

# SF Small Business Rent Relief During COVID-19

**Government Audit and Oversight Committee**

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# Commercial Eviction Moratorium

- The Commercial Eviction Protections Ordinance covers commercial tenants missing rent payments that are:
  - Originally due during the Moratorium Period
  - Because of financial impacts resulting from the COVID-19 crisis
  - Landlords may not attempt to recover possession of the unit because of the missed payment until after a Forbearance Period
- The Ordinance protects a business tenant or the business subtenant if, among other things, the tenant is:
  - Is registered to do business in San Francisco, and;
  - a combined worldwide gross receipts for tax year 2019 equal to or below \$25 million



# Commercial Eviction Moratorium Technical Assistance

- Since March 2020, OEWD has collaborated with OSB to provide technical assistance to businesses and landlords about the City's commercial eviction moratorium
- To date, OEWD has facilitated more than 125 inquiries from businesses, property owners, brokers, attorneys, and non-profit partners through referrals
  - We have begun more outreach, such as webinars, to broaden use
- OEWD has authority to issue clarifying guidance
  - OEWD has worked with the City Attorney's Office to clarify four areas within the ordinance and has published this guidance on our website



## Legal & Real Estate Services

- OEWD has existing programs with community-based organizations to provide legal consultation and support to businesses that:
  - Require lease review and support
  - Face possible eviction, or
  - Require referrals to other real-estate related services
- Over 13 CBOs provide basic lease review assistance and referrals support over 400 requests annually
- OEWD also has neighborhood-focused grants for real-estate services in opportunity neighborhoods
  - TLCBD has provided services since
  - OEWD is expanding its programming to Mission through a partnership with MEDA





# IIN Legal & Real Estate Services

## Total Allocation \$640,000 (existing and in process)

- Leasing referrals reported across 13 partners
  - 873 lease services and referrals: FY 2019-2020
  - 439 businesses received lease services and referrals: FY 20-21 (July 1 – Current)
- LCCR/LSE
  - 70 lease reviews FY 19-20
  - 72 lease reviews FY 20-21 (July 1-Current)
  - Scope of services includes support businesses, create or retain jobs, host workshops, and provide hours of counseling
- Working Solutions
  - 25 lease reviews FY 20-21 (July 1-Current)
  - Scope of services includes support businesses, create or retain jobs, host workshops, and provide hours of counseling
- BASF contract terms are pending
  - Scope of services includes support businesses, create or retain jobs, host workshops, and provide hours of counseling



# COVID City Relief Grants & Loans to Date

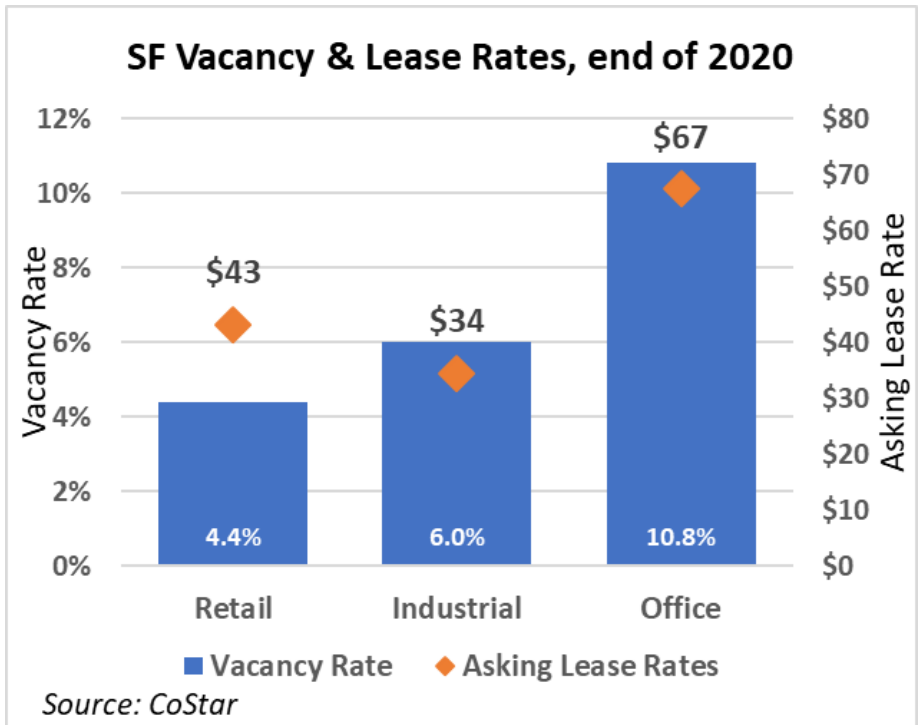
Over the last year, OEWD has overseen **\$24 million** in loan and grant operating support for **1,370+** small businesses

- Awards ranged from grants of \$2,000-\$10,000 to loans of up to \$50,000
- Funds are flexible in use and can be used for rent relief



# Vacancy at end of 2020

- Per CoStar, Citywide Retail has the lowest vacancy rate of the three major commercial lease categories
  - This is likely due to success of local, state and federal eviction moratoriums and grant/loan programs
  - These rates are based on the ratio of vacant space all leasable space



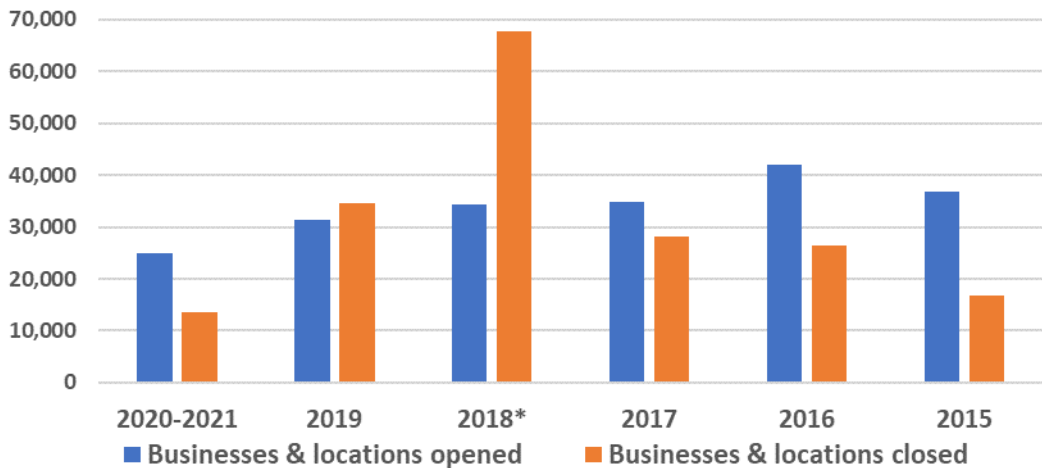
# IIN Neighborhood Vacancy

- **OEWD started collecting in 2013**
  - Collected across 24 neighborhoods
  - Based on storefronts, instead of square footage
  - 6,199 storefronts last surveyed in December 2020
  
- **15.7% citywide average vacancy rate**
  - Up 3.5% from 2018
  
- **Largest Vacancy Rate Increases from 2018-2020**
  - **Union Street 8.9%**
  - **Fillmore 8.2%**
  - **Japantown 7.6%**

Corridor	Storefronts 2020	Change 2018-2020
Leland Ave	77	0.0%
Third St	173	-0.4%
Ocean Ave	162	6.3%
Fillmore	123	8.2%
North Beach	219	-0.8%
Castro	333	6.6%
Broad St	50	-6.0%
Middle Polk	139	6.7%
Lombard St	159	5.3%
Union St	289	8.9%
Excelsior	550	1.2%
Lower Polk	148	2.2%
Central Market	375	5.1%
Mission Bernal	224	2.7%
Chinatown	988	4.1%
Japantown	158	7.6%
Inner Mission	714	2.7%
Taraval St	259	3.0%
Noe Valley	175	1.3%
Geary Blvd	236	4.1%
Irving St	151	1.4%
San Bruno Ave	160	-0.9%
Noriega St	183	2.8%
West Portal	154	3.8%
<b>All Corridors</b>	<b>6,199</b>	<b>3.5%</b>

# Business Closure

## SF Citywide Business Openings and Closure

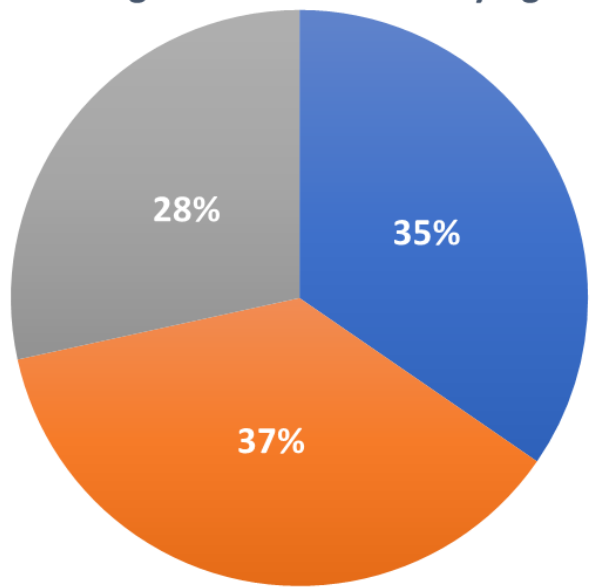


\*In 2018, TTX removed over 30,000 delinquent registrations from its rolls

Source: SF TTX

**In 2020-2021, 11,500 more businesses and locations have registered as opened than have registered as closed**

## SF Registered Businesses by Age



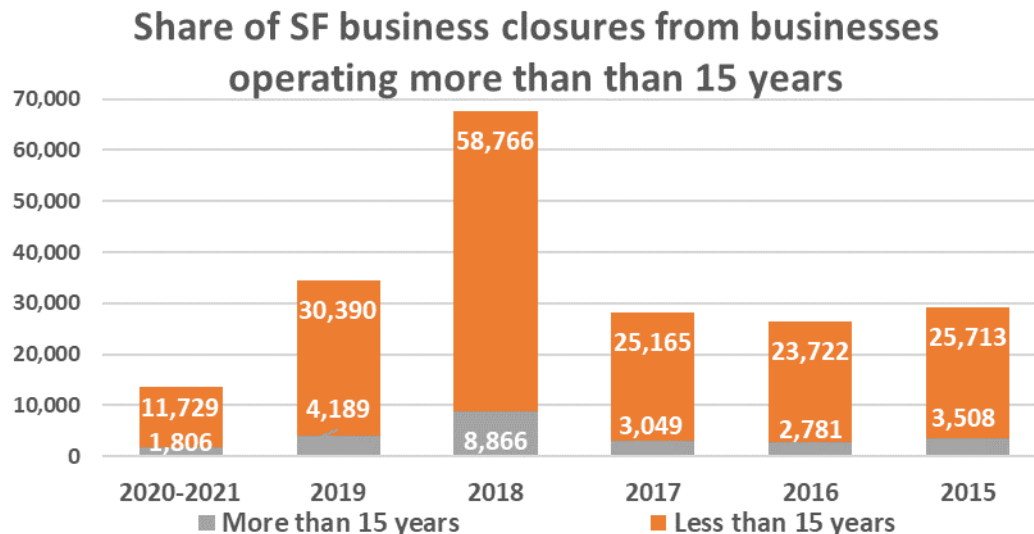
■ Less than 5 years ■ 5-15 years ■ More than 15 years

Source: SF TTX

**Just over 25% of currently registered SF businesses are over 15 years old**

# Closure in businesses operating for more than 15 years

- **Anchor businesses with 15 or more years of operation are resilient**
  - Make up around 1 in 4 businesses
  - But in last 5 years, these businesses have never made up more than 1 in 8 closures
  
- **In 2020-2021, businesses operating for more than 15 years have made up 13.3% of closures**



\*In 2018, TTX removed over 30,000 delinquent registrations from its rolls

Source: SF TTX

# Thank You

*Questions?*

**Invest in Neighborhood: Storefronts and Vacancy Rates by Neighborhood**  
**2020 year-end**

Corridor	Storefronts 2020	Vacancy Rates			Change 2018- 2020
		2018	2019	2020	
Leland Ave	77	27.3%	24.7%	27.3%	0.0%
Third St	173	22.4%	21.3%	22.0%	-0.4%
Ocean Ave	162	15.3%	15.5%	21.6%	6.3%
Fillmore	123	12.9%	14.6%	21.1%	8.2%
North Beach	219	20.0%	18.7%	19.2%	-0.8%
Castro	333	11.4%	13.5%	18.0%	6.6%
Broad St	50	24.0%	18.0%	18.0%	-6.0%
Middle Polk	139	11.3%	14.4%	18.0%	6.7%
Lombard St	159	12.3%	14.6%	17.6%	5.3%
Union St	289	8.7%	11.1%	17.6%	8.9%
Excelsior	550	16.4%	16.2%	17.6%	1.2%
Lower Polk	148	15.4%	16.0%	17.6%	2.2%
Central Market	375	12.2%	15.5%	17.3%	5.1%
Mission Bernal	224	13.4%	12.4%	16.1%	2.7%
Chinatown	988	11.1%	12.6%	15.2%	4.1%
Japantown	158	7.0%	10.1%	14.6%	7.6%
Inner Mission	714	11.2%	14.0%	13.9%	2.7%
Taraval St	259	10.9%	8.9%	13.9%	3.0%
Noe Valley	175	11.8%	9.1%	13.1%	1.3%
Geary Blvd	236	9.0%	8.5%	13.1%	4.1%
Irving St	151	9.9%	10.5%	11.3%	1.4%
San Bruno Ave	160	10.3%	9.9%	9.4%	-0.9%
Noriega St	183	4.3%	6.0%	7.1%	2.8%
West Portal	154	2.0%	3.9%	5.8%	3.8%
<b>All Corridors</b>	<b>6,199</b>	<b>12.2%</b>	<b>13.2%</b>	<b>15.7%</b>	<b>3.5%</b>

*Source: OEWD Invest In Neighborhoods Survey 2020, year-end versions*