



SMALL BUSINESS RECOVERY ACT

FILE 210285

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Small Businesses in Crisis in the San Francisco Bay Area

Vacancy glut in SF could spur tax on empty storefronts

San Francisco Chronicle

'We're all losing money!'

Trisha Thadani
Jan. 23, 2019 | Updated: Jan. 23, 2019 4:29 p.m.

Union Square struggles with retail challenges

S.F.'s shopping mecca sees big properties ready for redevelopment

BUSINESS
Bay Area's High Cost Of Living Squeezes Restaurant Workers, Chefs And Owners

March 6, 2019 - 3:12 PM ET
Heard on All Things Considered

More than 400 restaurants closed throughout San Francisco during 2019

How does a retail space stay empty in San Francisco for 16 years?

San Francisco's increased bag fee has small grocers wary of rising costs

Small businesses can't escape misery on SF's streets

But like small businesses all over San Francisco, ClockWise faces daily headaches stemming from the misery on the city's streets and the City Hall to ...

A dozen more streets face city's new empty storefront penalty

PRE-COVID CHALLENGES

San Francisco Chronicle
'Ghost kitchens' spring up in SF, and delivery-app customers

Outer Sunset Restaurant Survives City Permitting Nightmare

BUSINESS
Delivery Only: The Rise Of Restaurants With No Diners As Apps Take Orders

December 5, 2019 - 5:01 AM ET

SHANNON BOND

Why so many SF storefronts are empty

A boarded up vacant building on the 500 block of Columbus Avenue. (Kevin N. Hume/S.F. E)

San Francisco is so expensive, Oracle is moving its annual mega-conference to Las Vegas instead

Restaurant operators urge Small Business Commission to rein in 'thuggish' behavior

Why The Castro And North Beach Have So Many Vacant Storefronts

Homelessness surges

In Bay Area, small retail struggles while tech booms

Experts blame rising rents, among other factors

retail vacancy problem has become a source of persistent blight in the North Beach and Castro over the last five years. But with so many well-off booming local economy, why are so many blocks in two of SF's most vibrant neighborhoods for tourism, food, and nightlife filled with boarded-up or darkened storefronts?

Chain store bans in San Francisco leave more shops empty, critics say

COVID Pandemic Devastates San Francisco Tourism; Visitor Spending Dropped By \$8 Billion In 2020

The House shutters after 26 years in San Francisco

For those enduring a year without income, Covid became an economic plague

San Francisco is one of the most affected metro areas, with a 48% closure rate of small

businesses. More than 2,000 SF area businesses closed permanently during pandemic, Yelp data show

83-year-old SF restaurant shutter: 'to wait out this pandemic was financially unreasonable'

The Stud, San Francisco's Oldest Queer Bar, Has Lost Its Home

Louis' Restaurant in SF permanently closed due to pandemic

S.F. is facing its worst fiscal crisis in decades.

Mission Margarita Destination Velvet Cantina Permanently Closes

'Worst in the state': S.F. sales tax data show like San Francisco's coronavirus job losses pile up, and population decline this may be just the start

COVID IMPACTS

San Francisco tax revenue plunge points to resident exodus

San Francisco experienced a 42% year-over-year decline in sales tax revenue. Uber layoffs, following Lyft, Airbnb, add to SF economic pain

Data shows steep drop in SF sales tax revenue, possible

San Francisco is one of the most affected metro areas, with a 48% closure rate of small businesses.

Levi's cutting 15% of its corporate workforce after sales drop due to coronavirus pandemic

San Francisco restaurant Locanda has permanently closed

City economist calls data 'a warning sign for small businesses'

Coronavirus chaos: Bay Area restaurant closes permanently after 21 years

Walzwerk German Restaurant Closes Permanently After 21 Years
It's the end of an era for schnitzel, spaetzle, and schwarzbier in the Mission

Zuni, Nari, and State Bird Suspend Service, and More Coronavirus-Related Restaurant Closings
After 14 Years of Cozy Omakase, ICHI Sushi Is Closed for Good

COVID RESPONSE

- **\$52.8 million** in grants and loans
- **\$19.48 million** in programs for workers
- **Delivery fee cap**
- **Commercial Eviction Moratorium**
- **Fee waivers and deferrals**

RECOVERY EFFORTS: ECONOMIC RECOVERY TASK FORCE

- **Recommendation 1.2:** Redesign building permit processes and eliminate unnecessary permits not directly related to health and safety
- **Recommendation 4.3:** Allow more flexible use of the ground floor retail
- **Recommendation 4.4:** Rethink the rules that restrict flexible/temporary arts, culture, hospitality and entertainment uses.
- **Recommendation 8.2:** Catalyze neighborhood recovery through the arts.



**FURTHER CUT
BUREAUCRACY**

Simplify the process

**ENHANCE
FLEXIBILITY**

Support recovery and adaptation

**SUPPORT ARTS
& CULTURE**

Provide protections and opportunities

FURTHER CUT BUREAUCRACY

SIMPLIFY THE PROCESS

- **Expand streamlined 30-day review and inspection procedures to principally permitted storefront uses citywide**
 - Note: This legislation does not change the zoning. Like Prop H, it says that if the use is principally permitted, as an applicant you should get your permit in 30 days.
- **Remove 311 notifications in Mixed Use and Commercial Use Districts to mirror the changes voters enacted in the neighborhoods** (only for uses principally permitted by the zoning). Does not change zoning or affect conditional uses.
- **Add bars, nighttime entertainment, medical cannabis, non-retail sales and service and small formula retail to the existing expedited conditional use process.**

FURTHER CUT BUREAUCRACY

SIMPLIFY THE PROCESS

- **Allow non-formula retail approved conditional uses to continue after three years of abandonment**
- **Remove the requirement that the Historic Preservation Commission review minor alteration permits and certificates of appropriateness**
- **Remove requirement for linear frontage concentration calculations**

ENHANCE FLEXIBILITY

SUPPORT RECOVERY & ADAPTATION

- **Simplify retail definitions**
 - Cat Boarding and Trade Shops will be moved under General Retail
 - Instructional Services and Gyms will be moved under Personal Services
- **Expand allowance for accessory catering to full-service restaurants**
- **Allow outdoor activity areas on rooftops for non-bar uses from 9 AM – 10 PM**
- **Allow accessory dwelling units on the ground floor in neighborhood commercial districts so long as 25' of commercial depth is maintained along the frontage**

SUPPORT ARTS & CULTURE

PROTECTIONS & OPPORTUNITIES

- **Create a path for longstanding (10+ years) entertainment businesses to continue operations**
- **Temporarily require Conditional Use Authorization for the removal of nighttime entertainment uses**
- **Allow temporary outdoor entertainment, arts and recreation activities**
- **Eliminate the one-night dance permit requirement for the Southeast Community Facility**

- Exempt solo unamplified performances that cease by 10 PM from requiring a Limited Live Performance permit
- Extend permissible hours for new Limited Live Performance permits to 11 PM
- Create a 60-day LLP for entertainment in association with pop-up retail uses

SUPPORT ARTS & CULTURE

PROTECTIONS & OPPORTUNITIES

- **Remove duplicative CU requirements for nighttime entertainment**
- **Remove the cap on one-time entertainment and amplified sound permits**

Supporting Businesses

- **Small Businesses** - Small Business Development Center, Community Development Block Grants, Loans/Access to Capital
- **Public Spaces** - Activation, Stewardship and Ambassadors
- **Storefronts & Buildings** - SF Shines, Healthy Retail, Open in SF
- **Commercial Corridors** - Construction Mitigation, Outreach & Vacancy Tracking, Citywide Funding grant administration
- **Neighborhoods** - Community Benefit Districts, Cultural Districts, Opportunity Neighborhoods

Support for the Ordinance

- BOMA San Francisco
- Castro Community Benefit District
- Castro Merchants Association
- Chamber of Commerce, San Francisco
- Council of District Merchants Association, San Francisco
- Discover Polk Community Benefit District
- Downtown Community Benefit District
- East Cut Community Benefit District
- Golden Gate Restaurant Association
- Hayes Valley Merchant Association
- Hayes Valley Neighborhood Association
- Japantown Community Benefit District
- Kultivate Labs
- SOMA West Community Benefit District
- Tenderloin Community Benefit District
- Travel Association, San Francisco
- Union Square Business Improvement District
- Venue Coalition, San Francisco
- Westfield
- Yerba Buena Community Benefit District