Office of the Mayor San Francisco



FOR IMMEDIATE RELEASE:

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*** PRESS RELEASE *** MAYOR LONDON BREED AND SUPERVISOR VALLIE BROWN ANNOUNCE CITYWIDE STOREFRONT VACANCY STRATEGY

Strategy includes legislation, program investments, and administrative reforms to retain and attract businesses to neighborhood commercial districts

San Francisco, CA — Mayor London N. Breed and Supervisor Vallie Brown today announced a Citywide Storefront Vacancy Strategy to retain, strengthen, and attract businesses to commercial corridors throughout San Francisco. This initiative includes an investment of nearly \$1 million that responds to the City's vacant storefronts and addresses the need for new legislation, new programs, and administrative reforms to ensure the ongoing vibrancy and vitality of neighborhood commercial districts.

"We are committed to helping our local small businesses adapt to the major shifts we are seeing in the retail industry," said Mayor Breed. "This means streamlining our city bureaucracy so that opening a store or getting a permit is straightforward and simple, creating new programs to highlight our commercial corridors, and increasing flexibility so businesses can use their space in a way that makes sense for them."

Across the nation, cities are grappling with storefront vacancies as retail sales slow. Shopping habits and trends have shifted over the past few years and various types of storefront businesses continue to face local challenges, such as the cost of labor, price of rent, and demographic shifts. Many neighborhood commercial districts are beginning to demonstrate modest increases in vacancy rates, and community organizations and stakeholders have observed the closure of long-standing retailers and persistently empty commercial spaces and storefronts.

"There's no question about it, we need to support our small businesses," said Supervisor Vallie Brown. "We need to make sure the City doesn't get in the way—that's the kind of legislation I'm focused on right now, legislation that removes antiquated regulations, legislation that cuts permitting costs and delays, and legislation that supports small businesses in developing vital new revenue streams."

"Today's retail environment requires a flexibility that allows our brick and mortar businesses to meet the changing preferences of their customers," said Joaquín Torres, Director of the Office of Economic and Workforce Development. "These policy proposals, investments, and reforms provide a simplified process, ongoing support, and the space for entrepreneurs to do what they do best: act on the ideas that allow their businesses and our neighborhoods to thrive."

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The Citywide Storefront Vacancy Strategy is a multi-pronged approach that involves three main elements: new legislation, new programs, and administrative reforms.

New legislation aims to remove existing barriers and support modern business models by enabling local entrepreneurs to provide residents and visitors with experiences and services that are reflective of each neighborhood's unique character; including:

- Streamlining the permit review process to remove barriers to opening, expanding, relocating, and/or operating a small business and making it as simple and efficient as possible.
- Supporting a broader range of space uses and creative solutions to activate storefronts, including combining uses within one location, allowing temporary pop-up uses, and promoting new uses.
- Supporting temporary activation on vacant development sites.

New program investments of nearly \$1 million to retain, attract, and strengthen small businesses - leveraging existing programs and creating new ones such as:

- Vacant storefront and corridor-wide assessments to determine the cause of a vacancy and developing a roadmap to fill vacancies.
- Case management services by facilitating property owner relationships and generating a pipeline of prospective tenants to fill vacant storefronts.
- Leverage existing city programs and services to support small businesses with technical and financial services and lease negotiations to help small businesses succeed and thrive.

Administrative reforms will make it easier for small businesses to obtain permits easier by allowing as many permits over-the-counter as possible. This will allow people to open their business more quickly, reducing their startup time and costs, and positioning them for future success.

- Strengthening coordination between city agencies, enabling small businesses to get their permits over-the-counter, rather than waiting months for their applications to move through all of the City departments.

The strategy is guided by findings in a report from the Office of Economic and Workforce Development released in February called <u>'State of the Retail Sector: Challenges and</u> <u>Opportunities for San Francisco's Neighborhood Commercial Districts.'</u> Office of the Mayor San Francisco



"We need to tackle commercial vacancies by implementing solutions that have the small business at the center. Giving the business owner the ability to be creative and providing the support to open their doors, the mayor's proposal is a leap in the right direction," said Stephen Adams, President of the Small Business Commission.

"Those of us that create these small businesses often operate with very limited resources and the cumbersome processes required are a significant drain on those resources. The permit process, can be often times confusing with conflicting instructions from different people or departments," said David Quinby, owner of The Riptide. "This new initiative from Mayor Breed is a game changer for us."

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