File No. 260693

Committee Item No. ______
Board Item No. 56

COMMITTEE/BOARD OF SUPERVISORS

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Board of Supervisors Meeting **Date:** July 21, 2026

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Prepared by: Jocelyn Wong **Date:** July 17, 2026
Prepared by: ______ **Date:** ______

[Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently]

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

MOVED, That the Board of Supervisors hereby submits the following ordinance to the voters of the City and County of San Francisco, at an election to be held on November 3, 2026.

Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Business and Tax Regulations Code is hereby amended by adding Article 29B, consisting of Sections 2966, 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, and 2976, to read as follows:

ARTICLE 29B: ABANDONED PHARMACY AND GROCERY TAX ORDINANCE

SEC. 2966. SHORT TITLE.

This Article 29B shall be known as the "Abandoned Pharmacy and Grocery Tax Ordinance," and the tax it imposes shall be known as the "Abandoned Pharmacy and Grocery Tax."

SEC. 2967. FINDINGS AND PURPOSES.

(a) Access to affordable groceries and essential pharmacy services is fundamental to the health and well-being of all San Franciscans.

(b) The loss of a grocery store or pharmacy, unlike most commercial closures, eliminates residents' ready access to food and essential medications, necessities with no readily available market substitute, causing qualitatively greater and more immediate harm to surrounding communities than the vacancy of other commercial property, particularly for residents without vehicles or other means to travel.

(c) Formula Retail Grocery Store and Formula Retail Pharmacy uses typically occupy large commercial spaces with configurations, including oversized footprints, surface parking, and specialized infrastructure, that reflect the operational requirements of large chain operators and that present distinct re-tenanting challenges when vacated, imposing materially greater harm on surrounding neighborhoods than the closure of smaller operations.

(d) San Francisco has experienced a significant and accelerating loss of Formula Retail Grocery Stores and Formula Retail Pharmacies, leaving neighborhoods across the City without ready

access to food and essential medications. Multiple Formula Retail Grocery Stores have closed across San Francisco neighborhoods since 2017, including locations serving the Mid-Market, Oceanview, Fillmore, and Bayview Districts. Formula Retail Pharmacies have similarly withdrawn from San Francisco at scale.

(e) Food insecurity is directly linked to poor health outcomes and increased public expenditures. According to the 2023 San Francisco Biennial Food Security and Equity Report published by the San Francisco Department of Public Health, the most recent estimate available places the annual healthcare cost of food insecurity in San Francisco at $204.6 million. A 2023 study published in Health Affairs found that food-insecure families incur 20% greater total healthcare expenditures than food-secure families, an annual difference of $2,456 per family, regardless of insurance coverage type.

SEC. 2968. DEFINITIONS.

Unless otherwise defined in this Article 29B, the terms used in this Article shall have the meanings given to them in Article 6 of the Business and Tax Regulations Code, as amended from time to time. For purposes of this Article 29B, the following definitions shall apply:

"Affiliate" means a person under common majority ownership or common control with any other person, whether that ownership or control is direct or indirect. An Affiliate includes but is not limited to a person that majority owns or controls any other person or a person that is majority owned or controlled by any other person.

"Construction Period" means the three-year period following the date that the City issues a building permit for repair, rehabilitation, or construction with respect to the portion of a Parcel that is a Covered Property, provided that if the City issues multiple building permits to or for the benefit of one or more persons in the Taxpayer's Group for the same Parcel, the three-year Construction Period

shall mean only the three-year period following the issuance of the first building permit to or for the benefit of anyone in the Taxpayer's Group.

"Covered Property" means a Parcel or portion of a Parcel whose last use of at least 365 consecutive days as of December 31, 2026, was as a Formula Retail Grocery Store or Formula Retail Pharmacy, and that last use did not terminate prior to January 1, 2017. Beginning in tax year 2028, a Parcel or portion of a Parcel shall no longer be a "Covered Property" for a tax year and all subsequent tax years if, between January 1 and December 31 of the tax year immediately preceding the tax year, that Parcel or portion of a Parcel was used for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, by any single person (including all Related Persons and Affiliates of that person) for any purpose other than as a continuation of the Formula Retail Grocery Store or Formula Retail Pharmacy use that existed prior to January 1, 2027.

"Disaster Period" means the two-year period following the date that the portion of a Parcel that is a Covered Property was severely damaged and made unusable due to a natural disaster.

"Formula Retail" means a location operated by a business that both:

(1) has eleven or more other locations in operation, or with local land use or permit entitlements already approved, located anywhere in the world; and

(2) maintains two or more of the following features: a standardized array of merchandise, a standardized facade, a standardized decor and color scheme, uniform apparel, standardized signage, a trademark or a servicemark. For purposes of this subsection (2):

(A) Standardized array of merchandise means 50% or more of in-stock merchandise from a single distributor bearing uniform markings.

(B) Trademark means a word, phrase, symbol, or design, or a combination of words, phrases, symbols, or designs that identifies and distinguishes the source of the goods from one party from those of others.

(C) Servicemark means a word, phrase, symbol, or design, or a combination of words, phrases, symbols, or designs that identifies and distinguishes the source of a service from one party from those of others.

(D) Decor means the style of interior furnishings, which may include but is not limited to, style of furniture, wall coverings or permanent fixtures.

(E) Color Scheme means a selection of colors used throughout, such as on the furnishings, permanent fixtures, and wall coverings, or as used on the facade.

(F) Facade means the face or front of a building, including awnings, looking onto a street or an open space.

(G) Uniform Apparel means standardized items of clothing including but not limited to standardized aprons, pants, shirts, smocks or dresses, hats, and pins (other than name tags) as well as standardized colors of clothing.

(H) Signage means a Business Sign as defined in Section 602.3 of the Planning Code, as that section existed on June 1, 2026.

"Grocery Store" means a store that qualifies as "Grocery, General," as defined in Section 102 of the Planning Code, as that section existed on June 1, 2026.

"Parcel" means a unit of real estate, except a possessory interest, in the City with an Assessor's parcel number as shown on the most current official assessment roll of the Assessor as of July 1 of the tax year for which the Abandoned Pharmacy and Grocery Tax is imposed.

"Pharmacy" means a store that qualifies as a "Pharmacy," as defined in Section 102 of the Planning Code, as that section existed on June 1, 2026, except where the pharmacy is an accessory to a hospital or other medical facility.

"Related Person" means a spouse or domestic partner, child, parent, or sibling (these latter three relationships including biological, adoptive, and "step" relationships; and the sibling relationship also including half-siblings).

“Taxpayer’s Group” means for each taxpayer, with respect to each Parcel that contains a Covered Property, the taxpayer, any current or former co-owner or co-tenant of the taxpayer, and any Related Person or Affiliate of the taxpayer or the taxpayer’s current or former co-owner or co-tenant.

“Used Differently” (or put to “Different Use”) means used for any purpose other than as a Grocery Store or Pharmacy for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, in a tax year.

“Vacant” means unoccupied, uninhabited, or unused for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, in a tax year. Notwithstanding the previous sentence, a person shall not be considered to have kept a building or structure Vacant during a Construction Period or Disaster Period if that Construction Period or Disaster Period applies to that person for that Parcel or portion of a Parcel that is a Covered Property. In determining whether a person has kept the Covered Property Vacant, days within the Construction Period and Disaster Period shall be disregarded if that Construction Period and/or Disaster Period applies to that person for that Parcel or portion of a Parcel that is a Covered Property.

SEC. 2969. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 29B, commencing in tax year 2027, the City imposes an annual Abandoned Pharmacy and Grocery Tax on keeping Parcels or portions of Parcels that are Covered Properties Vacant or Used Differently. The tax on keeping Parcels or portions of Parcels that are Covered Properties Vacant is in subsection (c), and the tax on keeping Parcels or portions of Parcels that are Covered Properties Used Differently is in subsection (d).

(b) The Abandoned Pharmacy and Grocery Tax is imposed for general governmental purposes. Proceeds from the tax shall be deposited in the City’s general fund and may be expended for any purposes of the City.

(c) The tax on keeping Parcels or portions of Parcels that are Covered Properties Vacant in a tax year shall be as follows:

(1) For the 2027 tax year, $3 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies.

(2) For the 2028 tax year:

(A) For each Parcel on which the Covered Property was not kept Vacant by any person for tax year 2027, $3 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies; and

(B) For each Parcel on which the Covered Property was kept Vacant by any person for tax year 2027, $5 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies.

(3) For the 2029 tax year and subsequent tax years:

(A) For each Parcel on which the Covered Property was not kept Vacant by any person in the immediately preceding tax year, $3 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies;

(B) For each Parcel on which the Covered Property was kept Vacant by any person in the immediately preceding tax year but not kept Vacant by any person in the tax year immediately preceding that tax year, $5 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies; and

(C) For all situations in which neither subsection (c)(3)(A) nor (c)(3)(B) of this Section 2969 applies, $10 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies.

(d) The tax on keeping Parcels or portions of Parcels that are Covered Properties Used Differently in a tax year shall be $5 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies.

(e) The Abandoned Pharmacy and Grocery Tax shall be payable by the person that kept Vacant or Used Differently the Parcel or portion of the Parcel that is a Covered Property in a tax year, which shall be: (1) the owner or owners of the Parcel on which the Covered Property is located during the period of Vacancy or Different Use, if the Parcel or portion of the Parcel on which the Covered Property is located is not leased; (2) the lessee or lessees of the Parcel or portion of the Parcel on which the Covered Property is located during the period of Vacancy or Different Use, if that Parcel or portion of a Parcel is leased but not subleased; or (3) the sublessee or sublessees of the Parcel or portion of the Parcel on which the Covered Property is located during the period of Vacancy or Different Use, if that Parcel or portion of a Parcel is subleased.

(f) A person shall be liable for the Abandoned Pharmacy and Grocery Tax only if that person has kept Vacant or Used Differently the Parcel or portion of the Parcel that is a Covered Property in a tax year. A person shall be deemed to have kept that Parcel or portion of a Parcel Vacant or Used Differently in a tax year if that person and all Related Persons and Affiliates of that person, individually or collectively, have kept that Parcel or portion of a Parcel Vacant or Used Differently for more than 182 days (or more than 183 days during a leap year) in that tax year.

(g) Not more than one tax shall be imposed under this Section 2969 with respect to any Covered Property by reason of multiple liable owners, lessees, or sublessees, although the square footage of the lot area of the same Parcel may be used to calculate the tax for more than one Covered Property. If there are multiple liable owners, lessees, or sublessees, each such person shall be jointly and severally liable for the Abandoned Pharmacy and Grocery Tax.

(h) This Abandoned Pharmacy and Grocery Tax is in addition to the Vacancy Tax in Article 29, and a person shall be subject to both taxes, if applicable, with respect to the same property.

SEC. 2970. EXEMPTIONS.

(a) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this Article 29B, only so long as those exemptions continue to exist under state or federal law.

(b) Any person other than the owner, lessor, or sublessor of the Covered Property as of January 1 of the tax year or any member of their Taxpayer's Group who, during a tax year, purchases a Covered Property, or becomes the lessee or sublessee of a Covered Property, and who certifies to the Tax Collector that they intend to use the Covered Property as a Grocery Store or Pharmacy, regardless of whether the Covered Property was previously used as a Formula Retail Grocery Store or Formula Retail Pharmacy, shall be exempt from this Abandoned Pharmacy and Grocery Tax for that tax year and the two successive tax years. The exemption in this Section 2970(b) shall not apply to a person who either: (1) purchases a Covered Property from any member of their Taxpayer's Group; or (2) leases or subleases a Covered Property from any member of their Taxpayer's Group.

(c) For only so long as and to the extent that the City is prohibited under the Constitution or laws of the State of California or the Constitution or laws of the United States from imposing the Abandoned Pharmacy and Grocery Tax, any person upon whom the City is thereby prohibited from imposing the Abandoned Pharmacy and Grocery Tax shall be exempt from the Abandoned Pharmacy and Grocery Tax.

SEC. 2971. ADMINISTRATION.

Except as otherwise provided under this Article 29B, the Abandoned Pharmacy and Grocery Tax shall be administered pursuant to Article 6 of the Business and Tax Regulations Code.

SEC. 2972. TECHNICAL ASSISTANCE TO THE TAX COLLECTOR.

The Assessor-Recorder's Office, Planning Department, and Department of Building Inspection, or the successors to those departments or offices, shall provide technical assistance to the Tax Collector, upon the Tax Collector's request, to administer the Abandoned Pharmacy and Grocery Tax.

SEC. 2973. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 29B by ordinance by a two-thirds vote and without a vote of the people except as limited by Articles XIII A and XIII C of the California Constitution.

SEC. 2974. NON-SEVERABILITY.

If any part or application of this Article 29B is found in a final decision by a court of competent jurisdiction to be invalid or unconstitutional, this Article in its entirety shall have no force or effect.

SEC. 2975. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 29B shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

SEC. 2976. CONFIDENTIALITY.

Notwithstanding Section 6.22-1 of Article 6 of the Business and Tax Regulations Code, the Tax Collector may make public the following information, from whatever source derived, regarding each Parcel where the Parcel or portion of the Parcel is a Covered Property:

(a) The name of the person or persons required to file a return for any tax year with respect to the Parcel;

(b) The name of the person or persons required to pay the Abandoned Pharmacy and Grocery Tax with respect to the Parcel;

(c) The address and block and lot number of the Parcel;

(d) Whether the Parcel or portion of the Parcel that is a Covered Property was kept Vacant or Used Differently during a tax year;

(e) The rate of the Abandoned Pharmacy and Grocery Tax applicable to the Parcel for a tax year; and

(f) The existence and substance of any certification submitted pursuant to Section 2970(b).

Section 2. Appropriations Limit Increase. Pursuant to California Constitution Article XIII B and applicable laws, for four years from November 3, 2026, the appropriations limit for the City shall be increased by the aggregate sum of the tax imposed by Article 29B of the Business and Tax Regulations Code.

Section 3. Effective Date. The effective date of this ordinance shall be the eleventh day after the date the official vote count is declared by the Board of Supervisors.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Charles E. Olson
CHARLES E. OLSON
Deputy City Attorney

4924-3064-9253, v. 19

FILE NO. 260693

LEGISLATIVE DIGEST

[Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently]

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

Background

Access to affordable groceries and essential pharmacy services is fundamental to the health and well-being of all San Franciscans. San Francisco has experienced a significant and accelerating loss of formula retail grocery stores. And it has simultaneously experienced a severe loss of formula retail pharmacies.

The loss of a grocery store or pharmacy, unlike most commercial closures, eliminates residents' ready access to food and essential medications, necessities with no readily available market substitute, causing qualitatively greater and more immediate harm to surrounding communities than the vacancy of other commercial property, particularly for residents without vehicles or other means to travel.

Formula retail grocery stores and formula retail pharmacies typically occupy large commercial spaces with configurations that reflect the operational requirements of large chain operators and that present distinct re-tenanting challenges when vacated.

Amendments to Current Law

To address the unique issues the closure of formula retail grocery stores and formula retail pharmacies creates, the proposed measure would impose a tax on keeping certain former formula retail grocery stores or formula retail pharmacies vacant, or using those properties for other purposes.

The tax would apply only if the last use of any portion of the property of at least 365 consecutive days as of December 31, 2026, was as a former formula retail grocery store or formula retail pharmacy. And it would not apply if that former use terminated prior to January 1, 2017. These properties are referred to as "Covered Properties."

An owner or lessee that keeps a Covered Property vacant during a tax year would be subject to a tax of $3 per square foot of lot area in the first year that the Covered Property is kept vacant, $5 per square foot in the second year that the Covered Property is kept vacant, and $10 per square foot for each subsequent year that the Covered Property is kept vacant.

For this purpose, a Covered Property is vacant if it is unoccupied, uninhabited, or unused for more than 182 days (or more than 183 days in a leap year), whether consecutive or nonconsecutive, in a tax year.

An owner or lessee that uses a Covered Property for any purpose other than as a grocery store or pharmacy for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, in a tax year, would be subject to a one-time tax of $5 per square foot of lot area. For all tax years after the tax year in which this tax on different use is paid, no person would be subject to either the vacancy tax or the tax on different use with respect to that Covered Property. And if a Covered Property is used as a new grocery store or pharmacy for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, in a tax year, no person would be subject to either the vacancy tax or the tax on different use with respect to that Covered Property, even though no person paid the $5 per square foot tax on different use with respect to the use of that Covered Property.

If a person receives a building permit for the repair, rehabilitation, or construction with respect to a Covered Property, all days within the three-year period following issuance of that permit would not count toward the property being vacant. This exclusion period would only apply to the first building permit issued to the taxpayer or any related person with respect to that Covered Property. Similarly, days within a two-year period following the date that a Covered Property was severely damaged and made unusable by a natural disaster would not count toward the property being vacant.

If a person purchases or leases a Covered Property in a tax year from an unrelated person and certifies that they intend to use the Covered Property as a grocery store or pharmacy, such person would be exempt from the proposed taxes for the tax year in which they purchased or leased the property and the following two tax years. Certain non-profit organizations would also be exempt from the tax.

The proposed tax would be deposited into the General Fund, and could be used for any governmental purposes. The Board of Supervisors could amend or repeal the ordinance, but only with a two-thirds vote and only as consistent with the California Constitution.

The proposed measure would increase the City's appropriation limit under Article XIII B of the California Constitution by the amount of tax this measure imposes.

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: June 18, 2026

To: Planning Department / Commission

From: Victor Young, Clerk of the Rules Committee

Subject: Board of Supervisors Legislation Referral - File No. 260693
Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently

☒ California Environmental Quality Act (CEQA) Determination
(California Public Resources Code, Sections 21000 et seq.)
- ☐ Ordinance / Resolution
- ☒ Ballot Measure

☐ Amendment to the Planning Code, including the following Findings:
(Planning Code, Section 302(b): 90 days for Planning Commission review)
☐ General Plan ☐ Planning Code, Section 101.1 ☐ Planning Code, Section 302

☐ Amendment to the Administrative Code, involving Land Use/Planning
(Board Rule 3.23: 30 days for possible Planning Department review)

☐ General Plan Referral for Non-Planning Code Amendments
(Charter, Section 4.105, and Administrative Code, Section 2A.53)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

☐ Historic Preservation Commission
- ☐ Landmark *(Planning Code, Section 1004.3)*
- ☐ Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*
- ☐ Mills Act Contract *(Government Code, Section 50280)*
- ☐ Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department/Commission recommendation/determination to Victor Young at Victor.Young@sfgov.org.

BOARD of SUPERVISORS

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MEMORANDUM

TO: Greg Wagner, City Controller, Office of the Controller

FROM: Victor Young, Assistant Clerk, Rules Committee
Board of Supervisors

Victor Young

DATE: June 18, 2026

SUBJECT: INITIATIVE ORDINANCE INTRODUCED
November 3, 2026, Election

The Board of Supervisors' Budget and Finance Committee has received the following Initiative Ordinance for the November 3, 2026, Election. This matter is being **referred** to you in accordance with Rules of Order 2.22.3.

File No. 260693 (ver1)

Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

Please review and prepare a financial analysis of the proposed measure prior to the first Rules Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please email or forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: ChiaYu Ma, Office of the Controller
Natasha Mihal, Office of the Controller
Janice Levy, Office of the Controller
Hannah Kohanzedeh, Office of the Controller
Claire Stone, Office of the Controller

BOARD of SUPERVISORS

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TDD/TTY No. (415) 554-5227

M E M O R A N D U M

TO: Carol Isen, Director, Department of Human Resources

FROM: Victor Young, Assistant Clerk, Rules Committee
Board of Supervisors

DATE: June 16, 2026

SUBJECT: LEGISLATION INTRODUCED – MEET AND CONFER DETERMINATION

The Board of Supervisors' Budget and Finance Committee has received the following Initiative Ordinance. This matter is being **referred** to you as it may require the Department of Human Resources to fulfill "**Meet and Confer**" requirements. Please review, assess the impact and provide proper noticing as required and report back to on the status of the "Meet and Confer" requirement.

File No. 260693 (ver1)

Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please email or forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

****

RESPONSE FROM THE DEPARTMENT OF HUMAN RESOURCES - Date: ________

____ **Meet and Confer/Noticing requirement has been fulfilled.**

____ **Meet and Confer/Noticing requirement not applicable.**

____ **Additional information attached.**

____
Department of Human Resources

c: Gigi Whitley, Department of Human Resources
Aliya Chisti, Department of Human Resources
Ardis Graham, Department of Human Resources
Jonathan Wright, Department of Human Resources

BOARD of SUPERVISORS

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MEMORANDUM

TO: Adam Thongsavat, Liaison to the Board of Supervisors, Mayor's Office
Brad Russi, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
Patrick Ford, Executive Director, Ethics Commission
Jose Cisneros, Treasurer, Office of the Treasurer and Tax Collector
Joaquin Torres, Assessor Recorder, Office of the Assessor Recorder

FROM: Victor Young, Assistant Clerk, Rules Committee
Board of Supervisors

Victor Young

DATE: June 18, 2026

SUBJECT: INITIATIVE ORDINANCE INTRODUCED
November 3, 2026

The Board of Supervisors' Budget and Finance Committee has received the following Initiative Ordinance for the November 3, 2026, Election. This matter is being **referred** to you in accordance with Rules of Order 2.22.4.

File No. 260693 (ver1)

Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Michael Canning, Ethics Commission
Aly Bonde, Mayor's Office
Kurt Fuchs, Office of the Assessor Recorder
Holly Lung, Office of the Assessor Recorder

Amanda Kahn Fried, Office of the Treasurer and Tax Collector

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Katy Tang, Director, Small Business Commission
Kerry Birnbach, Commission Secretary

Small Business Commission, City Hall, Room 448

FROM: Victor Young, Assistant Clerk Victor Young

DATE: June 18, 2026

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Budget and Finance Committee

The Board of Supervisors' Budget and Finance Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 260693

Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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RESPONSE FROM SMALL BUSINESS COMMISSION - Date: __________________

____ **No Comment**

____ **Recommendation Attached**

____
Chairperson, Small Business Commission

BOARD of SUPERVISORS

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San Francisco, CA 94102-4689
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Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: June 18, 2026

To: Planning Department / Commission

From: Victor Young, Clerk of the Rules Committee

Subject: Board of Supervisors Legislation Referral - File No. 260693
Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently

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☒ California Environmental Quality Act (CEQA) Determination
(California Public Resources Code, Sections 21000 et seq.)
- ☐ Ordinance / Resolution
- ☒ Ballot Measure

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or reasonably foreseeable indirect physical change in the environment.
6/24/2026 Joy Navarrete

☐ Amendment to the Planning Code, including the following Findings:
(Planning Code, Section 302(b): 90 days for Planning Commission review)
☐ General Plan ☐ Planning Code, Section 101.1 ☐ Planning Code, Section 302

☐ Amendment to the Administrative Code, involving Land Use/Planning
(Board Rule 3.23: 30 days for possible Planning Department review)

☐ General Plan Referral for Non-Planning Code Amendments
(Charter, Section 4.105, and Administrative Code, Section 2A.53)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

☐ Historic Preservation Commission
- ☐ Landmark *(Planning Code, Section 1004.3)*
- ☐ Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*
- ☐ Mills Act Contract *(Government Code, Section 50280)*
- ☐ Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department/Commission recommendation/determination to Victor Young at Victor.Young@sfgov.org.

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TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Carol Isen, Director, Department of Human Resources

FROM: Victor Young, Assistant Clerk, Rules Committee
Board of Supervisors

DATE: June 16, 2026

SUBJECT: LEGISLATION INTRODUCED – MEET AND CONFER DETERMINATION

The Board of Supervisors' Budget and Finance Committee has received the following Initiative Ordinance. This matter is being **referred** to you as it may require the Department of Human Resources to fulfill "**Meet and Confer**" requirements. Please review, assess the impact and provide proper noticing as required and report back to on the status of the "Meet and Confer" requirement.

File No. 260693 (ver1)

Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

If you have any questions or concerns, please call me at (415) 554-7723 or email: victor.young@sfgov.org. To submit documentation, please email or forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

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RESPONSE FROM THE DEPARTMENT OF HUMAN RESOURCES - Date: 06/30/26

____ **Meet and Confer/Noticing requirement has been fulfilled.**

X **Meet and Confer/Noticing requirement not applicable.**

____ **Additional information attached.**

Gigi Whitley
Department of Human Resources

c: Gigi Whitley, Department of Human Resources
Aliya Chisti, Department of Human Resources
Ardis Graham, Department of Human Resources
Jonathan Wright, Department of Human Resources

[Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently]

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

MOVED, That the Board of Supervisors hereby submits the following ordinance to the voters of the City and County of San Francisco, at an election to be held on November 3, 2026.

Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font. **Additions to Codes** are in *<u>single-underline italics Times New Roman font</u>*. **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~. **Asterisks (* * * *)** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Business and Tax Regulations Code is hereby amended by adding Article 29B, consisting of Sections 2966, 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, and 2976, to read as follows:

ARTICLE 29B: ABANDONED PHARMACY AND GROCERY TAX ORDINANCE

SEC. 2966. SHORT TITLE.

This Article 29B shall be known as the "Abandoned Pharmacy and Grocery Tax Ordinance," and the tax it imposes shall be known as the "Abandoned Pharmacy and Grocery Tax."

SEC. 2967. FINDINGS AND PURPOSES.

(a) Access to affordable groceries and essential pharmacy services is fundamental to the health and well-being of all San Franciscans.

(b) The loss of a grocery store or pharmacy, unlike most commercial closures, eliminates residents' ready access to food and essential medications, necessities with no readily available market substitute, causing qualitatively greater and more immediate harm to surrounding communities than the vacancy of other commercial property, particularly for residents without vehicles or other means to travel.

(c) Formula Retail Grocery Store and Formula Retail Pharmacy uses typically occupy large commercial spaces with configurations, including oversized footprints, surface parking, and specialized infrastructure, that reflect the operational requirements of large chain operators and that present distinct re-tenanting challenges when vacated, imposing materially greater harm on surrounding neighborhoods than the closure of smaller operations.

(d) San Francisco has experienced a significant and accelerating loss of Formula Retail Grocery Stores and Formula Retail Pharmacies, leaving neighborhoods across the City without ready

access to food and essential medications. Multiple Formula Retail Grocery Stores have closed across San Francisco neighborhoods since 2017, including locations serving the Mid-Market, Oceanview, Fillmore, and Bayview Districts. Formula Retail Pharmacies have similarly withdrawn from San Francisco at scale.

(e) Food insecurity is directly linked to poor health outcomes and increased public expenditures. According to the 2023 San Francisco Biennial Food Security and Equity Report published by the San Francisco Department of Public Health, the most recent estimate available places the annual healthcare cost of food insecurity in San Francisco at $204.6 million. A 2023 study published in Health Affairs found that food-insecure families incur 20% greater total healthcare expenditures than food-secure families, an annual difference of $2,456 per family, regardless of insurance coverage type.

SEC. 2968. DEFINITIONS.

Unless otherwise defined in this Article 29B, the terms used in this Article shall have the meanings given to them in Article 6 of the Business and Tax Regulations Code, as amended from time to time. For purposes of this Article 29B, the following definitions shall apply:

"Affiliate" means a person under common majority ownership or common control with any other person, whether that ownership or control is direct or indirect. An Affiliate includes but is not limited to a person that majority owns or controls any other person or a person that is majority owned or controlled by any other person.

"Construction Period" means the three-year period following the date that the City issues a building permit for repair, rehabilitation, or construction with respect to the portion of a Parcel that is a Covered Property, provided that if the City issues multiple building permits to or for the benefit of one or more persons in the Taxpayer's Group for the same Parcel, the three-year Construction Period

shall mean only the three-year period following the issuance of the first building permit to or for the benefit of anyone in the Taxpayer's Group.

"Covered Property" means a Parcel or portion of a Parcel whose last use of at least 365 consecutive days as of December 31, 2026, was as a Formula Retail Grocery Store or Formula Retail Pharmacy, and that last use did not terminate prior to January 1, 2017. Beginning in tax year 2028, a Parcel or portion of a Parcel shall no longer be a "Covered Property" for a tax year and all subsequent tax years if, between January 1 and December 31 of the tax year immediately preceding the tax year, that Parcel or portion of a Parcel was used for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, by any single person (including all Related Persons and Affiliates of that person) for any purpose other than as a continuation of the Formula Retail Grocery Store or Formula Retail Pharmacy use that existed prior to January 1, 2027.

"Disaster Period" means the two-year period following the date that the portion of a Parcel that is a Covered Property was severely damaged and made unusable due to a natural disaster.

"Formula Retail" means a location operated by a business that both:

(1) has eleven or more other locations in operation, or with local land use or permit entitlements already approved, located anywhere in the world; and

(2) maintains two or more of the following features: a standardized array of merchandise, a standardized facade, a standardized decor and color scheme, uniform apparel, standardized signage, a trademark or a servicemark. For purposes of this subsection (2):

(A) Standardized array of merchandise means 50% or more of in-stock merchandise from a single distributor bearing uniform markings.

(B) Trademark means a word, phrase, symbol, or design, or a combination of words, phrases, symbols, or designs that identifies and distinguishes the source of the goods from one party from those of others.

<u>*(C) Servicemark means a word, phrase, symbol, or design, or a combination of words, phrases, symbols, or designs that identifies and distinguishes the source of a service from one party from those of others.*</u>

<u>*(D) Decor means the style of interior furnishings, which may include but is not limited to, style of furniture, wall coverings or permanent fixtures.*</u>

<u>*(E) Color Scheme means a selection of colors used throughout, such as on the furnishings, permanent fixtures, and wall coverings, or as used on the facade.*</u>

<u>*(F) Facade means the face or front of a building, including awnings, looking onto a street or an open space.*</u>

<u>*(G) Uniform Apparel means standardized items of clothing including but not limited to standardized aprons, pants, shirts, smocks or dresses, hats, and pins (other than name tags) as well as standardized colors of clothing.*</u>

<u>*(H) Signage means a Business Sign as defined in Section 602.3 of the Planning Code, as that section existed on June 1, 2026.*</u>

<u>*"Grocery Store" means a store that qualifies as "Grocery, General," as defined in Section 102 of the Planning Code, as that section existed on June 1, 2026.*</u>

<u>*"Parcel" means a unit of real estate, except a possessory interest, in the City with an Assessor's parcel number as shown on the most current official assessment roll of the Assessor as of July 1 of the tax year for which the Abandoned Pharmacy and Grocery Tax is imposed.*</u>

<u>*"Pharmacy" means a store that qualifies as a "Pharmacy," as defined in Section 102 of the Planning Code, as that section existed on June 1, 2026, except where the pharmacy is an accessory to a hospital or other medical facility.*</u>

<u>*"Related Person" means a spouse or domestic partner, child, parent, or sibling (these latter three relationships including biological, adoptive, and "step" relationships; and the sibling relationship also including half-siblings).*</u>

“Taxpayer’s Group” means for each taxpayer, with respect to each Parcel that contains a Covered Property, the taxpayer, any current or former co-owner or co-tenant of the taxpayer, and any Related Person or Affiliate of the taxpayer or the taxpayer’s current or former co-owner or co-tenant.

“Used Differently” (or put to “Different Use”) means used for any purpose other than as a Grocery Store or Pharmacy for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, in a tax year.

“Vacant” means unoccupied, uninhabited, or unused for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, in a tax year. Notwithstanding the previous sentence, a person shall not be considered to have kept a building or structure Vacant during a Construction Period or Disaster Period if that Construction Period or Disaster Period applies to that person for that Parcel or portion of a Parcel that is a Covered Property. In determining whether a person has kept the Covered Property Vacant, days within the Construction Period and Disaster Period shall be disregarded if that Construction Period and/or Disaster Period applies to that person for that Parcel or portion of a Parcel that is a Covered Property.

SEC. 2969. IMPOSITION OF TAX.

(a) Except as otherwise provided in this Article 29B, commencing in tax year 2027, the City imposes an annual Abandoned Pharmacy and Grocery Tax on keeping Parcels or portions of Parcels that are Covered Properties Vacant or Used Differently. The tax on keeping Parcels or portions of Parcels that are Covered Properties Vacant is in subsection (c), and the tax on keeping Parcels or portions of Parcels that are Covered Properties Used Differently is in subsection (d).

(b) The Abandoned Pharmacy and Grocery Tax is imposed for general governmental purposes. Proceeds from the tax shall be deposited in the City’s general fund and may be expended for any purposes of the City.

(c) The tax on keeping Parcels or portions of Parcels that are Covered Properties Vacant in a tax year shall be as follows:

(1) For the 2027 tax year, $3 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies.

(2) For the 2028 tax year:

(A) For each Parcel on which the Covered Property was not kept Vacant by any person for tax year 2027, $3 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies; and

(B) For each Parcel on which the Covered Property was kept Vacant by any person for tax year 2027, $5 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies.

(3) For the 2029 tax year and subsequent tax years:

(A) For each Parcel on which the Covered Property was not kept Vacant by any person in the immediately preceding tax year, $3 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies;

(B) For each Parcel on which the Covered Property was kept Vacant by any person in the immediately preceding tax year but not kept Vacant by any person in the tax year immediately preceding that tax year, $5 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies; and

(C) For all situations in which neither subsection (c)(3)(A) nor (c)(3)(B) of this Section 2969 applies, $10 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies.

(d) The tax on keeping Parcels or portions of Parcels that are Covered Properties Used Differently in a tax year shall be $5 per square foot of land area of the entire Parcel on which the Covered Property is located, regardless of how much of the Parcel the Covered Property occupies.

(e) The Abandoned Pharmacy and Grocery Tax shall be payable by the person that kept Vacant or Used Differently the Parcel or portion of the Parcel that is a Covered Property in a tax year, which shall be: (1) the owner or owners of the Parcel on which the Covered Property is located during the period of Vacancy or Different Use, if the Parcel or portion of the Parcel on which the Covered Property is located is not leased; (2) the lessee or lessees of the Parcel or portion of the Parcel on which the Covered Property is located during the period of Vacancy or Different Use, if that Parcel or portion of a Parcel is leased but not subleased; or (3) the sublessee or sublessees of the Parcel or portion of the Parcel on which the Covered Property is located during the period of Vacancy or Different Use, if that Parcel or portion of a Parcel is subleased.

(f) A person shall be liable for the Abandoned Pharmacy and Grocery Tax only if that person has kept Vacant or Used Differently the Parcel or portion of the Parcel that is a Covered Property in a tax year. A person shall be deemed to have kept that Parcel or portion of a Parcel Vacant or Used Differently in a tax year if that person and all Related Persons and Affiliates of that person, individually or collectively, have kept that Parcel or portion of a Parcel Vacant or Used Differently for more than 182 days (or more than 183 days during a leap year) in that tax year.

(g) Not more than one tax shall be imposed under this Section 2969 with respect to any Covered Property by reason of multiple liable owners, lessees, or sublessees, although the square footage of the lot area of the same Parcel may be used to calculate the tax for more than one Covered Property. If there are multiple liable owners, lessees, or sublessees, each such person shall be jointly and severally liable for the Abandoned Pharmacy and Grocery Tax.

(h) This Abandoned Pharmacy and Grocery Tax is in addition to the Vacancy Tax in Article 29, and a person shall be subject to both taxes, if applicable, with respect to the same property.

SEC. 2970. EXEMPTIONS.

(a) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this Article 29B, only so long as those exemptions continue to exist under state or federal law.

(b) Any person other than the owner, lessor, or sublessor of the Covered Property as of January 1 of the tax year or any member of their Taxpayer's Group who, during a tax year, purchases a Covered Property, or becomes the lessee or sublessee of a Covered Property, and who certifies to the Tax Collector that they intend to use the Covered Property as a Grocery Store or Pharmacy, regardless of whether the Covered Property was previously used as a Formula Retail Grocery Store or Formula Retail Pharmacy, shall be exempt from this Abandoned Pharmacy and Grocery Tax for that tax year and the two successive tax years. The exemption in this Section 2970(b) shall not apply to a person who either: (1) purchases a Covered Property from any member of their Taxpayer's Group; or (2) leases or subleases a Covered Property from any member of their Taxpayer's Group.

(c) For only so long as and to the extent that the City is prohibited under the Constitution or laws of the State of California or the Constitution or laws of the United States from imposing the Abandoned Pharmacy and Grocery Tax, any person upon whom the City is thereby prohibited from imposing the Abandoned Pharmacy and Grocery Tax shall be exempt from the Abandoned Pharmacy and Grocery Tax.

SEC. 2971. ADMINISTRATION.

Except as otherwise provided under this Article 29B, the Abandoned Pharmacy and Grocery Tax shall be administered pursuant to Article 6 of the Business and Tax Regulations Code.

SEC. 2972. TECHNICAL ASSISTANCE TO THE TAX COLLECTOR.

The Assessor-Recorder's Office, Planning Department, and Department of Building Inspection, or the successors to those departments or offices, shall provide technical assistance to the Tax Collector, upon the Tax Collector's request, to administer the Abandoned Pharmacy and Grocery Tax.

SEC. 2973. AMENDMENT OF ORDINANCE.

The Board of Supervisors may amend or repeal this Article 29B by ordinance by a two-thirds vote and without a vote of the people except as limited by Articles XIII A and XIII C of the California Constitution.

SEC. 2974. NON-SEVERABILITY.

If any part or application of this Article 29B is found in a final decision by a court of competent jurisdiction to be invalid or unconstitutional, this Article in its entirety shall have no force or effect.

SEC. 2975. SAVINGS CLAUSE.

No section, clause, part, or provision of this Article 29B shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

SEC. 2976. CONFIDENTIALITY.

Notwithstanding Section 6.22-1 of Article 6 of the Business and Tax Regulations Code, the Tax Collector may make public the following information, from whatever source derived, regarding each Parcel where the Parcel or portion of the Parcel is a Covered Property:

(a) The name of the person or persons required to file a return for any tax year with respect to the Parcel;

(b) The name of the person or persons required to pay the Abandoned Pharmacy and Grocery Tax with respect to the Parcel;

(c) The address and block and lot number of the Parcel;

(d) Whether the Parcel or portion of the Parcel that is a Covered Property was kept Vacant or Used Differently during a tax year;

(e) The rate of the Abandoned Pharmacy and Grocery Tax applicable to the Parcel for a tax year; and

(f) The existence and substance of any certification submitted pursuant to Section 2970(b).

Section 2. Appropriations Limit Increase. Pursuant to California Constitution Article XIII B and applicable laws, for four years from November 3, 2026, the appropriations limit for the City shall be increased by the aggregate sum of the tax imposed by Article 29B of the Business and Tax Regulations Code.

Section 3. Effective Date. The effective date of this ordinance shall be the eleventh day after the date the official vote count is declared by the Board of Supervisors.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Charles E. Olson
CHARLES E. OLSON
Deputy City Attorney

4924-3064-9253, v. 19

FILE NO. 260693

LEGISLATIVE DIGEST

[Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently]

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

Background

Access to affordable groceries and essential pharmacy services is fundamental to the health and well-being of all San Franciscans. San Francisco has experienced a significant and accelerating loss of formula retail grocery stores. And it has simultaneously experienced a severe loss of formula retail pharmacies.

The loss of a grocery store or pharmacy, unlike most commercial closures, eliminates residents' ready access to food and essential medications, necessities with no readily available market substitute, causing qualitatively greater and more immediate harm to surrounding communities than the vacancy of other commercial property, particularly for residents without vehicles or other means to travel.

Formula retail grocery stores and formula retail pharmacies typically occupy large commercial spaces with configurations that reflect the operational requirements of large chain operators and that present distinct re-tenanting challenges when vacated.

Amendments to Current Law

To address the unique issues the closure of formula retail grocery stores and formula retail pharmacies creates, the proposed measure would impose a tax on keeping certain former formula retail grocery stores or formula retail pharmacies vacant, or using those properties for other purposes.

The tax would apply only if the last use of any portion of the property of at least 365 consecutive days as of December 31, 2026, was as a former formula retail grocery store or formula retail pharmacy. And it would not apply if that former use terminated prior to January 1, 2017. These properties are referred to as "Covered Properties."

An owner or lessee that keeps a Covered Property vacant during a tax year would be subject to a tax of $3 per square foot of lot area in the first year that the Covered Property is kept vacant, $5 per square foot in the second year that the Covered Property is kept vacant, and $10 per square foot for each subsequent year that the Covered Property is kept vacant.

For this purpose, a Covered Property is vacant if it is unoccupied, uninhabited, or unused for more than 182 days (or more than 183 days in a leap year), whether consecutive or nonconsecutive, in a tax year.

An owner or lessee that uses a Covered Property for any purpose other than as a grocery store or pharmacy for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, in a tax year, would be subject to a one-time tax of $5 per square foot of lot area. For all tax years after the tax year in which this tax on different use is paid, no person would be subject to either the vacancy tax or the tax on different use with respect to that Covered Property. And if a Covered Property is used as a new grocery store or pharmacy for more than 182 days (or more than 183 days during a leap year), whether consecutive or nonconsecutive, in a tax year, no person would be subject to either the vacancy tax or the tax on different use with respect to that Covered Property, even though no person paid the $5 per square foot tax on different use with respect to the use of that Covered Property.

If a person receives a building permit for the repair, rehabilitation, or construction with respect to a Covered Property, all days within the three-year period following issuance of that permit would not count toward the property being vacant. This exclusion period would only apply to the first building permit issued to the taxpayer or any related person with respect to that Covered Property. Similarly, days within a two-year period following the date that a Covered Property was severely damaged and made unusable by a natural disaster would not count toward the property being vacant.

If a person purchases or leases a Covered Property in a tax year from an unrelated person and certifies that they intend to use the Covered Property as a grocery store or pharmacy, such person would be exempt from the proposed taxes for the tax year in which they purchased or leased the property and the following two tax years. Certain non-profit organizations would also be exempt from the tax.

The proposed tax would be deposited into the General Fund, and could be used for any governmental purposes. The Board of Supervisors could amend or repeal the ordinance, but only with a two-thirds vote and only as consistent with the California Constitution.

The proposed measure would increase the City’s appropriation limit under Article XIII B of the California Constitution by the amount of tax this measure imposes.

From:	Eleana Binder
To:	Mandelman, Rafael (BOS); Chan, Connie (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS); Wong, Alan (BOS); Mahmood, Bilal (BOS); Dorsey, Matt (BOS); Melgar, Myrna (BOS); Fielder, Jackie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS)
Cc:	Board of Supervisors (BOS)
Subject:	Invoke Rule 3.38 — Give the Affordable Groceries Act a Vote (File No. 260693)
Date:	Tuesday, July 14, 2026 1:15:52 PM

Dear President Mandelman and Members of the Board of Supervisors,

GLIDE urges the Board to invoke Rule 3.38 to bring File No. 260693, the Abandoned Pharmacy and Grocery Tax, directly to the full Board for a hearing and a vote.

Across San Francisco, corporate grocery and pharmacy chains have shuttered stores and deliberately left the buildings vacant for years, keeping competitors out and leaving our neighbors, especially seniors, families, and low-income residents, without reliable access to fresh food or basic pharmacy needs. That is not how this city is supposed to work. A measure that would tax corporate landlords for deliberately keeping grocery and pharmacy storefronts vacant and support the neighborhood grocers and pharmacies still showing up for our communities, deserves a floor debate, not a backroom veto.

At GLIDE, we serve three meals a day and we know food insecurity runs rampant in the Tenderloin. One way to alleviate food insecurity is easy access to a grocery store (especially for the 3,500 kids who live in the Tenderloin). We believe that every neighborhood deserves an affordable, full-service grocery store. Neighborhoods such as the Tenderloin, Fillmore and Bayview have been abandoned by corporate grocery stores and face food apartheid conditions. Residents need access to affordable, culturally appropriate food that is accessible in their neighborhoods. We support legislation that both encourages grocery stores to open in the Tenderloin and holds accountable businesses that obstruct any process to open existing spaces to expand food access.

We are calling on the Board President to invoke Rule 3.38 without delay, and on every member of this Board to sign onto the motion. Give File No. 260693 the hearing and the vote it has been denied. Let the full Board, and ultimately the voters, decide.

Thank you for your consideration,

Eleana Binder

--

Eleana Binder
Director of Public Policy and Legislative Research
Center for Social Justice
GLIDE 330 Ellis Street, Room 511, San Francisco, CA 94102
OFFICE (415) 674-6162 | **PRONOUNS** She/Her

From:	Brian Webster
To:	Board of Supervisors (BOS); Chan, Connie (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS); Wong, Alan (BOS); Mahmood, Bilal (BOS); Dorsey, Matt (BOS); Melgar, Myrna (BOS); Mandelman, Rafael (BOS); Fielder, Jackie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS)
Cc:	Brian Webster; MahmoodStaff
Subject:	Supporting a vote to advance the Affordable Groceries Act
Date:	Tuesday, July 14, 2026 12:03:03 PM
Attachments:	BW letter Supporting a vote to advance the Affordable Groceries Act - 7-14-26.pdf

Hello -

I live in the Union Square / Tenderloin district 5 neighborhood. I am a local community organizer, former UFCW union organizer, small business entrepreneur and grassroots Democratic Party activist. I have lived in our city for over 40 years.

I strongly support supervisor Bilal Mahmood's leadership on the Affordable Groceries Act.

I ask you to vote today to advance it going onto the ballot this November.

The Affordable Groceries Act will increase access to grocery stores and pharmacy chains by taxing empty storefronts to deter companies from leaving them vacant and establishing a fund to subsidize groceries.

Please vote today to advance the Affordable Groceries Act going onto the ballot this November.

Sincerely,
Brian E Webster

55 Mason Street, Apartment 316
San Francisco, CA 94102
415-243-8900
brian.e.webster@gmail.com

From the Desk of Brian E. Webster
San Francisco, California

Date: July 14, 2026

To: All members of the San Francisco Board of Supervisors

From: Brian Webster / San Francisco Constituent

Subject: Supporting a vote to advance the Affordable Groceries Act

I live in the Union Square / Tenderloin district 5 neighborhood. I am a local community organizer, former UFCW union organizer, small business entrepreneur and grassroots Democratic Party activist. I have lived in our city for over 40 years.

I strongly support supervisor Bilal Mahmood's leadership on the Affordable Groceries Act.

I ask you to vote today to advance it going onto the ballot this November.

The Affordable Groceries Act will increase access to grocery stores and pharmacy chains by taxing empty storefronts to deter companies from leaving them vacant and establishing a fund to subsidize groceries.

Please vote today to advance the Affordable Groceries Act going onto the ballot this November.

Sincerely,

Brian Webster

Brian Webster
55 Mason Street, Apartment 316
San Francisco, CA 94102
415-243-8900
brian.e.webster@gmail.com
www.brianwebster.com

From:	Jade Quizon
To:	Mandelman, Rafael (BOS); Chan, Connie (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS); Wong, Alan (BOS); Mahmood, Bilal (BOS); Dorsey, Matt (BOS); Melgar, Myrna (BOS); Fielder, Jackie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS)
Cc:	Board of Supervisors (BOS); FAACTS Steering Committee
Subject:	Invoke Rule 3.38 - Give Community a Chance to Vote on the Affordable Groceries Act
Date:	Tuesday, July 14, 2026 12:02:22 PM
Attachments:	FAACTS - Letter of Support - Affordable Grocery Fund.pdf

Hello,

Please see our attached letter.

thank you,

--
Jade Quizon
Project Director, FAACTS
FAACTS | Book Time

Food & Agriculture Action Coalition Toward Sovereignty

FAACTS

cultivating just food futures

77 Van Ness Avenue Suite 101-1613 San Francisco, CA 94102

hello@faactssf.org

TO: San Francisco Board of Supervisors 14 July, 2026

1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

Re: Invoke Rule 3.38 — Give the Affordable Groceries Act a Vote (File No. 260693)

Dear President Mandelman and Members of the Board of Supervisors,

Food and Agriculture Action Coalition Toward Sovereignty, FAACTS, supports File No. 260693, the Abandoned Pharmacy and Grocery Tax, and strongly urges the Board to invoke Rule 3.38 to bring this measure directly to the full Board for a hearing and a vote.

Across San Francisco, corporate grocery and pharmacy chains have shuttered stores and deliberately left the buildings vacant for years, keeping competitors out and leaving our neighbors, especially seniors, families, and low-income residents, without reliable access to fresh food or basic pharmacy needs.

This measure hasn't even had the chance to see the light of day. It was quietly struck from the Budget and Finance Committee agenda by Chair Chan after Mayor Lurie intervened, and press reports indicate Amazon has been lobbying against it too. San Franciscans deserve to know why the Mayor's Office and one of the largest corporations on Earth teamed up to kill this policy before it ever got a public hearing.

That is not how this city is supposed to work. A measure that would tax corporate landlords for deliberately keeping grocery and pharmacy storefronts vacant, and support the neighborhood grocers and pharmacies still showing up for our communities, deserves a floor debate, not a backroom veto.

Our city needs creative and proactive solutions tackling our broken food system and holding large corporate retailers that abandon our communities accountable. FAACTS commends Supervisor Mahmood on his proposed legislation addressing San Francisco's growing grocery access challenges. We need approaches such as this that aim to strengthen local, affordable food access, protect food workers, boost our food economy, and ensure good food reaches the neighborhoods that need it most.

We are calling on the Board President to invoke Rule 3.38 without delay, and on every member of this Board to sign onto the motion. Give File No. 260693 the hearing and the vote it has been denied. Let the full Board, and ultimately the voters, decide — not the Mayor's Office, and not Amazon.

Thank you for your consideration.

Sincerely,

Jade Quizon
Project Director

From:	paula hendricks
To:	Mandelman, Rafael (BOS); Chan, Connie (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS); Wong, Alan (BOS); Mahmood, Bilal (BOS); Dorsey, Matt (BOS); Melgar, Myrna (BOS); Fielder, Jackie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS)
Cc:	Board of Supervisors (BOS)
Subject:	Re: Invoke Rule 3.38 — Give the Affordable Groceries Act a Vote (File No. 260693)
Date:	Friday, July 10, 2026 5:17:42 PM

Dear President Mandelman and Members of the Board of Supervisors,

I strongly support File No. 260693, the Abandoned Pharmacy and Grocery Tax, and urge the Board to invoke Rule 3.38 to bring this measure directly to the full Board for a hearing and a vote.

Across San Francisco, corporate grocery and pharmacy chains have shuttered stores and deliberately left the buildings vacant for years, keeping competitors out and leaving our neighbors, especially seniors, families, and low-income residents, without reliable access to fresh food or basic pharmacy needs.

This measure hasn't even had the chance to see the light of day. It was quietly struck from the Budget and Finance Committee agenda by Chair Chan after Mayor Lurie intervened, and press reports indicate Amazon has been lobbying against it too. San Franciscans deserve to know why the Mayor's Office and one of the largest corporations on Earth teamed up to kill this policy before it ever got a public hearing.

That is not how this city is supposed to work. A measure that would tax corporate landlords for deliberately keeping grocery and pharmacy storefronts vacant, and support the neighborhood grocers and pharmacies still showing up for our communities, deserves a floor debate, not a backroom veto.

This has affected me personally as my main supermarket, Safeway on Webster + Geary, has been closed as well as several Walgreens in the neighborhood. I live downtown on O'Farrell St. and the closest shopping by walking or taking public transpo are small stores or require transfers or aren't open every day.

We are calling on the Board President to invoke Rule 3.38 without delay, and on every member of this Board to sign onto the motion. Give File No. 260693 the hearing and the vote it has been denied. Let the full Board, and ultimately the voters, decide — not the Mayor's Office, and not Amazon.

Thank you for your consideration,

Best,

-ph
paula hendricks
san francisco ~:~ 415.310.1168

From:	Mike Vuong
To:	Mandelman, Rafael (BOS); Chan, Connie (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS); Wong, Alan (BOS); Mahmood, Bilal (BOS); Dorsey, Matt (BOS); Melgar, Myrna (BOS); Fielder, Jackie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS)
Cc:	Board of Supervisors (BOS); Kate Robinson
Subject:	Access to affordable, healthy groceries & More
Date:	Saturday, July 11, 2026 8:02:02 AM

Dear President Mandelman and Members of the Board of Supervisors,

The Tenderloin Community Benefit District (TLCBD) writes in strong support of efforts to expand access to affordable, healthy groceries and essential neighborhood services, and respectfully urges the Board to allow this important proposal to receive a full hearing and vote.

Every day, TLCBD works to care for the Tenderloin's streets and parks, support our youth and families, and lift up the voices of the residents we serve. That work gives us a close, ground-level view of how much a neighborhood's daily life depends on reliable access to essential services, especially something as basic as affordable, healthy food.

For too many of our seniors, youth, and families, fresh groceries and pharmacy essentials shouldn't require a trip across town. People deserve to find what they need close to home, at a price they can afford. When storefronts that once served that purpose sit empty for years, the whole neighborhood feels it: not just as an inconvenience, but as a real strain on health and quality of life.

We also see real opportunity here. Bringing vacant storefronts back into active use doesn't just improve food access; it opens doors for small, neighborhood-serving businesses to grow and thrive. A healthy Tenderloin needs both: residents with reliable access to essential services, and a business environment where responsible local merchants can succeed.

It is also important that decisions affecting the Tenderloin reflect the experiences and priorities of the people who live and work here. Third parties from outside the neighborhood do not necessarily understand or reflect the needs of Tenderloin residents, families, and businesses. Those closest to these challenges should have a meaningful voice in shaping the solutions.

Community organizations like ours are proud to do our part, but we can't solve challenges like this alone. That's why we're encouraged by the work Supervisor Mahmood and others are doing to find real solutions that expand healthy grocery access and support the businesses already showing up for our community.

We believe a proposal to increase access, affordability, and healthy grocers and pharmacies deserves a full and public discussion before the Board, giving every Supervisor the opportunity to consider its merits and hear directly from the communities most affected.

Thank you for your continued partnership with the Tenderloin community, and for your consideration of this request.

Sincerely,

Tenderloin Community Benefit District

--
Michael Vuong (He/His)
Deputy Director of Policy & Voice
Tenderloin Community Benefit District
988 Market, Suite 400 | San Francisco, CA 94102
(415) 475-9520 | www.tlcbd.org
…a vibrant community for ALL.

From:	O"Farrell Neighbors Group
To:	Mandelman, Rafael (BOS); Chan, Connie (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS); Wong, Alan (BOS); Mahmood, Bilal (BOS); Dorsey, Matt (BOS); Melgar, Myrna (BOS); Fielder, Jackie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS)
Cc:	Board of Supervisors (BOS)
Subject:	Re: Invoke Rule 3.38 — Give the Affordable Groceries Act a Vote (File No. 260693)
Date:	Saturday, July 11, 2026 3:48:19 PM
Attachments:	image0.png

Dear President Mandelman and Members of the Board of Supervisors,

We (ONG … O'farrell Neighbors Group) strongly support File No. 260693, the Abandoned Pharmacy and Grocery Tax, and urge the Board to invoke Rule 3.38 to bring this measure directly to the full Board for a hearing and a vote.

Across San Francisco, corporate grocery and pharmacy chains have shuttered stores and deliberately left the buildings vacant for years, keeping competitors out and leaving our neighbors, especially seniors, families, and low-income residents, without reliable access to fresh food or basic pharmacy needs.

This measure hasn't even had the chance to see the light of day. It was quietly struck from the Budget and Finance Committee agenda by Chair Chan after Mayor Lurie intervened, and press reports indicate Amazon has been lobbying against it too. San Franciscans deserve to know why the Mayor's Office and one of the largest corporations on Earth teamed up to kill this policy before it ever got a public hearing.

That is not how this city is supposed to work. A measure that would tax corporate landlords for deliberately keeping grocery and pharmacy storefronts vacant, and support the neighborhood grocers and pharmacies still showing up for our communities, deserves a floor debate, not a backroom veto.

The lack of an affordable full service grocery store and pharmacy negatively affects members of our group and our wider Tenderloin community on a daily basis. We live in a food + pharmacy desert.

We are calling on the Board President to invoke Rule 3.38 without delay, and on every member of this Board to sign onto the motion. Give File No. 260693 the hearing and the vote it has been denied. Let the full Board, and ultimately the voters, decide — not the Mayor's Office, and not Amazon.

Thank you for your consideration,

Best,

O’Farrell Neighbors Group

From: Tiffany Chung
To: Mandelman, Rafael (BOS); Chan, Connie (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS); Wong, Alan (BOS); Mahmood, Bilal (BOS); Dorsey, Matt (BOS); Melgar, Myrna (BOS); Fielder, Jackie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS)
Cc: Board of Supervisors (BOS)
Subject: Re: Invoke Rule 3.38 — Give the Affordable Groceries Act a Vote (File No. 260693)
Date: Tuesday, July 14, 2026 10:55:40 AM

Dear President Mandelman and Members of the Board of Supervisors,

Foodwise strongly supports File No. 260693, the Abandoned Pharmacy and Grocery Tax, and urges the Board to invoke Rule 3.38 to bring this measure directly to the full Board for a hearing and a vote.

Across San Francisco, corporate grocery and pharmacy chains have shuttered stores and deliberately left the buildings vacant for years, keeping competitors out and leaving our neighbors, especially seniors, families, and low-income residents, without reliable access to fresh food or basic pharmacy needs.

This measure hasn't even had the chance to see the light of day. It was quietly struck from the Budget and Finance Committee agenda by Chair Chan after Mayor Lurie intervened, and press reports indicate Amazon has been lobbying against it too. San Franciscans deserve to know why the Mayor's Office and one of the largest corporations on Earth teamed up to kill this policy before it ever got a public hearing.

That is not how this city is supposed to work. A measure that would tax corporate landlords for deliberately keeping grocery and pharmacy storefronts vacant, and support the neighborhood grocers and pharmacies still showing up for our communities, deserves a floor debate, not a backroom veto. Foodwise understands first-hand the need for accessible groceries for San Francisco families and removing this measure means many families will go without access to fresh, local, and affordable groceries.

We are calling on the Board President to invoke Rule 3.38 without delay, and on every member of this Board to sign onto the motion. Give File No. 260693 the hearing and the vote it has been denied. Let the full Board, and ultimately the voters, decide — not the Mayor's Office, and not Amazon.

Thank you for your consideration.

--
Tiffany Chung (she/they)
Director of Education, Foodwise
1 Ferry Building, Suite 250
San Francisco, CA 94111 | Ramaytush Ohlone Land
tel: 415.291.3276 x 106 but email is preferred

From:	Sylvia Nguyen
To:	Mandelman, Rafael (BOS); Chan, Connie (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS); Wong, Alan (BOS); Mahmood, Bilal (BOS); Dorsey, Matt (BOS); Melgar, Myrna (BOS); Fielder, Jackie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS)
Cc:	Board of Supervisors (BOS)
Subject:	Re: Invoke Rule 3.38 — Give the Affordable Groceries Act a Vote (File No. 260693)
Date:	Tuesday, July 14, 2026 10:58:24 AM

Dear President Mandelman and Members of the Board of Supervisors,

My name is Sylvia Nguyen and I strongly support File No. 260693, the Abandoned Pharmacy and Grocery Tax, and I urge the Board to invoke Rule 3.38 to bring this measure directly to the full Board for a hearing and a vote.

Across San Francisco, corporate grocery and pharmacy chains have shuttered stores and deliberately left the buildings vacant for years, keeping competitors out and leaving our neighbors, especially seniors, families, and low-income residents, without reliable access to fresh food or basic pharmacy needs.

This measure hasn't even had the chance to see the light of day. It was quietly struck from the Budget and Finance Committee agenda by Chair Chan after Mayor Lurie intervened, and press reports indicate Amazon has been lobbying against it too. San Franciscans deserve to know why the Mayor's Office and one of the largest corporations on Earth teamed up to kill this policy before it ever got a public hearing.

That is not how this city is supposed to work. A measure that would tax corporate landlords for deliberately keeping grocery and pharmacy storefronts vacant, and support the neighborhood grocers and pharmacies still showing up for our communities, deserves a floor debate, not a backroom veto.

Yesterday, during the San Francisco Agency of Human Rights grantee convening, Mayor Lurie spoke about knowing that the City of San Francisco needs to do better and that the Mayor's Office would have our backs. This is a moment in which you, the Board of Supervisors, have a choice to provide tangible solutions for all San Franciscans especially during a time when so many neighbors are struggling to afford gas to get to work, MUNI lines have been reduced, and neighbors need to make the difficult decision of paying for medicine or food instead of being able to access and cover costs of all their essential needs.

At Farming Hope, we see and experience the direct impacts on food and housing insecure San Franciscans when grocery stores suddenly close and cause an additional strain for neighbors to access food and pharmacies.

We are calling on the Board President to invoke Rule 3.38 without delay, and on every member of this Board to sign onto the motion. Give File No. 260693 the hearing and the vote it has been denied. Let the full Board, and ultimately the voters, decide — not the Mayor's Office, and not Amazon.

Thank you for your consideration,

Sylvia

Sylvia Nguyen | she/her | Development Manager | 415.300.0265
Donate / Events / Volunteer / Share

From: Danica Berry
To: Mandelman, Rafael (BOS); Chan, Connie (BOS); Walton, Shamann (BOS); Chen, Chyanne (BOS); Fielder, Jackie (BOS); Melgar, Myrna (BOS); Dorsey, Matt (BOS); Mahmood, Bilal (BOS); Wong, Alan (BOS); Sherrill, Stephen (BOS); Sauter, Danny (BOS)
Cc: Board of Supervisors (BOS)
Subject: Invoke Rule 3.38 — Give the Affordable Groceries Act a Vote (File No. 260693)
Date: Tuesday, July 14, 2026 11:43:40 AM

Dear President Mandelman and Members of the Board of Supervisors,

Danica Berry strongly supports File No. 260693, the Abandoned Pharmacy and Grocery Tax, and urges the Board to invoke Rule 3.38 to bring this measure directly to the full Board for a hearing and a vote.

Across San Francisco, corporate grocery and pharmacy chains have shuttered stores and deliberately left the buildings vacant for years, keeping competitors out and leaving our neighbors, especially seniors, families, and low-income residents, without reliable access to fresh food or basic pharmacy needs.

This measure hasn't even had the chance to see the light of day. It was quietly struck from the Budget and Finance Committee agenda by Chair Chan after Mayor Lurie intervened, and press reports indicate Amazon has been lobbying against it too. San Franciscans deserve to know why the Mayor's Office and one of the largest corporations on Earth teamed up to kill this policy before it ever got a public hearing.

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We are calling on the Board President to invoke Rule 3.38 without delay, and on every member of this Board to sign onto the motion. Give File No. 260693 the hearing and the vote it has been denied. Let the full Board, and ultimately the voters, decide — not the Mayor's Office, and not Amazon.

Thank you for your consideration.

Danica Berry

From: tamibryant@aol.com
To: Board of Supervisors (BOS); Mahmood, Bilal (BOS); WongStaff (BOS); Waltonstaff (BOS); Melgar, Myrna (BOS); Chan, Connie (BOS)
Subject: Please support Supervisor Mahmood’s grocery store legislation
Date: Wednesday, July 15, 2026 7:15:35 PM

As a San Franciscan since 1971, who raised three children in the Fillmore as a single welfare mom, I am urging you to support the Affordable Groceries Act.
I am not sure why I have to even ask this of this board. Don’t you think people have the right to eat? Chan is wrong all day long on this as she seeks to please conservatives in her run for Congress, which will be a disaster for poor people given her SF track record, please do not be on the wrong side of history.
I lived across the street from the Fillmore Safeway before it was built, and I still live here long after they abandoned us. There were City employees who already put corporate greed over community need 40 years ago. We deserve accountability! The deal they gave Safeway was SO BAD for San Francisco, I’m sure they took bribes! Who gives millions of dollars of land to a corporation with nothing in return? SF staff who didn’t care about our future. The windfall should belong to the Black community, not these greedy corporations.
Safeway has chained up the lot so pedestrians from my coop can’t go directly to the Farmers Market, including my 98 year old neighbor who has to cross under chains! Do you understand, 98 years old and Safeway made his walk to the Farmers Market a health hazard.
This is vital and necessary legislation. Safeway has refused to let any food store temporarily occupy it.
Marina Safeway is not being treated like this. They’re getting a sweet deal! Make corporations pay taxes or open grocery stores! San Francisco! If no big corporation wants our business, good! Let’s open up community run coops like Rainbow.
As a white ally, I know Black people are not a priority and very few on this BOS care about the Black community, but I think a few of you do.
Please stand for justice. Please protect one of the last Black communities in S.F.
Please put human being over corporate profit. I support this legislation and am shocked that there is not unanimous support!
San Franciscan of more than a half century.
Fillmore resident since 1979
A lonely voice for my Black neighbors
Tami Bryant

From:	Mchugh, Eileen (BOS)
To:	BOS-Operations
Subject:	Fw: Affordable Groceries Act
Date:	Wednesday, July 15, 2026 9:17:21 PM

From: William Walker <wiyum@wiyum.org>
Sent: Wednesday, July 15, 2026 9:15 PM
To: Chen, Chyanne (BOS) <Chyanne.Chen@sfgov.org>; Mahmood, Bilal (BOS) <bilal.mahmood@sfgov.org>; Chan, Connie (BOS) <connie.chan@sfgov.org>; MandelmanStaff (BOS) <mandelmanstaff@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>
Subject: Affordable Groceries Act

Hi Supervisors Chen, Chan, Mahmood and Mandelman:

I support taxing vacant parcels whether they are supermarkets, other general retail, or even vacant residential units in complexes greater than five units.

For 15 years I have been a tenant in District 8. For 23 years I was a tenant in District 8. For three years I was in Districts 4 and 9.

I'm astonished that the Mayor would tell an Independent Board Chair that an item should not be heard at a Committee. I'm even more flummoxed that a Supervisor would listen. I don't know how I'd support someone in any office that would acquiesce in such a manner. I don't expect the legislative check on the Mayor, the Board of Supervisors, to abdicate their authority.

Please invoke whatever rules are needed for the Board to consider the affordable groceries act.

Thank you,

William Walker
143 Louisburg Street
San Francisco CA 94112
415.260.2069

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):

Mahmood; Melgar, Sherrill

Subject:

Initiative Ordinance - Business and Tax Regulations Code - Excise Tax on Keeping Parcels Last Used as Grocery Stores or Pharmacies Vacant or Using Them Differently

Long Title or text listed:

Motion ordering submitted to the voters at an election to be held on November 3, 2026, an Ordinance amending the Business and Tax Regulations Code to impose an excise tax, commencing in tax year 2027, on persons keeping vacant or using differently parcels last used, in whole or in part, as formula retail grocery stores or formula retail pharmacies on or after January 1, 2017; and increasing the City's appropriations limit by the amount collected under the tax for four years from November 3, 2026.

Signature of Sponsoring Supervisor: /s/ Bilal Mahmood