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To Breathe Life into SF's Moribund Downtown, Breed Proposes New Help for Small Businesses



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People walk the streets around Union Square on February 1, 2022. | Camille Cohen/The Standard

Mayor London Breed has spent much of the last few months [making the case](https://sfstandard.com/business/return-to-office-sf-london-breed-google/) (<https://sfstandard.com/business/return-to-office-sf-london-breed-google/>) to lure San Francisco workers back to their offices and—by extension—reactivating the city's struggling economic core, which has suffered throughout the pandemic.

In line with those priorities, Breed announced a budget proposal on Tuesday that would include \$48 million directed at supporting the economic recovery in areas that have endured a dearth of workers and foot traffic. That includes the city's Downtown, as well as areas like Mission Bay, Union Square and Mid-Market.

“It has been very clear to us that if we do not collectively really dig down and look at our economic core then we are really not going to recover as a city,” Kate Sofis, the Director of the city’s Office of Economic and Workforce Development, said at a Tuesday forum hosted by SPUR.

The mayor’s [funding proposal](https://docs.google.com/document/d/1pxFxoHUvF-k5Iy4D_yWGBKWKNC1mr1fqjW4UGrrFHbg/edit?usp=sharing) (https://docs.google.com/document/d/1pxFxoHUvF-k5Iy4D_yWGBKWKNC1mr1fqjW4UGrrFHbg/edit?usp=sharing) includes \$10 million in direct grants and loans to small businesses across the city, plus another \$10.5 million for the City Core Recovery Fund, which aims to reactivate underused public spaces and vacant ground-floor retail spaces through improvement projects, events and pop-ups.

More than 42% of San Francisco’s small businesses and 30% of its total employment are located within the area defined as the city’s economic core, according to data from the Controller’s Office.

“(W)hile it’s clear we are all committed to adapting and thriving as part of our long-term recovery, our small businesses in these downtown areas cannot wait any longer,” Breed said in a statement.



Mayor London Breed addresses the crowd at the new Google offices on the Embarcadero on April 27, 2022. | Camille Cohen/San Francisco Standard

The bulk of her proposed funding—\$25.4 million over two years—will go toward the [Mid-Market/Tenderloin Community-Based Safety Program](https://www.midmarketbusinessassociation.com/community-safety/) (https://www.midmarketbusinessassociation.com/community-safety/), which relies on increased police patrols and staff from contractor Urban Alchemy to keep streets clean.

If approved, this would nearly triple an \$8.8 million grant the Mayor’s office used to kick off the initiative last year. (Urban Alchemy been both hailed by residents as a much-needed solution to pressing public safety issues and [criticized as an unlicensed security force](http://link) (http://link), operating with tacit city approval.)

The budget proposal also includes \$2 million to fund the orange-jacketed [SF Welcome Ambassadors](https://sfstandard.com/public-health/can-san-franciscos-new-welcome-ambassadors-uplift-the-citys-image/) (https://sfstandard.com/public-health/can-san-franciscos-new-welcome-ambassadors-uplift-the-citys-image/) and a separate community ambassador program [staffed by retired police officers](https://sfgov.org/policecommission/sites/default/files/Documents/PoliceCommission/PoliceCommission081920-SFPDCCommunityAmbassadorProgramOverview.pdf) (https://sfgov.org/policecommission/sites/default/files/Documents/PoliceCommission/PoliceCommission081920-SFPDCCommunityAmbassadorProgramOverview.pdf).

The additional funding is in line with a stated focus by Breed to respond to resident concerns about public safety. In a [recent SF Standard Voter Poll](https://sfstandard.com/politics/homelessness-sf-standard-poll-public-safety-exodus-leaving/) (https://sfstandard.com/politics/homelessness-sf-standard-poll-public-safety-exodus-leaving/), 65% of respondents said they feel either less safe today than in 2019.

During a speech at a San Francisco Chamber of Commerce breakfast earlier this month, Breed tied public safety issues to the struggle in getting workers back to the office. She said she would seek additional funding in the budget for the police to help boost staffing levels on the force.

“I’m tired of people saying they don’t feel safe coming to work,” Breed said. “People love this city—but that love is, of course, mixed with concern. They want to feel safe when they come to work. They want to feel safe when they walk to BART or leave the office to go to a restaurant or a bar.”

More than 450,000 people commuted to work in San Francisco before the pandemic. According to data from the key card entry company Kastle Systems, less than 35% of those office workers have returned.



People near the Powell and Market Street Cable Car Turnaround in San Francisco on May 23, 2022. | Camille Cohen/The Standard

Changes in San Francisco residents’ work structure have had spillover impacts on city revenue sources like the business taxes and taxes tied to commercial real estate. Remote work has also choked the supply of customers for small businesses and service providers who used to rely on regular weekday foot traffic.

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Sales tax revenue has dropped citywide (<https://sfstandard.com/business/sales-tax-exodus-census-economic-recovery/>), with a particularly steep impact downtown.

Andy Chun, founder of San Francisco’s Sidecar Hospitality group, which operates a number of bars Downtown, said new work patterns have meant a considerable dropoff in Friday business, previously a key revenue driver.

“When you lose essentially your busiest day, while rents are still getting paid monthly based upon what we were doing in 2019, that’s not really sustainable situation for most businesses,” Chun said at the SPUR forum.

Robbie Silver, executive director of the Downtown SF Community Benefit District, said the key for long-term recovery lies in the area’s transformation from a business district to a neighborhood.

“Can you imagine a time 30 years from now where you can actually live in this downtown historic core and be able to walk to a grocery store, walk to your local bar and restaurant and access these new public spaces that are there to enjoy?” Silver said.

However, Silver added, short-term concerns are more pressing and relies on employers incentivizing workers to return.

“From a purely economic perspective, these restaurants, these retail shops that have relied on the nine-to-five workforce for decades, are just being devastated because of Covid,” Silver said. “We need bodies. We need people to come back to work.”

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