mayor London Breed has extended The City's commercial eviction moratorium to Sept. 30 from Sept. 14, she said that The City's ability to extend the moratorium beyond the end of the month depends on the state. An executive order from Gov. Gavin Newsom that allows local governments to suspend commercial evictions is set to expire at the end of the month.

The Board of Supervisors is expected to unanimously adopt a resolution on Sept. 22 to urge the governor to extend eviction protections for small businesses.

"We know that people are anxious, especially those that have just had the opportunity to reopen," Breed said at a news conference on Tuesday. "They want certainty about the future. We want to give you that certainty, and we want to give you that flexibility. We are doing everything we can with the governor's office to make sure that we're able to extend that [moratorium]."

In Japantown, tenants in the Kinokuniya Building at Japan Center mall sent a request for rent relief to landlord Kinokuniya Bookstores of America in April, according to Anne Matsuno, a co-owner of the cafe Kissako Tea since July

2019. While some tenants accepted an offer from the landlord to defer rent payment in May, others like Matsuno and her husband, who is the co-owner of the business, declined, because paying a month of deferred rent later would be too burdensome for the business.

“The community has been very supportive of our business and we’ve just been doing the best we can to support each other — our fellow tenants and the community — [and] getting the word out that there are people here and that we’re still open,” Matsuno said.

Meanwhile, Low and Diane Matsuda, a staff attorney with the nonprofit organization Asian Pacific Islander Legal Outreach, are representing 44 tenants at the Japan Center mall including some in the Kinokuniya Building in negotiations for rent relief with landlords Kinokuniya Bookstores of America and 3D Investments, which own separate parts of the mall (Kissako Tea is not involved). Low said the two landlords have not offered rent relief options since June, although 3D Investments expressed interest on Wednesday in exploring options.



A group of 44 tenants at Japan Center is seeking to negotiate rent relief. (

Yubalance Neighborhood Fitness Club lost the majority of its gym members within a few days after the shelter-in-place order took effect in March, costing it 80 percent of revenues across its three studios. Only 150 members remain, down from 600 before the pandemic.

“I have literally spun around the ocean with no compass and I have no idea what direction we’re going,” said Rory Cox, co-owner of Yubalance.

While the business paid rent for its studios in the Sunset and Richmond districts until May, it has since ceased payments. Whether the landlords have forgiven or deferred the unpaid rents remains unknown, Cox said. Neither does he know whether he must begin paying full rent when The City’s commercial eviction moratorium expires on Sept. 30.

Yubalance’s story is a dime a dozen right now in San Francisco, where the coronavirus pandemic has left business owners struggling to stay afloat. Many fear the looming expiration date of the moratorium may trigger an “avalanche” of evictions for commercial tenants, according to Allan Low, a real estate attorney who is working pro bono to help small businesses in The City’s Asian cultural districts.

“Unless we rely on the generosity of landlords, there’s a real threat there’s going to be just a wave of litigation [from] landlords trying to collect rent,” Low said.

“The practical question there is: You sue and evict tenants, but who’s going to come in and take over the space?”

“There’s just not enough money in the real estate ecosystem to make anything work right now,” he continued. “Most tenants’ sales are down 70 to 80 percent and [they] just don’t have enough money to pay rent. If landlords aren’t collecting rent, they can’t pay their mortgage.”

The landlord of Yubalance’s studio in Noe Valley has forgone rent during the pandemic, Cox said, and is discussing the structure of rent payments after The City’s commercial rent moratorium is set to expire.

Yubalance is beginning to recoup some of its financial losses, as city officials have allowed fitness studios to begin indoor operations on Monday, but the future of its studios is still hanging in the balance.

“We’re excited to be open,” Cox said. “But there’s an incredible amount of uncertainty because we don’t know what the landlords are going to say. Come the first of October, we aren’t going to be able to pay full rent.”

“It’s really important for the governor to extend that moratorium,” said state Sen. Scott Wiener, D-San Francisco, who introduced legislation earlier this year seeking to temporarily prohibit eviction of commercial tenants. The legislation, which was opposed by commercial property owners, died in committee during a short and chaotic legislative session.

“So many small businesses and nonprofits are teetering on the edge,” Wiener said. “We need to get businesses and nonprofits up and moving.”

Some businesses have been able to negotiate feasible agreements with their landlords. Before the pandemic, Ben Angel, owner of New Harmony Cafe, had signed a lease with the landlord for temporarily reduced rent so the business, which started in January, could get on its feet. When the shelter-in-place order came into effect, the business was severely impacted and the landlord agreed to extend the reduced rent until after The City allows for indoor dining to resume.

Now, the Mission District cafe is relying on revenues from the Great Plates Delivered SF program, a program delivering free meals to older adults during the pandemic.

“That has saved our business,” Angel said. “[It] provided a huge foundation of stability for us to pay bills [and] navigate our way through this crisis.”

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NEWS

What's Lost in Bay Area Asian Culture When SF Eviction Moratorium Ends?

By [Cecilia Lei](#)  Sep 11

Tilly Tsang (L) and her daughter Chelsea Hung (R), owners of Washington Bakery and Restaurant in San Francisco's Chinatown on Sept. 2, 2020. (Beth LaBerge/KQED)

This report contains a clarification.

Updated 6:25 p.m., Tuesday: Mayor London Breed has extended the commercial eviction moratorium to September 30, 2020. During a press conference on Tuesday, Breed said she is

working with the governor's office to seek an extension beyond the end of the month.

Before the pandemic, Tilly Tsang, owner of Washington Bakery and Restaurant in San Francisco's Chinatown, says breakfast was always the busiest. Each morning, a rotation of regular customers would enter the restaurant, order their usual – sometimes a bun or a pastry from the bakery counter – and sit down to survey who else from the neighborhood was around.

“A lot of people, mostly older people, come every day to sit down and just have a cup of coffee, or a cup of *lai chai*,” Tsang said. “They just want to see if they know anybody so they can chat, chat, chat.”

Lai chai, or milk tea, is one of the many Hong Kong staples that Tsang has offered at her restaurant, a local favorite, for over two decades, along with their beloved baked pork chop rice plates and salt and pepper chicken wings. Her loyal customers include Chinatown residents who live in single-room occupancy hotels (SROs). They treat Tsang's restaurant, and other immigrant and family-owned businesses, as an essential place to catch up and socialize with one another because many of their cramped buildings lack common areas.

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But since the COVID-19 pandemic, small business owners like Tsang are facing the devastating reality that many will not survive. Tens of thousands have already permanently closed in the United States, and it is uncertain when another round of federal government assistance will arrive. Aid from the federal Paycheck Protection Program has largely run out for those who could get it.

Eviction moratoriums have prevented more San Francisco businesses from folding, but the city's **commercial eviction moratorium** ends on Sept. 14. That means commercial tenants will have until Monday to pay back missed rent payments – which for many add up to six months rent – or else landlords can start evicting them as early as October. Locals fear that once commercial evictions begin, those who depend on the businesses for jobs, culture and community will be displaced, and the cultural landscape of San Francisco will be irreparably harmed.

Real estate attorney **Allan Low** is working pro bono to assist small business owners in the city's Asian cultural districts. He says without immediate steps on both the federal and local level to address the threat of permanent closures, "We're going to be faced with a tidal wave of evictions, bankruptcies and retail landscapes that are just going to be completely obliterated."

He says that could mean devastation to neighborhoods that have largely defined San Francisco's unique culture, including Chinatown, Japantown and the city's newest cultural district, SOMA Pilipinas.

The ripple effects will hit the larger Bay Area Asian Pacific Islander American population that depend on these hubs for a sense of belonging, essential services and cultural empowerment – especially in a region that has already faced rapid gentrification and demographic shifts.

In Chinatown: Holding Space for One Another

Unlike its more affluent neighbors in Russian Hill and North Beach, Chinatown has been able to stave off years of housing and development pressures thanks to its strong community, tenant organizing and zoning restrictions.

District 3 Supervisor Aaron Peskin says the neighborhood has benefited from its "incredibly rich fabric of community-based organizations" such as the **Chinatown Community Development Center (CCDC)**. The nonprofit housing organization quickly leapt into action at the start of the pandemic with its short-term **Feed + Fuel Chinatown program**. The program immediately mobilized Chinatown restaurants to feed vulnerable SRO residents and the elderly. It allowed restaurant owners to hire back laid off employees and pay rents, but it ended in mid-July.



Chelsea Hung works to package meals for a Chinatown Community Development Center program that provides meal delivery for seniors and residents in local SROs or public housing during COVID-19, at the Washington Bakery and Restaurant in San Francisco's Chinatown on Sept. 2, 2020. (Beth LaBerge/KQED)

Some restaurants, like Tsang's, are still participating in a similar effort through the city's **Great Plates program**, but most say they are only generating about 25% of their regular revenue, a CCDC restaurant survey revealed. Nearly 60% of restaurant jobs have been eliminated and less than a quarter of the Chinatown restaurants surveyed say they can maintain their businesses; the rest are either unsure, barely surviving or have only months left to stay open.

Even though shelter-in-place orders were announced in mid-March, the painful drop in business started in January for Frank Chui, co-owner of the Hang Ah Tea Room.

“It was a fall-off-the-cliff kind of decline,” he said. “It wasn’t slow. It was immediately – boom, within a week, 70% to 90% drop, like no business.”

Bay Area APIA businesses, not just in Chinatown, were hit first – as early as December 2019 – because of rising xenophobia and anti-Asian discrimination, which motivated **politicians to encourage patronage of Chinatown businesses** before San Francisco issued its shelter-in-place orders.

'It becomes this domino effect ... It's not just the loss of a business, it's the loss of a whole community.'

—**Chelsea Hung, Washington Bakery & Restaurant**

Chui says the closure of Hang Ah Tea Room, which was established in 1920, would mean the permanent loss of an important piece of San Francisco Chinatown and American history: “It’s the first dim sum house in America.” Chui acquired the restaurant in 2014 and had hopes of celebrating its 100th anniversary this year.

Owning the restaurant was an opportunity for Chui to help protect part of Chinatown’s legacy; the restaurant has generations of customers that make visiting Hang Ah Tea Room an annual tradition. But the challenges of COVID-19 has forced him to cut more than half of his staff – all recent immigrants who live in Chinatown. Chui says they have all been able to collect unemployment benefits after the layoffs.

At Tsang’s **Washington Bakery and Restaurant**, some employees have stayed on for decades. Keeping the restaurant in the family is a priority for Tsang and her daughter Chelsea Hung. Hung moved back from New York in 2018 after working in tech to help out with the restaurant because she couldn’t bear the thought of letting the business go when her mother contemplated retiring a couple years ago.

“I think it's up to our generation to pay it forward and continue the community we grew up in,” Hung said. “It's more than the restaurant, but also for the community.”

She explains that the businesses are intricately linked to a unique commercial ecosystem that helps make Chinatown a complete neighborhood: “We use a lot of local vendors, and if we had to shut down those vendors would be affected, too,” Hung said. “It becomes this domino effect. ... It’s not just the loss of a business, it’s the loss of a whole community.”



As part of the 'Shared Spaces' program, sections of Grant Avenue in San Francisco's Chinatown are temporarily closed to traffic on Aug. 30, 2020. The street closure, every Saturday and Sunday from 8 a.m. to 9 p.m., allows pedestrians more space and restaurants to open for outdoor dining.

The city is trying to help struggling Chinatown businesses by encouraging restaurants to participate in outdoor dining. While the city's **Shared Spaces program** had already shut down a stretch of Grant Street – the corridor of Chinatown most known for its tourist souvenir shops – for outdoor dining, it has primarily been utilized by outside visitors and tourists who have slowly begun to return to Chinatown. Hoping to loop in more restaurants, especially ones that serve locals, CCDC and the Chinese Chamber of Commerce started providing grants and technical assistance to merchants, such as securing barricades to partition an outdoor dining area.

Hung says the program has helped Washington Cafe and Restaurant, and the effort has slowly welcomed back their usual regulars who have happily found an outdoor alternative for the morning *lai chai*. “They’re happy about that but they’re also facing their own challenges of how to social distance, but also be active and still live their life,” she explained.

Though Hung says their landlord, who also owns a business in Chinatown, has accommodated delayed rent payments for now, she still has to pay several months’ in full, and it’s an anxiety-

inducing reality that is sinking in for businesses across the city as the eviction moratorium is scheduled to end on Sept. 14.



Jade Zhu takes orders at outdoor tables at the Washington Bakery and Restaurant in San Francisco's Chinatown on Sept. 2, 2020.

In Japantown: Two Landlords Determine the Fate of Dozens

While the threat of commercial evictions in Chinatown is imminent, it may be blunted by the fact that building ownership in the neighborhood is more diversified compared to others. Supervisor Peskin says that because many of its buildings are owned by family associations, for example, that are not “entirely motivated by money and rent,” he believes businesses in other neighborhoods face a graver risk of permanently closing.

One such neighborhood is Japantown where the fate of dozens of small businesses in the East and West sides of the Japan Center mall – the cultural district’s main commercial center – is in the hands of just two landlords.



The Japantown Peace Plaza on Sept. 2, 2020. (Beth LaBerge/KQED)

Since the start of the pandemic, the closure of the two-building indoor mall has severely impacted the more than 50 businesses inside, which are a mix of mom-and-pop shops and restaurants.

In addition to the rent, businesses must pay the common area maintenance fees that have more than doubled for some tenants since a turnover in property management in 2018. Adding to tenants' woes has been the total lack of response to requests for future rent relief structure on the part of one particular landlord, Kinokuniya Bookstores of America, which makes negotiating a deal impossible, says Diane Matsuda, a staff attorney with [Asian Pacific Islander Legal Outreach \(APILO\)](#), a nonprofit organization.

“The biggest challenge here is that you have two really big mega landlords and those mega landlords control a lot of the cultural and economic hub of Japantown,” Matsuda says. “Should they not want to negotiate or have any kind of rent abatement ... you’re really talking about us losing literally a whole ethnic community that has been here since the start of the 19th century.

Matsuda and Low, who is also fighting for Chinatown business owners, have been representing nearly 40 Japan Center tenants in total, many of whom are native Japanese speakers with limited English proficiency.

“They don't have to just be the quiet Americans that I think the property manager wants them to be,” Matsuda said.



The Japan Center East Mall on Sept. 2, 2020. (Beth LaBerge/KQED)

One such tenant is Ryan Kimura, who owns Pika Pika on the Kinokuniya side of the mall. Since 2006, **Pika Pika** has been a specialty store that features *purikura*, or Japanese sticker photo booths, which is often frequented by young teens and families. The photos are a popular Japanese phenomenon that Kimura wanted to bring to the U.S. after living in Japan for several years. It's an in-person and unique social experience that has made it impossible for the business to reopen during the pandemic. Despite no revenue, Pika Pika continues to receive monthly invoices for rent and services, according to Kimura, who says he and his family are now leaning towards closing up the 14-year-old shop for good.

Many of the businesses, like Pika Pika, highlight unique aspects of Japanese culture, from gardening knowledge to selling products that would otherwise only be found in Japan. For the

tenants, the business of sharing Japanese culture and traditions is a deeply personal passion – one that now stands to be lost if rent negotiations do not take place.

Before the pandemic, a coalition of Japantown mall tenants expressed their concerns over high common-area maintenance charges that dramatically increased since Davis Property Management took over management of the Kinokuniya Building in 2018. Kimura and Matsuda say some of the tenants have seen over a 100% increase in the fees and that some are paying more in these charges than in rent itself.

'You're really talking about us losing literally a whole ethnic community that has been here since the start of the 19th century.'

—Diane Matsuda, Asian Pacific Islander Legal Outreach

“This has caused a lot of friction within our mall and a lot of tenants are upset about it and the lack of transparency,” says Kimura. “We send multiple emails, letters to our property managers and landlords and have heard nothing back.”

Attempts to reach Kinokuniya’s attorneys for this story were unsuccessful, but Kirsten Fletcher, the building’s property manager wrote that “it is difficult all around,” and cites that the building owner also owns over 50 stores in the Americas alone. “Rent is contracted and due by the tenants, no one is making money,” Fletcher replied in an email.

Fletcher also notes that one month of deferred rent was offered to Kinokuniya tenants earlier in the pandemic.

Establishing and securing the commercial and retail district of Japantown is an effort that dates back more than a century, starting from when Japanese immigrants settled into the area after the 1906 earthquake. It grew into a thriving community that spanned about 40 blocks during its heyday until Executive Order 9066 during World War II swept Japanese citizens and Japanese Americans into internment camps.

Since then, through years of economic development, buildings have been razed and the neighborhood has been reduced into only a commercial district. It’s why protecting the mom-and-pop shops in Japantown is an effort to preserve the cultural heart of the wider Bay Area Japanese American community, many of whom come into San Francisco to convene and continue important traditions. Japantown is less residential than Chinatown but it serves as a focal point for key community events and festivals, including local basketball league games, the annual Cherry Blossom and Obon Festivals and gatherings at the Japanese Buddhist church in the neighborhood.



Xiao Feng brings out an order at the Matcha Cafe Maiko at the Japan Center West Mall on Sept. 2, 2020. (Beth LaBerge/KQED)

Kristy Wang, a community planning policy director with the **San Francisco Bay Area Planning and Urban Research Association (SPUR)** adds that keeping businesses alive in these neighborhoods is essential in preserving a cultural home base for communities, even if they move away.

She cites the exodus of San Francisco's Black population as an example: "So many people have had to move out or decided to move out. And if you lose those businesses, then you lose a place to go back to even."

Low says attempts to reach out to Kinokuniya's property manager and attorneys have gone unanswered, and he's afraid that once the commercial eviction moratorium is lifted on Monday, many of these businesses won't make it.

"Our existing commercial eviction moratorium was based on the assumption that this pandemic would only last six months ... it was a very short-term reaction," Low said. "I think we relied too much on the good faith that landlords and tenants can work out their own problems and what we're rapidly realizing is this is not the case."

As it stands now, the **commercial eviction moratorium** states that if commercial tenants have not paid all outstanding rent after six months, landlords are able to evict them for non-payment.

Low has drafted an ordinance – and is in talks with Supervisor Peskin, as well as District 5 Supervisor Dean Preston, whose jurisdiction includes Japantown – that would extend the existing moratorium as well as add more weight to its enforcement.

Though the timeline of when this may happen is still unclear, Peskin says he hopes to arrive at a solution that will be “legally sound.”

Low adds, however, that an extension of the moratorium still won't be enough. “The moratorium is fine just for stalling the evictions,” he says. “You have to get to the underlying problem, which is not only stopping the evictions or addressing evictions, but somehow addressing the money.”

In SOMA Pilipinas: Incubating Survival Strategies

Another population in San Francisco that is acutely familiar with being forced to relocate is the Filipino American population.

SOMA Pilipinas was formed in 2016 in part to encourage entrepreneurship among Filipino Americans in a Filipino-dedicated business corridor and reclaim space in a city that has repeatedly displaced them.



A mural on the Bayanihan Community Center in the SOMA Pilipinas neighborhood in San Francisco on Sept. 2, 2020. (Beth LaBerge/KQED)

There had been a 10-block radius neighborhood dubbed “Manilatown” on Kearny Street in the 1920s established by Filipino migrant farmworkers. But as urban renewal and development sought to grow the city’s Financial District, Filipinos were slowly pushed out of the area. **The tension came to a head in 1977**, when the International Hotel, or I-Hotel, a residential building for Filipino immigrants, faced eviction threats, which led to large protests and coalition building with other groups, including Chinese and Japanese American activists.

Eventually, I-Hotel evictions took place and shifted Filipino immigrants to the SOMA district, where they opened up businesses and established storefronts. But they then faced additional mass displacement during the development of Yerba Buena and Moscone centers.

“SOMA Pilipinas is kind of a great hope of ‘we can finally write the narratives that we always wanted,’” said Desi Danganan, executive director of **Kultivate Labs**, a nonprofit arts and economic development organization, who helped spearhead the district.

“All of these past struggles led up to this momentous opportunity to develop our community in one of the most wealthiest progressive cities in the world,” said Danganan. Since its establishment and before the pandemic, SOMA Pilipinas had 18 businesses in the

neighborhood – its main corridor is on Mission Street between Fifth and Seventh streets – and many of its owners are younger Filipino entrepreneurs and artists. The district has since lost four businesses due to the economic challenges of the coronavirus.



A person rides a bike by a mural on Bindlestiff, a Filipinx black box theater on 6th Street in the SOMA Pilipinas neighborhood in San Francisco on Sept. 2, 2020. (Beth LaBerge/KQED)

In a survey conducted a few months ago, more than half of the food and retail businesses in SOMA Pilipinas have lost more than 90% of their revenue, largely attributed to the lack of foot traffic from employees in nearby office buildings, including the Twitter headquarters. Nearly 70% of the businesses say they only had a handful of months left to stay afloat.

The impact on SOMA Pilipinas may mean a serious hurdle for new Filipino entrepreneurs who saw the new business district as a source of cultural empowerment. With a background in entrepreneurship and business marketing, Danganan says he realized early on that establishing an economic footprint would be critical in creating a cultural space for the Filipino community.

“Access to capital and mentorship was the biggest barrier to entry into doing business in the south of market, or SOMA Pilipinas,” he said. Through Kultivate Labs, Danganan and his team

function as an incubator to help kickstart Filipino businesses.

One such business owner is Hü Gamit, a 27-year-old San Francisco native who followed in the footsteps of his late grandfather, Papay, who once owned The Gamit Barbershop on 6th Street. He grew up in his grandfather's shop, which he says was a safe space for Filipino immigrants, and watched him bond with the local community. He established his own barber shop, **Yoü by Hü**, on Sixth Street in August 2019 and says it provided an opportunity to continue a family and cultural legacy – he frequently runs into SOMA community members who remember his grandfather fondly – and empower himself to contribute something new for the larger SOMA community.

“The one thing I'm most proud of is I've turned myself into a business. Like, I am the business,” Gamit said. “My space on Sixth Street, that's my place, that's like my home court.” He says it's especially meaningful as someone who was born and raised in the city who has witnessed the power shifts and dynamics of gentrification.

But dreams of entrepreneurs like Gamit have been thwarted by the coronavirus, which has kept him from opening his shop since March.

Some food businesses in the neighborhood have been able to survive by **feeding front-line Filipino health workers**, an initiative designed by Kultivate Labs. But Reina Montenegro, owner of **Nick's on Mission**, a Filipino vegan restaurant, feels the urgency to pivot in order to survive.

A former caterer, Montenegro has turned to building her online presence, hosting cooking classes and preparing meal prep packages, to adapt during the uncertainty. While her landlord has accommodated late payments, she says the stack of unpaid bills, rent and other costs is growing to a point where she may have to rethink her entire business structure, and not return to the brick-and-mortar model at all.



Rita's Catering & Eatery serving Filipino cuisine from a food truck in the SOMA Pilipinas neighborhood in San Francisco on Sept. 2, 2020.

Through grants and support from city politicians, Danganan said San Francisco has been largely supportive of SOMA Pilipinas and hopes that the city continues to incorporate equity in every decision.

While he continues to triage support for the SOMA Pilipinas businesses that continue to face devastating uncertainty, Danganan says he's always willing to place a bet on culture, especially in San Francisco: "It's like hardware and software. Hardware is just like any kind of city infrastructure and software is the culture. And that's what we have here."

He recognizes, though, that the survival of cultural neighborhoods will boil down to each community's ability to take care of itself. Danganan holds the incredible political savvy of Chinatown, cultivated by decades of activism and organizing by community leaders and activists, as an example.

"We're heavily supported by our city government, as they should, but at some point, our community's going to have to come together and support ourselves. It's the only way to push us forward."

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Sept. 15: Davis Property Management, the property management company for the Kinokuniya tenants of Japan Center, offered one month of deferred rent earlier in the pandemic. The story has been edited to include this response.

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