



RECOVERY STRATEGIES: ECONOMIC RECOVERY UPDATE

PLANNING COMMISSION PRESENTATION

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SAN FRANCISCO
OFFICE OF ECONOMIC &
WORKFORCE DEVELOPMENT



San Francisco
Planning



Today's Presentation

Planning, OEWD, and MOHCD have been working with other City agencies and community partners toward an equitable recovery from COVID-19.

This presentation is an update on economic recovery, including pre-existing economic trends and inequities exacerbated by the pandemic.

Overview of Presentation

Brief Summary of Economic Context

Recovery in the City Core

- Downtown
- Union Square

Recovery in Neighborhood Retail and Services

ECONOMIC RECOVERY CONTEXT



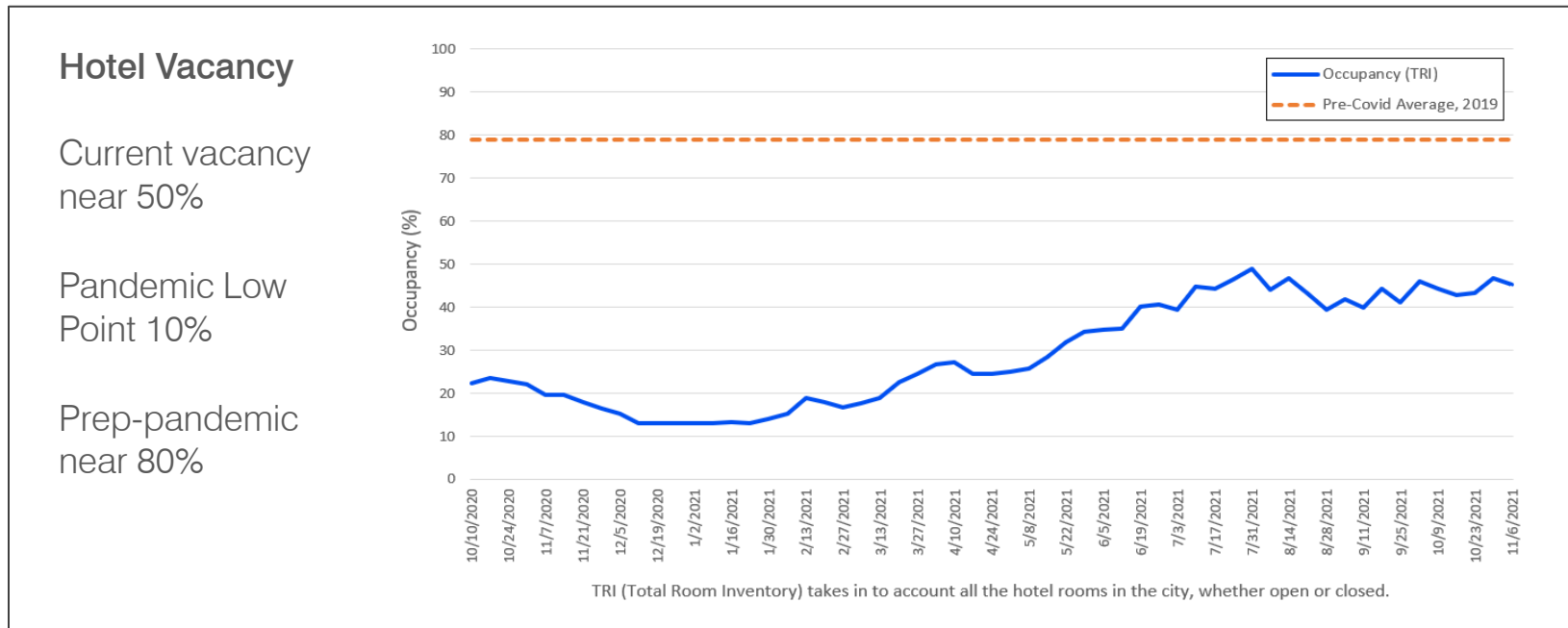


Economic Context Sectors

Recovery has expanded with increasing vaccination but slowed since July with spread of Delta

Tourism and hospitality most impacted by pandemic job losses but have added most jobs in recovery

Remote work allowed office-based employees to keep working but increased office vacancy Downtown





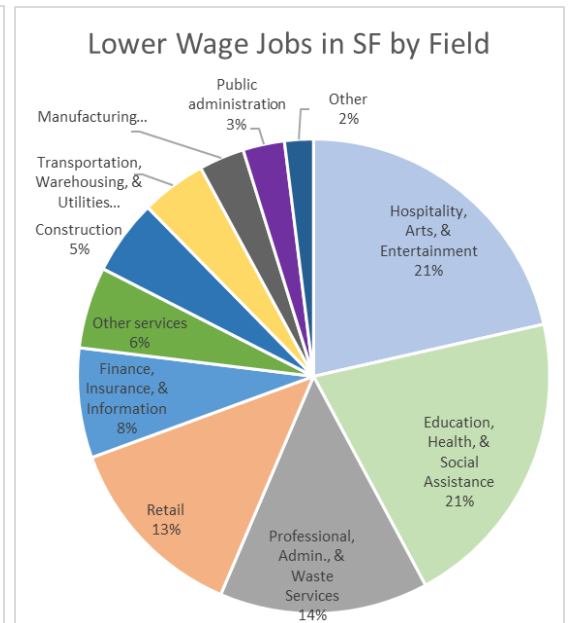
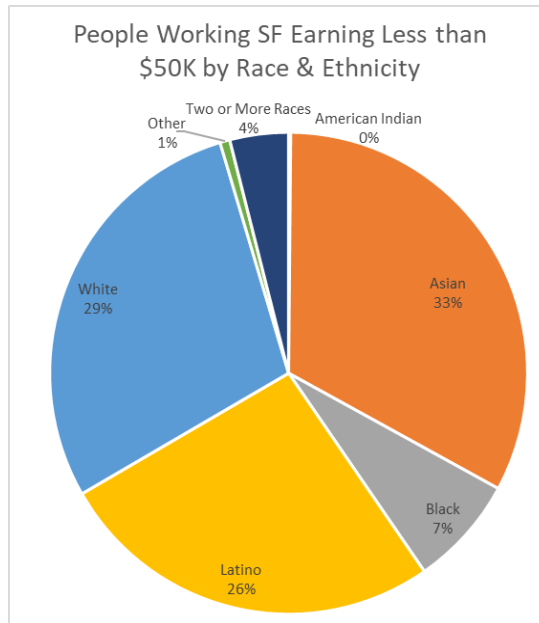
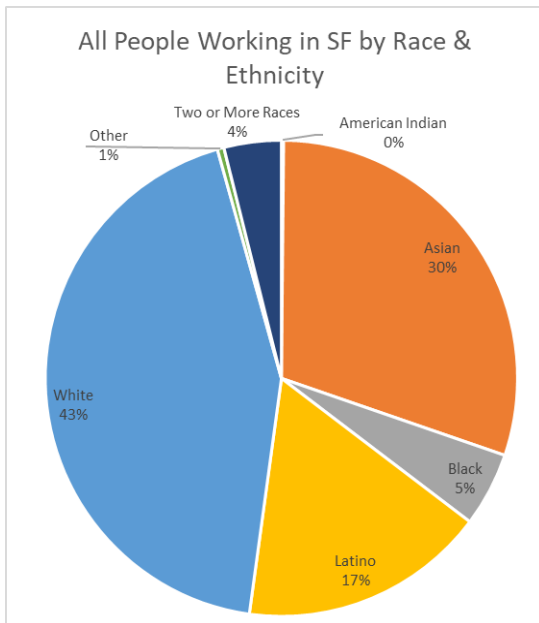
Economic Context Jobs

Unemployment is at 3.9%, far below Spring 2020 peak of 12%

SF's economy has had **decades of job growth in higher-wage**, higher education sectors of Information and Business and Professional Services

City has become **more polarized between higher wage and lower wage** workers

People of color are disproportionately lower wage workers and essential workers





Economic Context Retail Districts

City **core most affected by retail closure** due to lack of visitors and workers

The pandemic accelerated shifts to online shopping; brick and mortar more focused on experiences

Prior to pandemic, restaurants and personal services made up most retail growth

Some neighborhood commercial corridors have struggled while others have fared better

Labor market changes and supply chain issues pose new challenges

District	2021 Q2 v 2019 Q2
D 1	-7.44%
D 2	-10.73%
D 3	-50.48%
D 4	1.32%
D 5	-4.41%
D 6	-33.16%
D 7	-24.81%
D 8	-7.69%
D 9	-6.77%
D 10	-6.02%
D 11	7.78%
Citywide	-25.86%

Downtown Office and Union Square

RECOVERY IN THE CITY CORE





**December
2021**

Economic Recovery in the City Core

www.oewd.org

The role of our City Core

- The economic sectors traditionally housed downtown represent about 75% of the City's GDP
- 45% of sales tax is generated from downtown
- 40% of the jobs in San Francisco are downtown

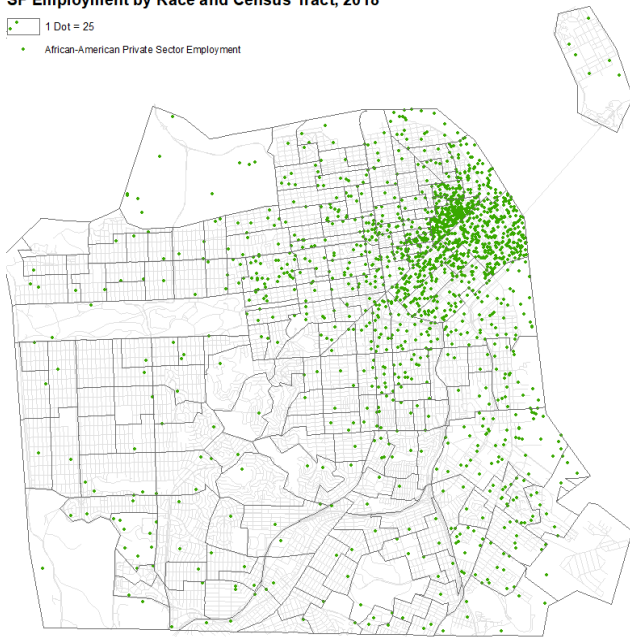
City Core Holds Highest Concentration of Jobs Across Race

African American Employment

SF Employment by Race and Census Tract, 2018

1 Dot = 25

African-American Private Sector Employment



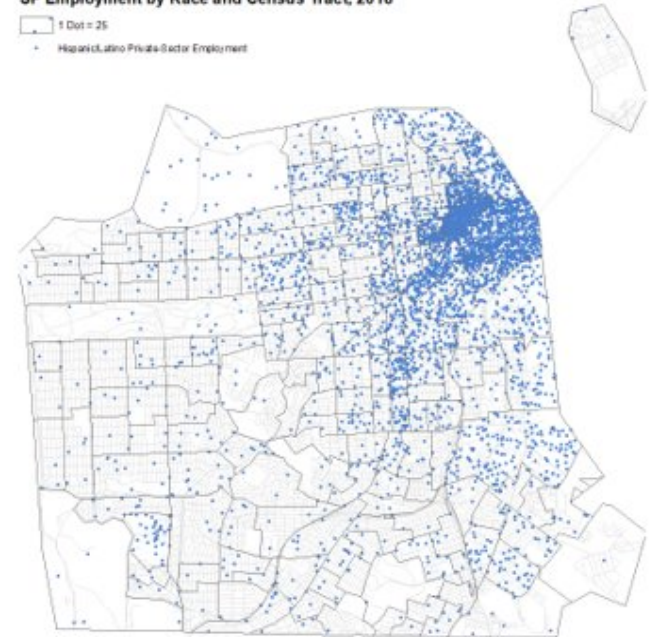
Source: U.S. Census Bureau, LEHD Origin-Destination Employment (LODES) Statistics

Latinx Employment

SF Employment by Race and Census Tract, 2018

1 Dot = 25

Hispanic/Latino Private Sector Employment



Source: U.S. Census Bureau, LEHD Origin-Destination Employment (LODES) Statistics

Return to Office

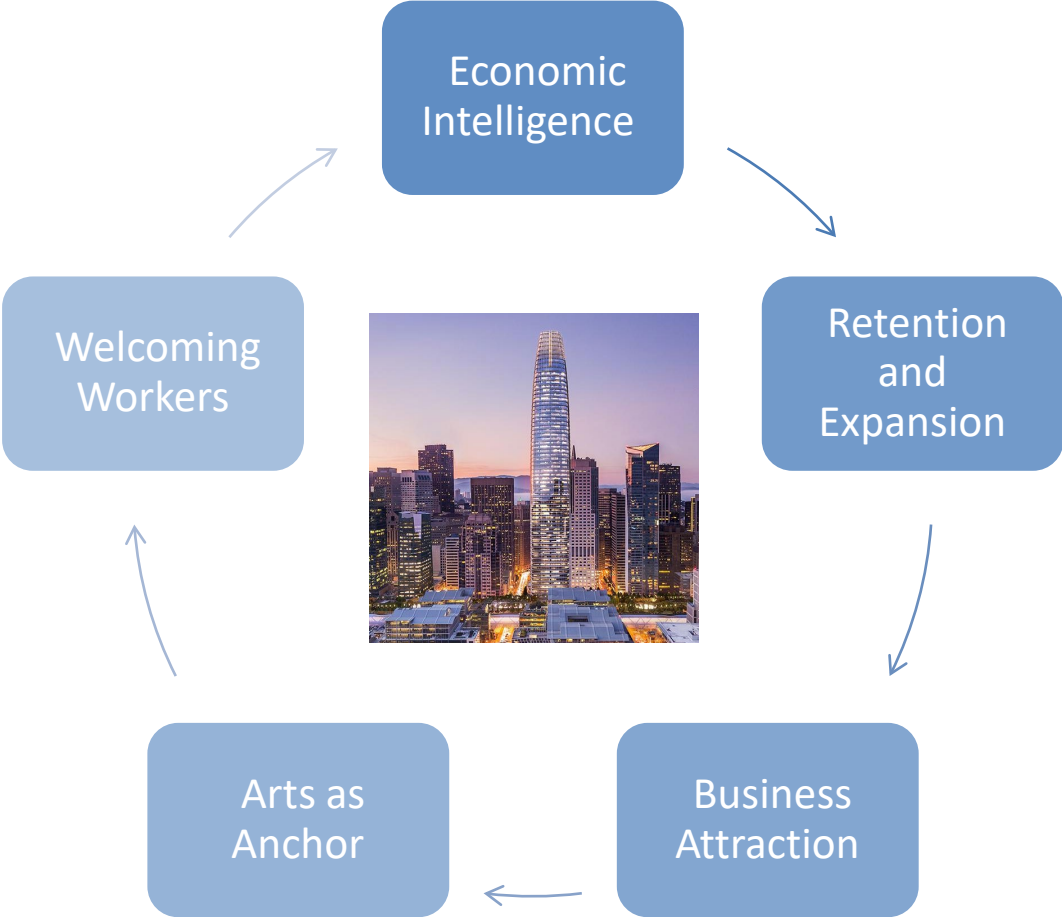


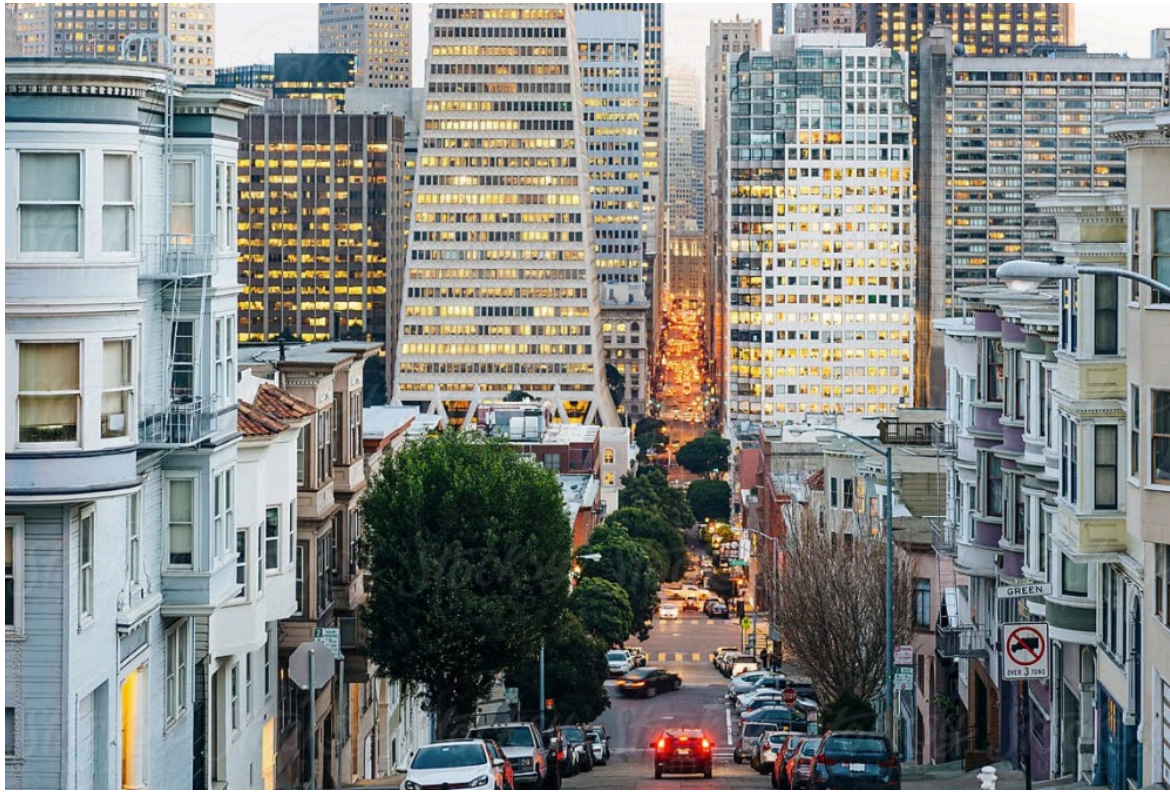
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Accelerating workers' return downtown is vital

- 3.9% unemployment rate
- Q3 saw our first positive office absorption in 6 quarters
- Weekly office attendance rose 360 basis points last quarter and is now over 25%.
- Bridge traffic and BART ridership are increasing
- Sales taxes downtown increased 30-50% in October 2021 as compared to October 2020

Supporting the City Core's Recovery





Office will continue to be vital to San Francisco's economic base. Must preserve our existing office space.



Union Square

- 47% of visitors to SF come to Union Square
- 15% Sales Tax, and 37% of the sales tax from general consumer goods
- 500,000 pedestrian visitors each week
- 12,482 hotel rooms

Longstanding Changes and Promise in Retail



- Online Shopping
- Fewer multi-story retailers
- A focus on experience

With these changes, comes opportunity

- New retailers are opening up in Union Square
- Online brands are opening brick and mortar
 - Hybrid businesses are thriving
- New modes of delivery have also sped up

Supporting Union Square's Success

30-day turn around

Principally permitted uses in Union Square are now eligible for 30 day permit turn arounds

Entertainment and Pop-ups

New opportunities to activate streets as well as storefronts with entertainment, food and retail

SF Wednesdays

Programmed 10 concerts over the summer/fall to bring people back to Union Square



Hallidie Plaza Investments

Renovating and re-invigorating this vital gateway to Union Square

Central Subway

With the Central Subway set to open in 2022 there will be even more connection to Union Square

Ambassadors

Safety and security investments through the SFPD Community Ambassador program and the Welcome Ambassadors



Union Square's vibrant retail presence will require a compliment of forward looking mixed-use spaces

**RECOVERY IN NEIGHBORHOOD
RETAIL AND SERVICES**





Covid Response

SF adopted policies, programs, and funding and city agencies collaborated in new ways to support recovery neighborhood retail and services



Shared Spaces

More than 2,000 new spaces that activate the public realm and support neighborhood businesses

Prop H and Small Business Recovery Act

Policy

Prop H and the Small Business Recovery Act decreased process and expedited permitting for small businesses.



First Year Free

Waives initial registration fees, initial license fees, first-year permit, and other applicable fees for small businesses.



Relief Efforts

\$63M in grants and loans to small businesses by OEWD.
\$41M in deferred and forgiven rent.
\$46M in forgiven business registration fees
\$18.2M deferred licensing fees
\$1.47B of forgiven business taxes



Recovery & Beyond Neighborhood Retail and Services Project

Planning and OEWD developing work to understand and support the people and places that support neighborhoods, jobs, and city destinations.

This work comes in two parts:

- **Outreach and Analysis**
- **Proposed Initiatives**





Retail and Services

Outreach and Analysis understanding People and Places



Focus on Black, American Indian, and Other People of Color and Low- and Moderate-income Residents, Legacy Businesses

Business Owners

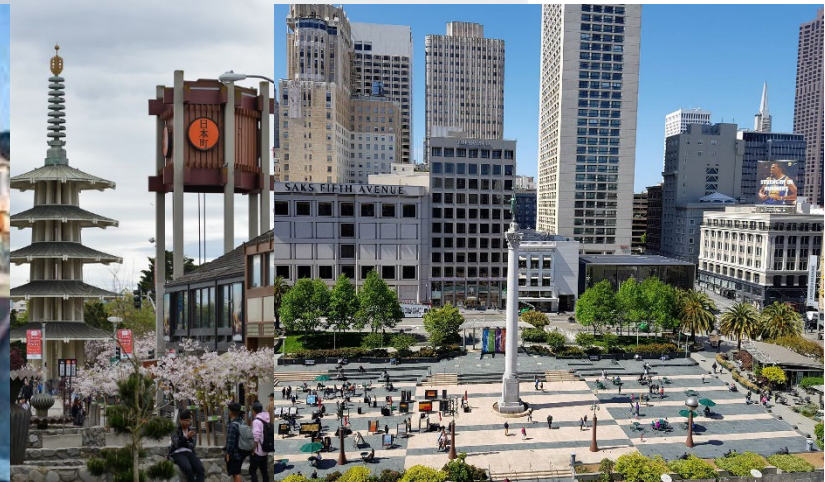
Patrons/Residents

Workers

Property Owners

Recognizing many areas draw visitors from the Bay area and beyond

Focus on Cultural Districts, Invest in Neighborhoods
Other key places where businesses and activity supports cultural identity



Community serving neighborhood corridors

Regional destinations



Retail and Services

Project Goals

Support commerce tied to cultural and community identity

Contribute to community and neighborhood identity and vitality

Bolster Cultural Districts

Maintain a City Core shopping destination

Retain presence as regional destination for shopping and entertainment

Support needs of neighborhoods

Neighborhoods that meet residents' daily needs with affordable and diverse goods, services, and social hubs

Commerce adaptable to a changing retail marketplace

Create economic opportunities for business owners and employees

Economic mobility and stability for business owners and employees, especially for communities of color



Retail and Services **Proposed Initiatives**

Based on the vacancy, drop in sales, and other economic and equity indicators, the project may recommend:

- **Process improvements**, to reduce barriers for new or expanded businesses, especially for owners of color
- **Land-use and code changes**, to facilitate new opportunities
- **Programs and Incentives**, for businesses that support community needs
- **Prioritized Resources** for Cultural Districts, businesses that support neighborhood identity, and workforce concerns
- **Update the Commerce and Industry Element** of the General Plan

These efforts may be citywide where there are issues in common or neighborhood-specific where there are unique needs



In Conclusion

We can build a city that is **more equitable for communities of color and low- and moderate-income people** and **resilient to future disruption**.

We can invest in businesses, workers, and neighborhoods in ways that **expand opportunity while enhancing our vitality and cultural richness**.

We have the **creativity and courage** to ensure that the city's recovery is robust and **reaches and supports people and communities** who were struggling before the pandemic and suffered some of its worst effects.

OEWD, MOHCD, and Planning will continue to work together and with fellow city agencies, elected officials, and the community in coming months to develop and implement strategies **for an equitable economic recovery that leads to a better city for all**.

THANK YOU



**San Francisco
Planning**

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