



SMALL BUSINESS COMMISSION
OFFICE OF SMALL BUSINESS



CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

June 17, 2016

Ms. Angela Calvillo, Clerk of the Board
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: BOS File No. 160102 [Planning Code - Prohibiting Formula Retail in Polk Street NCD]

Small Business Commission Recommendation to the Board of Supervisors: **Approval with One [1] Condition**

Dear Ms. Calvillo,

On June 13, 2016, the Small Business Commission voted unanimously (6-0, 1 absent) to recommend approval of the legislation, with one condition:

1. The Small Business Commission requests in writing, prior to the date the Land Use Committee will hear the legislation, a confirmation that previously submitted conditional use applications will be processed.

The Commission's deliberation focused on feedback from the small business community as well as practical considerations. Members of the small business community organized a collective action campaign to ensure that their support for this legislation was registered. They provided letters, emails, petitions, and spoken testimony. The Commission noted the proximity of Van Ness Avenue, located one block west of Polk Street. Van Ness Avenue, between Filbert Street and Post Street, offers a suitable environment for formula retail uses within a convenient distance from Polk Street and its RC-3 and RC-4 zoning districts provide for conditionally permitted formula retail uses. Finally, the Commission considered connections between formula retail competition, commercial real estate prices, and storefront vacancy.

The Commission did register concern regarding the potential unintended consequences of this legislation. In the event that more prohibitions are adopted at the neighborhood level, they may generate negative externalities for small businesses located in neighborhoods with more permissive zoning controls. When formula retailers have many choices, competitive pressures are diffuse. However, as the number of neighborhoods available to formula retailers declines, some Neighborhood Commercial Districts are likely to experience acute competitive pressures.

After considering the advantages and disadvantages of the legislation, the Small Business Commission opted to vote in support.

Sincerely,

A handwritten signature in black ink, appearing to read "Regina Dick-Endrizzi". The signature is fluid and cursive, with the first name "Regina" being the most prominent.

Regina Dick-Endrizzi
Director, Office of Small Business

cc: Nicole Elliott, Mayor's Office
Aaron Peskin, Board of Supervisors
Todd Rufo, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Alisa Somera, Land Use & Transportation Committee