

BOARD of SUPERVISORS



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MEMORANDUM

TO: Katy Tang, Director, Office of Small Business
Small Business Commission, City Hall, Room 448

FROM: Brent Jalipa, Assistant Clerk
Budget and Finance Committee

DATE: April 29, 2024

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Budget and Finance Committee

The Board of Supervisors' Budget and Finance Committee has received the following legislation, introduced by Mayor London Breed on April 23, 2024, which is being referred to the Small Business Commission for comment and recommendation.

File No. 240408

Ordinance amending the Transportation Code to waive fees related to the temporary closure of streets for street fairs for nonprofit organizations, small businesses, merchant associations and neighborhood resident associations.

Please return this cover sheet with the Commission's response to Brent Jalipa, Budget and Finance Clerk, by email to: brent.jalipa@sfgov.org.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ **No Comment**

____ **Recommendation Attached**

Chairperson, Small Business Commission

1 [Transportation Code - Fee Waivers for Qualifying Neighborhood Outdoor Events]

2

3 **Ordinance amending the Transportation Code to waive fees related to the temporary**
4 **closure of streets for street fairs for nonprofit organizations, small businesses,**
5 **merchant associations and neighborhood resident associations.**

6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.
8 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
9 **Board amendment additions** are in double-underlined Arial font.
10 **Board amendment deletions** are in ~~strikethrough Arial font~~.
11 **Asterisks (* * * *)** indicate the omission of unchanged Code
12 subsections or parts of tables.

10

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

12

13 Section 1. Findings.

14 (a) Outdoor neighborhood events foster a sense of belonging and community cohesion
15 among City residents by providing opportunities for social interaction and celebration in their
16 communities.

17 (b) Such events contribute to the cultural vibrancy of the City by showcasing local
18 performers, arts, and crafts to audiences of residents, workers, and visitors.

19 (c) These events provide important opportunities for local arts, food, retail, and other
20 entrepreneurs to showcase and sell their products, and serve as a critical platform to grow
21 small businesses.

22 (d) Waiving City fees for outdoor neighborhood events will encourage community-
23 based arts organizations, nonprofits, small businesses, community benefit districts, and
24 merchant associations to organize such events, thereby empowering these stakeholders to
25 launch new community-building activities.

1 (e) Waiving fees will make it more financially viable for events to continue to contribute
2 to San Francisco's vibrancy. With fees waived, community groups and nonprofits will be able
3 to allocate more resources towards event programming and community engagement.

4 (f) Outdoor neighborhood events serve as economic catalysts by attracting visitors to
5 local businesses, thereby stimulating economic activity and generating revenue for the city
6 through increased tourism and commerce.

7 (g) Outdoor neighborhood events provide opportunities for cultural exchange and
8 celebration of diversity, fostering greater understanding and appreciation among residents
9 from different backgrounds and promoting social inclusion.

10 (h) Waiving City fees for outdoor neighborhood events demonstrates the City's
11 commitment to stimulating economic recovery through arts and culture, including the
12 launching of new events to catalyze economic activity downtown and in neighborhoods across
13 San Francisco.

14 (i) For these reasons, the Board of Supervisors supports the waiver of fees described
15 herein for Qualifying Neighborhood Outdoor Events.

16 (j) The Board of Supervisors also urges the San Francisco Municipal Transit Authority
17 (SFMTA) to waive any and all SFMTA fees associated with Qualifying Neighborhood Outdoor
18 Events, including but not limited to fees for temporary use or occupancy of public streets
19 under Transportation Code Section 6.2, fees associated with street fairs under Transportation
20 Code Section 6.6, and temporary street closures for Roadway Shared Spaces Activities under
21 Transportation Code Section 6.16.

1 Section 2. The Transportation Code is hereby amended by revising Division 1, Section
2 6.6, to read as follows:

3 **SEC. 6.6. TEMPORARY USE OF STREETS FOR STREET FAIRS.**

4 * * *

5 (f) **Fee.** No later than 60 days prior to the proposed date of the street fair and in
6 consultation with other City departments, ISCOTT shall determine the fee to be charged for
7 the permit according to the schedule below, except that ISCOTT shall determine whether a waiver
8 of such fees is appropriate under subsection (o) of this Section 6.6. No other fee for conducting a
9 street fair shall be required or assessed. All fees paid by the sponsors for street fair permits
10 shall be deposited in the City Treasury and allocated by the Controller to the appropriate City
11 departments. The fee shall be based on the actual costs to the City of temporarily closing the
12 street for the street fair, pursuant to the following fee schedule:

13 * * *

14 **(o) Exemption from Fees for Qualifying Neighborhood Events.**

15 (1) A “Qualifying Neighborhood Outdoor Event” is an event meeting all the following
16 criteria:

17 (A) Is a street fair as defined in this Section 6.6;

18 (B) The Sponsor holds a valid business license under Business and Tax
19 Regulations Code Article 2, and is one or more of the following: (i) a non-profit organization that is
20 exempt from taxation under Internal Revenue Code Section 501(c)(3), and that is in compliance with
21 all applicable requirements to register with the California Attorney General’s Registry of Charities and
22 Fundraisers; (ii) a business with less than \$5 million in annual gross revenue; or (iii) a merchant or
23 resident association;

24 (C) Is primarily intended to attract residents and workers from neighboring
25 areas;

1 (D) Is free and open to the public;

2 (E) Takes place outdoors between 8:00 am and 10:00 pm;

3 (F) If incorporating amplified sound, does so for a maximum of six hours per
4 day;

5 (G) Occupies a maximum of three continuous blocks or occupies streets within a
6 one block radius from a central intersection;

7 (H) Does not impact light rail, street car, or cable car operations; impact major
8 streets as determined by SFMTA; require the rerouting of a SFMTA Rapid Line; unduly disrupt vehicle
9 or pedestrian traffic as determined by SFMTA; require substituting trolley buses or rail cars with
10 motor coaches; restrict direct access by SFMTA vehicles to rail stations; or require SFMTA to shut
11 down electrification of overhead wires, as reasonably determined by SFMTA.

12 (2) Application for a Fee Exemption.

13 (A) A Sponsor may apply to ISCOTT for a determination of eligibility for a
14 waiver of fees under this subsection (o). ISCOTT will make such a determination based on whether the
15 event is a Qualifying Neighborhood Outdoor Event.

16 (B) A Sponsor is eligible for fee waivers for up to twelve Qualifying
17 Neighborhood Outdoor Events during a calendar year, provided that no more than three Qualifying
18 Neighborhood Outdoor Events may involve street closures on blocks along transit routes served by
19 SFMTA.

20 (3) Waiver of Fees.

21 (A) Upon a determination by ISCOTT that a Sponsor is eligible for fee waivers
22 under this subsection (o), the Sponsor shall be entitled to such waivers.

23 (B) Fees subject to waiver include any and all application, permit, staffing and
24 inspection fees associated with a Qualifying Neighborhood Outdoor Event issued by any of the

25

1 following departments, excluding fees imposed for a broader purpose beyond the Qualifying
2 Neighborhood Outdoor Event.

3 (i) Department of Public Health, including but not limited to fees for
4 Temporary Food Facility permits under Article 8, Section 452 of the Health Code and fees imposed
5 pursuant to Transportation Code Section 6.6;

6 (ii) Fire Department, including but not limited to fees imposed pursuant
7 to Transportation Code Section 6.6 and fees for Fire Department permits;

8 (iii) Entertainment Commission, including but not limited to One Time
9 Event Permits, One Time Outdoor Amplified Sound Permits, and Sound Truck Permits; and

10 (iv) Police Department, including but not limited to fees imposed
11 pursuant to Transportation Code Section 6.6.

12 (4) Administration and Implementation.

13 (A) ISCOTT shall inform relevant City departments of its waiver determinations
14 under this subsection (o).

15 (B) ISCOTT may develop regulations and/or guidance to implement this
16 program.

17 Section 3. Effective Date. This ordinance shall become effective 30 days after
18 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
19 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
20 of Supervisors overrides the Mayor's veto of the ordinance.

21 APPROVED AS TO FORM:
22 DAVID CHIU, City Attorney

23 By: /s/ Victoria Wong
24 VICTORIA WONG
25 Deputy City Attorney

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LEGISLATIVE DIGEST

[Transportation Code - Fee Waivers for Qualifying Neighborhood Outdoor Events]

Ordinance amending the Transportation Code to waive fees related to the temporary closure of streets for street fairs for nonprofit organizations, small businesses, merchant associations and neighborhood resident associations.

Existing Law

Transportation Code Section 6.6 governs the regulation of street fairs, including the processing of permit applications by the Interdepartmental Staff Committee on Traffic and Transportation and the payment of associated fees to the City. Such permit fees reflect the cost to the City of temporarily closing streets for the event, including fees for the Fire Department, Department of Public Health, and the Police Department. Section 6.6 states that the San Francisco Municipal Transit Agency may also impose fees related to these events, and that the Fire Department may impose additional fees for Fire Department permits required for these events.

Amendments to Current Law

This ordinance would amend Transportation Code Section 6.6 to waive all street fair fees for organizations that hold valid business licenses under Business and Tax Regulations Code Article 2 and are one or more of the following: (i) a non-profit organization that is exempt from taxation under Internal Revenue Code Section 501(c)(3), and that is in compliance with all applicable requirements to register with the California Attorney General's Registry of Charities and Fundraisers; (ii) a business with less than \$5 million in annual gross revenue; or (iii) a merchant or resident association. Waived fees include those listed in Section 6.6 as well as fees that would otherwise be imposed by the Fire Department and the Entertainment Commission for those departments' separate permits.

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