

March 10th, 2020

Dear Federal, State and Local Leaders,

COVID-19, also referred to as the “novel coronavirus,” began to have a noticeable impact on the federal and state economies and in San Francisco even before the first cases in our city were confirmed. As a result, businesses across the spectrum and some employees are already feeling the fiscal effects. In response, the San Francisco Chamber of Commerce and our community partners urge our federal, state, and local elected leaders to develop an economic recovery package for our businesses impacted by this evolving situation.

We must act swiftly to mitigate the economic consequences on our businesses and provide them with both the resources and information they need. With estimates of 50%-70% cuts in gross receipts for some small businesses in just the first weeks of the outbreak, small business owners and restaurants are already being faced with difficult decisions. Now with new recommendations against gatherings and events, increased international travel restrictions and many employers opting for “work from home” policies, the challenges are only growing. Event cancellations through the coming months and the uncertainty affecting the hospitality industry are troubling factors. Almost every industry in San Francisco will be adversely impacted by the current situation, which will mean further challenges trickling down to small businesses.

Now that there are confirmed cases and presumed community transmission, we are seeing a rapid change in consumer behavior from both residents and visitors. This will amplify the negative effects on all businesses, but especially small businesses that rely more on immediate cash flow to cover overhead, payroll, and other obligations. Small businesses already face several challenges operating in San Francisco. Without economic assistance, the additional strain on their daily cash flow may trigger small business closures and, ultimately, loss of employment.

Due to the nature of our economy, we are seeing impacts on business beyond traditional restaurants and retail businesses as well. Many businesses in San Francisco rely on foot traffic, mass gatherings, and events for their customer base. The decline in these activities impacts related services ranging from printing, production services, hospitality and hotels, and advertising.

Our businesses need an economic recovery package that will help mitigate cash flow shortfalls so they can remain viable through the duration of this public health and economic situation. Furthermore, small businesses need clear guidance and some city policies which direct business behavior should be adjusted to allow businesses to do their part in preventing the spread of the virus while mitigating the financial impacts.

Measures to be considered should include but not be limited to:

1. Tax Relief and Extensions

- a. Extend collection date for monthly sales taxes.
- b. Extend collection date for annual taxes coming due this spring until later in the year.
- c. Remove any associated penalties with late payments or underpayment.
- d. Consider raising the gross receipts tax threshold to 2.5 million or higher.

2. Marketing and stimulus plan to boost reinvestment, tourism, and shopping

- a. Consider the direction of lower rates for city-owned venues like Moscone Center and associated fees to help the conference industry recover more quickly.
- b. As the coronavirus situation is contained and addressed, implement a marketing and stimulus plan to boost tourism and shopping in the neighborhood corridors.

3. One-year waiver of all city and county business-related fees for storefront small businesses, including retail and restaurants, such as:

- a. Fees associated with activities that may increase revenue potential like sidewalk encroachment, cafe tables and chair fees, and event fees.
- b. Fees associated with information and marketing like banner fees, sign fees, and those needed to replace an awning.
- c. General city maintenance and administration related fees including litter abatement fees, and plan checking fees.

4. Provide relief from some restrictions or policies as appropriate

- a. Provide flexibility for small businesses around employee schedules.
- b. Allow food and beverage retailers to proactively provide a lid and straw for beverages to reduce customer handling of packaging.
- c. Temporarily expand flexible-use retail city-wide to allow businesses revenue flexibility.

5. Direct financial support

- a. Providing cash flow options for businesses struggling with payroll and rent in the form of low-interest small business loans.
- b. Explore a temporary expansion to unemployment insurance and cover underemployment due to COVID-19.
- c. Work with utilities to encourage relief or payment extensions.

It is paramount that our government leaders act swiftly and decisively in order to mitigate the potential economic devastation of COVID-19. The Chamber of Commerce and our partners look forward to working with our local, state and federal leaders to tailor solutions for the community as the situation evolves.



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Sincerely,

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cc: Clerk of the Board of Supervisors, to be distributed to all Supervisors; Mayor London Breed; State Senator Scott Wiener; State Assemblymember David Chiu; State Assemblymember Phil Ting; Governor Gavin Newsom; Speaker Nancy Pelosi; Congressmember Jackie Speier; Senator Dianne Feinstein; Senator Kamala Harris