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NEWS FOR SAN FRANCISCO'S RICHMOND AND SUNSET DISTRICTS

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PRESS RELEASE

Press Release: Rent Relief for Small Businesses Impacted by Pandemic

ON JULY 21, 2021 • (LEAVE A COMMENT)

From Supervisor Dean Preston:

Relief for Businesses Left Behind: Bars, Salons, Tattoo Shops to Have COVID Back Rent Waived Under First in Nation Law

Small Businesses fully shut down by COVID health orders were given a lifeline Tuesday, after the San Francisco Board of Supervisors unanimously passed a groundbreaking law that waives their back rent.

Personal care services like hair salons or tattoo shops, entertainment venues, and gyms — small businesses that were left out of federal programs like the \$16 billion Restaurant Revitalization Fund, and who were not the primary beneficiaries of local programs like Shared Spaces — will likely stand to gain the most from this back rent cancellation measure.

“Our City made the difficult public health decision to shut down businesses early on in our pandemic response,” said Supervisor Preston. “Now as we enter our recovery phase, we’re giving these small businesses a path to get back on their feet by not leaving them on the hook for back rent they have no way of ever paying.”

Preston’s proposal is based on state law that excuses a party from fulfilling a contract if their performance became impossible or the purposes of the contract were frustrated. The government shutdown as a response

to COVID fits those conditions squarely, Preston's law posits.

Katey McKee, owner of Glama-Rama! Salon in the Mission District, was fully shut down for eight months. "From the start, we've done the right thing and followed health guidelines," said McKee. "It is an incredible relief to see the city stepping in and making sure small businesses like mine can get back on our feet."

Since the start of the pandemic, San Francisco small businesses have collectively accrued as much as \$44.9 million per month in unpaid rent, according to a March 2021 report from the Budget and Legislative Analyst's Office. Neighborhood serving retail, including bars, restaurants and personal care services such as hair and nail salons, made up more than half of all unpaid commercial rent.

In Japantown, many of the small businesses, particularly in the Japan Center, were forced to shut down for months.

"It has been an especially challenging journey for the small businesses located in Japantown. The majority of our commercial corridor is located in an indoor mall which was subject to the constant orders of opening, closing and re-opening. This caused a huge wave of uncertainty for the future, and many businesses were not able to fully take advantage of the government loans and grants to assist them," said Diane Matsuda, Staff Attorney for Asian Pacific Islander Legal Outreach. "This law will give these businesses the confidence and ability to get back on their feet, and allow Japantown to rebuild itself into a strong and vibrant Cultural District."