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NEW REPORT DETAILS SHORTCOMINGS IN CITY’S STRATEGY FOR PREVENTING AND FILLING COMMERCIAL VACANCIES

Hearing to Recommend Improved Enforcement of Existing Laws and Creative New Solutions

San Francisco – A new Budget and Legislative Analyst report, commissioned by Supervisor Norman Yee (District 7), shows that since the Board of Supervisors of San Francisco adopted in Vacant or Abandoned Building Registration Ordinance in 2009 it has not seen significant results in preventing commercial vacancies and in filling vacant spaces. A similar ordinance was adopted in 2014 applying to commercial storefronts that have been vacant for over 30 days. The report shows that property owner compliance with the City's commercial vacancy ordinances appears low; City administration and enforcement of the ordinances, which is done by the Department of Building Inspection (DBI), could be improved. Supervisor Sandra Lee Fewer (District 1) convened the hearing on the report to provide the opportunity to discuss solutions and new approaches to dealing with this ongoing problem.

Supervisor Yee notes, “Our commercial corridors are the lifeblood of our Districts, they provide the character and liveliness of our neighborhoods. Longstanding commercial vacancies create blight and can drag entire blocks down.”

Among the findings of the report:

- For 2016, DBI’s registries reported only 28 vacant commercial buildings and 25 vacant commercial storefronts. Neither DBI nor other City agencies have a comprehensive listing of all commercial storefronts or commercial building and storefront vacancies against which DBI's registry listings can be compared. In 2016, DBI did not record any vacant commercial storefronts in the Richmond or central Mission districts at all.
DBI does not pro-actively identify vacant commercial properties. The Department reports that the buildings or storefronts recorded on its registries are mostly identified through citizen complaints. Self-reporting by the property owner, as required in the ordinances, and reporting of vacancies by DBI or other City department staff are the two other most common sources, but they result in fewer registry entries than citizen complaints.

DBI verifies reported vacancies after receiving complaints but does not monitor the status of the vacant properties after they have been added to a registry. DBI does not post its registries on line or provide a portal for the public to report vacant commercial properties.

There are a number of City programs aimed at preventing or reducing commercial vacancies but measurement of their results is limited.

Commercial vacancy issues can potentially be addressed through zoning. High rents and the rise of e-commerce are challenging traditional retailers in San Francisco and elsewhere and these factors could be contributing to commercial building and storefront vacancies in certain neighborhoods. At least one other city, Seattle, is addressing these issues through changes to its zoning code.

“In my district and across the city, storefronts left vacant for not only months, but years, have a terrible impact on surrounding businesses, the feel and even safety of a neighborhood,” said Supervisor Fewer. “This hearing serves to illuminate some of the action steps we can take to minimize commercial vacancies and ensure vibrant commercial corridors in San Francisco.”

The Budget and Legislative Analyst’s report can be found here: http://sfbos.org/sites/default/files/BLA_Report_Commercial_Vacancies-011618.pdf

Immediately after the hearing on this report Supervisor Katy Tang will hold a hearing on the state of retail in San Francisco. This hearing will feature a report by the Office of Economic and Workforce Development (OEWD) on the state of our City’s retail sector and recommendations for supporting businesses during a time of change and uncertainty. This hearing will act as a companion to the vacant storefront hearing and provide additional context and ideas.

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