



SMALL BUSINESS RECOVERY ACT ORDINANCE

PLANNING CODE AMENDMENTS



San Francisco
Planning

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Planning Commission

FURTHER CUT BUREAUCRACY

SIMPLIFY THE PROCESS

Extend voter-supported Prop H provisions

ENHANCE FLEXIBILITY

SUPPORT RECOVERY AND ADAPTATION

Implement Economic Recovery Task Force recommendations



PROTECTIONS & OPPORTUNITIES FOR ARTS

PROVIDE PROTECTIONS AND OPPORTUNITIES

Encourage partnerships between small business and local talent

Context: Pre-Covid Challenges



Experiential Retail

As goods are bought online, brick and mortar shifts towards experiences and services not available online.

Online Shopping

Growth of online shopping has created an existential challenge for the retail industry. Nearly all retail sub-sectors nationwide are showing decreased revenue and employment.

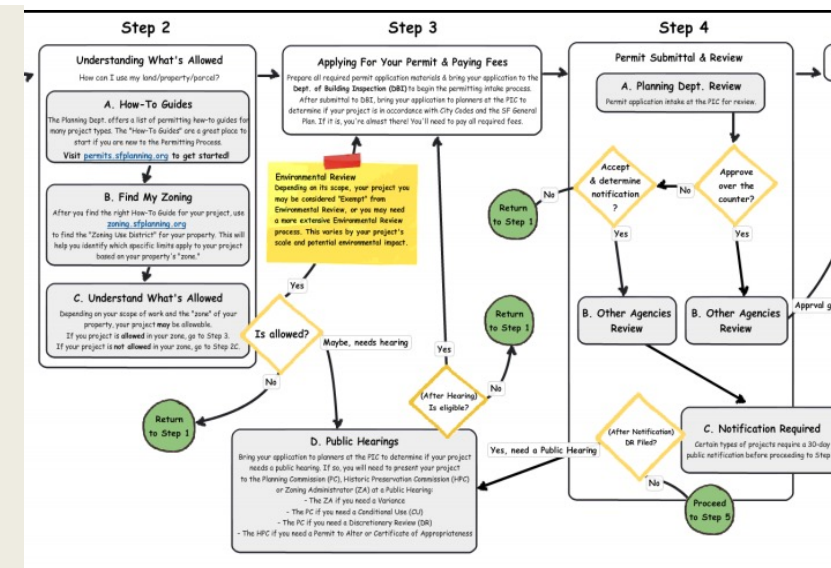


Retail Operating Costs

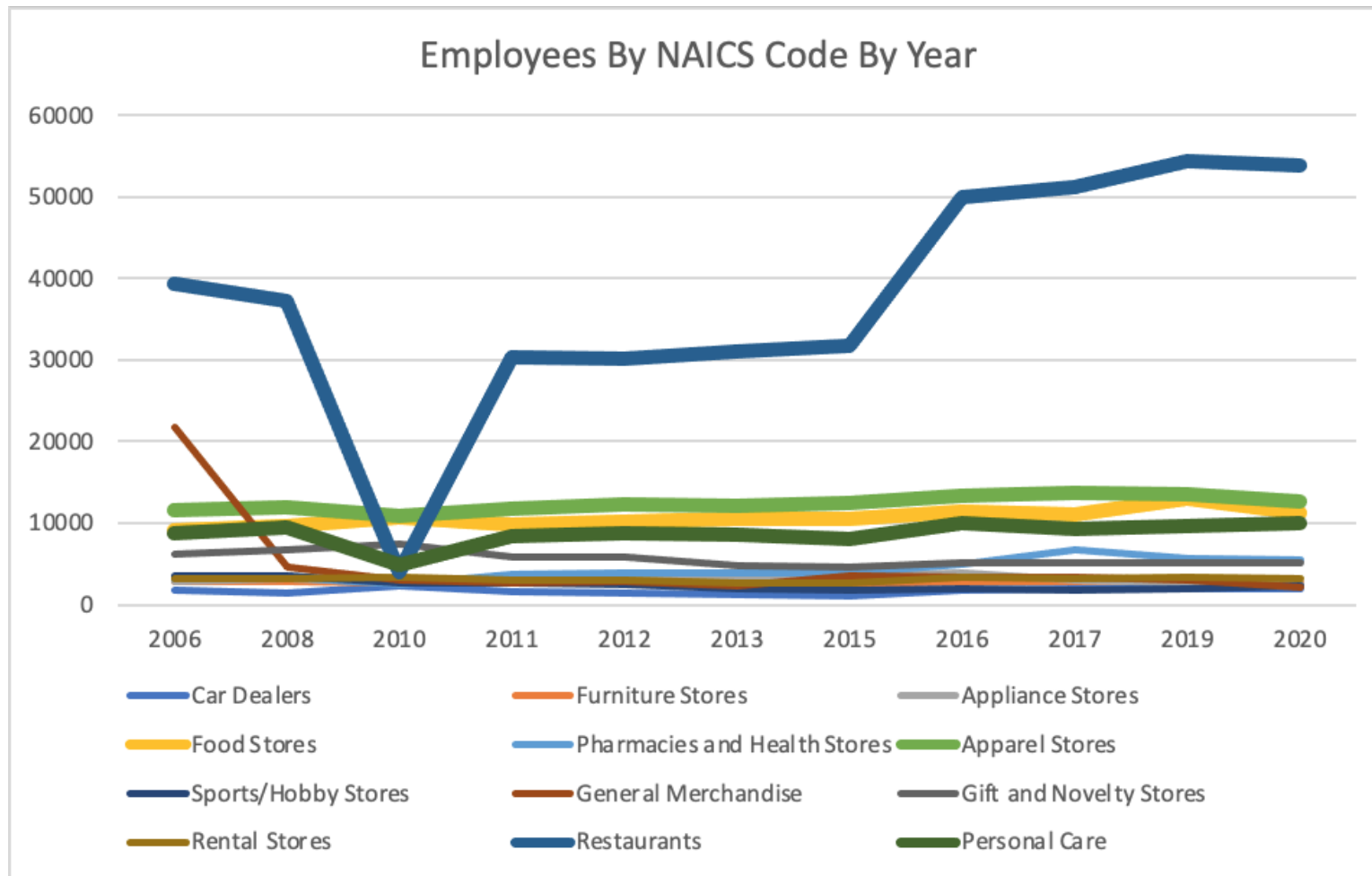
The costs of operating a business in San Francisco – from employee benefits and salary to high rent – make it challenging to run a successful business in San Francisco.

Complex Regulations

Codes and regulations can make it difficult for retail businesses to operate in ways that allow brick-and-mortar retailers to compete with online shopping platforms.



A Decade of Job Growth: Dining



- **Restaurants** are the strongest growing retail sector since 2008
- Top employment subsectors
 - Restaurants
 - Apparel
 - Groceries
 - Personal Care

Context: Covid Impacts



Health Regulations

Health and safety regulations changed businesses operations

New Legislation

New regulations and funding changing the retail landscape.

SF Prop H

Federal Relief Packages



Changing Work Landscape

How and where we worked has changed, impacting how and where we travel, shop, dine, and socialize. Areas dependent on workers or tourism, like downtown, are quiet.

Importance of the 15-Minute Neighborhood

As workers stay home, it's underscoring the importance of meeting daily needs near home.



Small Business Recovery Act

Context: Covid Impacts



Neighborhoods

- Neighborhood impact driven by consumer base
- Residential move-out rates
- 71% decline in new office leasing
- Increase in retail vacancy rates citywide from 5.2% to 15.7%

Patrons

- Online sales increasing 44% from 2019 to 2020
- Retail vacancies can make it harder to meet needs locally
- Uncertainty of pent-up consumer demand



Neighborhood Businesses

- 13 months of openings/closures
- Tourism dropped 61% in 2020; SF lost \$2.3 billion in tourist spending
- 100+ restaurants closed
- 45% decrease small business openings

Employees

- 128,800 jobs lost in SF/San Mateo
- 53% of San Francisco's retail employees identify as non-white
- Arts & Entertainment in SF metro area lost 2x jobs as nationally



Small Business Recovery Act

COVID Response

Grants and Loans

- \$24 million in City loans and grants to 1,370+ small businesses
- \$4.1 billion federal/state funds for PPP and EIDL for 37,227 small businesses

Fee Deferrals

- Deferrals for business taxes, fees, and registration

Delivery Fee Cap

- 15% commission cap on third-party delivery services

Shared Spaces

- Free permits for 2,100 businesses to use outdoor spaces for business operations

Commercial Eviction Moratorium

- Eviction protections through June 2021

Right to Recover Program

- \$11 million to support 6,000+ workers with COVID-19 facing financial hardship

Recovery Efforts: Economic Recovery Task Force

- Recommendation 1.2: **Redesign building permit processes** and eliminate unnecessary permits not directly related to health and safety
- Recommendation 4.1: Extend, improve, and **support the Shared Spaces** Program
- Recommendation 4.3: Allow **more flexible use** of the ground floor retail
- Recommendation 4.4: **Rethink the rules** that restrict flexible/temporary arts, culture, hospitality and entertainment uses.
- Recommendation 8.2: Catalyze neighborhood **recovery through the arts.**





Recovery Efforts: Prop H

Approved by 61% of voters in November 2020

- 30-day permit processing for Principally Permitted uses
- Restaurants, Limited Restaurants, and more Principally Permitted citywide
- Temporary uses are more permissive
- Pop-Up Retail (for non-Formula Retail uses) allowed in vacant commercial storefronts
- Outdoor Activity Areas (e.g. patios behind restaurants) widely permitted
- Retail workspaces (e.g. co-working facilities) permitted in restaurants

FURTHER CUT BUREAUCRACY

SIMPLIFY PERMIT PROCESSING

- Expand Prop H 30-day processing for Principally Permitted retail businesses
- Remove 311 notification requirement in Mixed Use and Commercial zoning
- Make Bars, Nighttime Entertainment, Medical Cannabis Dispensaries, Non-Retail Sales and Services, and small Formula Retail eligible for Community Based Priority Processing Program (CB3P)



FURTHER CUT BUREAUCRACY

REDUCE ADMINISTRATIVE BARRIERS

- Remove abandonment provision for CUs
- Remove requirement for linear frontage concentration calculations



ENHANCE FLEXIBILITY

SUPPORT RECOVERY & ADAPTATION

- Allow rooftop operations under Prop H provisions
- Allow accessory catering in Restaurants
- Permit ADUs in the rear of commercial space as allowed for regular dwelling units
- Simplify retail definitions



SUPPORTING ARTS & CULTURE

PROTECTIONS AND OPPORTUNITIES

- Permit Temporary Entertainment Uses outdoors
- Require a CU for removal of nighttime entertainment
- Remove duplicative CU requirements for Nighttime Entertainment
- Establish a Nighttime Entertainment use for Continuing Entertainment Operations
- Police Code amendments
 - Exempt single individual performances without amplification from permit requirements
 - Allow additional one-time entertainment permits and one-time amplified sound permits
 - Extend time for limited live performances from 10 p.m. to 11 p.m.



Proposed Ordinance Modifications

- **Proposed Modification** for Sections 1006.2(b): Administrative Certificates of Appropriateness (ACOA), and Section 1111.1(b): Minor Permit to Alteration (MPTA)
 - Eliminate noticing requirements to meet 30-day processing for Principally Permitted uses
 - 3 requests for review of 1,067 ACOA and MPTA since 2012
 - Administrative review continues
 - Appeals via Board of Appeals
- **Proposed Modification** for Table 843: Urban Mixed Use District Zoning Table
 - Add footnote to maintain square foot controls for fitness
 - “Personal Services that are a health club, fitness, gymnasium, or exercise facility that include equipment and space for weight-lifting and cardiovascular activities are P up 3,999 gross s.f. and C over 4,000 gross s.f.”

Equity Considerations

- Business Owners, Employees, Patrons
- Benefit low-income small businesses: reduce need for financial and social capital to open and operate
 - Supplemented with programs, technical assistance, funding
- Benefits retail employees (Black, American Indian, and People of Color)
- Equitable outcomes for patrons supported through City and CBO programs



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THANK YOU

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