

BOARD of SUPERVISORS



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MEMORANDUM

TO: Patrick O'Riordan, Director, Department of Building Inspection
José Cisneros, Treasurer
Carla Short, Director, Public Works

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: September 15, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following hearing request, introduced by Supervisor Engardio on September 2, 2025.

File No. 250911

Hearing to report on City incentives and penalties surrounding vacant and blighted properties on commercial corridors; and requesting the Department of Building Inspection, Office of the Treasurer and Tax Collector, and Public Works to report.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: john.carroll@sfgov.org.

cc:

Offices of Chair Melgar and Supervisor Engardio
Patty Lee, Department of Building Inspection
Tate Hanna, Department of Building Inspection
Amanda Kahn Fried, Office of the Treasurer and Tax Collector
David Steinberg, Public Works
Ian Schneider, Public Works

Member, Board of Supervisors
District 4



City and County of San Francisco

JOEL P. ENGARDIO

July 29, 2025

Angela Cavillo, Clerk of the Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

via Email: Angela.Cavillo@sfgov.org

Hearing Request: Requesting the Department of Building Inspection, Treasurer/Tax Collector, and the Department of Public Works to report on city incentives and penalties surrounding vacant and blighted properties on commercial corridors

Dear Madam Clerk,

Pursuant to the power of inquiry and review that City Charter Sec. 16.114 vests in the San Francisco Board of Supervisors ("Board"), I am requesting a hearing to examine the City's existing efforts to discourage commercial vacancies. This includes review of the Department of Building Inspection's Vacant or Abandoned Storefront Registry, the Treasurer & Tax Collector's Commercial Vacancy Tax, and Public Works' Graffiti Abatement Opt-In Program.

In 2008, San Francisco empowered Public Works to enforce the anti-blight ordinance, in order to prevent properties in significant deterioration or disrepair from creating instability on surrounding properties and within surrounding neighborhoods.

In 2019 and 2020, the Board of Supervisors and San Francisco voters approved policies requiring commercial property owners to register vacant storefronts, pay registration fees, and, in some cases, incur additional penalties and taxes. These well-intentioned policies were designed to protect the vitality and economic health of neighborhood commercial districts by deterring long-term vacancies and neglect of commercial spaces. Importantly, these policies were adopted prior to the COVID-19 pandemic, which drastically changed commuting patterns and reshaped the local economic landscape.

In addition, in 2022, the Board of Supervisors created the Public Works Graffiti Abatement Pilot Opt-in program, which allowed property owners in commercial areas to opt into graffiti abatement by Public Works at no cost to the property owner. This program was later made permanent by former Mayor London Breed. In light of COVID economic changes, it is important to reexamine whether the City's existing programs and tax incentives are effectively achieving their intended goals.

The purpose of this hearing is to assess whether these programs are successfully promoting economic vitality, encouraging new business activity, and facilitating the re-occupancy of vacant storefronts. It is also an opportunity to evaluate coordination efforts between these initiatives, how outcomes are measured, and whether enforcement mechanisms are working as intended. Furthermore, the hearing will explore how absentee property owners are impacted by and respond to these programs, and whether the City's approach to penalties, fees, and incentives remains appropriate in the current environment.

I am requesting a hearing to ask the Department of Building Inspection, Public Works, and the Treasurer/Tax Collector respond to the following questions:

- Are the anti-vacancy programs — DBI's Commercial Storefront Registry and TTX's Commercial Vacancy Tax — achieving their intended outcomes of reducing long-term vacancies?
- What revenue has been generated by the DBI's Commercial Storefront Registry and TTX's Commercial Vacancy Tax?
- Is there a process in place to ensure the Graffiti Abatement Opt-In Program does not unintentionally enable absentee landlords to prolong vacancies without consequence?
- Do any of these programs directly incentivize the lease of commercial properties? If so, how?
- How might the City reevaluate its tax- and fee-based approach to addressing commercial vacancies?
- What coordination practices exist to coordinate the implementation of the City's various efforts to penalize or prevent commercial vacancies? Do DBI and TTX share commercial vacancy data to ensure efficient implementation?
- What are the annual revenues generated by the Commercial Storefront Registry and the Commercial Vacancy Tax since their implementation?
- How do DBI and TTX coordinate with one another to implement and enforce these programs?

The conclusions from this hearing will be helpful for informing future policy regarding land use and tax incentive reforms.

Thank you, Madam Clerk, for facilitating this hearing request. Any questions for my office may be directed to my Legislative Aide, Sophie Marie, at sophie.marie@sfgov.org.

Sincerely,



Joel P. Engardio
Supervisor, District 4
San Francisco Board of Supervisors

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☒ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor _____ inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. _____ from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No. _____
- ☐ 9. Reactivate File No. _____
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on _____

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)

Sponsor(s):

Supervisor Joel P. Engardio

Subject:

Incentives and penalties surrounding vacant and blighted commercial properties

Long Title or text listed:

Requesting the Department of Building Inspection, Treasurer/Tax Collector, and the Department of Public Works to report on city incentives and penalties surrounding vacant and blighted properties on commercial corridors

Signature of Sponsoring Supervisor:

