

SF laws cause vacant storefronts

iatrogenic policies harm customers, tenants & landlords

Supervisor Stefani discussion

July 26, 2019

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magical thinking behind storefront regulations

- **Supervisors believe they understand the storefront leasing market**
 - **iatrogenic outcome*^{*}: fewer tenants want to open in SF**
- **Supervisors believe they can control the market**
 - **iatrogenic outcome: a complicated tenant approval system at a prohibitive cost**
- **Supervisors believe punitive laws & regulations reduce storefront vacancies**
 - **iatrogenic outcome: vacancies increase**

***"govt policies with unforeseen and unintended harmful side effects"—Nassim Nicholas Taleb (The Black Swan & Antifragil)**

emergency storefront occupancy initiative

less Stalinism more pragmatism

- **Supervisors declare emergency**
 - take responsibility for escalating storefront vacancies
 - admit rules and regulations exacerbate vacancies
 - acknowledge vacancies lower sale tax revenue
- **Supervisors clear vacancy backlog by suspending most discretionary approvals**
 - two (2) year trial period
 - hiatus will allow more retail to restaurant conversions within an existing space
 - postpone vacancy tax discussion (Oakland Vacant Parcel Tax memo attached)
- **Supervisors nominate panel to develop bright-line rules with rapid approval times**
 - appoint fresh faces who have “skin in the game”
 - expand “by right” categories
 - “deemed approved” is the default decision to minimize discretionary approvals

To: Mark Borsuk
Subject: RE: 2156 Chestnut St.-City created impediments to leasing storefronts space

From: Bennett, Samuel (BOS) <samuel.bennett@sfgov.org>
Sent: Thursday, July 25, 2019 12:43 PM
To: Mark Borsuk <mark@borsuk.com>
Cc: Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>
Subject: RE: 2156 Chestnut St.-City created impediments to leasing storefronts space

Hi Mark,

Thank you for your patience, and apologies for my typo in my first message to you regarding tomorrow's meeting – unfortunately, the Supervisor is still unavailable tomorrow morning. I'm trying to find a time on the calendar before September that might work for rescheduling your meeting, so I will be in touch as soon as possible.

In the meantime, we'll take a look at the attachments you sent along. Thanks again for your patience.

Best,

Samuel Bennett

Legislative Aide to District 2 Supervisor Catherine Stefani
City and County of San Francisco
415-554-7752

From: Mark Borsuk [<mailto:mark@borsuk.com>]
Sent: Thursday, July 25, 2019 11:42 AM
To: Bennett, Samuel (BOS) <samuel.bennett@sfgov.org>
Cc: Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>
Subject: 2156 Chestnut St.-City created impediments to leasing storefronts space

July 25, 2019

Samuel:

1. Pls confirm whether I am meeting with the Supervisor or not tomorrow morning.
2. The purpose of my meeting is to propose a two (2) year moratorium on most formula retail regulations. See attached.

3. The goal is to let the market clear the vacancies otherwise hindered by the City's iatrogenic storefront rules and regulations.
4. Also, attached are my comments to Oakland's Vacant Parcel Tax proposed rules and regulations.
5. My analysis demonstrates how policymakers trying to solve one problem create new unforeseen and unintended other problems.
6. If the Supervisor is canceling tomorrow's appointment, when can I meet with her to discuss the moratorium?

Regards,

Mark Borsuk

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