



MEMO TO THE PLANNING COMMISSION

HEARING DATE: December 3, 2020

November 25, 2020

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Project: Recovery Strategies Framework
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Recommendation: None - Informational

Purpose of this Hearing

Due to the COVID-19 pandemic and resulting economic downturn, San Francisco inhabitants are suffering unprecedented health, safety, and well-being challenges that accelerate the inequities caused by centuries of structural racism and social inequity. In response, the Planning Department, the Mayor's Office of Housing and Community Development (MOHCD), and the Office of Economic and Workforce Development (OEWD) are working together to develop a coordinated Recovery Strategies work program to monitor and analyze changing conditions, coordinate efforts with other City agencies and departments, and provide immediate and on-going measures that help the city adapt.

This Recovery Strategies effort began with informational presentations at the October 1, 2020 hearing where Ted Egan, City Economist, brought forward data on the current economic changes of the past few months during Shelter in Place and Carmen Chu, City Assessor, further described the outcome of the Economic Recovery Task Force, as established by Mayor London N. Breed and Board of Supervisors President Norman Yee.

At the December 3rd hearing, Rich Hillis, Planning Director; Eric Shaw, MOHCD Director; and Joaquín Torres, OEWD Director will provide an overview of the Recovery Strategies framework, an interagency effort. This will be followed over the next few months by a series of individual topic presentations to the Planning Commission with recommendations for detailed discussion and decision-making. At the center of this work, the City of San Francisco and these departments are acknowledging that its starting point and structure must address the current crisis impacts on the American Indian, Black, Latinx, Asian, Pacific Islander, and other communities of color and low-income communities to ensure a recovery towards a just and vital San Francisco.

In summary, the Recovery Strategies Framework Report highlights the impacts of the current health and economic crisis, describes the City's immediate response, and provides a framework for upcoming work. The first section provides a context to the challenges presented to San Francisco residents and workers by the transmission of COVID-19, the resulting economic recession, and the disproportionate effects by race and vulnerability. It describes the Economic Recovery Task Force and resulting report which proposed recommendations to support the city's businesses and residents' recovery. The second section presents the priorities for the content of this work: Racial and Social Equity Goals, Data and Analysis, and Engagement and Collaboration. The third section presents four topic areas by which the Recovery Strategies team will approach this work: Housing Recovery, Small Business Recovery, Neighborhood Life, and Work Spaces which will each be presented in depth at a future hearing. Finally, the framework establishes the performance metrics that will guide the selection of recommendations and actions: Serving and Investing in Low-Resourced Neighborhoods, Open Up High-Resourced Neighborhoods, and Defining an Equity Baseline for all Neighborhoods.

Required Commission Action

No action by the Commission is being requested at this time.

Recommendation: None – Informational

Attachments:

Attachment A – Recovery Strategies Framework Report

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Recovery Strategies Framework

The global COVID-19 pandemic and resulting economic recession are having major health and economic impacts in the city and around the state, the nation, and the world. In San Francisco, American Indian, Black, and Latinx communities, other communities of color, and people with lower income have been disproportionately impacted by the virus, exposing and amplifying historic racial and social inequities. This year we also witnessed the murders of George Floyd, Breonna Taylor, and Ahmaud Arbery, which reignited the pain for many from the murders of Alex Nieto, Mario Woods, and Luis Góngora Pat in San Francisco, and others as a result of police brutality and misconduct.¹

The effects of the pandemic, including the economic challenges, are far from over. As of November 24, San Francisco has had 14,254 cases of COVID-19 with 156 deaths. As SF Department of Public Health (DPH) data demonstrates, COVID-19 disproportionately affects people of color,² especially Latinx populations:

Race / Ethnicity	% of COVID-19 cases	% of COVID-19 deaths	% of SF population
Latinx	48.5	25.0	15.2
Black	5.6	6.0	5.2
Asian	12.4	38.0	36.0
American Indian	.3	--	.4

This became significantly apparent towards the late summer during the second surge, as the highest rates of infection were in the Bayview Hunters Point, Tenderloin, Mission, Visitacion Valley, and Excelsior neighborhoods.³ To address the structural barriers to health during COVID, DPH has also released a specific health advisory prioritizing populations and recommending ways to increase care and support.⁴

Additionally, while rated by the State of California at a more permissive “minimal” or yellow tier in mid-October, San Francisco dropped to a more restrictive “substantial” or red tier on November 16, returning non-essential offices to remote work, eliminating indoor dining, and reducing capacity allowances for indoor businesses. As of the drafting of this memo, San Francisco might drop to purple tier in the next week, where most Bay Area counties are placed. One of the most challenging aspects of this human and economic tragedy is its unpredictability, destabilizing the ability for San Francisco and its residents to adapt and plan, and reducing their mobility and range of work and leisure activities.

The Economic Recovery Task Force

In response to the pandemic, Mayor London N. Breed and Board of Supervisors President Norman Yee created the COVID-19 Economic Recovery Task Force (ERTF or Task Force) hosted by the Office of Resilience and Capital Planning. The Task Force was charged with guiding the City’s efforts through the COVID-19 recovery to sustain and revive local businesses and employment, mitigate the economic hardships already affecting the most vulnerable San Franciscans, and build a resilient and equitable future. The Task Force was co-chaired by San Francisco Assessor-Recorder Carmen Chu; San Francisco Treasurer José Cisneros; Rodney Fong, President and CEO of the San Francisco Chamber of Commerce; and Rudy Gonzalez, Executive Director of the San Francisco Labor Council. It included participation of over 100 community leaders from

¹ Arango, Tim, Mike Baker, Maria Cramer, Giulia McDonnell Nieto del Rio, Bill Morlin, Brad Plumer, John Schwartz, Lucy Tompkins, Max Whittaker and Alan Yuhas, 10 Dead in California as Wildfires Spread on West Coast, New York Times, September 17, 2020.

² <https://data.sfgov.org/stories/s/w6za-6st8>

³ <https://data.sfgov.org/stories/s/Maps-of-COVID-19-Cases/adm5-wq8i/>

⁴ <https://www.sfgov.org/wp-content/uploads/2020/06/COVID19-Health-Advisory-StructurallyVulnerablePops-FINAL-06.2.2020.pdf>

neighborhoods and industries from across the city, nonprofit partners, the business community, philanthropic partners, as well as labor representatives. The Task Force was organized around the following economic recovery policy areas: Jobs and Business Support; Vulnerable Populations; and Economic Development. The final report, Attachment B, published in October 8, 2020, articulated the four policy topics into eight major themes:

1. Local Economic Stimulus: explore policies and investments that encourage economic development and activity in San Francisco, such as funding public infrastructure projects, streamlining permitting processes, advocacy for state and federal resources, and more.
2. Job Connections: facilitate and improve connections to jobs and explore programs that hire local workers.
3. Promote Safe Reopening: provide clear and accessible information to businesses and workers on reopening requirements and provide tools and strategies to keep workers, customers, and residents safe.
4. Preserve Operations and Lessen Regulatory Burdens: create flexibility for businesses to operate and consider reducing or eliminating regulatory burdens.
5. Pursue Economic Justice: narrow the wealth gap and bridge the digital divide for low-income residents and communities of color.
6. Invest in Housing: incentivize the construction of affordable housing and small and mid-sized multifamily housing and streamline the housing entitlement process.
7. Meet the Basic Needs of the Vulnerable: ensure San Franciscans have access to food, shelter, mental health, and other services.
8. Imagine and Build Stronger Neighborhoods: activate and draw upon San Francisco's unique neighborhood and cultural assets.

Upon the release of the ERTF Report, the Mayor and the Board of Supervisors further initiated several immediate actions including: extending Shared Spaces, economic support for small businesses, basic income for artists, fee and tax waiver for closed businesses, deferred impact fees for development projects, and grants for cultural districts. Additional measures are described within the work topic areas described later in this report.

Recovery Strategies Priorities

In response to the crisis and in concert with the City's priorities, the Planning Department, MOHCD, and OEWD are proposing a series of immediate and on-going actions to support San Francisco's economic recovery and cultural vitality. Working closely with other supportive agencies and departments, this work will advance the ERTF Report recommendations, expand to investigate additional measures, and continue to monitor the conditions across the city. This work begins with the following three priorities:

Racial and Social Equity Goals

On June 11, 2020 the San Francisco Planning Commission adopted Resolution No. 20738 centering the Planning Department's work program and resource allocation on racial and social equity. This resolution provided the historic contexts to the traumatic events, dispossession, and structural roots of segregation, violence, and inequity that underlies the current conditions of both the city's built environment and the generational impacts to people of color, specifically American Indian, Black, Latinx, and Asian and Pacific Islander populations.

While San Franciscans at many different income levels and with different racial backgrounds may experience health or economic hardship during the pandemic and recession, Black, Latinx, and American Indian populations statistically have fewer personal or family safety nets of retirement savings, home ownership equity, or transferable job skills; this resiliency is commonly anchored in non-Hispanic white families by participation in federal programs in earlier generations like the GI

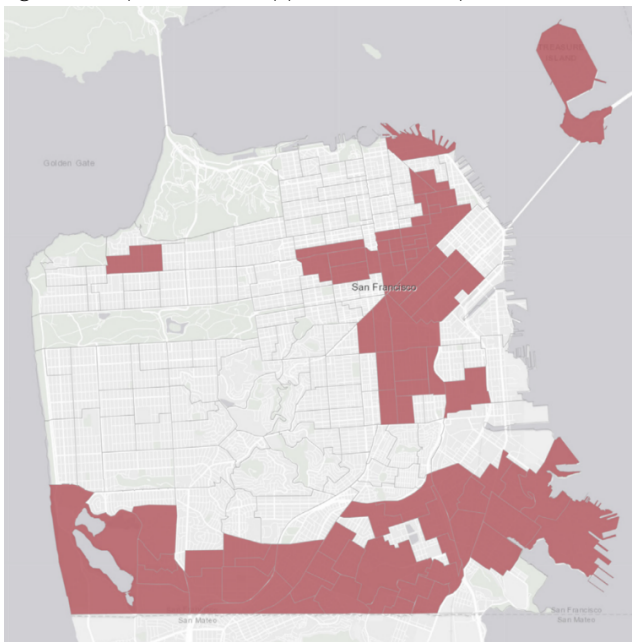
Bill, federally-backed mortgages, or home ownership availability-- programs prohibited or functionally inaccessible to Black veterans, their families, and people of color.⁵

As the Recovery Strategies coalition approaches the work necessary to support people during this intensely stressful and unprecedented era, it is being approached with the goal of redressing these past injustices and re-structuring towards an equitable future. Race and economic disparity will be at the center of the response approach, recognizing that to serve all San Franciscans, the City must focus on those most affected by injustice and least served by systems as they have been.

The Planning Department, MOHCD, and OEWD, in collaboration with the Office of Racial Equity (ORE), has identified goals toward serving specific populations most under-resourced historically and recognize that, by serving them, the City will create an equitable environment for all San Franciscans. These goals are:

- Anchoring and advancing the return of families of color⁶
- Supporting vulnerable populations⁷
- Expanding housing, resources, and economic opportunities for low-, moderate-, and middle-income families
- Supporting health, cultural, and economic vitality grounded in community resources

The recovery team also recognizes priority geographies as areas of investments to support culturally significant enterprise, arts, services, or businesses, and because a significant portion of its residents or people who spend time in the area or location are members of a specific cultural, community, racial, or ethnic group that historically has been discriminated against, displaced, and oppressed (see Map 1).



Map 1: Department of Public Health Areas of Vulnerability (2016)

⁵ <https://www.racepowerofanillusion.org/>

⁶ Prioritizing Black, Brown, Latinx, and American Indian populations

⁷ As defined in the Planning Department Community Stabilization Initiative: vulnerable populations refer to categories of people who are at higher risk of displacement after eviction due to individual and institutional barriers to acquiring market-rate housing. The vulnerable populations included in this report are not an exhaustive list of all categories of people at higher risk but are based on self-identified data in the qualifying documents for inclusion in the Small Sites Program. The categories are Senior (65+ years of age), Disabled, and Families with children, Black/African-American, Latinx/Hispanic, Asian, and Pacific Islander. These categories were identified because these groups of people experience disproportionate hardship after eviction (Desmond & Tolbert Kimbro, 2015; Desmond, 2013, 2012).

Data and Analysis

The coalition's Recovery Strategies work begins with a thorough examination of the available data, de-aggregated by race and neighborhood, to better understand impacts on different populations and the complexity of the inter-related challenges. The Planning Department has established a knowledge gathering team who will seek recent available data from the City Controller's Office, Office of Resilience and Capital Planning, and OEWD; the BayAreaMetro; and the Turner Center for Housing Innovation at UC Berkeley, among other external resources. The Department will further track impacts through the data points established through the research after deployment of the strategies themselves. This effort will follow the lead and recommendations of the Department's Racial and Social Equity Plan, currently in Phase 2.

Engagement and Collaboration

The recovery strategies will be informed by the communities most impacted by the current crisis through two major paths: (1) community engagement efforts through community plans, housing planning, and cultural districts and (2) the Community Equity Advisory Council. With voices from our American Indian, Black, Latinx, and other communities of color as well as low-income communities, this Council will guide the implementation of the Commissions' Equity Resolution at the Planning Department and will support the interagency collaboration. As the process moves forward, staff will reinforce community outreach through existing efforts, as the Department recognizes that public meetings during a time of social distancing and economic and health crises may be a burden to communities already severely impacted.

The success of the recovery strategies will rely on our ability to coordinate across City agencies to deliver integrated solutions to our current crisis. Along with partnering with MOHCD and OEWD, the Department will be coordinating with the ORE, the Department of Public Health (DPH), the Department of Children, Youth and Their Families (DCYF), Public Works, Recreation and Parks (RPD), and the SF Municipal Transportation Agency (SFMTA). The recovery strategies will also support the Department's current community and citywide plans, policies, and implementation strategies to address our current crisis and will identify additional projects essential for a comprehensive and effective recovery. Most immediately, they will coordinate with several long-term projects underway, including updates to the Housing Element, Transportation Element, and Community Safety Element along with the creation of the Environmental Justice Element. The recovery work will also build on existing programs and projects in all three departments.⁸

Recovery Strategies - Work Topics

The Recovery Strategies team currently proposes four recovery strategy work topics to address the complex and inter-related systems of existing and future challenges. Synopsized here, these will be brought in depth to the Commission over the next few months. The first two have been existing challenges exacerbated by the impacts of COVID-19 and changes in the recent economy and demand immediate and on-going attention: Housing Recovery and Small Business Recovery. The second two areas are essential to the overall health and vitality of the city and complement the first two: Neighborhood Life and Work Spaces.

⁸ Planning Department projects include: MAP2020, support for Cultural Districts, the Community Stabilization Initiative, the Housing Affordability Strategies, Housing Outreach Media and Engagement Strategy (HOMES), Shared Spaces, and Groundplay.

1. Housing Recovery

Effects of COVID-19

With the start of the City's Shelter in Place Order on March 16, 2020, the city's ability to house its residents gained greater challenges with heightened exposure and health impacts. While the eviction moratorium allowed many to stay housed in place, the change in governance, needs, and service distribution across the city resulted in a 285% increase in tents for those unhoused in the Tenderloin⁹ in the first four months of Shelter in Place with twice as many deaths as the previous year.¹⁰ The demands of shelter-in-place also put mounting pressures on people in under-housed conditions, for example people in illegal or over-crowded housing or under threat from domestic violence. Vulnerable populations that rely on additional sustaining services, including physical support, rehabilitation, occupational therapy, food delivery, or other social services for health and well-being, have been increasingly at risk, given increased susceptibility to COVID-19 and diminished service access.

Many essential workers have been able to continue their higher-risk work, they are more likely to be renters and have greater rent burdens, generally have fewer family safety nets, are at higher risk of contracting COVID-19, and are thus at greater risk of housing instability or loss if conditions change.¹¹ Many of those who are unemployed are locked in, given rent moratoriums, and are at high risk of dislocation when rent payments resume. As the unemployment rate has increased to 8.4%,¹² up to 33,000 renters could be unable to pay rent due to loss of income and could be at risk of eviction when and if eviction moratoriums are lifted in 2021.¹³ Unpaid rent for affected renters is estimated at between \$13 and \$32 million per month. By early May, across the country, 7 in 100 homeowners had contacted their mortgage lender to say that they could not afford to pay their monthly payment.¹⁴

While these pressures impacted primarily low- and moderate-wage households, many high-wage earners and more economically-mobile populations, including college students, chose to leave the city rather than be sheltered in smaller apartments. Technology, finance, government, and professional service workers adapted to work from home quickly and had nearly no drop in employment and many have taken advantage of the flexibility of remote working and have left the city temporarily or permanently. In response to increasing vacancy, rents have dropped between 21-¹⁵remain more accessible to above moderate income renters while rents likely remain too high for most lower- income renters. In contrast to rents and at the higher-earner side of the market, housing sales continue to rise with low interest rates and dwindling supply and ample demand from higher income buyers; median single-family home prices are up 8.1% from last year and the number of ¹⁶homes sold is up 90% from last year.¹⁷

Along with changes to housing stability, construction of new housing ceased in the beginning of Shelter in Place but resumed, first with a priority around affordability, then nearly completely by May 4, 2020.¹⁸ While the majority of project applications that have been cancelled or put on hold are in institutional, hospitality, and office sectors, the industry and the

⁹ <https://abc7news.com/homeless-in-san-francisco-coronavirus-sf-help/6158835/>

¹⁰ <https://www.sfchronicle.com/politics/article/If-COVID-19-isn-t-driving-a-dramatic-increase-15493665.php>

¹¹ <https://bayareaequityatlas.org/essential-workers>

¹² [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sanf\\$pd.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/sanf$pd.pdf)

¹³ https://sfbos.org/sites/default/files/BLA.Unpaid%20Rent.COVID_.102720.pdf

¹⁴ <https://abc7news.com/coronavirus-us-covid-19-news-usa/6150122/>

¹⁵ <https://www.sfchronicle.com/bayarea/article/S-F-rent-prices-plunge-as-much-as-31-15644663.php>

¹⁷ <https://www.sfchronicle.com/business/networth/article/Bay-Area-home-buyers-scoop-up-shrinking-inventory-15658604.php>

¹⁸ <https://sfdbi.org/covid19updates>

Planning Department estimate a future drop in residential applications, especially mid and high-rise projects. Additionally, several recently entitled projects at these scales do not yet see a benefit in lower construction prices but are feeling the effects of more expensive financing and are at risk of not getting built. While developers, architects, and those in affiliated professional services continue their work primarily remotely from home, construction workers, disproportionately Latinx populations, have been functioning in groups on sites and have suffered greater risks associated with COVID-19, despite safety protocols.

The City's Immediate Response

The City responded during Shelter in Place with funding for immediate efforts, such as eviction defense grants, rental subsidies, emergency rental assistance, housing subsidies, and right to counsel expansion, as well as longer-term support like affordable housing site acquisition, representing a nearly \$110 million city investment. It further opened safe camping sites, housed people in underused hotels, and eventually took advantage of the State's Home Key program which allowed the city to purchase two hotels for permanent supportive housing for people experiencing homelessness (ERTF Report, Page 21). Eviction moratoriums at the local, state and federal level and mortgage deferments have been an immediate measure to house people in place. This was followed in October 28, 2020 with the city agreeing to pay up to 65% of unpaid back rent for qualifying tenants and landlords.¹⁹

The Planning Department quickly evolved procedures, protocols, and Commission hearings within five weeks of Shelter in Place to facilitate the approval of housing permits via digital and online formats, with planners primarily working from home on their own equipment and limited in-person services.²⁰ As well, many Planning Department staff have been deployed as Disaster Service Workers between March and November 2020 for various durations. The Department of Building Inspection (DBI) has incurred more challenges adapting to Shelter in Place conditions, as they had not yet adapted into cloud-based, database systems and rely on paper permitting. The Planning Department continues to work closely with DBI to help expand their services so that both Departments can process applications effectively.

Upcoming Recovery Efforts

The Recovery Strategies will continue to prioritize additional stabilization measures, enable entitled housing projects to complete construction, efficiently process current applications, develop further streamlining, and stimulate on-going housing production. Affordable housing projects remain a top priority for processing. Keeping housing in production remains a significant priority for the City, given the housing crisis well before the pandemic, with extreme displacement and affordability challenges most disproportionately impacting people of color. Along with other recommendations through on-going study, the Recovery Strategies team will address the following tasks:

- *Housing Stabilization measures*, including prioritizing stabilization programs such as rent assistance, increasing funding to small sites acquisition program in priority geographies with communities of color and for vulnerable populations and increasing funding to right to counsel programs.
- *Subsidized Housing recommendations*: seeking long-term sustainable funding stream for subsidized and supportive housing not reliant on specific market-rate projects development; prioritizing subsidized housing in priority geographies with communities of color and for vulnerable populations; prioritize down payment assistance for households affected by urban renewal; and requesting large site or development agreement

¹⁹ <https://www.kron4.com/news/bay-area/sf-to-fund-landlords-whose-tenants-cant-pay-rent-due-to-covid-19/>

²⁰ Computer upgrades and networking capacities have expanded to solve remaining technical problems as the department as a whole moved to its new location at 49 South Van Ness

projects secure affordable housing sites through land dedication in low density areas.

- *Supporting construction of small multifamily buildings*, including streamlined permitting for projects that expand to meet density or expand with ADUs; reducing minimum lots sizes; increasing density in low-density, high-resource neighborhoods; targeting additional housing density at corner lots and along transit corridors to support vulnerable populations access to transit and services.
- *Streamlining the housing entitlement process*, including streamlined permitting for projects with profit-sharing, co-ownership, shared housing models; reducing CUs for larger lots or additional heights; assigning staffing priorities for housing applications over 25 units; priority advancement for Development Agreements that stabilize and serve existing residents in low resource neighborhoods; streamlined permitting for projects that support equity goals in high-resource, low density neighborhoods; and consider use changes to facilitate adaptive re-use projects.
- *Pipeline advancement*, including assessing fee deferral and extending existing entitlements beyond State extensions.
- *Non-City Institutional Engagement*, including creating a Land Equity Fund to support racial and social equity land banking and wealth building programs, and convening non-profit and philanthropic organizations to resource families of color, especially Black, Latinx, and American Indian, purchase property in or proximate to priority geographies.

2. Small Business Recovery

Effects of COVID-19

When Shelter-in-Place began on March 16, 2020, cultural, arts, and economic activity in San Francisco neighborhood and downtown commercial corridors nearly ceased. Thousands of businesses laid off or furloughed workers, not only putting burdens on business owners, but employees, and the patrons dependent on their services. The small businesses that endured the biggest changes were retail, restaurant, and other services dependent on in-person interactions. By October 2020, the number of small retail businesses open decreased by 42.3% compared to January 2020 with a 32.2% drop in revenue.²¹ Restaurants and retail were allowed to begin curbside pickup in May, allowing limited viability through a transformed format.²² The immediate near-complete cessation of air travel, tourism, cultural activity, downtown and regional retail shopping, and lack of daytime office workers further impacted small businesses dependent the larger economic ecosystem created by these activities and populations. As of November 16, Mayor Breed announced that more than 300,000 San Francisco residents had filed for unemployment since the start of the pandemic.²³ Tax revenue impacts on City budgets is anticipated to be \$1 Billion.²⁴

While many of these businesses were able to get financial assistance from the Federal Government Paycheck Protection Program, this was not equally available, as Community Development Financial Institutions, institutions that serve low income, minority-owned businesses, were unable to participate in the Paycheck Protection Program (PPP) due to the

²¹ <https://tracktherecovery.org/>

²² <https://sf.gov/news/retailers-reopen-curbside-pickup>

²³ <https://www.latimes.com/california/story/2020-11-16/san-francisco-further-tightens-reopening-after-explosion-of-new-coronavirus-cases>

²⁴ <https://www.bizjournals.com/sanfrancisco/news/2020/03/31/san-francisco-stares-down-more-than-1-billion.html>

Treasury Department's eligibility restrictions.²⁵ Numerous structural challenges face small business owners of color to access this business-saving relief²⁶ and one estimate is that 90% of business owners of color will be shut out.²⁷

While real-time data is challenging to get, experiences in the neighborhoods provides a stark picture, especially in San Francisco's low income and communities of color. City staff working in the Mission report how many business owners are struggling logistically and financially to reopen or get online where even possible, compounded by the fear of contracting COVID-19 virus, as the neighborhood infection rates are high. In the Tenderloin, with the neighborhood environment under compounding stresses of homelessness and economic distress, business owners found that tents were blocking the doorways of essential businesses and several had been vandalized and robbed.²⁸ While in the Bayview, where Third Street businesses have long been struggling with out-migration and population shifts,²⁹ as Supervisor Walton expressed, "Bayview's small businesses are the heart of our community and are being negatively impacted by this nightmarish pandemic."³⁰

The City's Immediate Response

The City immediately responded with an extensive set of economic stimulus and worker and business protections (ERTF, page 21) representing nearly \$45 million of City investment as well as a moratorium on commercial evictions and the creation of the Shared Spaces Program to create flexibility for safer business operation both in the public realm and on private lots. An interagency collaboration between Public Works, SFMTA, OEWD, and the Planning Department, the Shared Spaces program has facilitated over 1400 issued permits; with one third in priority geographies. The Department, in partnership with OEWD, further pivoted staffing and funding to create specific Shared Spaces equity pilot projects in the Mission, Excelsior, the Bayview, and Tenderloin. Additionally, Mayor Breed put forward Proposition H, passed by SF voters on November 3rd, which changed Planning Code rules to allow more business types to open in neighborhoods across the city with fewer restrictions and less process, including arts activities, restaurants, and limited restaurants (with a few limited exceptions), with the hope of stemming mounting storefront vacancies, providing employment opportunities, and giving existing businesses an easier time to adapt to evolving economic realities and health regulations of the current crisis. Prop H changes are expected to reduce the amount of time Planning staff spend on permit review, reduce the number of Conditional Use Authorizations (CUs) for retail, and significantly reduce the time needed for applicant approval.

Upcoming Recovery Efforts

While the Planning Department is working to further define and enact immediate measures to support new and existing small businesses during COVID-19, it also recognizes the structural stresses in the retail environment that have been prevalent for over a decade with rising online commerce transforming the nature and competitiveness of brick-and-mortar goods and services. Opening a small storefront business in San Francisco prior to COVID-19 was a very risky, time- and resource-consuming endeavor, given high rents and layers of regulatory process. Storefront vacancies have been a persistent challenge in many neighborhood commercial corridors and the focus of public discussion and contention. The fluctuations in resources and de-densification of racial populations due to displacement has forcibly shifted uses in many neighborhoods; for example, during the Dotcom boom, clubs were replaced by start-up offices South of Market or pupuserias were replaced by upscale bars and restaurants with mostly white patrons in the Mission. Shelter in place and

²⁵ <https://www.washingtonpost.com/business/2020/04/24/covid-19-could-devastate-minority-owned-businesses-amid-fears-theyll-also-miss-out-aid/>

²⁶ https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-cares-act2-smallbusiness-apr2020.pdf?mod=article_inline

²⁷ <https://www.cbsnews.com/news/women-minority-business-owners-paycheck-protection-program-loans/>

²⁸ <https://hoodline.com/2020/06/how-san-francisco-has-failed-the-tenderloin/>

²⁹ <https://www.sfexaminer.com/news/small-businesses-in-bayview-work-together-to-survive-and-serve/>

³⁰ <https://www.nbcbayarea.com/news/local/san-francisco/sf-announces-new-grants-program-for-bayview-businesses-affected-by-covid-19/2280701/>

further business restrictions have amplified pressures on businesses that were already in jeopardy. The use of federal money and shared spaces have been temporary life lines, but they are not permanent solutions given the severity and duration of reduced economic activity during COVID and the possible lasting acceleration of longer-term economic and social trends and stressors playing out pre-COVID-19. As funding runs out and some businesses are not able to adapt to or be viable with outdoor operations, furloughs will (and many already have) become permanent job losses, a product of irreparable business closures.

While all neighborhoods are suffering, given these unprecedented challenges, this potential wave of business loss is a catastrophic hit after years of erosion in communities of color where small businesses and institutions represent a layered cultural legacy. Cultural Districts and neighborhoods with historically marginalized peoples have additional and very deep concerns about the potential not only for economic instability, but the loss of people, traditions, expression, history, the memory of nation-shaping events, and specific San Francisco cultures. The loss of small businesses represents a further irreversible dismantling of community centers, many of which hold together populations displaced over generations-- a regional or even national diaspora-- that relies on a remaining and thriving San Francisco geography. American Indian, Black, Brown, Latinx, Japanese-American, Pilipino-American, Chinese-American, and LGBTQAI+ communities, have unique stakes in the survival of their economic centers as public places that must be repaired, recognized, and prioritized during this recovery process.

The City's challenge is to support the vitality of small businesses, heal neighborhood environments, support local entrepreneurs, create jobs, affirm neighborhood identities, and provide goods and services at the neighborhood scale. Here is where we need to prioritize the needs of the American Indian, Black, Latinx, and other communities of color and low-income communities. Local, small business retail, restaurants, and services and their neighborhoods are an interdependent network; the recovery strategies must affirm an equitable and honest process so that businesses proceed through a swift and productive regulatory system with the support of the community centered within each neighborhood. The recovery strategies will prioritize resources in neighborhoods that have been historically damaged or underserved by government, find agreement around neighborhood self-determination, and facilitate economically healthy outcomes for small businesses and their employees.

Along with other recommendations put forward by communities and in response to further data analysis, the recovery team will seek additional input and address the needs of small businesses, workers, and consumers through the following tasks:

- *Increase flexible use of ground floor commercial space*, explore Planning code and regulation modifications to allow more flexible or temporary use of ground floor retail and code definitions for active use and repurpose public outdoor space according to the needs and priorities of our communities and Cultural Districts.
- *Identify start-up resources priorities*, including supporting a commercial space finder registry and a "Fast Start" process connected to the Business Portal at the City's Permit Center.
- *Identify neighborhood commercial (NC) districts within priority geographies* for American Indian, Black, Latinx, Asian Pacific Islander and other marginalized or historically low-resourced communities of color. Provide supportive resources working with Invest In Neighborhoods, define community advisory roles, and enact permitting pathways for prioritized projects. Providing recovery loans and street improvements to support their health, food access, and vitality.
- *Proposition H Implementation*. Participate in the Mayor's working group to implement process reforms to make it

easier for businesses to open;

- Support small businesses, arts, and cultural venues in priority geographies, especially in the Mission, the Western Addition, the Bayview, and South of Market.
- *Develop a permanent Shared Spaces Program*, for long-term business vitality and to further enliven NC districts that struggle with storefront vacancies. Prioritize proactive engagement and resources in NCs in priority geographies.
- *Examine larger economic patterns for retail and production, distribution, and repair (PDR) businesses across the city* and their impacts to employment, specifically on essential workers and low- and moderate-income families.

3. Neighborhood Life

Effects of COVID-19

At the beginning of Shelter in Place, most San Franciscans experienced an enormous disruption to the daily experience of their lives, especially families with children, seniors, or a member with a disability. As care facilities and schools closed, caregivers either had the ability to work from home-- with the expectation to do simultaneous caregiving-- or were forced to choose between risking exposure by working in essential jobs or quit their jobs jeopardizing their family income. In many cases, parents who continued to work outside of the house had to find new childcare options with nearby relatives or use the City's emergency daycare centers further risking COVID-19 exposure for all. These were unprecedented choices for most two parent families who rely on two-wage incomes and utterly dire circumstances for families with one. Essential workers are also more likely to be socially and economically vulnerable, for instance less likely to have health insurance or internet access at home, but more likely to have children or a senior at home, be closer to the poverty line, and limited English proficiency.³¹ One consequence is that there has been an unprecedented drop in woman's employment nationally; of the 1.1 million people who have dropped out of the workforce, 80% are women, and, of the 865,000 women who left the workforce between August and September, 324,000 were Latina, while 58,000 were Black.³² Another consequence is the quality of work performed under simultaneous care and paid work conditions and long-term decrease in career and earnings advancement for those women fortunate enough to work from home.³³

Not only did these tough choices compromise the ability for people to earn or work and for children to learn, but put extreme financial, emotional, and time burdens on households. While experts expected intimate partner violence to increase given these pressures, calls to domestic-violence hotlines during Shelter in Place in affected states dropped by half, due mostly likely to the inability for victims to safely connect with services.³⁴ Overcrowding or multi-generational housing further increased COVID-19 risks, especially among Latinx families which have a four times higher rate of positive tests than San Franciscans more generally.³⁵

While many private schools had the scale and resources to quickly adapt to online learning, the public school systems struggled to meet the needs of students who have a much broader range of challenges at home as well as access to digital platforms and internet service. Eventually, while many private and parochial schools reopened, the San Francisco Unified

³¹ <https://bayareaequityatlas.org/essential-workers>

³² <https://www.smithsonianmag.com/smart-news/covid-19s-impact-working-women-unprecedented-disaster-180976084/>

³³ <https://jamanetwork.com/journals/jamasurgery/fullarticle/2769186>

³⁴ <https://www.theguardian.com/us-news/2020/apr/03/coronavirus-quarantine-abuse-domestic-violence>

³⁵ <https://www.ktvu.com/news/positive-covid-19-rates-in-mission-district-four-times-higher-than-san-francisco-average>

School District facilities remained closed, disproportionately affecting children of color who represent 52% of the general population of the city's children but 85% of the public school population.³⁶ While children rely on schools for education, these environments also afford them social and emotional learning, outdoor activity and recreation, food security, support for special needs, and safety and monitoring for those in distressed households. Similarly, the closure of cultural and community centers in communities of color have disrupted not only the neighborhood and city vitality, but also the social safety nets that those centers provide especially for children, seniors, and vulnerable populations. Many children in historically underserved neighborhoods had highly limited access to open space, especially with growing sidewalk encampments in dense parts of the city. And where services might exist, they were shut down, as playgrounds, picnic tables, indoor recreation facilities, and public spaces that invited "congregation" were closed for nearly half of 2020. Families reinterpreted spaces in their neighborhoods or looked for places outside to see neighbors and friends, often connecting on stoops or backyards where available. The inequity of safe and accessible outdoor space for children has implications for their long-term health and development.

Given the variety of challenges around mobility and Shelter in Place, many families began to rely increasingly on home for long stretches of the week and the local neighborhood for goods, socialization, and activity. While some families became increasingly reliant on delivery services to get food and goods putting others at risk on their behalf, given the few resources to shop for daily goods in low-income neighborhoods, indoor public venues in these communities were more crowded, resulting in twice as high a risk for contracting COVID-19 than in ones in affluent ones.³⁷ Artistic and cultural expression and events, essential to the health of the city's economic and social vibrancy, were tremendously diminished by Shelter in Place.

Health and social services became inaccessible for most, given the impact on those systems and the distances and risks to obtain services. Families with elderly or special needs members faced greater challenges in getting any support without further risking service workers and exposing a population already at greater risk from COVID-19 impacts. Additionally, many of these populations, especially those with disabilities, seniors, and other medically-at risk populations, were increasingly isolated for prolonged periods of time. The emotional and social toll on overburdened parents, isolated medically-at risk, and children, have had 53% of adults report having increased mental stress related to COVID, job loss, and isolation³⁸ as well as youth who report higher experiences of anxiety.³⁹

City's Immediate Response

Along with a robust program of health services to immediately respond to COVID-19, the City created emergency childcare youth centers for essential workers and low-income families, new expenditures for food programs, Community Learning Hubs, funding for SFUSD, funding to expand digital equity access and connectivity in Chinatown and numerous arts grants and funding for neighborhood reactivations. SFMTA began a Slow Streets program which opened access for pedestrian social distancing, safer bicycle networks to de-densify public transportation, and neighborhood open space for people at play. The majority of these had specific technical requirements and few served communities of color, something focusing the planning in the next and fourth phase of openings.⁴⁰

³⁶ <https://www.nytimes.com/2020/11/04/us/san-francisco-closed-public-schools-coronavirus.html>

³⁷ <https://www.nature.com/articles/s41586-020-2923-3>

³⁸ <https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/>

³⁹ [https://www.jahonline.org/article/S1054-139X\(20\)30605-4/fulltext#%20](https://www.jahonline.org/article/S1054-139X(20)30605-4/fulltext#%20)

⁴⁰ <https://missionlocal.org/2020/10/city-expands-slow-streets-imagining-nearly-car-free-corridors-across-the-city/>

Upcoming Recovery Efforts

While the resiliency of families, the healthcare industry, and youth and social services balanced risk to mitigate some of these challenges, it put greater focus on the real, compromised, and often hidden conditions that people face in the city every day, especially centered on the unpaid labor of women of color and the proximity and access to neighborhood resources. While urban density can afford higher quality institutions in healthcare, learning, recreation, and social services, their use relies on user mobility and is not all equally financially or physically accessible. One example is recent code requirements that large office projects must provide childcare which is most efficiently provided on-site, limiting access for those who work from home or do not work in offices.

San Francisco is a city of neighborhoods, and to imagine an equitable outcome for its families requires a full examination of the distribution of infrastructure, services, and resources. As the city has evolved, some San Francisco residents been willing or forced to travel more broadly in their day to day lives to fulfill work, education, services, care, experiences, and the goods needed in the day to day while others do not have the resources, time, or capacity, and simply survive or function underserved. A planning process centered on racial and social equity will need to reimagine how people are more equitably served and invited to engage community through changes to land use, urban design, and civic structures and space. If the City reinforces cultural districts or other priority geographies to support their self-determination and longevity, especially for Black, Latinx, and American Indian populations, the City must also significantly invest in these neighborhoods to undo the documented outcomes caused by racial segregation.⁴¹

Along with other recommendations through on-going study and recognizing that long-term investment and structural changes will be needed to restore historic imbalances, the Recovery Strategies team, in collaboration with other City agencies, will explore these key strategies to support a comprehensive recovery for all neighborhoods:

- *Supporting open space*, including: providing three to five Groundplay projects that can support open space and activation in low-resource neighborhoods; mapping on-going open space and recreation needs.
- *Providing digital resources*, including: ensuring access to educational programming, providing high-quality computers to vulnerable populations, providing affordable connectivity and internet service.
- *Supporting health services*, including: expanding mental health and substance use disorder services, and insuring all San Franciscans have adequate access to food; mapping additional needs, including COVID-19 priorities
- *Supporting needs of caregivers and their children*, including: create accessible, affordable child care system

4. Work Spaces

Effects of COVID-19

Reducing COVID-19 transmission has had perhaps the biggest disruption to the way that Americans understand the nature of work since the end of World War II. The shift from the norm was immediate and dramatic. And while long-term consequences are unclear, the inequities across job types of risk, flexibility, and opportunities in the way we work are painfully evident. There were three primary ways that business adapted to the March 16th Shelter in Place order in San Francisco:

⁴¹ <https://belonging.berkeley.edu/racial-segregation-san-francisco-bay-area-part-4>

Work Shut Down Hospitality has been one of the most shuttered industries, given the halt to tourism and severe reduction in air travel. Nearly 40% of hotels in San Francisco closed indefinitely with 10,000 workers, disproportionately women and people of color, laid off as of August 2020.⁴² Museums, Performing Arts, Entertainment, and Cultural institutions and artists stopped events and closed to visitors, severely impacting their revenue.⁴³ Production and repair businesses were closed initially, then allowed to reopen in certain circumstances with protection measures. Most notably, these job shutdown and losses have not impacted equally across gender and race. While women make up 43% of US employment, they account for 54% of job losses.⁴⁴ Nationally by June, overall job losses impacted 16-24 year-old Black, Latinx, and mixed-race women the most, with unemployment still at or above 30% compared to men at or above 25%.⁴⁵

Work Continued at High Risk As Shelter in Place began, thousands of workers were deemed “essential” and not subject to Shelter in Place requirements. Initially these were employees in healthcare, utility, and infrastructure operations, public sector employment or “those who conduct a range of operations and services that are typically essential to continue critical infrastructure operations.”⁴⁶ The definition then expanded to those who provide people with daily needs, such as pharmacy, delivery, and grocery workers. Nationally and in the Bay Area, nonwhite women are more likely to be doing essential jobs than any other group by race and gender.⁴⁷ Within the Bay Area, there are 1.1 million essential workers of which 66% are people of color (compared to 58% of all workers). Construction, domestic workers, and building cleaning and waste management workers are significantly disproportionately Latinx. Healthcare workers are disproportionately Asian / Pacific Islander, while public transit, warehouse, postal, childcare, and social service workers are disproportionately Black.⁴⁸ One area of essential work understandably sustained during the pandemic is life sciences, including medical research; between February and April, when national employment levels dropped 14%, scientific research and development services fell by only 2.5%.⁴⁹

Work Continued from Home One week prior to Shelter in Place, many major employers in San Francisco shifted their entire workforce to remote work, perhaps influencing the initial low rate of local COVID-19 transmission. The full professional, financial, non-profit, government, and technology sectors quickly followed, impacting thousands of businesses and office environments but allowing them to continue operations. Most large businesses in these sectors were adept at switching to remote working as cloud- and internet-based data sharing and telecommuting practices had become more recently prevalent. While rents for direct office leases in San Francisco have dropped by only 4.9%, the sublease office availability is currently substantial and the relative overall rent stability may be temporary with some agents expecting tenants to relook at needs when the pandemic conditions subside.⁵⁰ While remote work has enabled many companies to survive, it was much more available to larger businesses, more likely to have robust digital infrastructure and white collar workers already engaged in work through digital technology. Additionally, it did not support building management and labor jobs associated with office environments resulting in many office support workers being laid off.⁵¹ Overall, the availability of remote working was disproportionate by race: while over 50% of white and Asian employees can work from home in the

⁴² <https://www.bizjournals.com/sanfrancisco/news/2020/08/03/over-40-percent-hotels-closed-indefinitely-covid.html>

⁴³ For example, SFMOMA reports a 90% drop in earned revenue during 2020. <https://datebook.sfchronicle.com/art-exhibits/sfmoma-announces-employee-furloughs-due-to-ongoing-pandemic>

⁴⁴ <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects#>

⁴⁵ https://tcf.org/content/report/the-covid-19-recession-is-hitting-young-workers-especially-young-workers-of-color-the-hardest/?mc_cid=e1a7c1b2ce&mc_eid=0c612a1d09&agreed=1

⁴⁶ <https://www.cisa.gov/news/2020/04/17/cisa-releases-version-30-guidance-essential-critical-infrastructure-workers-during>

⁴⁷ <https://www.nytimes.com/2020/04/18/us/coronavirus-women-essential-workers.html>

⁴⁸ <https://bayareaequityatlas.org/essential-workers>

⁴⁹ <https://www.ngkf.com/insights/real-insights/covid-19-and-the-future-of-the-life-sciences-sector>

⁵⁰ <https://www.bizjournals.com/sanfrancisco/news/2020/08/13/san-francisco-vacancy-rates-sublease-rents-low.html>

⁵¹ <https://www.salon.com/2020/09/08/lyft-laid-off-contract-janitors-while-spending-175-million-on-an-astrorurf-ballot-measure/>

Bay Area, only 33% of Black and 30% of Hispanic employees have the same opportunity.⁵² While the Metropolitan Transportation Commission (MTC) floated a long-term vision for the Bay Area asking large employers to have 60% of their workforce telecommuting,⁵³ that has since been rescinded. Many large technology firms located in the Bay Area report interest in returning with hybrid models of home and work that get the best benefits of each environment, permanent working from home options, or other flexibility, but some also report that they will adjust pay based on locality.⁵⁴

Predictably, this change in work patterns had an immediate impact to public transportation which saw a severe drop in ridership; as of November, BART still sees an 87% below baseline daily ridership⁵⁵ while MUNI has had a 63% drop.⁵⁶ Transportation agencies reported significant impacts to their revenue with some funding relief from the Federal CARES act.⁵⁷ Traffic patterns at first were greatly diminished, but rose steadily in the subsequent months as essential workers and people more broadly resuming activity shifted to driving. Current traffic speeds are consistently nearly 85% to the pre-COVID-19 era, even with most offices remaining shuttered.⁵⁸ The previous years of growth primarily in high-wage jobs combined with in-migration pressured those with low wages to move farther from the city.⁵⁹ With public transportation a more high-risk endeavor during COVID, the low wage jobs that are still in place with already time-consuming commutes have become less tenable. Another change in mobility pattern is the exponential increase in delivery services, given the increase in online shopping to avoid infection risks at stores. This is demanding a substantial adjustment and expansion in the logistics infrastructure.

City's Response

The City immediately responded by providing additional funding for the Workers and Families First Paid Sick Leave Program, the San Francisco Hardship Emergency Loan Program, and emergency grants; millions of medical items for businesses and workers in vulnerable communities; and by deferring business tax, registration, and license fees for one year, among many other programs (ERTF, page 20). Additionally, the Board of Supervisors passed an emergency ordinance that temporarily bars employers from taking adverse action against employees and job applicants who tested positive for COVID-19 or who are or were isolated due to COVID-19 symptoms or exposure. They further passed an emergency "Right to Employment" ordinance in June, 2020 that imposes rehiring, notice, and reporting obligations onto San Francisco employers who have recently conducted, or who plan on conducting, layoffs related to COVID-19.

In response to the health risks of public environments, change in demand, and drops in revenue, SFMTA and BART immediately changed cleaning protocols, reduced service frequency, and furloughed workers. MUNI's temporarily-reduced service focused limited resources on the city's most-used routes and service to critical connections like medical facilities. In August 2020, the Bay Area transit agencies collectively released the Bay Area Healthy Transit Plan, which articulated how the transit systems would align with the State Pandemic Resilience Roadmap, risk and public transportation benefits, health and safety mitigations, and specific responses to support vulnerable populations.⁶⁰ MTC has also formed a Recovery Task Force to expedite the distribution of federal funding (first distribution of \$780 million in

⁵² <https://abc7news.com/bay-area-remote-workers-worker-study-california.-work-from-home-wfh-council/6564767/>

⁵³ <https://www.sfoxaminer.com/news/bay-areas-future-could-include-a-lot-more-remote-work/>

⁵⁴ <https://www.businessinsider.com/silicon-valley-future-of-work-port-coronavirus-apple-amazon-facebook-2020-10#software-maker-atlassian-is-allowing-its-4900-employees-to-work-from-anywhere-12>

⁵⁵ <https://www.bart.gov/news/articles/2020/news20200225>

⁵⁶ <https://www.sfmta.com/reports/bus-boardings-week-during-covid-19>

⁵⁷ <https://sf.curbed.com/2020/4/23/21232552/bay-area-transit-bailout-cares-act-bart-muni-millions>

⁵⁸ <https://abc7news.com/san-francisco-bay-area-traffic-sf-report-current/6417391/>

⁵⁹ <https://www.sfchronicle.com/bayarea/nevius/article/Low-wage-jobs-are-plentiful-in-S-F-but-where-6515053.php>

⁶⁰ <http://www.healthytransitplan.com/>

CARES Act funding was approved in April 2020) to address network connectivity, financial sustainability, and transportation system equity.

Upcoming Recovery Efforts

Rapid growth in specific sectors of the economy, historic land use patterns, and area planning in San Francisco over the past twenty years have put a focus on the impacts of economic development on the city's people and their built environment. The pandemic is demanding that the city sharpen this focus; it is rapidly reshaping the workplace and questioning assumptions about the geography of jobs. This disruption creates opportunities to decrease racial disparities and new pressures that may accelerate them. Given future risks, economic uncertainties, and lessons from the economic expansion, the City must be nimble in assessing economic development opportunities, more flexible to new industries and ways of doing business, and creative in preserving affordability for the range of businesses that employ low and medium-wage workers.

Despite media reports of office space needs being forever upended, industry experts suggest more modest changes. The Recovery Strategies team will continue to study the adaptations of downtown, already adjusting to the significant expansion of residential units in the Transbay District and responding to high demand for office space under the limits of Propositions M and E. Regionally, office uses had already been shifting in size and format and, even with high demand, older office buildings in downtown have been updating to compete with Class A space anticipated in Central SoMa, Mission Rock, and the South Bay. With a future of enhanced location flexibility, businesses may shift further towards not asking *how much* space they need, but *where* they need it, and the traditional expectation of joining a coordinated office cluster, whether downtown or a corporate campus, may continue to evolve.

The large office employers significantly affect the tax revenue and capital that drives economic development and funds social services and will remain a priority for the city's economic health. But the pandemic has amplified the recognition that a diversity of job types, wage levels, and operation types are essential for the City's resiliency and equity goals. With the shifts in all of these industries, one potential outcome is that "urban centers" may also mean different planning—they may multiply, change scale, mean different uses and experiences, and invite different participants.

While there are immediate opportunities given the severe curtailing of hotel use and development during COVID, the hospitality and tourism industry is expected to slowly rebound and less likely to transform. While some projects may adapt to residential or group housing uses, the city will still need significant numbers and groupings of keys to support both tourism and future convention attendance. The Recovery Strategies team will assess alternative paths for hospitality workers, mostly low-wage and people of color. While some might be able to return to their jobs as hotels reopen, others might need to acquire new skills and transition to other work.

The pandemic has additionally heightened the increasing importance of the life science and medical services sectors to the city's economic recovery and resiliency to health crises. The Bay Area is the country's largest life science market and it has remained vital during the pandemic. Real estate demand will continue to outstrip supply in the life sciences sector, as some construction has been delayed, companies need more space for COVID-19 testing and vaccine development, and others seek to re-shore manufacturing to avoid interruptions in the global supply chain.⁶¹ All of these factors may help the life sciences fill the economic and square footage vacuum left from the technology and professional sectors if they enhance

⁶¹ <https://www.ngkf.com/insights/real-insights/covid-19-and-the-future-of-the-life-sciences-sector>

remote working, further supporting the city as an important medical services and research hub. Life science demand may also increase pressure and rents in the PDR market, further exacerbating the affordability challenges for small businesses. Life sciences and related labs, especially in medical services, currently provide significant employment opportunities to people of color and women.

PDR has proved both more resilient and essential during COVID-19, with numerous local PDR businesses pivoting to providing essential services, like food production and distribution, and manufacturing of essential goods, like Personal Protective Equipment (PPE), testing kits, and sanitizer. While these businesses tend not to support remote work, they also are not as vulnerable to shutdowns and changes in shopping habits as businesses that rely on walk-in customers or other swings in the financial markets. Like PDR, the construction sector provides good wages to a range of skill levels, career-building opportunities, and has remained resilient during the pandemic.⁶² Diminished during the last recession, could be a key place for job growth; it would not only diversify the wage opportunities but could lessen the pressure on construction pricing and support housing production.

Despite zoning meant to protect them, local PDR and construction businesses are being displaced in ways that parallel the housing market. The stresses of 2020 have only exacerbated this tension between the city's need for PDR businesses and the lack of real estate they can afford. Prior to COVID-19, the increase in demand, decrease in supply, and encroachment of residential neighborhoods has pressured the PDR market to the point so that only well-capitalized or venture-backed firms could afford to move to or expand in San Francisco. During COVID-19, however, the already rapid trend towards expansion of online sales and delivery services has soared. This growth is increasing pressure for logistics facilities, potentially increasing impacts to surrounding neighborhoods, which are often communities of color. The Planning Department is expected to continue to see an increase in applications for logistics warehouses in PDR districts and changes in residential ground floor design as proposals for retail spaces have reduced in size as mail and package rooms have grown. Additional loading and public realm adaptations across the city have been necessary to accommodate short-term trucks and access to lobbies. To preserve and grow these jobs, the Recovery Strategies team will develop strategies to ensure affordability and availability of viable PDR space for a wide range of PDR businesses at all stages of development.

The recovery strategies work will continue to study the impacts of the pandemic and economic recession on potential work uses such as office, life sciences, hotel and tourism, PDR; the privilege and burdens of work types and mobility options; and the on-going outlook for workers of all wage types, especially, workers of color. Along with other recommendations through on-going study, the recovery effort will investigate:

- *Public Transit*, including supporting public transit funding and continued prioritization of critical routes, especially to support those needing safe, public mobility options
- *Accommodation and infrastructure of existing roadways*, including a permanent or revolving slow streets program, especially for priority geographies that are underserved in open space; accommodating increasing needs and understand impacts of distribution and delivery as a city network; looking at loading and ground floor building design
- *Maintaining Low Wage Jobs, including:* Updating PDR zoning to accommodate new or flexible types of workspaces, incubators and PDR; lowering administrative barriers for small businesses, multi-tenant spaces, and home-based producers; planning incentives and in-lieu fee options to create affordable PDR spaces; examining how to support

⁶² *San Francisco Economic Update*, Office of the Controller, October 2020.

growth for construction businesses.

- *Use Adaptations*, including: Reusing hotels, Assessing life science, labs and medical uses, Assessing office space needs and changes in labor force
- *Evolving Work centers*, including an analysis of existing Downtown, Union Square, Civic Center, and other job collection densities and their ecosystems

Performance Metrics

In order to ensure we are meeting the economic recovery and cultural vitality goals, the Recovery Strategies team is prioritizing staffing and the City's resources, drafting immediate and short-medium term legislation, implementing projects, and developing partnerships with the non-profit and private sectors. The recovery strategies team has established three metrics categories to measure the contributions of each strategy. Specific metrics will be developed in collaboration with the Community Equity Advisory Council.

Serve and Invest in Low-Resourced Neighborhoods

Through the lens of Greenlining⁶³ its priority geographies, the Recovery Strategies team seeks to repair the dispossession at the root of housing inequity in San Francisco. It will first do this by recognizing the historic intentional blockage of Black families from wealth-building, the taking of land from the American Indian populations, and the layered structural inequities that prevented people of color from obtaining housing since colonization. The Recovery Strategies team further recognizes that that dispossession has had catastrophic and generational impacts to financial opportunity, health, education, access to social services, and City resources and infrastructure, such as education, civic institutions, and open space. In response, it seeks mechanisms to transfer agency to the people dispossessed by forming structural roles that formalize self-determination, leadership building, and official recognition to concentrate power and longevity. It will seek solutions that rebuild recognition, and prioritization of educational and infrastructural services to these communities that have been historically under-resourced. And finally, if desired by the community, actions that support invitation and belonging that fosters community growth, creativity, and internal diversity.

Open up High-Resourced Neighborhoods

Beyond structural racism in financial and criminal justice systems, our zoning history has segregated higher income neighborhoods, leading to racial disparities. Many San Francisco neighborhoods have significantly higher than regional average non-Hispanic white populations and continue to offer the best outcomes for life expectancy, educational attainment, home ownership value, and household income.⁶⁴ Neighborhoods that have predominantly white populations are also the ones with the greatest barriers to entry because of their limited housing type diversity, availability, and high cost. Housing opportunities for communities of color in high-resourced neighborhoods will truly address the diversity that all San Franciscans pursue, it will improve life expectancy, wealth access and services for people of color, and will contribute to diversify cultural resources in these neighborhoods.

Define Equity Baseline for all Neighborhoods

While recognizing that neighborhoods at either end of the economic spectrum play a significant role in their populations' wealth and health outcomes, all neighborhoods must meet baseline access to high-quality resources that reduce the burdens on caregiving households, especially those with vulnerable populations, including children or seniors. The health

⁶³ <https://greenlining.org/>

⁶⁴ <https://belonging.berkeley.edu/racial-segregation-san-francisco-bay-area-part-4>

and well-being of many San Franciscans depends on the unpaid or low-wage labor of women, especially women of color. A recovery towards a just city needs to focus on access and proximity to high-quality education, childcare, food, healthcare, digital infrastructure, social services, and civic institutions across all neighborhoods to appropriately support communities of color and low-income communities in their day to day experience of life, their health, their personal or professional goals, their self-determination, their lifetime earnings, and their unique contributions to the paid workforce.

OCTOBER 2020

ECONOMIC RECOVERY TASK FORCE REPORT



THE CITY AND COUNTY
OF SAN FRANCISCO

Stay 6 feet apart

請與他人保持6呎距離
Manténgase a un mínimo de seis
(6) pies de los demás

Magbigay ng 6 na talampakang
distanasya mula sa isa't isa

sf.gov/coronavirus

ONESF
Building Our Future



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Letter from Mayor Breed and President Yee

Back in March 2020, in close consultation with the Director of the Department of Public Health and surrounding Bay Area counties, we made the difficult decision to implement a shelter-in-place order for the City and County of San Francisco. Since that time we have had to change so much about the way we live. And yet, as we always do – San Franciscans have come together in ways that leave us in awe of the resilience and hopefulness of our fellow residents.

We formed the Economic Recovery Task Force because we wanted to bring together a group of community leaders to inform the City's response efforts and ensure open communication and information sharing both to and from the City. We wanted to tap into the diverse life experience and creativity of our residents and local leaders to inform public policy and programs that we are rolling out to address this crisis. We wanted to hear new and bold recommendations directly from the community. The people called to serve on the Economic Recovery Task Force represent an array of neighborhoods and industries from across the city, our nonprofit partners, the business community, philanthropic partners, as well as labor representatives. We also asked the Task Force to engage with the community beyond those on the Task Force to the constituencies they represent and beyond. Through a public survey and other community engagement and listening efforts we were able to hear from thousands of San Franciscans throughout this process.

What we heard was a story of struggle. Many of our residents, especially our small business owners and parents, are struggling to see a future where they can survive – how can they keep their jobs or provide educational support for their children? How can they reopen their business in spite of health concerns? To address these hard times, the Task Force has made bold recommendations large and small. We are very thankful for the many hours of time that the Task Force, members of the public, and City staff contributed to this effort. We especially thank the Task Force Co-Chairs for their leadership in guiding this process and presenting us with this excellent work product. Indeed, we have already moved forward many of the ideas coming out of the Task Force such as the Shared Spaces program to enable a significant increase in outdoor dining, business tax deferrals, increased testing capability across the City, and expanded sick leave programs. The City's recent and projected revenue losses due to COVID-19 make strategic, high-impact programmatic actions especially important now and through recovery. We look forward to continuing to implement policy proposals in the coming weeks and months as new needs arise and resources allow. We are very appreciative of the many proposals provided by our community to help us reopen the economy as much as possible while maintaining the safety of the people of our City.

Additionally, we acknowledge and appreciate that the Task Force focused on longer term policy proposals, focusing on the inequity present in our city even prior to the onset of COVID-19. The City's budget for the upcoming year includes significant increases in funding to address structural inequities impacting the City's Black community, resulting from generations of disinvestment. The recently adopted budget redirects \$120 million in funds over two years, from the City's law enforcement departments, towards efforts to repair the legacy of policies that lead to racially disparate health, housing, and economic outcomes for Black residents. The Task Force focused attention on solutions for our most vulnerable community members when it comes to jobs, stable housing, and child care. They also looked at how to expand opportunities for our immigrant-owned businesses and non-

English speaking merchants to have equal access to resources in order to avoid displacement of our diverse cultural districts.

We are so proud to lead this amazing city and its inventive, resourceful, and caring residents during these difficult times. There is no denying that the future is still uncertain, but we are confident that we can navigate any challenge that comes our way when we come together and leverage the ideas and creativity of our diverse communities.

Thank you to everyone that participated in this effort and we look forward to continuing to work together in the months and years ahead as we seek to rebuild San Francisco stronger, more equitable, more resilient, and more united than ever.

Sincerely,

A handwritten signature in blue ink, reading "London Breed". The signature is fluid and cursive, with the first name "London" and last name "Breed" clearly legible.

Mayor London N. Breed

A handwritten signature in blue ink, reading "Norman Yee". The signature is fluid and cursive, with the first name "Norman" and last name "Yee" clearly legible.

Board of Supervisors President, Norman Yee

Letter from the Co-Chairs

We are honored to serve the City and County of San Francisco during these challenging and unprecedented times. First, we want to thank Mayor London Breed and Board of Supervisors President Norman Yee for their foresight in calling this group together and for their trust in us to lead this process for the City.

We are proud of the over 100 San Franciscans who served alongside us on the Economic Recovery Task Force. Charged with advancing recommendations to set San Francisco forward in recovery from the COVID-19 economic crisis, this talented and dedicated group of individuals represent a diverse coalition of leaders from the small business community, large employers, nonprofit sector, academia, labor unions, our faith and philanthropic communities, and government leaders.

Over the last few months, it is clear that we face an economic shock unlike any we have experienced before. Not only must we look to restoring good jobs, preserving businesses, and incentivizing local investment, but we must also co-manage an active global pandemic which requires us to be nimble and ready to adapt to evolving needs. It is also clear that the pandemic has highlighted the inequities within our economy, disproportionately impacting women, immigrants, people of color and low income communities. With this context, we sought to lean on science and data to guide our path towards safe reopening and we sought to put forth a plan for economic prosperity that is inclusive and equitable.

The actions and policy proposals included with this report represents the collective ideas of Task Force members. It also reflects the aspirations of the over 1,000 San Franciscans who submitted surveys and emails to the Task Force and the over 900 additional residents and community partners we reached through facilitated convenings, focus groups, targeted surveys and meetings. The result is 41 specific



policy recommendations broadly organized around creating flexibility for businesses, protecting the health and safety of our workers and residents, incentivizing investments in our long-term economy, addressing the needs of our most vulnerable, and recognizing the unique arts, cultural and neighborhood assets that set San Francisco apart. These recommendations seek to complement and serve as a foundation for recovery efforts underway within the City and amongst our public, private and philanthropic non-profit partners.

Finally, we offer our sincere and deep appreciation for the dedicated City staff who ensured this process' success. Many worked weekends and evenings on top of their regular duties because they believe in the importance of this work.

We know the road ahead is full of challenges and uncertainty. We remain hopeful and inspired by what can happen when San Francisco comes together.

Sincerely,

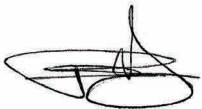
San Francisco Economic Recovery Task Force Committee Co-Chairs



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José Cisneros, Treasurer, City and County of San Francisco



Rodney Fong, President and CEO, San Francisco Chamber of Commerce



Rudy Gonzalez, Executive Director, San Francisco Labor Council, AFL-CIO

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Norman Yee, President, Board of Supervisors

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Introduction

Mayor London N. Breed and Board of Supervisors President Norman Yee created the COVID-19 Economic Recovery Task Force (Task Force) to respond to the urgent needs of San Francisco's workers, businesses, organizations, and vulnerable populations arising from the COVID-19 pandemic. The Task Force was comprised primarily of members of the public, engaged with the charge to guide the City's COVID-19 recovery efforts to sustain and revive local businesses and employment, mitigate the economic hardships affecting the most vulnerable San Franciscans, and help build a resilient and equitable future.

The Task Force was co-chaired by San Francisco Assessor Carmen Chu; San Francisco Treasurer José Cisneros; Rodney Fong, President and CEO of the San Francisco Chamber of Commerce; and Rudy Gonzalez, Executive Director of the San Francisco Labor Council, AFL-CIO. Task Force members represented a diversity of perspectives and sectors, including academia and research, arts, entertainment and nightlife, finance, government, health care, hospitality, housing, labor unions, manufacturing, nonprofit, personal services, philanthropy, real estate, retail, small and large businesses, and technology. Staff from the City Administrator's Office managed the administrative effort, supported by staff from the Controller's Office, the Human Rights Commission, the Planning Department, the Office of Economic and Workforce Development, the Assessor-Recorder's Office, and many others.

This report summarizes the work of the Task Force and its 41 detailed policy recommendations. These recommendations and Task Force members' on-the-ground insights provide a critical public perspective on what is important to businesses, labor, and nonprofit partners to stabilize the local economy, plan for economic recovery, and to advance an equitable economic recovery. It also highlights the City's work most directly influenced by the Task Force during its engagement: the Shared Spaces Program and Safe Reopening Roadmap.

Every day, leaders are learning more about the progression of COVID-19 and effective strategies to mitigate its spread and impact. As that knowledge evolves, so too will there be a need for City leaders to adapt to economic strategies that help to support and retain employment and businesses.

The Task Force recognizes its work is one component of the City's effort to ensure San Francisco's long-term economic success. To meet San Francisco's urgent needs, parallel efforts to address reopening, homelessness, transportation and mobility, education and child care, sustainability, and long-term economic and workforce development are also underway and ongoing. Together these efforts will inform the vision, planning, and implementation needed for recovery and growth beyond this crisis to build a future San Francisco that is resilient, equitable, and thriving.

“ If we can open, that would be one step. If we can break even on expenses, that would be the next step. If we can do as well as before, that would be awesome. If we can make changes to the business models so this is not such a peril at a three-month closure, that would be the best thing to come out of this.” *Public survey respondent*

“ Many of us are living behind closed doors to be safe, so we are out of sight and out of mind.” *Disability community focus group participant*

Economic Context

Economic Impact

In early 2020, the COVID-19 pandemic rapidly changed the outlook of San Francisco and the world. San Francisco took early and decisive action, issuing an order for residents to shelter-in-place on March 16, 2020. This action likely saved thousands of lives, protected the local healthcare system, and enabled the City to build a population level emergency response, testing, and contact tracing infrastructure.

At the same time, continued limitations to operating businesses, and the ongoing recession they created, continue to have a profound impact on our local economy. Local employment data from April 2020 reported a loss of roughly 175,000 jobs in the San Francisco metropolitan division as compared to March 2020. Though 62,000 jobs had returned by August as a result of phased business reopening, nearly two-thirds of the jobs lost since April have not yet recovered.

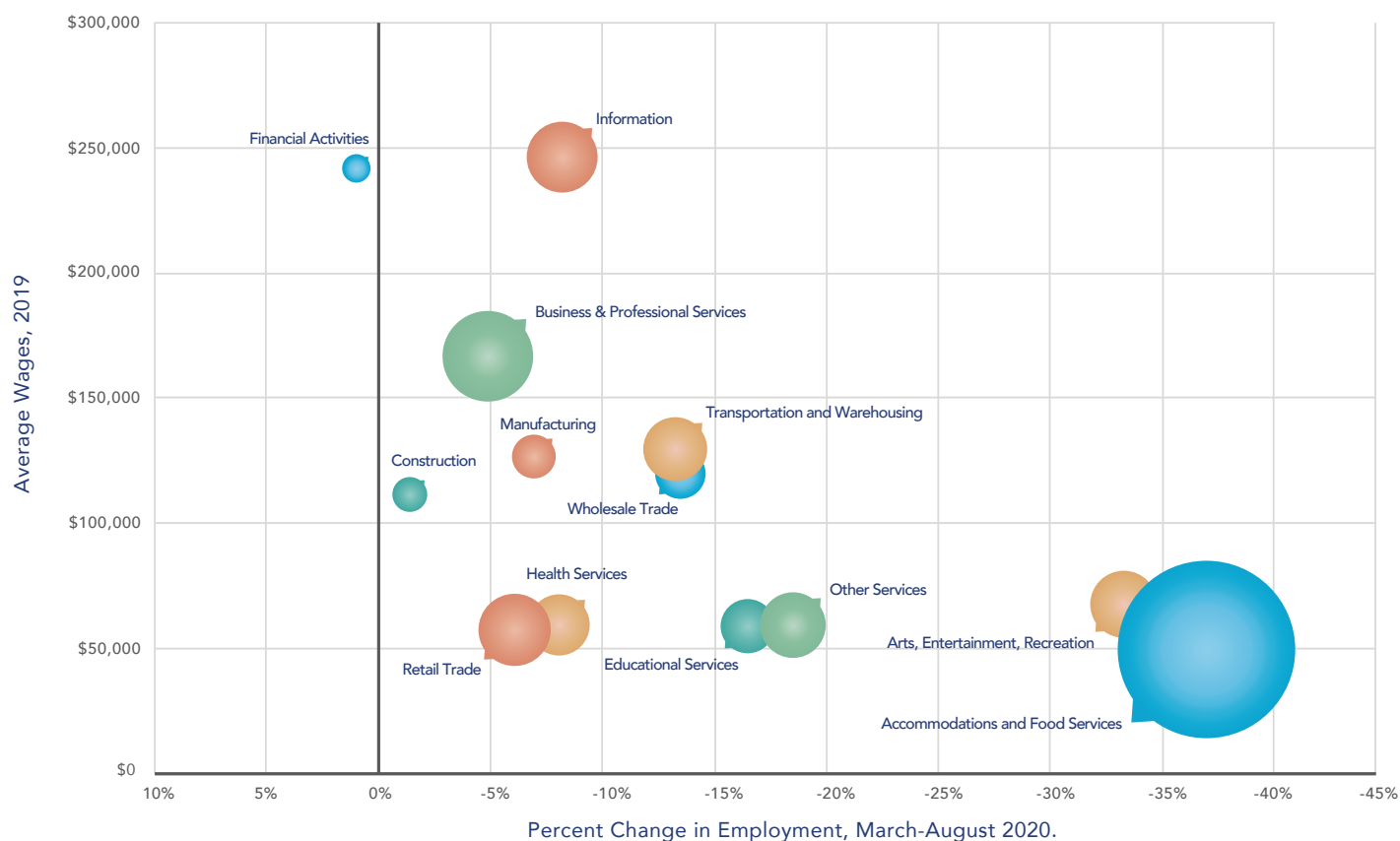
” COVID-19 made it harder to outreach to our community. Many folks are not getting information.”
CBO focus group participant

A survey from the SF Chamber of Commerce reported that only 46% of storefront businesses in San Francisco open at the start of the pandemic were still operating in August. While some of these businesses may only be temporarily closed, Yelp data from the San Francisco-Oakland-Hayward metro area found that 2,065 out of 5,048, (41%) businesses that closed between March and July have now indicated that they are permanently closed. These are businesses that are not expected to reopen and jobs that are permanently lost. Businesses that rely on commuters and tourists have been especially hard hit. Local unemployment claims have now topped 193,000 since the start of the pandemic.

Employment and health data also show that COVID-19 has had a disproportionate impact on low-income communities and communities of color. Job losses have been especially concentrated in lower-wage industries, including food service and hospitality. For many employed in these sectors, there are fewer opportunities to work remotely, and workers face the difficult decision of risking exposure or staying employed. Other sectors such as arts, entertainment, and recreation have also suffered significant losses in employment, especially as compared to higher-wage industries like financial sector and business and professional services (see table below).

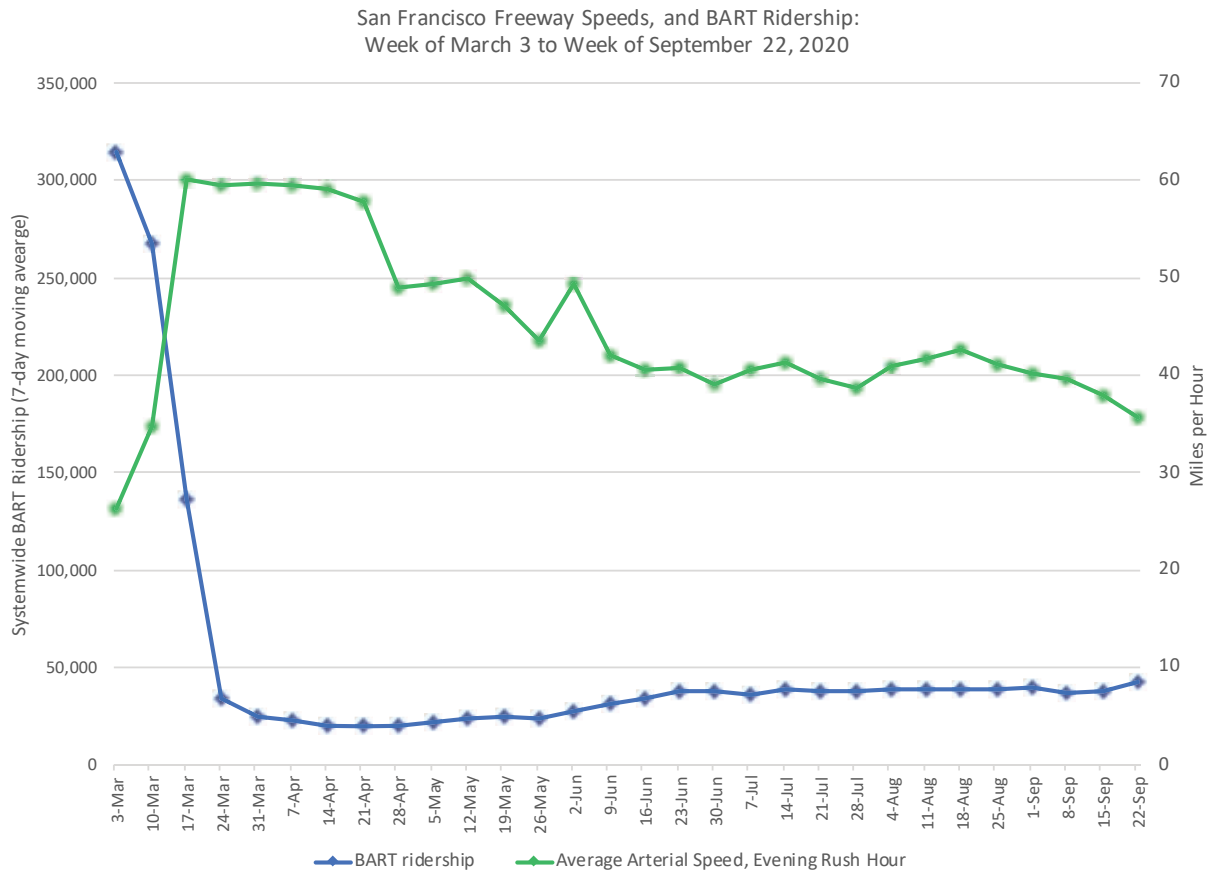
” One thing that people lost was access to the internet. They’re prioritizing food on the table... not internet and cell phones.”
Focus group participant

**Average Wages by Percentage Change in Employment, February-August 2020:
San Francisco Industry Sectors**



Source: Bureau of Labor Statistics, September 2020

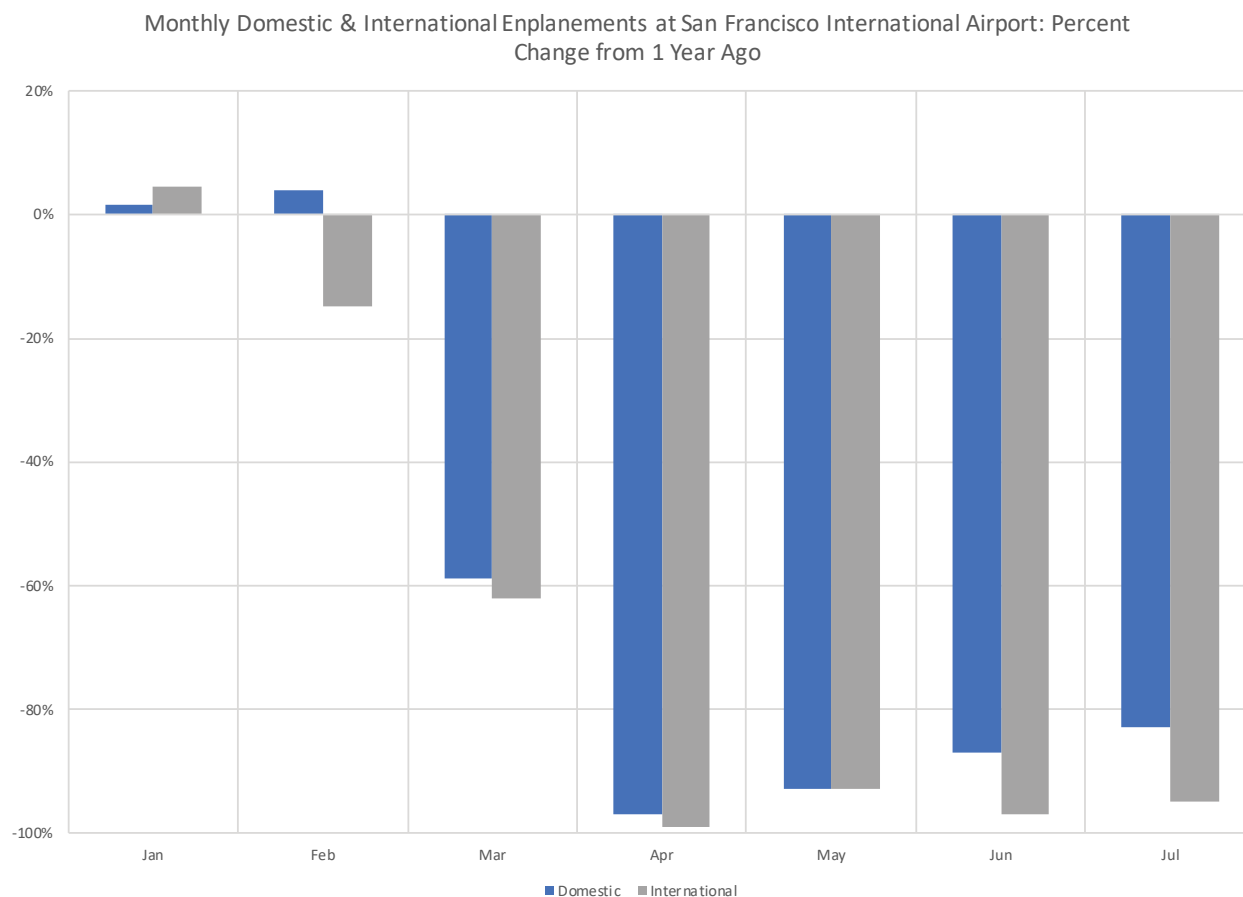
San Francisco's economy is centered around a bustling downtown that brings together a strong pool of talent for employers, as well as citywide tourist attractions that bring in visitors from around the world. Yet with the health crisis requiring individuals to shelter-in-place and engage in remote work where possible, these aspects of the City's economy have significantly declined. Downtown San Francisco has seen a marked decrease in commuters, as reflected by a steep decline in transit ridership since the beginning of March. As of late September, BART ridership was down over 88% as compared to the same time last year. On the other hand, average speed on the freeway during evening rush hour is only 3% higher than in early March. Those workers that are returning to work are much more likely to drive, but downtown San Francisco is not built for everyone commuting by car. A full economic recovery will require a return of confidence in public transit.



There are additional warning signs for downtown, not related to confidence about riding transit. Commercial brokers have reported a sharp spike in office subleasing and vacancy. The city's office vacancy rate reached 14.1% in the third quarter of 2020, according to Cushman and Wakefield, up from 5.4% the previous year. While office workers are required to work at home during the pandemic, this vacancy rate represents businesses not renewing their office leases, suggesting they intend to reduce their employment level in San Francisco over the longer term.

It makes a major difference to the city's economic recovery if remote workers retain their Bay Area homes, or move to another area. Several major local companies have allowed, or in some cases incentivized, workers to move to a lower cost location, which could threaten the city's long-term economic competitiveness. At the moment, the clearest evidence of this risk is found in the housing market, which is a real-time indicator of people's interest in moving into and out of San Francisco. Several companies that track residential rentals across the country report that declines in residential asking rents in San Francisco, along with New York City, are the steepest in the country. For example, ApartmentList has reported an 18% drop in asking rents in San Francisco between March and September, by far the biggest drop of any city it monitors. This decline in asking rent for vacant apartments, which has been accelerating despite the jobs recovery, is a sign of more renters wanting to move out of San Francisco than to move in.

For the hospitality industry, San Francisco's other major economic driver, the news is equally concerning. According to San Francisco Travel, nearly half of the hotel rooms in the city are now temporarily closed, and occupancy in September was down 86% from September 2019. As of August, enplanements at San Francisco International Airport are still down 85% compared to last year.



A further sign that San Francisco's economy is suffering broadly, and worse than in other cities in California, is sales tax receipts. General Fund sales tax, which represents 1% of the value of all taxable sales in the city, declined by 43% in April-June 2020, compared to the same period in 2019. While major declines were seen across the state of California, San Francisco's drop was much steeper than those in other cities, like Los Angeles and San Diego, that are also reliant on tourism. Sales at restaurants and bars were down 65%, as was sales at General Consumer Goods stores. Even taxable sales at Food & Drug stores was down 8% year-over-year, indicating that the city's population, and not merely visitor count, may be in decline. Virtually every other city in California saw major gains in online sales tax in the second quarter of 2020, as people switched from in-person to online sales. However, San Francisco's online sales were virtually flat, with only a 1% growth between the second quarter of 2019 and 2020.

Low-income communities, the elderly, disabled community, and the unhoused and vulnerably housed communities continue to suffer disproportionate strain. Gaps in access to technology threaten a widening divide especially as more services, including essential public services, are pivoting in the interim to remote or online services. The economic crisis and health crisis are occurring simultaneously with other seminal cultural and natural events: the surging demand for racial justice and the catastrophic wildfires in all directions. In tandem with these trends, San Francisco faces an urgent call to deliver an equitable and resilient economic recovery for all.

Immediate Relief

In addition to managing the public health and safety challenges of COVID-19, the City recognized the urgency in addressing the acute economic stresses brought on by the pandemic through immediate action. Since March, the City has deployed targeted investments to stimulate the local economy and support existing businesses, workers, and our most vulnerable, and the current budget marshals further resources. In addition to public funding, the Give2SF fund for COVID-19 priorities was established to direct resources to those struggling as a result of the pandemic, with a focus on food security, access to housing, and support for workers and small businesses. Many of these initiatives align with Task Force priorities, as shown in the highlights of recent, current, and budgeted efforts below.

- **Protecting workers and businesses**

- \$10 million for the Workers and Families First Paid Sick Leave Program
- \$2 million for the Right to Recover Program
- Delivered one million surgical masks, 600,000 face shields, and 150,000 bottles of hand sanitizer for distribution to businesses and workers in vulnerable communities
- Business tax, registration, and license fee deferrals through March 2021
- \$9 million through the San Francisco Hardship Emergency Loan Program
- \$2.5 million in resiliency grants for approximately 300 small businesses
- African-American Small Business Revolving Loan Fund
- \$5 million to support small business added in Technical Adjustments to the current budget
- \$200,000 with OEWD for business capacity building, technical support, and grant writing support
- \$1.7 million for targeted workforce supports and development initiatives
- \$12.8 million to Grants for the Arts, supporting 227 grantees with an equity lens
- \$2.5 million for the Arts & Artists Relief initiative, and an additional \$315,000 in arts grants for neighborhood reactivations
- Moratorium on commercial evictions for small and medium-sized businesses, now extended at the State level through March 2021
- Ongoing funding for OEWD workforce development efforts, including Workforce Link, CityBuild, TechSF, and Healthcare Academy
- [One-stop City website](#) for businesses and workers
- Community Investment Fund - Contractor Accelerated Payment Program
- Emergency child care youth centers opened for essential workers and low-income families

- **Protecting our vulnerable**

- \$247 million for COVID-19 response, including PPE, expanded medical capacity, community outreach, contact tracing, and \$56 million for testing in the current year
- \$16 million in COVID-19 response specifically for expanded Pit Stops and hygiene stations throughout the city
- Additional \$1.6 million for COVID-19 supports in SROs, the Western Addition, the Tenderloin, and other community hubs
- \$46.7 million in new expenditures for food programs, and an addition \$1.1 million for underserved communities, the Tenderloin, and seniors
- \$66.5 million for the first phase of Mental Health SF (if business tax reform passes)
- \$4 million for implementation of a crisis response team
- \$120 million redirected funds for reparative investment in Black/African American communities
- \$5.5 million for the Opportunities for All subsidized employment program for youth and young adults
- Establishment of DCYF Community Learning Hubs
- \$15 million for SFUSD
- \$15.1 million for eviction defense grants
- \$51.8 million for affordable housing site acquisition
- \$37.6 million for rental subsidies and emergency rental assistance
- \$4.5 million in additional housing subsidies, shelter, and vouchers for people living with HIV, displaced tenants, transitional-aged youth, LGBTQ shelter, and families including those in SROs
- \$750,000 Right to Counsel expansion
- Moratorium on tenant evictions

- **Economic stimulus**

- Deployed investment in public infrastructure, including Capital Planning Committee authorization of \$157 million in Certificates of Participation, \$127 million in 2016 Public Health & Safety bonds, \$103 million in 2016 Preservation and Seismic Safety loan program bonds, and \$260 million in 2019 Affordable Housing bonds.
- \$1.5 million to deliver fiber to affordable housing units, and \$275,000 additionally for digital equity access and connectivity in Chinatown
- Proposed relaxation of local zoning controls in neighborhood commercial corridors to encourage activation of vacant storefronts
- Launched Shared Spaces Program to create flexibility and expand business capacity to operate - so far close to 1,600 outdoor spaces have been approved (see Appendix B)
- Waiver of outdoor business permit fees until 2022
- Deferral of business registration fees and unified license fees until March 2021
- Just Add Music (JAM) permit created to enable live outdoor music and entertainment in existing Shared Spaces locations

Focus on Safe Reopening

Economic recovery requires the safe reopening of business activity. State restrictions guide, but local health orders prescribe the specific business and other activities that can resume in San Francisco following strict initial shelter-in-place orders. In addition, local health directives detail the legal requirements or conditions of opening. These public health decisions are driven by the County health department.

Understanding the dynamic nature of an unprecedented global pandemic, Task Force members and the public have underscored the need for clear information and guidance. Clear direction is essential for economic recovery because it provides businesses with an ability to plan, prepare, and make financial decisions based on the best information available.

To facilitate this goal, the Task Force partnered with the County health department in two critical ways. First, the Task Force developed a feedback process with the health department to ensure the operational realities of running businesses were considered before local directives or mandates were issued. Beginning in late May, working through the San Francisco Office of Economic and Workforce Development, Task Force members and other impacted stakeholders had the opportunity to weigh in on health directives that were operationally infeasible or were able to spotlight elements that were unclear or which needed further guidance. This process enabled the health department to consider alternatives that equally advanced its public health goals while fostering more compliance through clear, operationally feasible instruction.

Second, Task Force members and stakeholders consistently advocated for more direction on the path forward for reopening. The Task Force offered alternative mitigations that allowed additional business activities to be considered, including the launch of the Shared Spaces Program which expanded the capacity for businesses to use sidewalk, parking, street or surface lot spaces outdoors. At the end of May, the County health department released an initial roadmap for reopening and continues to evaluate that timeline and roadmap as local health conditions change (see Appendix A).



Task Force Process

The Task Force met between April and October 2020. Task Force members brought deep understanding of issues in the San Francisco community, high energy, and an equity focus to the process. See Appendix C for additional detail on the policy development process

The timeline below summarizes the focus and work of the Task Force.

April-May	Task Force kick-off (4/24/20) and initial survey
	Co-Chairs and staff met in small groups of Task Force members (approximately 10 per session) to hear challenges and aspirations
	Public survey and engagement focus groups began to bring underrepresented perspectives forward
June-July	Focus on Safe Reopening to respond in a timely manner to expressed needs in the initial survey and small groups
	Policy work groups (Jobs and Businesses, Vulnerable Populations, Economic Development, and Arts/Culture/Hospitality/Entertainment) of approximately 20 Task Force members with diverse perspectives articulated problem statements and most urgent priorities for the Task Force
August-October	Staff began drafting policy memos for priority recommendations
	Continued community engagement and sharing back with the Task Force
	Staff synthesized Task Force recommendations into integrated priority areas, shared community engagement learnings that included input from community subject matter experts, and drafted the Task Force Report.
	Task Force members and City stakeholders shared feedback on Report Draft
	Final Report published for final meeting (10/8/20)

To complement the diverse opinions of members, the Task Force sought out the perspectives of vulnerable and underrepresented populations through the Community Engagement and Listening (CEL) team. The CEL team's efforts amplified the voices of community members disproportionately impacted by COVID-19, bringing additional research and voices to the work of the Task Force.

Over a four-month period, over 1,000 public surveys and emails from San Franciscans and other stakeholders were received and used to inform the recommendations development process. The CEL team and partner City departments also initiated targeted stakeholder outreach to populations underrepresented in the public survey, including tenants from single residency occupancy buildings, restaurants in Chinatown (an area especially hit hard when COVID-19 initially emerged), the arts and entertainment community, immigrant communities, the disability community, and the Black/ African American, Latino/a/x and Filipino/a/x communities. Over 40 hours of interviews and conversations, with nearly 100 community members, through formal focus groups and presentations at neighborhood-based meetings. In addition, there were public hearings and presentations at the Small Business Commission, Immigrant Rights Commission, the Commission on the Environment, and the Commission on the Status of Women.


Several common areas of concern emerged from these engagements:

- The community-based organizations that are crucial for small businesses, residents, and government alike are in economic danger and need support for recovery to be successful.
- Culturally responsive, timely, accessible, and concise information and guidance are needed for small business owners and residents, particularly those with language and technology barriers
- Limited digital literacy and old tools widen the digital divide for many vulnerable populations, including seniors, people with disabilities, parents and students, non-English monolingual speakers, and small business owners.
- Bureaucracy is even more burdensome at a time of great need. Program requirements are hard to navigate. Cutting red tape would allow San Franciscans to get the urgent support they need.
- Housing, specifically eviction prevention and housing the unhoused, continues to be a top priority for San Franciscans, including small business owners.

A focus of community engagement was to look at specific populations that were being disproportionately impacted by the pandemic. In addition to the themes noted above, the community engagement sessions provided the following highlighted guidance regarding implementation of Task Force recommendations:

- Engage early, continuously, and often with beneficiaries and vulnerable communities to design policies and programs that meet present challenges.
- Well-intended, rapidly deployed programs can create barriers that did not exist before COVID-19, particularly for the disability community. Consider unintended consequences.
- Culturally competent, in-language communications and solutions are essential.

Many additional ideas and sentiments on San Francisco's equitable economic recovery were relayed to the CEL team. See Appendix D for further details on the CEL process and input gathered.

A photograph of a building entrance. A large green chalkboard sign is mounted on the wall, displaying the message 'WE WILL BE BACK SOON BE SAFE, BE KIND.' in yellow chalk. To the left of the sign is a black wrought-iron gate. To the right is a dark door with a small window and a mail slot. In the foreground, a silver metal barricade and an orange and white traffic cone are positioned on the sidewalk, with yellow caution tape strung across them.

WE WILL
BE BACK
SOON
BE SAFE,
BE KIND.

Policy Recommendations

The Task Force set out to identify practical, timely interventions to sustain businesses and protect vulnerable populations. Simultaneously, the Task Force sought to identify bold, creative solutions to address longstanding societal challenges and ultimately achieve greater racial and social equity.

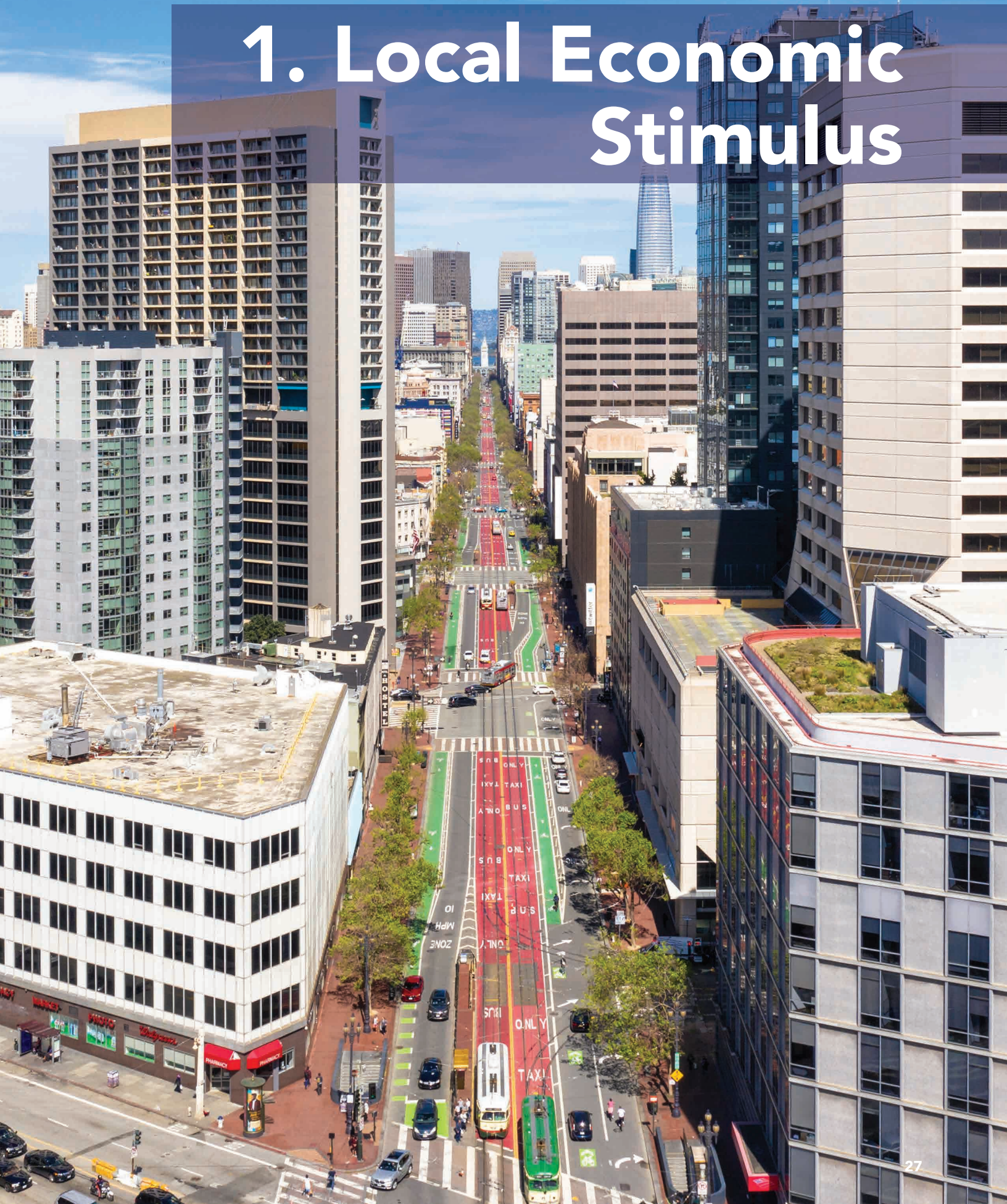
Informed by their own experiences and input from community engagement efforts, the Task Force prioritized strategies that address the need to protect small and medium businesses from collapse and support them with accurate, timely information; the need to focus on health, safety, wealth building, and opportunity creation for vulnerable populations; the need to promote housing and make it easier to adapt our spaces to changing circumstances; and the need to invest in the sectors that make San Francisco a desirable place to live and visit.

The ideas from the Task Force's four policy group sessions are organized into the following eight integrated categories:

1. **Local Economic Stimulus:** explore policies and investments that encourage economic development and activity in San Francisco, such as funding public infrastructure projects, streamlining permitting processes, advocacy for state and federal resources, and more
2. **Job Connections:** facilitate and improve connections to jobs and explore programs that hire local workers
3. **Promote Safe Reopening:** provide clear and accessible information to businesses and workers on reopening requirements and provide tools and strategies to keep workers, customers, and residents safe
4. **Preserve Operations and Lessen Regulatory Burdens:** create flexibility for businesses to operate and consider reducing or eliminating regulatory burdens
5. **Pursue Economic Justice:** narrow the wealth gap and bridge the digital divide for low-income residents and communities of color
6. **Invest in Housing:** incentivize the construction of affordable housing, an immediate and long-term need
7. **Meet the Basic Needs of the Vulnerable:** ensure San Franciscans have access to food, shelter, mental health, and other services
8. **Imagine and Build Stronger Neighborhoods:** activate and draw upon San Francisco's unique neighborhood and cultural assets

The Task Force recommendations to promote an equitable economic recovery range from short-term and concrete to longer-term and aspirational. Each recommendation includes one or more City departments that would lead implementation if sufficient resources are identified. The text in this section summarizes each of the recommendations with an issue statement and brief description of the recommendation. Full text of the recommendations and equity considerations for each can be found in Appendix E.

1. Local Economic Stimulus



1.1 Support the construction sector with public infrastructure investments and continued focus on major projects

Issue: Capital projects take years to plan and design, and interruptions to that pipeline can have long-term negative ripple effects. San Francisco has developed a strong capital planning practice for the City's public infrastructure, with an all-sources view, responsible fiscal constraints, and a robust general obligation bond program that has seen more than \$5 billion approved by San Francisco voters since 2008. Typically a recession can lead to a slowdown in construction presenting an opportunity for countercyclical investment. Still, the uncertainty posed by the COVID-19 pandemic may make it more difficult to proceed with spending. The stakes for job loss in this industry are especially high, as each \$1 million of construction spending translates to approximately 5.93 San Francisco jobs.

Recommendation: San Francisco's last 10-Year Capital Plan planned for \$39 billion in investment over the period from 2020 to 2029. The City should continue to prioritize good stewardship of public assets as documented and recommended in the City's Capital Plan, which includes assets that deliver services for public safety, health and human services, recreation and culture, transportation, and general government, including IT infrastructure. In the upcoming Capital Plan update, the City should promote good state of repair for its buildings, right-of-way, public spaces, and other infrastructure assets with a variety of revenue sources, including but not limited to: general obligation bonds, General Fund debt, revenue bonds, and state and federal grants. The upcoming Capital Plan should also consider the extraordinary economic impacts of COVID-19 and aim to make a difference for San Francisco businesses, workers, and residents struggling through this crisis, such as investments to bridge the digital divide. In addition, the City should continue to focus on its major developments, such as the Shipyard, Mission Rock, Pier 70, Treasure Island, and Central SoMa, as these projects bring with them thousands of jobs and support for local business.

1.2 Redesign building permit processes and eliminate unnecessary permits not directly related to health and safety

Issue: The City's permitting process for construction is notoriously complex. Up to ten different departments can be involved in permitting, but no one department owns the entire customer experience. Lack of transparency around the permitting process has always been a challenge, and navigating the process requires resources, time, and money. Novices to the system find the process confusing and overwhelming, whereas those who are experienced understand the sequencing and how to tap into technical expertise. For small businesses in particular, this may hinder economic recovery. Task Force members are particularly concerned that the current permitting process, which has been impacted by COVID-19 and the need to shut down in-person services, will have cascading impacts on small business and construction trades, increasing unemployment in sectors that employ many with good wages.

Recommendation: To encourage as many businesses to open or expand as possible, keep businesses from migrating out of San Francisco, and encourage business growth and expansion, permitting agencies (such as the Department of Building Inspection (DBI), the Fire Department, the San Francisco Public Utilities Commission (SFPUC), and Planning) should implement programmatic and regulatory changes to redesign the permitting process for the end user, increase transparency, make the permitting process as easy and affordable as possible, and remove permitting and process requirements not directly related to health and safety. These changes could include:

- Publish rates for all permit types and provide more clear information about the permit process and available support services to accelerate movement towards expansions and construction starts.
- Implement a fee holiday, a temporary reduction or elimination of permit fees designed to incentivize business owners, property owners, and developers to pull permits and undertake construction projects, thus creating jobs and stimulating economic growth.
- Expand the OEWD [Open in SF Program](#) to offer “concierge” services to help more businesses through the complex process. The Open in SF Program currently supports small food businesses through the permit process. The City could provide additional multilingual services perhaps through partnerships with community based organizations. It should be noted city provided concierge services would require significant additional staffing above current levels.

” “How can we expedite online training opportunities, can the city offer more technical assistance, so more residents can get to work sooner?” *Task Force member*

” “Let’s put our talented community to work.” *Task Force member*

1.3 Allow developers to defer paying impact fees to stimulate development

Issue: Falling rents and sales prices, stubbornly high construction costs, and broad economic uncertainty have resulted in developers unable to secure financing for their projects and a slowdown in development projects breaking ground. Finding a way to bring development economics back in balance is critical to creating construction and end-user jobs, stimulating the economy, growing the tax base, and producing the residential, commercial, industrial, and retail space to accommodate a City that is likely to see long term population growth.

Recommendation: The components of development cost that the City has the most control over are impact fees, and the City has demonstrated in the past that it can take steps to make it easier to build by making changes to impact fees, such as the 2010-2013 impact fee deferral program or last year's fee waiver for 100% affordable housing projects and Accessory Dwelling Units (ADUs). The Planning Department should develop a time-limited program, based on the successful program that ran from 2010 to 2013, allowing for developers to defer paying impact fees until each project receives the first certificate of occupancy, at the end of construction. This would help developers secure financing on projects that would likely not be able to break ground and pay impact fees otherwise.

1.4 Make the Local Business Enterprise Program (LBE) more effective, equitable, and better suited to support the City's recovery

Issue: The Local Business Enterprise (LBE) program certifies small local businesses to participate in City contracts. Many of these local firms are owned by women, who are heavily represented in hard-hit sectors like personal services and child care, and people of color, many of whom reported challenges accessing PPP loans. The LBE program enables them to compete on a level playing field with larger firms and/or firms taking advantage of cheaper costs outside of San Francisco. Budget balancing needs create risk for these businesses, which are often based in and hire workers from communities adversely affected by COVID-19. Current program rules and practices are not yet fully optimized to meet the challenge posed by COVID-19 and the resulting economic downturn.

Recommendation: To ensure that the LBE program provides the greatest benefit to San Francisco's small businesses, the Office of the City Administrator should work to:

- Expand the San Francisco Community Investment Fund's Contractor Accelerated Payment Program to help LBE manage cashflow
- Ask the LBE Advisory Committee to adjust financial contract limits for LBEs to allow City Departments to set aside a greater number of contracts within the threshold amount to Micro LBEs
- Increase contracting opportunities for Micro and Small LBEs
- Fund a Disparity Study to ascertain what types of racial disparities exist in City contracting processes



1.5 Promote reactivation and consider adaptive reuse of buildings for a vibrant San Francisco

Issue: The future of work patterns is uncertain, and close attention is needed to understand which changes are temporary and which may be more long-lasting. COVID-19 has caused a sudden and dramatic decrease in demand for office, hotel, and retail space. As firms direct their employees to work from home and the economy contracts, the City will witness significant fluctuations in demand for large office buildings in the short term. As tourism and convention travelers coming to San Francisco has significantly decreased, the demand for hotel rooms have also plummeted. Similar impacts have occurred in the retail sector. At the same time, San Francisco faces a severe housing shortage, that has led to an affordability crisis, especially for low-income renters.

Recommendation: San Francisco should seek to preserve local businesses for both the jobs the revenues they deliver. If a COVID-19 vaccine or treatment is developed that allows for an economic recovery and a resumption of the pre-COVID space needs in San Francisco, this proposal may be of limited value. However, if there is a permanent decrease in office, retail, or hotel demand in the wake of the COVID-19 pandemic, the City should consider and, if advisable for the overall health of the local economy, incentivize re-purposing of existing buildings to uses needed for equitable economic recovery. Repurposing could pave the way for housing, production, distribution, and repair space, cultural and community development programs, or other uses. Any spaces adapted for housing have the potential to serve specific populations that may have different housing needs, such as artists.

Policymakers should also consider impacts from any future conversions. For example, conversions from hotel uses to any other use may result in a decrease in employment, specifically, many union jobs that are available to immigrants and people who speak English as a second language.

1.6 Advocate for federal and state funding

Issue: San Francisco will not be able to deliver on all the Task Force's recommendations on its own. The City needs support from the state and federal government, especially for larger investments and initiatives.

Recommendation: San Francisco should advocate at the state and federal level to support the recommendations of the Task Force in the following areas:

- **Commercial rent support/forgiveness:** funding for businesses to reduce evictions
- **Grants for businesses:** State and federal grants for businesses most impacted by the shelter-in-place like arts/nightlife/entertainment
- **Job training programs:** State and federal funding to provide job training to workers in industries hard hit by shelter-in-place
- **Rental assistance:** funding for renters or landlords to stave off an eviction crisis
- **Support for undocumented:** ensure undocumented immigrants benefit from state and federal programs
- **Health care for all:** health care should not be tied to employment considering huge loss in jobs during this pandemic and should include substance abuse treatment
- **Support for jailed and re-entering populations:** thoughtful transition planning for rehousing those that are reentering
- **Universal basic income:** provide dignity for all especially as the pandemic has decimated service industries and lower wage jobs
- **Internet for all:** funding to build a ubiquitous fiber-to-the-premises network to promote additional service competition to help ensure universal access to the Internet and help reach high-need groups
- **Food access:** continue and expand pandemic-linked benefits and waivers, and provide sufficient administrative funding
- **Fiscal support for local government:** to maintain the social safety net despite huge drop in tax revenue due to COVID-19
- **Debt relief:** relief for student and consumer debt

1.7 Partner with the business and philanthropic communities to deliver a strong and equitable recovery

Issue: The City understands that a great many businesses, especially small , minority-owned, and women-owned businesses, are struggling to survive and support their workers. Numerous local interventions like waived fees, grants, paid leave, and technical assistance have been and will continue to be priorities for public support. However, the resources to stabilize every business and worker would amount to more than the City alone can deliver. City leadership has already acknowledged the need for public-private partnership to address the pandemic and established eligible uses related to COVID-19 priorities in its Give2SF charitable fund. Of the \$28.8 million received as of September 30, 2020, less than \$500,000 remains unallocated. Difficulty accessing capital and wealth inequality remain barriers to recovery, especially in communities of color. The City will continue to prioritize the public health response to minimize future economic contractions, but partnership and investment are needed to help San Francisco achieve its long-term resilience and sustainability goals.

Recommendation: Identify opportunities for public-private partnerships that can help local businesses, workers, and residents recover in the short term and deliver economic strength and resilience in the long-term.

To mobilize philanthropic contributions to the highest local priorities, the Mayor's Office should work with the San Francisco Foundation, other major foundations, and donor-advised funds to build a campaign that would deliver continuity support to businesses most in danger of shuttering and workers and residents most in need as a result of the pandemic.

To help encourage access to capital for local businesses and entrepreneurs, the Mayor's Office should convene local financial leaders and public office holders to explore financial products and strategies that can help stabilize struggling businesses and incentivize new business to start. The geography of capital access should be taken into account. Public financing and neighborhood financial empowerment centers should be considered alongside options put forward from the private sector.

To build back better from this crisis and deliver a more equitable and resilient city, the Office of the City Administrator (Office of Resilience and Capital Planning) and Controller's Office (Office of Public Finance) should explore opportunities to finance resilience improvements through public-private partnerships, informed by the priorities published in the Hazards and Climate Resilience Plan, the 10-Year Capital Plan, and the Climate Action Plan. Areas of opportunity include citywide broadband, green infrastructure, seismic retrofits, and sea level rise mitigations and adaptations. The Business Council on Climate Change (BC3) and the San Francisco Department of the Environment are also helpful partners in identifying promising opportunities.

1.8 Create a child care system that meets the needs of families, educators, and the community

Issue: As San Francisco gets back to work, businesses and their workers need child care more than ever. While schools in San Francisco have remained closed, child care centers and family child care programs have been encouraged to remain open. Social distancing requirements have restricted most programs to just a portion of the number of children they served before the pandemic, exacerbating a child care shortage that was present well before COVID-19. Without any additional revenues, child care providers have had to reduce their hours and/or days to allow additional time for cleaning, purchase additional supplies, and modify existing spaces to comply with new regulations. Child care providers operated with narrow margins before COVID-19 and now face unsustainably increasing costs and decreasing revenues.

Current local, state and federal assistance falls short of serving all families who are eligible for child care subsidies. Many families who are not eligible for subsidies are heavily burdened by the cost of child care. Even with the high cost of tuition, educators subsidize the true cost of services with their low wages. By the time tuition fees are applied to all the expenses it takes to run a program, very little is available for the educators themselves. Local Proposition F, the Small Business and Economic Recovery Act, would make funds available for child care, among other priorities, but it would not single-handedly solve the funding need in this area.

Recommendation: During the phased-in process of reopening San Francisco's economy, child care providers will need financial support as temporarily reduced enrollments and enhanced healthy and safety procedures will reduce operating capacity. To adequately fund early childhood education and create a secure child care system, the Office of Early Care and Education (OECE) should coordinate with First 5 San Francisco, the Department of Children, Youth, and Families (DCYF), and OEWD to utilize future federal stimulus, future local revenue measure dollars, and/or Community Development Block Grant (CDBG) funds to:

- Provide flexible supplemental grant funds to daycare providers, building on existing Emergency Operating and COVID-19 Closure Grants.
- Provide low interest or forgivable loans to child care providers to expand their spaces or open up in new larger spaces that allow for social distancing and will increase daycare capacity in the long-term.
- Increase the Preschool for All program tuition credit amount and make it applicable for 3-year-olds.
- Increase the income eligibility for Early Learning Scholarship and expand the scope and amount of the Compensation and Retention Early Educator Stipend (CARES 2.0).
- Develop a workforce training program and job quality standards to address the shortage of qualified child care providers and early childhood educators.
- Provide realistic, clear, and consistent health and safety guidelines for operating child care and early education facilities (e.g. closure, social distancing, ratios) with training and assistance to child care providers to implement the guidance.
- Encourage businesses to provide child care solutions for employees, including stipends, on-site child care, referral services, and revising zoning ordinances.

Thank you



2. Job Connections

2.1 Centralize the City's workforce development programs

Issue: The City of San Francisco currently implements 292 unique workforce development programs administered by 17 departments. These programs target a range of participants and run the gamut from light touch services focused on job readiness to intensive trainings to temporary placement in apprenticeships and paid work experiences. Chapter 30 of the Administrative Code established a Committee on Citywide Workforce Alignment in 2014, designating OEWD as responsible for tracking information about these programs and chairing the Committee, however the Committee sunset in 2019. The decentralized nature of these programs creates significant challenges for delivering effective workforce development services and facilitating access to appropriate services. Vulnerable communities, particularly communities of color, who have the least exposure to strong career pathways, face the most systemic impediments to accessing quality job opportunities. They have the least access to the time, technology, networks, and resources necessary to navigate a decentralized system. Systemic strain from COVID-19 will likely exacerbate existing limitations.

Recommendation: The City should re-constitute the Committee on Citywide Workforce Alignment to establish a comprehensive workforce development strategy, centralize the coordination of workforce development programs, and establish one point of information and entry for all of the City's workforce development programs. If state law changes to allow it, that strategy could include racial and gender considerations in public employment to promote hiring of Black, indigenous, and people of color (BIPOC) and other vulnerable community members.

2.2 Provide culturally competent, accessible job training with career connections for marginalized and laid-off workers, particularly ACHE sector workers

Issue: The unemployment impacts of COVID-19 have had an especially big impact on San Francisco's lower-income workers and those just entering the workforce, age 16 to 24. The ACHE sectors are expected to have a slower economic recovery than other sectors, leaving many workers without an opportunity to return to their job and/or industry in the near future. These sectors disproportionately employ women, people of color, and immigrants, and these jobseekers will need to connect to opportunities in different industries that may require new skills. Existing sector training and job placement focus may not fully address upcoming workforce development needs as the economic climate has dramatically shifted and will continue to do so.

Recommendation: To address the rapidly changing needs of San Francisco's workforce, especially those pivoting from the ACHE sectors, OEWD in partnership with other City departments that administer workforce programs, should provide jobseekers in-demand job training that connects directly to good paying sustainable career pathways with benefits:

- Create an overarching pandemic workforce plan in partnership with community, employers, and unions, similar to the California High Roads Training Partnership, to address San Francisco's specific community workforce needs and job market needs.
- Expand pre-apprenticeship training programs in construction and non-construction sectors.

- Create arts-focused employment and retraining programs that could include an “Arts Hub” online to connect ACHE sector works and organizations with job and training opportunities.
- Shift training programs to address skills needed for current, in-demand job opportunities, with attention to the quality of the jobs (living wage, benefits, and worker protections).
- Work with private industry to offer more paid training opportunities.
- Strategically deliver accessible training, allowing for both in-class learning that is safe for students and teachers, and online learning.
- Build out more union partnerships for training programs to provide baked in career pathways for well-paying jobs.
- Connect all new training programs to direct career opportunities upon program graduation, prioritizing the most marginalized.
- Target outreach and support services for disadvantaged communities to improve participation and completion of programs.
- Assess on an ongoing basis whether City employment programs are serving the current needs of San Francisco’s employers and job seekers, particularly unemployed ACHE workers and vulnerable populations, and modify them as necessary to deliver culturally competent employment programs.

2.3 Strengthen implementation of the First Source Hiring policy

Issue: COVID-19 creates a job market that further disadvantages jobseekers with less experience in the job market and more barriers to employment, as over-qualified individuals compete for and fill jobs that might otherwise be available. Young people, age 16 to 24, who have had little time to acquire work experience will face long-term disadvantages due to the current job market.

Even before COVID-19, to redress the disadvantages immigrant, minority, female, disabled, young, and elderly workers face, the City enacted “First Source Hiring” and “Local Hire” legislation. Both of these ordinances required a preference be given to disadvantaged San Franciscans by businesses engaged with the City in different contexts. Local Hire legislation is specific to construction projects, and First Source largely focused on leases, contracts for goods or services, and conditional use zoning allowances. The two ordinances have significant differences in their requirements and implementation, leading to substantially different outcomes. For First Source obligated employers, as compared to Local Hire employers, there is a lower rate of hiring workforce system participants and less ability to capture and monitor hires and retention in employment over time.

The Board of Supervisors Budget and Legislative Analyst (BLA) has recently released a performance audit report on the City’s workforce programs, including First Source Hiring and Local Hire. That document includes recommendations for improvements in the same space.

Recommendation: OEWD should work collaboratively to respond to the recommendations in the BLA's recent report, and as part of that effort, it should weave in the recommendations of the ERTF to improve First Source Hiring to ensure disadvantaged San Franciscans have access to job opportunities in San Francisco. Improvements should:

- Ensure that job opportunities are made available to disadvantaged San Franciscans
- Link graduates from training programs to relevant jobs in that field or industry
- More fully realize the potential outcomes from First Source Hiring

” As a small business owner, I try to make sure my employees feel safe. It’s a very vulnerable and delicate situation. Even if you are an essential business, the staff still needs to feel safe.” Task Force member



2.4 Expand subsidized employment and hiring program – JobsNOW! and arts-specific

Issue: Unemployment in San Francisco has increased by nearly 500% since February 2020. This financial strain is set to increase as Additional Pandemic Compensation for unemployment insurance benefits ended on July 31, some industries are slow to return to work, many businesses remain closed or at substantially reduced operations, and many workers are not yet connected to new job opportunities. Many of the individuals who are most impacted by the pandemic – minority, elderly, disabled, and low-income workers – are the same workers who held disproportionate unemployment rates prior to the COVID-19 pandemic.

To address the Great Recession, The Human Services Agency (HSA) launched the JobsNOW! subsidized employment program in 2009 as a Temporary Assistance for Needy Families (TANF) program component in the American Recovery & Reinvestment Act stimulus. The program aimed to assist local businesses, reduce unemployment, and put more dollars in to the economy. This program continues with TANF, state, and local funding. The program primarily serves individuals on CalWorks (TANF), General Assistance benefits, CalFresh (a program of the Supplemental Nutrition Assistance Program), public housing residents, foster youth, and justice-involved people.

Recommendation: HSA should expand the JobsNOW! subsidized employment program to have more lasting benefits for both workers and employers, create and advocate for employer incentives, and support more jobs.

The JobsNOW! expansion should:

- Provide more subsidized job opportunities
- Provide job opportunities with career pathways post-subsidized employment
- Encourage online application, enrollment, and job opportunities
- Lower barriers for small businesses and jobseekers to participate
- Extend outreach to unemployed people for greater awareness of job opportunities
- Focus on reaching communities that are the most vulnerable, especially those jobseekers with more than one marginalized identity
- Create/Advocate for local/state workforce employer tax credits

In addition to this JobsNOW! effort, OEWD, the Arts Commission, and the Office of the City Administrator (Grants for the Arts), should consider the needs of ACHE sector workers and work together to build a tailored employment program that stabilizes the creative economy, akin to the Creative Corps proposal submitted to the California Recovery Task Force.

3. Promote Safe Reopening



3.1 Provide clear, concise communication in multiple languages to diverse business sectors on reopening and recovery from COVID-19

Issue: Businesses, particularly small neighborhood businesses and nonprofits, need clear guidance and support from City government during this tumultuous time. Larger businesses and networks may have the in-house capacity to adapt business plans, apply for financial assistance, but even they need concise guidance from City government in today's rapidly evolving regulatory context.

Recommendation: A multi-pronged comprehensive communication campaign should be developed to provide clear, concise communication in multiple languages and to diverse business and nonprofit sectors on the following topics:

- Health and safety (how to keep employees and customers safe, required physical changes for health safety, etc.)
- City programs (like the use of outdoor space)
- City financial support (grants, loans, business tax deferrals, etc.)
- Connections to non-City government support (partnership opportunities, philanthropic opportunities)
- Connections to State and Federal financial assistance programs
- Technical support to guide small businesses through recovery processes
- Updates on economic and pandemic outlook, so that businesses can make projections

The COVID Command Center (CCC) should coordinate efforts from OEWD and departments that are involved in business permitting, regulation, inspections and grant-making and community partners with language and cultural capacity.



3.2 Remove barriers to obtaining PPE, testing, and tracing in low-income and communities of color

Issue: San Francisco's economy cannot recover from the COVID-19 crisis unless its residents can stay safe from infection. Adequate Personal Protective Equipment (PPE) and cleaning supplies are critical for keeping essential and frontline workers healthy. These supplies represent an on-going cost for businesses, nonprofits, and individuals, which can be burdensome when revenues and incomes have declined. In addition, supply chain issues mean that small businesses and individuals may have trouble accessing PPE at a reasonable cost.

Likewise, access to testing and tracing is critical to stopping the spread of COVID-19 and safely reopening the city. Testing that requires a doctor's note, an appointment, or travel to another neighborhood reduces accessibility for vulnerable populations and creates additional risk. Walk-up testing is especially in demand in Black/African American and Latino/a/x neighborhoods, including the Bayview, Fillmore, and Mission. People who have lost their jobs may have also lost their health insurance, making free testing even more important. Accessible testing is especially critical for essential and frontline workers, who are more likely to contract the disease and spread it to their households or colleagues. Contact tracing must be in language and culturally competent to be effective.

Recommendation: In order to ensure worker safety, easily accessible testing for people who must leave their home to work, and robust contact tracing in line with the City's equity priorities and California's recently released equity requirements for its tiered risk system, the COVID Command Center, in partnership with Public Health, should:

- Develop an overall strategy to reduce exposure and risk, including and especially for communities of color, to avoid a fragmented response.
- Continue to provide free or low-cost PPE to low-income individuals, community based-organizations, nonprofits, and small businesses.
- Continue to expand testing capacity, provide geographic equity, reduce wait times for appointments and results, and eliminate any barriers (testing should be free, available upon walk-up, and for asymptomatic people) through the joint effort of DPH, OEWD, the Human Rights Commission (HRC), Joint Information Center (JIC) Community Branch, and Neighborhood Emergency Response Team (NERT). This effort should build on the Mission Latino Task Force testing site to provide testing at trusted community organizations. Ideally testing should be made available close to worksites. As vaccines and/or treatments become available, ensure delivery sites for those are accessible and culturally responsive.
- Prepare and pre-train contact tracing resources so the City can nimbly flex up this work as needed if there is a surge in COVID-19 positive cases.
- Regionally coordinate contact tracing to prevent spread of COVID-19. Residents throughout the Bay Area commute to and from work from different counties.
- Expand essential worker ride home program to include transportation to testing sites.

3.3 Ensure safe work environments for all workers, especially low-income workers

Issue: The Centers for Disease Control and Prevention (CDC) describes “people at higher risk for severe illness” only along clinical parameters. This approach risks underinvestment in populations facing structural disparities in health outcomes that need greater resources in order to stay healthy.

DPH also identifies the following populations as higher risk for severe illness and death from COVID-19 due to structural inequities:

- Black/African American Community
- Latino/a/x Community
- Native Americans/Indigenous Community
- Pacific Islander Community
- Immigrants and undocumented people
- People with disabilities
- People experiencing homelessness

DPH identifies the following populations as higher risk because they experience conditions that facilitate the spread of infection of COVID-19:

- People living in high-density situations
- People with high-risk economic/work conditions
 - Essential workers who have extensive contact with the public (for example, food service workers)
 - People without paid sick leave and/or health insurance
 - Sex workers
 - Low-income people who must go out in public for resources frequently

BIPOC and low-income workers who have limited or no options to safely shelter-in-place creates risks for other members of their household, their workplaces and their communities. San Francisco must prioritize protection and safety for people with structural barriers to healthy outcomes. Without a safe work environment for the higher-risk populations listed above, COVID-19 will continue to spread and prevent San Francisco from recovering.

Recommendation: To reduce the COVID-19 infection rate amongst people who must work outside the home and their communities, the City should:

- Partner with community organizations to deliver PPE and educate business owners, nonprofit leaders, and workers on PPE, safety protocols, compliance, self-reporting, model sick leave policies, and what to do if you or your worker are exposed, feel symptoms, or test positive.
- Make sure COVID-19 response operations have strong site safety plans.

- Continue to fund the Right to Recover Program, which guarantees two weeks of paid wages to anyone who tests positive and doesn't have alternative access to income or benefits during their recovery period.
- Restore the High Risk Community Housing Program and provide culturally competent isolation housing to exposed low-income workers and in communities of color.

3.4 Support cleanliness, health, and safety in public spaces

Issue: Unclean streets impact our residents, visitors, and businesses, creating real and perceived concerns around safety, health, and comfort. With outdoor dining and shopping options being the safest avenues for businesses activity during this time, clean streets and public spaces are more important than ever. For San Francisco's businesses and institutions to survive, residents and visitors must feel safe returning to our neighborhoods, commercial centers, and public spaces.

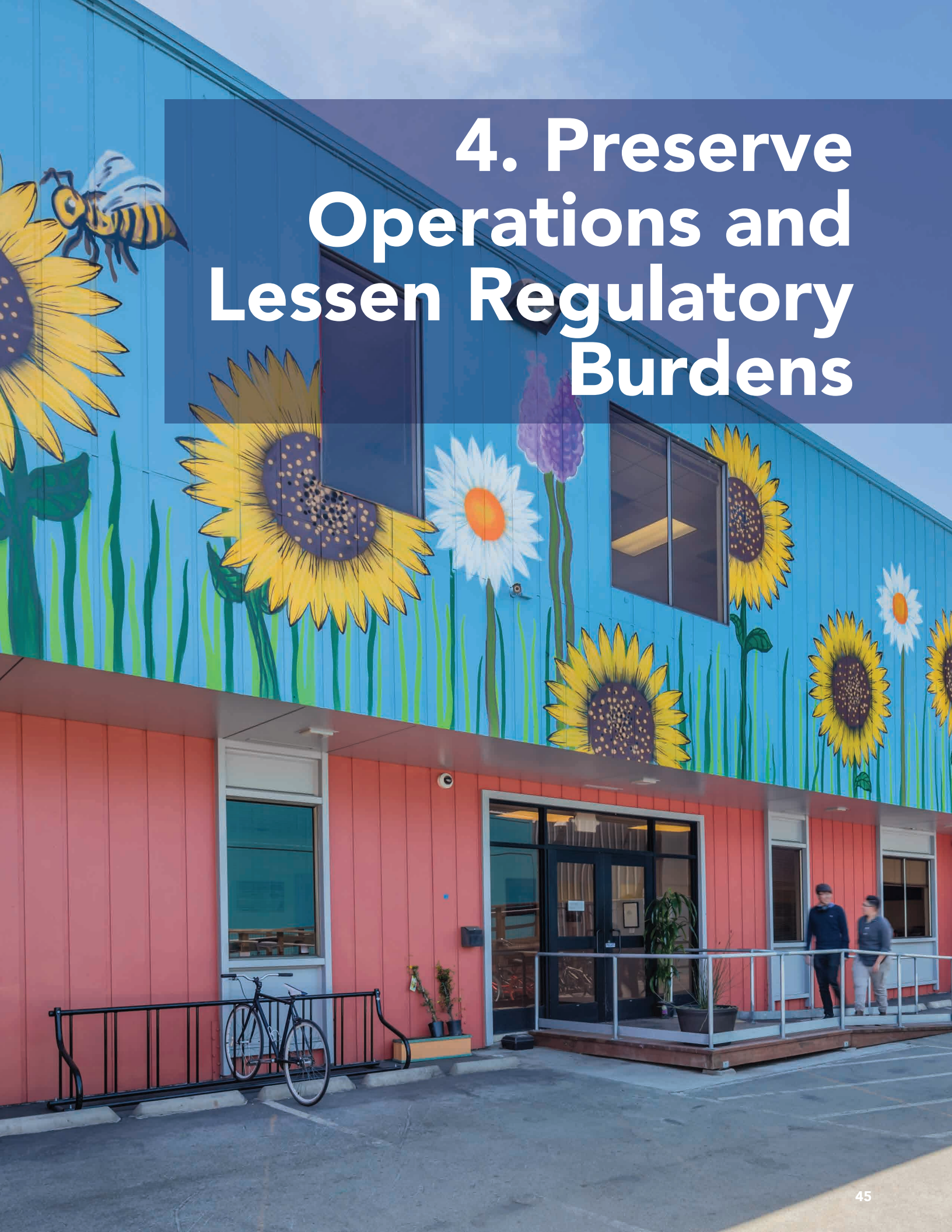
Recommendation: To improve cleanliness of spaces, neighborhoods, residents and businesses, Public Works (PW), OEWD, the Recreation and Parks Department (RPD), the Department of Public Health (DPH), Community Benefit Districts (CBDs), community-based organizations (CBOs) providing cleaning services, and merchant organizations in all neighborhoods should collaborate to:

- Create a systematic and aligned public health and cleanliness approach to street conditions that integrates public and private services so that all parties work as one team.
- Develop a campaign in partnership with tourism, business, and arts organizations to highlight San Francisco's clean and safe streets throughout its diverse neighborhoods in order to restore feelings of safety with the goal of increasing foot traffic.

In order to improve poor street conditions in a lasting way that truly delivers greater public health and safety, the City must invest in tackling the root causes of those conditions: the twin challenges of behavioral health disorders and homelessness. For strategies related to mental health and substance use disorders, see Recommendation 7.3. For strategies related to housing people experiencing homelessness, see Recommendation 7.4.



4. Preserve Operations and Lessen Regulatory Burdens



4.1 *Extend, improve, and support the Shared Spaces Program*

Issue: During COVID-19 many storefront businesses and restaurants are restricted from operating indoors or have customers who do not feel comfortable entering a storefront. Many businesses will rely on outdoor operations until indoor business is allowed by the government and is safe enough for the general public to feel comfortable. In a dense city like San Francisco, many businesses do not have access to private outdoor space, and in June 2020 the City created the Shared Spaces program. Shared Spaces makes public outdoor space like the sidewalk, parking lane, traffic lane, and other parks and plazas available for neighboring businesses to utilize for safe, socially distanced operations. There are no fees associated with a Shared Spaces permit. The addition of the Just Add Music (JAM) permit to the Shared Spaces Program, allows businesses to receive permits for entertainment or amplified sound in an outdoor space. The goals of the program are to promote public health, help struggling businesses survive, and contribute to a vibrant street life on our commercial corridors.

The first few months of Shared Spaces have been a success, with over 1,600 total permit applications approved covering all supervisorial districts. However, the program has been unevenly adopted across San Francisco's neighborhoods.

Recommendation: The Shared Spaces team should improve the Shared Spaces program to make it more equitable, effective, and better poised to support the long-term economic recovery of San Francisco. City departments have already taken steps to further eliminate administrative or regulatory burdens of the program and have sufficiently simplified the application process. The Shared Spaces team should continue to seek ways to help businesses defray costs, and to support for artists and musicians to allow for more adaptive arts and entertainment uses. Further, the Shared Spaces program should be extended three years until December 31, 2023 so as to give businesses an incentive to make their spaces attractive, and give them certainty that the program will be a worthwhile investment.

The City should also promote the program's uptake in neighborhoods that have seen modest participation, such as the Excelsior, Bayview, and Visitacion Valley. To promote unimpeded accessibility in the pedestrian right-of-way, the City should encourage street closures and the use of parking spaces rather than sidewalks for Shared Spaces. The street closure process could be improved with a dedicated evaluation process, reevaluation of Shared Spaces staffing requirements, and accommodations for businesses with locations that make adjacent outdoor operation difficult or impossible. Shared Spaces also represents an opportunity to engage artists with communications, public art, design and construction of outdoor dining spaces, and/or temporary activation projects.

4.2 Repurpose public outdoor space

Issue: COVID-19 has shown the vulnerability of San Franciscans around food security and the need for local supply chains, especially for low-income communities. At the same time the highly contagious nature of the disease has created heightened demand for outdoor space as retrofitting indoor spaces for healthy airflow and occupation can be prohibitively expensive. It is important that the City maximize and optimize the use of public outdoor space in order to give more businesses and residents options to navigate and recover from this crisis. These outdoor spaces can be venues for diverse uses including arts and culture, recreation, business. In developing new uses for public open space, communities with little access to open space or lack of open space need to be considered.



Recommendation: City agencies including Planning, RPD, the Arts Commission and other asset-holding departments should reexamine the use of public outdoor space in San Francisco and facilitate any needed use changes to better support the City's goals of equity, resilience, environmental sustainability, and economic recovery.

4.3 Allow more flexible use of ground floor retail spaces

Issue: As of August 25, 2020, only 46% of San Francisco storefront businesses open at the start of the pandemic remained open, according to a survey from the San Francisco Chamber of Commerce. It is clear a significant number of retail businesses will not survive the pandemic, as partial and complete closures to protect public health reduce their in-person customer base and the preexisting challenges of e-commerce competition and regulatory complexity persist. San Francisco's commercial areas will need rapid and creative reactivation to attract customers, invigorate neighborhoods, and preserve San Francisco's standing as a global destination.

Recommendation: Planning should develop and propose a suite of changes to create flexibility for filling vacant ground floor retail spaces by allowing the broadest possible range of active uses, such as maker spaces, arts, culture, and community development programs and uses.

4.4 Rethink rules that restrict flexible/temporary arts, culture, hospitality and entertainment uses

Issue: San Francisco has a longstanding need for greater flexibility to support temporary activities inside storefronts and in public spaces. Challenges around permitting requirements, liquor licensing, and City-mandated costs imposed on temporary events can prevent existing business owners from adding pop-up events, food and drink, and arts performances to meet evolving consumer demands, and also obstruct entrepreneurs interested in activating underutilized or vacant space. In the context of the COVID-19 recovery, temporary activations will be an important means of boosting foot traffic, diversifying revenue streams, preventing displacement, and enabling community entrepreneurs, neighborhoods, and artists to showcase their creative enterprises. Current permitting and regulatory barriers make such activations challenging, especially the lengthy wait times for Conditional Use authorizations.

Recommendation: OEWD, the Arts Commission, and the Office of the City Administrator (Entertainment Commission), should conduct a comprehensive review of existing permitting and regulatory barriers that impact temporary arts and culture activations in public and private space. This review should include temporary use authorizations, amplified sound regulations, Police Code provisions, health permitting, zoning restrictions, liability insurance, liquor licensing rules, and other requirements that make temporarily activating space difficult and expensive. This effort should result in recommendations for legislative action and administrative change.

4.5 Provide advisory services for commercial landlords and tenants and explore other strategies to avoid foreclosures and evictions, particularly for ACHE sector assets

Issue: Many small businesses have had to close to comply with the shelter-in-place orders. These closures have resulted in no or low revenues for these small businesses while many of their fixed costs have remained the same. Even mortgage forbearance, eviction moratoriums, and rent deferrals may not prevent tenants from breaking leases or landlords from evicting tenants. In addition, landlords who manage their own properties may not have the resources for negotiation assistance, or they may need technical support. San Francisco's ACHE sectors especially have faced some of the most severe economic impact from the pandemic. Mandates restricting both the operation of businesses indoors and large congregations of people indoors, fundamental aspects of the ACHE sectors' operations, make it difficult for these entities to survive. The State has issued an executive order allowing local jurisdictions to ban commercial evictions through March 2021 and San Francisco's commercial eviction moratorium currently expires November 2020, but attention is still needed to ensure that businesses can hang on once those protections expire. Meanwhile, the City should strive to help small and medium sized businesses with assistance that meets their needs in the short term.

Recommendation: To reduce permanent closures of small businesses, particularly businesses owned by or serving communities of color or disadvantaged populations, OEWD in collaboration with the Office of Small Business should provide landlords and tenants with supports such as advisory services from brokers or attorneys to help negotiate solutions that avoid foreclosures, evictions, and/or permanent closures. OEWD should pay attention particularly to struggling ACHE businesses, PDR business, and nonprofits and build on existing models such as the Nonprofit Sustainability Program, Loan Preparation Program, and the Legacy Business Program to help them survive. These efforts should prioritize businesses with protracted COVID-19 impacts and those that are led by BIPOC community members or serving those communities, and include extensive outreach to these communities.

4.6 Review employer mandates

Issue: San Francisco had a high cost of doing business before COVID-19, with many small businesses operating on slim margins. Since the pandemic, small businesses have come under significantly increased cost pressures due to reduced or no income during the shelter-in-place orders. The expenses of employer health care and other mandates have significant impacts on small businesses and nonprofits and may no longer be the best way to achieve San Francisco's health care policy goals.

Recommendation: The Board of Supervisors should explore reforming employer mandates while preserving local health care policy goals to ensure coverage and being mindful of the cost implications to local businesses.



5. Pursue Economic Justice



5.1 Invest in BIPOC and immigrant communities

Issue: Decades of structural discrimination in housing and employment has contributed to an intergenerational wealth gap between BIPOC and immigrant families and their white peers. These disparities have contributed to lower housing ownership rates, increased impacts from gentrification/displacement, and reduced employment opportunities. Before COVID-19, the Black/African American community was hardest hit by the Great Recession and the foreclosure crisis that came with it. In addition, BIPOC communities and immigrants are more likely to be working in industries decimated by COVID-19 or in jobs that cannot be done at home.

Another major factor affecting the wealth of Black/African American and immigrant communities especially is policing. Black/African American people have been subject to disproportionate arrests, use-of-force, and incarceration, and immigrant communities have faced targeted attacks from the Trump Administration. While there are numerous local programs that support Black/African American and immigrant populations, there is not an overarching systemic effort to reduce the wealth gap

Recommendation: HRC should coordinate and lead a program of reparative community investment that builds on current plans to redirect funds from the Police Department budget to address disparities in San Francisco's Black/African American communities. Understanding there is an existing HRC-led community process in place to program the \$120 million reallocated from the Police Department in the current budget, the Task Force recommends investments targeted to Black/African American and immigrant communities in the following areas:

- Child care and early childhood education
- Expanded housing support to stay in San Francisco, including for transitional-age youth
- Mental health and behavioral health services
- Workforce development
- Subsidized employment and other income support, including arts and culture work
- Small business, commercial corridor, co-op, and entrepreneurship support
- Addressing the digital divide
- Expansion of financial services

In addition to these efforts, San Francisco should continue to prioritize programs and initiatives that address wealth disparities in communities of color and immigrant communities to foster an equitable recovery.

5.2 Ensure low-income school children have access to educational programming

Issue: To adapt to COVID-19, the San Francisco Unified School District (SFUSD) moved to distance learning in March and has started the school year in fall 2020 distanced as well. Existing racial and socioeconomic achievement gaps are expected to widen due to disparities in access to computers, home internet connections, the loss of direct instruction from teachers, and/or an inability to financially supplement SFUSD learning plans. Low-income parents are the most likely to report that their kids are doing little or no remote learning in San Francisco. The formation of “pandemic pods” amongst some families threatens to exacerbate this disparity. In response, DCYF will form Community Learning Hubs across the City to serve up to 6,000 SFUSD students with high risk of disengagement via distance learning.

Recommendation: With support from partners like RPD, Public Library, SFUSD, and CBOs, DCYF should make every effort to leverage Community Hubs to provide not just academic enrichment and technical support for up to 6,000 high-risk Learning Hub participants, but also services and supports to help bridge learning disparities. The City should seek resources to ensure the Hubs can mitigate learning loss for low-income students, students of color, and students with other challenges for distance learning at the desired level of service.

5.3 Reform fines and fees levied by San Francisco to reduce inequitable financial burdens on low-income people and communities of color

Issue: The imposition of fines and fees has a disproportionate impact on people with low-income and people from communities of color. Fines and fees can often snowball, turning a single missed payment into a lower credit score or a suspended driver’s license.

While the Office of the Treasurer and Tax Collector (TTX) has done a lot of work over the last few years to reduce and eliminate these fees for those most vulnerable, there are still fines and fees that community groups and impacted individuals have identified as needing reforms.

Recommendation: City departments who levy fines and fees should pursue the following reforms to make them more equitable:

- Process Reforms
 - Conduct a biennial racial and economic equity review of all fines and fees through the Mayor’s budget process.
 - Ease the administrative burden for departments to offer fine and fee discounts to low-income San Franciscans through use of HSA’s income verification database.
 - Expand eligibility for existing fine and fee discounts.
 - Conduct outreach to ensure people know about fine and fee discounts available to them.

- Reform inequitable systems for lower-income people and communities of color
 - o Reimagine our system of victim restitution to restore crime survivors and defendants in poverty.
 - o Relieve the child support debt that low-income parents owe to the government.
- Transportation fines and fees
 - o Ensure that ability to pay is not a barrier to riding transit.
 - o Ensure that those who are vehicularly housed have access to services and opportunities for housing.
- Other Reforms
 - o Reduce or eliminate onerous permit fees for sidewalk vendors and micro-entrepreneurs.
 - o Decriminalize and reform quality of life citations that penalize people for their poverty.

5.4 Provide high-quality computers to vulnerable populations

Issue: Access to computers is more important than ever as many in-person services have moved online. San Franciscans need a computer to access applications for benefits, job opportunities, medical appointments, distance learning opportunities for children, and to prevent isolation for older adults. At the same time, shared computer labs normally available to public are not available for use.

The digital divide disproportionately impacts low-income residents, seniors, people with disabilities, and limited English proficiency. While the city currently has some efforts to distribute computers, current demand massively outstrips supply.

Recommendation: The Department of Technology (SFDT) and MOHCD (Office of Digital Equity) should develop a program to facilitate the donation of high-quality computers and related technology that local companies no longer need to be distributed to individuals in need. The program would develop a platform, standards, and distribution process for donated computers.

5.5 Bridge the digital divide with affordable connectivity and internet service

Issue: Just as San Franciscans need access to computers, they also need connectivity to the internet to weather and recover from the COVID-19 crisis. Numerous barriers exist that reinforce to create the digital divide, including affordability, digital literacy, and program accessibility. Many households that do not currently have broadband access would pursue access if provided with a price that was deemed as reasonable or feasible. As noted above, shared computer labs normally available to public are not available for use, and those without connectivity are disproportionately low-income residents, seniors, people with disabilities, and limited English proficiency.

Recommendation: SFDT should extend existing efforts to install fiber to very low, low, and moderate-income households at public housing and affordable housing locations. This would include dedicated annual funding to support the maximum feasible level of expansion on an annual basis. Related, SFPW and SFDT should consider ways to lower the cost of fiber installation, including streamlining the permit

process, to bring affordable connectivity to low-income households regardless of where they live in San Francisco.

Department of Homelessness and Supportive Housing (HSH) should expand existing efforts to deliver high-speed internet service at SROs.

San Francisco should advocate before the California Public Utilities Commission (CPUC) for the expansion of affordable internet service, including extending leniency programs with mobile carriers for low-income and other vulnerable residents who are unable to pay for their monthly service fee during the COVID-19 emergency. SFDOT should also explore partnerships with internet service providers (ISPs) to build affordable internet options for more low-income and vulnerable communities.

5.6 Build technology capacity of new users, small businesses, and nonprofits

Issue: Many of San Francisco's most vulnerable residents lack basic digital literacy skills and require additional support to participate in digital society. Similarly, many small businesses and nonprofits need assistance to navigate unfamiliar technological waters as they seek to pivot their businesses models to survive reduced activity under safe reopening regulations. Without the ability to provide in-person support, alternative means are needed to support residents in finding services online and to support businesses and nonprofits in adjusting their operations.

Recommendation: MOHCD (Office of Digital Equity) should partner with digital literacy nonprofits to provide phone-based technology assistance for new technology users, small businesses, and nonprofits citywide.





6. Invest in Housing

6.1 Expand and stabilize affordable housing funding

Issue: Despite significant investments in production of new affordable housing, preservation of existing housing, and assistance and services for cost burdened renters, vulnerable renters, and those experiencing homelessness, San Francisco historically has not had sufficient funding to meet the affordable housing needs of residents. Revenue losses to the City may exacerbate this dynamic. Some affordable housing funding has come from time-limited sources that may not be renewed in the future.

As the traditional funding sources decrease, the City will need to explore new sources of funding that are stable, not time limited, and can be used to meet housing needs now and in the future.

Recommendation: MOHCD and HSH should expand the affordable housing funding agenda focused on advocating for increased federal recovery aid for housing, such as a revamped federal Neighborhood Stabilization Program. Following this, policymakers should work to identify additional ways to expand funding for affordable housing through taxes, fees, or other new sources.

6.2 Preserve and stabilize affordable multifamily rental housing and support small property owners

Issue: As COVID-19 has disrupted the economy, many tenants have been unable to pay rent due to loss of work, and some have chosen to relocate. Concurrently, some property owners have experienced a drop in revenue. Temporary measures have shielded tenants and property owners through eviction moratoriums and debt restructuring programs; however, more tenants face possible eviction from non-payment of rent. If debt forbearance ends, owners of multifamily rental properties could face foreclosure or increased financial pressure to sell to investors.

Recommendation: San Francisco should continue to pursue and expand investment in preservation, acquisitions, and stabilization loans for multifamily rental housing to help prevent a wave of eviction, displacement, and speculative property sales in vulnerable communities:

- Expand nonprofit acquisition of multifamily, rent-controlled properties, including single room occupancy (SRO) properties, that are occupied by lower income renters and preserve them as permanently affordable housing.
- Provide forgivable loans to small property owners of rent-controlled properties in exchange for rent forgiveness, focusing on owners of properties with 5 or fewer units who are facing loss of rent revenue and facing foreclosure or other financial challenges.

6.3 Support construction of small multifamily buildings

Issue: Housing unaffordability is one of San Francisco's greatest challenges. Continuing to pursue the City's housing goals calling for the construction of 5,000 new units of housing each year with at least one-third being affordable (a target that was difficult to achieve prior to COVID-19) will help more vulnerable residents stay in San Francisco. Most housing today is built in larger projects of over 50 units, on larger sites, by larger companies (often national and multinational), and typically funded by large banks and institutional investors. The COVID-19 economic crisis could mean that these large projects will stall due to a lack of available investment.

Recommendation: The Planning Department (Planning) should work with stakeholders to offset the projected reduction in large scale multi-family construction investment. The City should institute policy changes that encourage the development and construction of missing middle housing using alternative financing sources. These may include changes to zoning and the development process to allow for more multifamily construction in low density areas.

6.4 Streamline the housing entitlement process to incentivize affordable projects

Issue: Stabilizing housing costs in the long term will require increasing housing supply through consistent production of market rate and affordable housing. Advancing housing construction to increase housing affordability is one of San Francisco's top priorities, as shown through recent Executive Directives for departments to work collaboratively towards faster approvals for housing development projects (2017) and to accelerate the creation of Accessory Dwelling Units and clear the backlog of pending applications (2018), as well as the \$600 million 2019 Affordable Housing general obligation bond. Existing efforts, including SB 35 and the State Density Bonus law have already helped streamline approximately 2,000 units in 100% affordable projects.

Even more process improvements will be needed in order for housing construction to recover. In San Francisco, nearly all entitlements are discretionary, meaning they could be denied or be subject to conditions by the Planning Commission even when they comply with zoning and require no special waiver or accommodation. As a result, entitlement can be a lengthy process with uncertain outcomes for developers. The time and risk involved in entitlement force housing developers to demand higher returns on investment, rendering certain projects financially infeasible and reducing the number of projects that are built, especially in economically challenging times such as the current period.

Recommendation: Planning should change the entitlement process to incentivize projects that are more likely to be affordable, especially ones that would deliver substantial numbers of new units:

- Adopt administrative review for qualifying projects that adhere to the zoning code, removing discretionary approvals for projects that are 100% affordable or for projects that exceed inclusionary housing requirements by 15%. This could also apply to HOME-SF (San Francisco's local density bonus program) projects.
- Adopt entitlement changes to support small multifamily projects of 4-10 units, which are often built by small local developers and have smaller profit margins.

- Refocus demolition restrictions more specifically on multifamily rental housing with regulatory restrictions such as rent control.
- Make it easier to transform a single-family home site as multifamily housing with 4 or more units when the existing home does not serve lower-income renters.



7. Meet the Basic Needs of the Vulnerable



7.1 Ensure adequate housing for family violence survivors and increase awareness of family violence issues during COVID-19

Issue: Social isolation, more time at home, decreased connections with teachers and service providers, and general stress and trauma have increased the likelihood of family violence in San Francisco during COVID-19. Amongst known victims, family violence (child abuse, domestic violence, and elder abuse) disproportionately impacts Black/African American and Latino/a/x communities, the elderly, and people with disabilities in San Francisco. Social distancing requirements mean there is less space in shelters even though the need is greater.

Recommendation: HSA should work with the Department on the Status of Women (DOSW) to ensure there is enough housing available for family violence survivors. This effort could include the use of COVID-19 hotel rooms or other types of emergency housing options, such as vouchers. Placements should include other supports such as mental health and legal support.

The City should also increase awareness of family violence issues during COVID-19 among providers. For example, DCYF should ensure nonprofit providers at Community Learning Hubs are informed about signs of family violence and can help connect children, youth, and their families experiencing issues to resources. For strategies related to increasing mental health services, see Recommendation 7.3.

7.2 Ensure all San Franciscans have adequate access to healthy food

Issue: Job losses have left individuals and families in San Francisco without resources to buy enough food. School closures have meant that children who normally receive meals at school instead eat at home. Over 29,000 children in San Francisco receive free or reduced-price meals at school (about half of all public school students). In addition, older adults and medically vulnerable people may need to self-isolate, making accessing food safely a challenge. Reduced public transit also makes getting groceries for seniors and disabled people more challenging. Grocery delivery services cost extra and may not be an option for low-income households. Congregate meal sites throughout the city have closed due to health orders requiring those most vulnerable to shelter-in-place. At the same time, restaurants face reduced demand and service restrictions while trying to stay afloat.

Recommendation: HSA should expand funding and maximize enrollment in existing programs that ensure vulnerable populations, including children, older adults, and medically vulnerable people, do not experience hunger or have to make the choice between groceries and other basic necessities. To improve local food security, the City should:

- Support expansion of existing feeding programs for older adults and adults with disabilities, including the Essential Trip Card.
- Fund programs that support food security for San Franciscans who do not qualify federally-funded food assistance programs because of their income, immigration status, or other reasons.
- Continue to advocate at the federal and state level for additional benefits, waivers and increased administrative funding.
- Use technology to ensure clients can successfully access and retain benefits using remote online/phone channels.

- Consider a new CalFresh media campaign targeted to underserved communities and increased outreach to seniors.
- Develop corporate partnerships to increase CalFresh purchasing power.
- Explore strategies to support a larger vision of seamlessly connecting San Franciscans to all public benefits to which they are eligible, especially programs that enhance food security.

The State of California has implemented the Great Plates Program to route assistance funds for meals support to local businesses to help meet multiple needs simultaneously. As of now, that program is set to expire on October 9. If it is not extended, the City should consider ways to support a similar effort, potentially through endorsement of existing grassroots channels.

7.3 Expand mental health and substance use disorder services

Issue: As a result of both the COVID-19 pandemic and the measures put in place to slow the spread of the virus, mental and behavioral health stressors have increased, especially for youth, SRO residents, and people experiencing homelessness. These stressors include increased social isolation, financial strain, the possibility of additional time spent in abusive home situations, decreased ability for connection with providers who may have been able to help intervene, and general stress and trauma associated with the pandemic itself.

As the City rises to meet these emerging mental health challenges, the City must also recommit to the significant and persistent mental health and substance abuse challenges for people experiencing homelessness. COVID-19 has led to an increase in homelessness in San Francisco due to limited shelter capacity for social distancing, the inability to stay with family or friends due to social distancing, and the economic crisis. As public health guidance requires that more business is conducted on the street and public spaces, there is a renewed need to ensure a safe environment for everyone and provide critical services to those in need. Though there are numerous agencies and organizations providing field-based services in San Francisco, there are shortages of specific services on the street.

Recommendation: To make more meaningful connections to mental health and substance use disorder services for people experiencing homelessness, youth and transitional age youth, older adults and adults with disabilities, DPH should work with partner agencies to:

- For children and youth, connect and expand existing efforts by building the capacity of teachers and providers and ensuring that behavioral health supports are available both virtually and where programming is occurring.
- For children, youth and their families, and older adults and adults with disabilities experiencing mental health issues as a result of COVID-19, connect them with culturally appropriate and accessible resources.
- Create a systematic and aligned public health approach to street conditions.
- Provide additional field-based behavioral health services for people experiencing homelessness. Street-based mental health and substance use services could offer a low-barrier, adaptive form of treatment that not only provides a much-needed service but acts as a doorway to the system for people who are disconnected.

- Provide additional safe spaces to build trust such as a managed alcohol program, drop-in respite, day programs, or other low-barrier programs offer the opportunity to build trust with clients and offer them a safe place to be.

For strategies related to improving cleanliness of spaces, neighborhoods, residents and businesses, see Recommendation 3.4. For strategies related to housing people experiencing homelessness, see Recommendation 7.4. For strategies related to family violence, see Recommendation 7.1.

7.4 Acquire hotels and other buildings to be converted into permanent supportive housing for people experiencing homelessness

Issue: Though San Francisco leads the nation in the provision of Permanent Supportive Housing (PSH), there will always be greater demand than supply of housing assistance for people experiencing homelessness. COVID-19 has only exacerbated this trend, with shelters at limited capacity as they follow public health guidelines. While no formal count has been performed since the pandemic began, current street conditions point to a growing need for housing for people experiencing homelessness in San Francisco.

People experiencing homelessness are uniquely vulnerable to COVID-19 due to a lack of access to sanitation among other factors. This group sees an overrepresentation of Black/African American and LGBTQI individuals and persons with disabilities, some of our most vulnerable populations that need increased support.

Recommendation: HSH should increase the rate of building acquisitions (such as hotels and other buildings) for conversion to PSH units and pay attention to the accessibility of the units acquired. This could be facilitated through awards from the state's Homekey Grant Program and/or dispensation of one-time capital funds for acquisition and improvement of homeless service sites using funds from sources such as the recently unlocked Proposition C Our City, Our Home measure and future bond measures.



7.5 Prevent renter evictions and displacement

Issue: Housing in San Francisco is predominately composed of tenant renters, many of whom were rent burdened even before the impacts of the COVID-19 pandemic. With the current economic crisis, a higher proportion of residents will likely pay more than half their income on rent or resort to inadequate housing.

San Francisco, like many jurisdictions, is facing a looming wave of increased evictions and homelessness as emergency orders around unemployment benefits and eviction moratoriums expire. Currently, these stop-gap provisions push the date of any court proceedings related to evictions into the future but do not nullify them completely. There will be a high demand for eviction prevention services for San Francisco's residents as these provisions either sunset or are repealed.

Recommendation: MOHCD should scale up and expand San Francisco's community-based eviction prevention services to meet the scale of the need by working with our community partners to:

- Provide high-quality legal representation to tenants facing eviction that results in tenants staying in their home.
- Provide tenant counseling, education and outreach (including media campaigns) on their rights and responsibilities before and during the eviction notice stage.
- Intervene early in tenant-landlord disputes, so that these cases also do not end up in court.
- Provide rental assistance to resolve disputes.

8. Imagine and Build Stronger Neighborhoods



8.1 Plan collaboratively for San Francisco's resilient future and related investments

Issue: COVID-19 has spotlighted the need for a strong, clear vision for San Francisco's future. The City regularly delivers a Five-Year Financial Plan to layout planned investment strategies across public sources. In addition to this central financial planning document, various City departments and initiatives have developed or will soon complete targeted planning documents that point to a more resilient San Francisco. These include the 10-Year Capital Plan, the MTA's 20-Year Capital Plan, ConnectSF, updates to the Public Safety and Housing elements of the General Plan, the Hazards and Climate Resilience Plan, the Waterfront Plan, the Climate Action Plan, the Digital Equity Strategy, neighborhood Area Plans, and others. Transformative projects like the Embarcadero Seawall Program, the Muni F-train loop, largescale affordable housing construction, and citywide seismic and climate risk mitigation programs will help San Francisco build resilience to the city's most pressing hazards. It will require concerted effort to bring these plans together and use them to fuel expedient, coordinated investment.

Recommendation: The Mayor's Budget Office should update the Five-Year Financial Plan to in light of the COVID-19 crisis to reflect planned investments. Further, the City Administrator's Office (Resilience and Capital Planning) should work with the City's asset-owning departments, the Department of the Environment, the Mayor's Office of Housing and Community Development, and the Planning Department to articulate a program of public investment that can deliver priority resilience enhancement projects. The City's Capital Plan can hold the fiscal planning information for capital and should reflect how San Francisco has incorporated resilience planning into its anticipated infrastructure investments for the next 10 years.

8.2 Catalyze neighborhood recovery through the arts

Issue: Throughout the City, restaurants, museums, hotels, night clubs and retail stores are shuttered. Neighborhood commercial corridors are quiet. People who worked at these establishments are out of work. The arts sector can play a powerful role in centering communities of color and those who have been marginalized and excluded to create a more equitable future in our city.

Recommendation: For our commercial districts to re-open and become active destinations for residents and tourists, OEWD, the Arts Commission, Office of the City Administrator (Grants for the Arts), and Mayor's Office of Housing and Community Development (MOHCD) should work in partnership with the community to develop thoughtful and inclusive economic and activation plans that draw upon neighborhood assets. ACHE businesses and organizations can be invited to develop neighborhood-specific (culturally-specific, language-inclusive) campaigns and event production (when safe) to reinvigorate community spaces and community cohesion. Resources and assistance should be prioritized towards historically marginalized neighborhoods and people who have not benefitted from past economic growth.

8.3 Identify new revenue sources and support grant applications for arts, culture, hospitality, and entertainment funding

Issue: San Francisco’s entertainment venues, arts nonprofit organizations, galleries, studios, restaurants, and hospitality establishments are in danger of long-term or permanent closure. Workers, organizations, and businesses in the ACHE sectors need financial support now and potentially through next year to prevent permanent closure and displacement.

Recommendation: To protect existing arts, culture, hospitality and entertainment assets the Arts Commission, the Office of the City Administrator (Grants for the Arts), OEWD, and MOHCD should actively engage philanthropy and the private sector to support the ACHE sector and leverage projects to bring together multiple funding streams where match is needed. In addition, these departments should increase access to City ACHE funding by reducing barriers in existing application processes and provide technical support for the ACHE sector to apply for relevant state and federal grants.

8.4 Appoint more arts, culture, hospitality, and entertainment sector representatives to advisory groups, and policy bodies

Issue: Artists and arts businesses and organizations have been among the hardest hit as a result of the COVID-19 pandemic, and the arts are essential to the economic, social, political, and cultural life of San Francisco. Artists and arts organizations are uniquely positioned to help create the conditions – public trust, social cohesion and connection, access to learning and engagement in new ways – that will be needed for economic recovery.

Recommendation: In order to rebuild a more equitable San Francisco, the Mayor, Board of Supervisors, City Administrator, and City departments (particularly the SFAC, Planning, OEWD, and MOHCD) should appoint more ACHE representatives to commissions, advisory committees, and other decision-making and policy bodies. In addition, embed ACHE experts into City departments and policy-development teams as either staff members or consultants.

Policy Recommendations Summary Table

The table below summarizes the Task Force recommendations and names a lead City department and timeframe for future implementation. Many of these recommendations would require interagency collaboration; the lead department here assigned shows the one most likely to be responsible for coordination. The timeframes are categorized at a high level: as short term and/or longer term duration as long as funding is available and allocated. Short term recommendations can likely be implemented within a year from when budget resources are appropriated and staff direction given. Longer term recommendations require more coordination and/or legislative or other policy changes, which typically take more than one year, or they require more money than can be reasonably expected in the short term.

Regarding implementation, some recommendations involve expanding or modifying existing programs while others will require new efforts, all subject to available resources. It is expected that departments leading implementation will need to engage with impacted populations to understand barriers, burdens, and opportunities to build on existing community assets. In their policy work groups, the Task Force members and staff noted the importance of meaningful community engagement.

An equity lens was used during recommendation development, which should be revisited and operationalized to achieve equitable outcomes. As a core principle of equity, communities and individuals should help design and inform the policies and programs that impact their lives.

Policy Recommendations Summary

Policy Recommendations	Dept Lead	Timeframe
1. Local Economic Stimulus		
1.1 Invest in public infrastructure and support major projects	ADM	Short and longer term
1.2 Redesign building permit process	DBI	Longer term
1.3 Defer impact fee payments	Planning	Short term
1.4 Strengthen Local Business Enterprise (LBE) program	ADM	Short term
1.5 Promote reactivation and consider adaptive reuse buildings	Planning	Longer term
1.6 Advocate for federal and state funding	MYR	Short and longer term
1.7 Partner with business and philanthropic communities	MYR	Short and longer term
1.8 Create accessible, affordable child care system	OECE	Longer term
2. Job Connections		
2.1 Centralize City workforce development programs	OEWD	Short term
2.2 Provide culturally competent, accessible job training	OEWD	Short term
2.3 Strengthen implementation of First Source Hiring	ADM	Longer term
2.4 Expand subsidized employment and hiring	HSA, OEWD	Short term

3. Promote Safe Reopening		
3.1 Provide clear, concise, in-language communications	OEWD	Short term
3.2 Remove barriers to PPE, testing, and tracing	JIC	Short term
3.3 Ensure safe work environments for all	DPH	Short term
3.4 Support cleanliness, health, and safety in public space (see also recommendations 7.3 and 7.4)	Various	Short and longer term
4. Preserve Operations and Lessen Regulatory Burdens		
4.1 Extend Shared Spaces Program	OEWD	Short term
4.2 Repurpose public outdoor space	Varies	Longer term
4.3 Allow more flexible use of ground floor retail	Planning	Longer term
4.4 Rethink rules that restrict flexible/temporary uses	OEWD	Short and longer term
4.5 Provide advisory services and other supports to avoid evictions and foreclosures	OEWD	Short term
4.6 Review employer mandates	BOS	Longer term
5. Pursue Economic Justice		
5.1 Invest in BIPOC communities	HRC	Short and longer term
5.2 Ensure access to educational programming	DCYF	Short term
5.3 Reform fines and fees levied by the City	TTX	Short term
5.4 Provide high-quality computers to vulnerable populations	MOHCD	Short term
5.5 Provide affordable connectivity and internet service	SFDT	Short and longer term
5.6 Build technology capacity	MOHCD	Short term

6. Invest in Housing		
6.1 Expand and stabilize affordable housing funding	MOHCD	Longer term
6.2 Ensure sufficient affordable multifamily rental housing and support small property owners	MOHCD	Short and longer term
6.3 Support construction of small multifamily buildings	Planning	Short term
6.4 Streamline the housing entitlement process	Planning	Longer term
7. Meet the Basic Needs of the Vulnerable		
7.1 Ensure adequate housing for family violence survivors and increase awareness	HSA	Short term
7.2 Ensure all San Franciscans have adequate access to food	HSA	Short and longer term
7.3 Expand mental health and substance use disorder services	DPH	Longer term
7.4 Acquire sites for permanent supportive housing and ensure accessibility	HSH	Short and longer term
7.5 Prevent renter evictions and displacement	MOHCD	Short term
8. Imagine and Build Stronger Neighborhoods		
8.1 Plan for San Francisco's resilient future	Planning, ADM	Short and longer term
8.2 Catalyze neighborhood recovery through the arts	OEWD	Short and longer term
8.3 Identify new arts revenue sources and support grants	SFAC, ADM	Short and longer term
8.4 Appoint more ACHE sector representatives to advisory groups and policy bodies	Varies	Longer term

Additional Policy Ideas

The 41 strategies listed above in the report reflect ideas that heard in the policy groups, inflected by the Task Force's community engagement and listening, feedback from ERTF members, and insights from the Co-Chairs. There were additional ideas raised by Task Force members outside of the Policy Groups' prioritization processes, either in Policy Group discussions or in feedback on the draft report. Acknowledging the extraordinarily challenging road to recovery ahead, those ideas are documented below for future exploration. As the COVID-19 pandemic continues to evolve over time, some of the ideas listed here may become higher priority. At such a time, further research and analysis can be conducted to flesh out these policy ideas.

- Through the City's existing transportation recovery efforts, prioritize the importance of transportation to bring back suspended Muni lines as soon as safely and fiscally possible, and support transportation and taxi workers in recovery.
- Extend existing entitlements by three years to increase feasibility of currently planned projects.
- As public health interests allow, make Moscone Center competitive during recovery by exploring financial incentives to reduce rental fees and food and beverage costs for newly booked groups.
- Renew the Tourism Improvement District and explore the feasibility of an increase to the assessment to create an incentive fund for future business at Moscone.
- Consider offering reduced/free parking for a limited time to help encourage regional visitors to San Francisco.
- Build a domestic aviation development and marketing effort at SFO and to continue and expand the International Air Carrier Incentive Program.
- Explore a citywide fiber network to ensure that businesses and residents have the modern connectivity needed to participate in the economy of the future.
- Invest in worker cooperatives, incubators, and entrepreneurship funds, keeping in mind not everyone has ready access to commercial space.
- Create a debt cancellation fund.
- Consider ways to secure access to affordable, broadly available COVID rapid tests that can be self-administered.
- Support community-building with community center programs and drop-in hours.
- Expand eligibility for HealthySF.
- Develop and implement a Wellness Recovery Plan.
- Prioritize affordable housing lottery spots for those most affected by COVID-19.
- Provide deeper affordability in new housing developments.
- Offer safe sleeping sites for people experiencing homelessness.
- Land bank development sites for future affordable housing development.
- Support modular housing and further evaluate the possibility of building a modular factory in San Francisco.
- Better understand why some vulnerable persons refuse services through a survey.
- Support policies that create or retain space for ACHE enterprises in new real estate developments.
- Match architects, interior designers, and landscape designers with businesses that need to reconfigure space for safe operations.

Looking Ahead

The San Francisco Economic Recovery Task Force convened over 100 leaders and community representatives from across the city to guide recovery efforts during the COVID-19 health crisis. Community input from surveys, focus groups, interviews, and public meetings was also sought throughout the process. The Task Force called for San Francisco to support existing businesses, workers, and jobseekers; address the basic and financial needs of the most vulnerable; and ensure San Francisco's residential, commercial, and public spaces can serve the uses needed in recovery.

The COVID-19 crisis presents an opportunity to rebuild San Francisco's economy and address many of the inequalities that San Francisco faced before COVID-19, particularly with regard to investment, wealth-building, and service delivery. Given the profound and long-lasting impact of the COVID-19 crisis, economic recovery—and recovery broadly speaking—will be the work of San Francisco's government, businesses, nonprofits, communities, and residents for the foreseeable future. The recommendations here published will inform that work and help set San Francisco on a course for an equitable and holistic recovery.

From the outset of the Task Force, it was clear that recovery from this crisis would demand new ways of thinking about the local economy, civic spaces, job creation and business development programs, urban planning, and public-private partnerships. Even from the beginning of the Task Force to the publication of this report, how San Francisco is dealing with the pandemic has adjusted focus several times, oscillating between nodes of crisis response and recovery groundwork, all while adapting to a frequently changing regulatory environment and keeping attention on the most vulnerable. Until the pandemic itself has a long-term solution, these dynamics in economic recovery planning will likely continue.

The work of economic recovery will be ongoing. There are challenges to come for which new, additional strategies will be needed, to make it as easy and fast as possible to bring back and start new businesses to revive the city's commercial corridors post-pandemic, for example. Though the post-COVID future has yet to come into focus, San Francisco's principles and values will surely inform the visioning, response, and recovery work ahead. The City and its partners will draw from this report, community engagement, and the work of parallel bodies addressing homelessness, child care, essential government services, and mobility. These efforts will complement ongoing resilience planning recently completed or underway—the greenhouse gas reduction targets of the Climate Action Plan and the all-hazards mitigation strategies of the Hazards and Climate Resilience Plan, the construction program laid out in the 10-Year Capital Plan and MTA's 20-Year Capital Plan, and the service delivery improvements of the Racial Equity Plan—to build a path towards a sustainable, resilient, and equitable future for San Francisco's workers, businesses, and residents.

Glossary

ADM	Office of the City Administrator
ACHE	Arts, Culture, Hospitality, and Entertainment
BIPOC	Black, Indigenous, and People of Color
CBD	Community Benefit District
CBO	Community Based Organization
CDC	Centers for Disease Control and Prevention
CPUC	California Public Utilities Commission
COVID-19	Novel Coronavirus Pandemic
DBI	Department of Building Inspection
DCYF	Department of Children, Youth and Their Families
DPH	Department of Public Health
HRC	Human Rights Commission
HSA	Human Services Agency
HSH	Department of Homelessness and Supportive Housing
ISPs	Internet Service Providers
JIC	Joint Information Center
LBE	Local Business Enterprise
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, and Intersex
MOHCD	Mayor's Office of Housing and Community Development
NERT	Neighborhood Emergency Response Team
OECE	Office of Early Care and Education
OEWD	Office of Economic and Workforce Development
Planning	Planning Department
PSH	Permanent Supportive Housing
PPE	Personal Protective Equipment
PW	San Francisco Public Works
RPD	Recreation and Parks Department
SFDT	Department of Technology
SFPUC	San Francisco Public Utilities Commission
SFUSD	San Francisco Unified School District
SRO	Single Room Occupancy
TTX	Treasurer and Tax Collector



