

1 [Supporting California State Senate Bill No. 939 (Wiener) - Commercial Tenancies and
2 Evictions]

3 **Resolution supporting California State Senate Bill No. 939, authored by Senator Scott**
4 **Wiener and coauthored by Assembly Members David Chiu and Phil Ting, to protect**
5 **businesses and non-profit organizations from evictions, and permit small businesses**
6 **or restaurants that have experienced a decline in revenue during the shelter-in-place to**
7 **renegotiate or terminate their commercial leases.**

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9 WHEREAS, The shelter-in-place order, while necessary for health and safety, has had
10 an enormous negative impact on small businesses, especially restaurants; and

11 WHEREAS, 47 percent of San Francisco restaurant owners laid off all their employees
12 during the shelter-in-place; and

13 WHEREAS, Among the 73 percent of restaurants that remain open for takeout, 60
14 percent are doing so at a financial loss; and

15 WHEREAS, 87 percent of restaurants surveyed report that they cannot survive
16 financially with takeout and delivery service alone; and

17 WHEREAS, 62 percent of restaurants surveyed report that they are making less than
18 50 percent of what they made prior to shelter-in-place; and

19 WHEREAS, 36 percent of restaurants surveyed do not report that they are planning
20 on reopening their restaurants regardless of the future capacity allowances; and

21 WHEREAS, More than 30 percent of surveyed consumers do not feel comfortable
22 returning to restaurants for dine-in service; and

23 WHEREAS, Governor Gavin Newsom released extensive new guidelines for reopening
24 restaurants in California, which will increase the cost of running a restaurant and decrease the
25 revenue a restaurant is able to generate; and

1 WHEREAS, One of the biggest determinations of restaurants' survival is rent, and
2 while more than half of those surveyed got some lease payments deferred, just 28 percent
3 were offered discounted rent while 41 percent received no relief from landlords; and

4 WHEREAS, Restaurants represent a substantial portion of California's and San
5 Francisco's economies, contribute immeasurably to our City's culture, and, according to the
6 Planning Department's Commerce and Industry study (2018), the restaurant industry employs
7 approximately 65,000 people across nearly 4,000 establishments; and

8 WHEREAS, California has more than 90,000 restaurant locations, generating more
9 than \$7 billion in sales tax annually; and

10 WHEREAS, San Francisco is at severe risk of mass closure of restaurants, bars and
11 cafes due to social distancing requirements; and

12 WHEREAS, Through Senate Bill No. 939, restaurants, entertainment venues, and
13 other vulnerable sectors will be provided with the opportunity to work with landlords to
14 modify leases and stay in business; and

15 WHEREAS, Senate Bill No. 939 will also ensure that no commercial tenants
16 (businesses, non-profits, and other non-residential lessees) will be evicted during the State of
17 Emergency declared to help fight the COVID-19 pandemic, during which economic activity
18 has been suppressed and commercial tenants may prove unable to pay the rent through no
19 fault of their own; and

20 WHEREAS, Senate Bill No. 939 already enjoys widespread support from business and
21 non-profit leaders, labor unions, civil and consumer rights organizations, and individual small
22 businesses, including the Bay Area Hospitality Coalition, the Golden Gate Restaurant
23 Association, the ACLU of California, and the Greenlining Institute; now, therefore, be it

24 RESOLVED, That the City and County of San Francisco supports Senate Bill No. 939,
25 which will permit small businesses and non-profit organizations to renegotiate or terminate

1 their commercial leases if they have suffered financial losses due to the shelter-in-place
2 requirements; and, be it

3 FURTHER RESOLVED, That a copy of this Resolution be forwarded to San
4 Francisco's state delegation.

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