

# San Francisco Tries To Put Crime, Tech Dependency Behind It To Recover From 3 Years Of Misery

April 20, 2023 | Matt Renda, Bisnow San Francisco Bay Area (<https://www.bisnow.com/author/matt-renda-659130>) (<mailto:matthew.renda@bisnow.com>)

With rising office vacancy rates (<https://www.bisnow.com/san-francisco/news/office/tech-companies-have-become-reluctant-landlords-in-san-francisco-118533>), sluggish downtown foot traffic and a worsening housing crisis, San Francisco has a deep bench of challenges, and three years after the pandemic brought an end to the tech-fueled heyday the city enjoyed for years, advocates are ready to diversify away from tech as the main driver of downtown activity.

Tech will always be a part of the city's commercial fabric, but experts interviewed by *Bisnow* said the time has come to create a business and leisure ecosystem that isn't overwhelmingly reliant on the tech sector. They also said that the city will make its comeback — sooner or later.



“Long term, we’re bullish, but we’ve got some immediate problems,” San Francisco Chamber of Commerce (<https://www.bisnow.com/tags/san-francisco-chamber-of-commerce>) CEO Rodney Fong (<https://www.bisnow.com/tags/rodney-fong>) said. “We’re also due for positive change in San Francisco, at least the downtown area, so as painful as it is, this is a great opportunity. There’s going to be another boom in San Francisco, and we need to explore how we make sure it catches all types of people, all types of jobs and economic sectors.”

One of the opportunities Fong sees is for small businesses. As retail rents come down, particularly on the street level downtown, small businesses previously priced out of the city could gain a foothold.

Earlier this week, San Francisco opened its Vacant to Vibrant program, administered by local nonprofit SF New Deal, which seeks to give up to \$8K to businesses to open pop-up shops in vacant storefronts.

"We've actually gone door to door in the financial district and Jackson Square to survey how many vacant spaces we have on the ground floor," Downtown SF Partnership Executive Director Robbie Silver told KTVU (<https://www.ktvu.com/news/sf-launches-vacant-to-vibrant-program-calling-for-ideas-to-turn-office-space-into-pop-up-shops>). "And so far, there's about 33 vacant spaces and 150K SF."

The Vacant to Vibrant program will accept applications for several rounds of pop-ups that will set up in vacant spaces beginning in June. SF New Deal takes care of lease negotiations and other logistics, KTVU reported. The idea is to experiment with new ideas to fill retail spaces while helping small businesses.

The city is also working on legislation to streamline permitting so small businesses don’t find time-consuming and costly hurdles when attempting to open a new business or expand the uses of an existing one. City officials are also working on revamping business taxes (<https://sfstandard.com/business/mayor-breed-introduces-tax-breaks-to-lure-business-back-downtown/>) in the downtown area to make it a more fiscally accessible place for business owners to operate.

Of course, for retailers to succeed, shoppers are critical. And to get shoppers, neighborhoods need residents.

Mayor London Breed (<https://www.bisnow.com/tags/london-breed>) and other San Francisco officials introduced plans in early April regarding how the city could promote office-to-residential conversions, which ideally could help address housing shortages while utilizing vacant office space. But such conversions are more complicated than meets the eye.

“It’s not a magic bullet solution, but it goes a long way toward injecting a little bit more life in those areas that are a little more dead right now,” SPUR (<https://www.bisnow.com/tags/spur>) San Francisco Director Sarajat Srivastava said.

Such conversions can cost anywhere from \$400 to \$500 per SF, Advance SF President Wade Rose said, far more expensive than most buildings’ replacement costs. Making conversions a reality in any meaningful way will require financial support from the city, Rose said.

“It has to pencil out,” he said.

Breed has other conversion plans in mind to get office workers back downtown too.

The mayor in a February speech (<https://www.bizjournals.com/sanfrancisco/news/2023/02/14/mayor-london-breed-office-vacancies-biotech.html>) highlighted the city’s 5% vacancy rate for life sciences uses and indicated that such businesses could go a long way toward filling the city’s millions of square feet of vacant offices.

Silver told *Bisnow* earlier this month (<https://www.bisnow.com/national/news/life-sciences/sf-planning-lab-conversion-rules-to-spur-downtown-biotech-building-118424>) that a plan from the mayor to clear office-to-lab conversion hurdles in the form of zoning regulation changes and accelerated approvals was expected soon.

Still, even with these many plans and opportunities, it is a long road back for San Francisco.

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Crime, or at least the perception of it, is at the top of the list of problems for many.

“There’s a pretty well-informed perception that it is not safe to walk around San Francisco, and the problem is that if someone has reasonable anxieties about coming into the city, they won’t,” Rose said.

Rose said crime is only part of the problem, adding that when people were expected to be in the office, perceptions about crime didn’t factor into whether they spent time in the city.

“We have been working on a catalog of policies that the city should consider implementing to make things better and clean up the streets,” he said.

City officials are listening.

Breed in February unveiled a strategy (<https://sf.gov/news/mayor-breed-announces-roadmap-downtown-san-franciscos-future>) focused on making the city cleaner and safer, and on April 11, she wrote (<https://londonbreed.medium.com/disrupting-drug-markets-in-the-tenderloin-28ec87b90f9>) in an online post about the need for greater

enforcement of anti-drug laws, vowing to use city resources to clean up the drug markets in the Tenderloin neighborhood widely seen as a catalyst for petty crime throughout the city.

“The amount of fentanyl on our streets is alarming,” she wrote.

In early April, San Francisco Board of Supervisors (<https://www.bisnow.com/tags/san-francisco-board-of-supervisors>) President Aaron Peskin (<https://www.bisnow.com/tags/aaron-peskin>) called for the formation of a regional task force (<https://sfstandard.com/criminal-justice/san-francisco-supervisor-asks-for-state-federal-help-in-fentanyl-crisis/>) composed of federal, state and local law enforcement to help combat the drug crisis in certain areas of the city.

SPUR’s Srivastava said concentrating on public safety is the most viable short-term solution for downtown’s problems.

“Just making sure that the sidewalks are clean, the BART (<https://www.bisnow.com/tags/bart>) muni stations feel safe and the major destinations are feeling safe to people,” she said.

But long-term revitalization efforts will likely focus more on expanding the types of businesses that can flourish downtown, she said.

“The bigger and maybe harder solutions are about how we diversify the types of activities that are downtown while giving people reasons to be downtown that are not just about work,” she said.

Srivastava said San Francisco remains a world-class city with great aesthetics due to its location on the water, features that should serve it well as it tries to recover its economic vitality.

“The hard part is to figure out how to take advantage of this moment in a way that doesn’t create a lot of pain in the short term,” she said.

Rose also said recovery will take some time.

“The thing about the pandemic is that it was a natural disaster,” he said. “It didn’t affect the buildings or the physical infrastructure, but it affected the community, and usually it takes a city about a decade to recover.”

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