

[2025 Expanding Housing Choice Plan: Small Business Protections]

Resolution in support of the 2025 Expanding Housing Choice Plan and urging San Francisco Mayor and Board of Supervisors to protect Small Businesses from displacement.

WHEREAS, The 2025 Expanding Housing Choice plan aims to increase housing production, particularly increasing the density of northern and western neighborhoods and rezoning for development for underutilized sites¹; and

WHEREAS, The 2025 Expanding Housing Choice Plan aligns with the Youth Commission's Budget and Policy Priorities (BPPs) about height limits²; and

WHEREAS, Commercial corridors are vital in supporting small businesses – generating significant revenue through tourism, retail, dining, and showcasing San Francisco's niche neighborhood cultural diversity and community; and

WHEREAS, In California, 27.44% of small businesses are family owned, with 92% of those businesses being first-generation owned³; and

WHEREAS, On April 17, 2025 the SF Planning Commission held a hearing on Expanding Housing Choice: Small Business Strategies, and identified that the proposed rezoning will affect 37 commercial corridors, home to 5,680 registered businesses – 1052 of which are on parcels suitable for development, and 47 are legacy businesses. The most affected businesses are bars and restaurants, retail, and medical-related⁴; and

¹ "Expanding Housing Choice (Proposed Zoning Map)," San Francisco Planning, n.d., <https://experience.arcgis.com/experience/6e0e399f9c82456dbda233eacebc433d/>.

² San Francisco Youth Commission, "Budget and Policy Priorities: FY 2025 - 2026 | 2026 - 2027," *Sfgov.Org*, March 2025, <https://www.sfgov.org/youthcommission/sites/default/files/24-25%20Budget%20and%20Policy%20Priorities%20-%20B%26A%20Presentation.pdf>.

³ Gabriel Dillard, "Study: Fresno No. 2 in U.S. for Proportion of Family Businesses," *The Business Journal*, April 17, 2024, <https://thebusinessjournal.com/study-fresno-no-2-in-u-s-for-proportion-of-family-businesses/>.

⁴ San Francisco Planning Commission, "Expanding Housing Choice: Small Business Strategies," Slide show, *sfgov.org*, April 17, 2025, https://citypln-m-extnl.sfgov.org/Commissions/CPC/4_17_2025/Presentation/2021-005878CWP-R1_Expanding%20Housing%20Choice%20Small%20Business%20Strategies.pdf.

WHEREAS, The SF Planning staff estimated an average of 53 small businesses face the risk of displacement due to new development – roughly 1-2 businesses per corridor per year⁵; and

WHEREAS, Over 80% of San Francisco small businesses are commercial tenants, meaning they lease and do not own their space, and have less protections when facing termination and sudden rent increases, thus burdening tenant’s ADA compliance, insurance, and taxes. Alongside these burdens, long term investment for small businesses is not viable; and

WHEREAS, Pandemic debt still hinders small businesses’ profits on top of inflation, rising costs of wages, employee retainment, insurance, and utility costs; and

WHEREAS, In San Francisco, Mom & Pop landlords are increasingly being replaced by large corporate real estate interests, shifting an increased burden to commercial tenants by imposing lengthy leases, often with over 40 pages of difficult language and sometimes necessitating tenants to contribute towards property taxes; and

WHEREAS, Small Business workers make \$30,000 to \$80,000 annually, and the displacement of small businesses will significantly increase rent burdens, crowding, long commute for these workers; and

WHEREAS, The 2025 Expanding Housing does not directly address the protections of small businesses after construction of new units finishes, thus posing the risk of displacement; and

⁵ Sarah Richardson and Lisa Chen, “Memo to the Planning Commission,” San Francisco Planning, April 17, 2025, https://citypln-m-extnl.sfgov.org/Commissions/CPC/4_17_2025/Commission%20Packet/2021-005878CWP.pdf.

1 WHEREAS, The San Francisco Planning Department recommends early
2 notifications and referrals to OSB, implementing a construction mitigation fund, and
3 upholding AB 2011 and SB 1103⁶; and

4 WHEREAS, Small business forward worked with community members and
5 identified that potential relocation assistance including scalable lengths in the tenancy,
6 right to return, payments for relocation, grants and loans and Small Business corridor
7 vibrancy supports including good neighbor construction policies and discouraging long
8 term storefront vacancies are the most important recommendations to support small
9 businesses, and therefore be it

10 RESOLVED, That the San Francisco Youth Commission recognizes that both
11 small businesses and housing are integral to supporting youth livelihoods and families,
12 serving as key places of culture and community; and be it

13 FURTHER RESOLVED, the San Francisco Youth Commission recognizes
14 that the importance of building affordable housing should not come at the expense of
15 displacing small businesses; and be it

16 FURTHER RESOLVED, the Youth Commission recognizes the importance of
17 building more affordable housing units to address San Francisco's housing crisis and
18 that building more units will enable small business workers to have more housing to
19 support their livelihoods, which can increase businesses supports; and be it

20 FURTHER RESOLVED, That the San Francisco Youth Commission urges the
21 Mayor, Board of Supervisors, and Planning Department to include comprehensive
22 strategies to protect small businesses from displacement in the 2025 Expanding

⁶ Richardson and Chen, "Memo to the Planning Commission."

- 1 Housing Choice Plan with consideration of the recommendations by the San Francisco
- 2 Planning Department, Small Business Forward, and San Francisco youth and families.