



**Report to the Board of Supervisors, Fiscal Year July 1, 2022-June 30, 2023.
Submitted September 2023**

**Deemed Approved Uses Ordinance (DAO)-San Francisco Administrative Code Chapter 26
Ordinance #43-06. February 28, 2006, signed by the Mayor: March 10, 2006
Mayor Gavin Newsom**

Background

In 2006, the Board of Supervisors passed the Deemed Approved Uses Ordinance (DAO), which was signed by former Mayor Gavin Newsom, for the purpose of ensuring that alcohol sales through off-sale retailers occur in a manner that protects the health, safety, and welfare of San Francisco residents and neighborhoods. As a result of the Ordinance, the Deemed Approved Uses Program was created with the purpose of coordinating responsible City Agencies and implementing activities outlined in the Ordinance. This report constitutes the 17th annual report to the Board of Supervisors and includes a summary of activities undertaken over the last fiscal year by performing Departments.

The DAO establishes Performance Standards for businesses that sell alcohol in off-sale venues. The California Alcohol Beverage Control Board (ABC) regulates the sale of alcohol throughout the state and provides licenses to vendors to sell alcohol under specific conditions. The San Francisco DAO, which is based on the City and County's oversight of land use and planning, helps ensure that DAO Performance Standards are observed by businesses that sell alcohol in off-sale venues (ABC License-Type 20 & 21 vendors). Type 20 licenses are for vendors who sell off-sale beer and wine only whereas Type 21 licenses are for those vendors who sell off-sale beer, wine, and spirits.

Coordination of the DAO is handled by the San Francisco Department of Public Health (DPH) in the Community Health Equity and Promotion Branch (CHEP), in collaboration with the other City Agency partners: San Francisco Police Department (SFPD), City Attorney (CA) and the Office of the Treasurer and Tax Collector (TTX).

Summary Report for Fiscal Year July 1, 2022-June 30, 2023:

Accomplishments:

San Francisco Department of Public Health: Vendor and Public Education and Outreach

The DAO Education and Outreach program focuses on educating vendors and the broader community about DAO. The purpose of the education is to: inform San Franciscans about the DAO; help create strong working relationships among vendors, neighbors, and city government; provide information and support to vendors on how to comply with the DAO; increase awareness of DAO among neighborhoods; and strengthen community partnerships to promote the health, safety, and welfare of the residents of San Francisco. Below is a summary of major accomplishments in Fiscal Year (FY) 2022-23:

- In March 2023, DPH mailed an annual letter to DAO vendors that educates them on basics of DAO and reminds them of their responsibilities as a business owner operating

under the DAO. It also provides contact information for any questions and how to access more information on-line. The reverse side of the letter contains the current years' Performance Standards and reminds business to post it in their establishment. This years' letter focused on the DAO fee waiver opportunity and a separate postcard highlighting this was developed and included in the mailing. In addition to the postcard, the DAO fee waiver application form was included in the educational mailing this year for the first time.

- The Fee Waiver postcard was created and translated into six languages (Spanish, Chinese, Vietnamese, Tagalog, Arabic, Russian). See attached sample postcard. Besides inclusion in the annual mailing, this postcard was distributed to The Office of Small Business and the Office of Economic and Workforce Development so vendors can directly access them.
- The increased focus and efforts highlighting the DAO fee waiver opportunity resulted in an overwhelming vendor response. By June 30, 2023, a total of 149 fee waiver applications were received.
- Of these 149 applicants, 126 were approved (85%) and 23 were denied (15%) after analysis by DAO team. Fee waiver approval and denial letters were sent to all vendors via email and USPS.
- DPH provides information and education through our DAO voicemail and email in response to inquiries from business owners about licensing/billing and general information. The voicemail and email usage increased during this reporting period after the March educational mailing in response to the influx of fee waiver applications and inquiries. Follow up emails were sent to every fee waiver applicant confirming receipt of application, informing them of the process and that CHEP would be getting back to them with a final fee waiver determination within 45 business days.
- DPH also provides online education through a DAO website (www.sfdph.org/dao) which DPH maintains. The fee waiver section of the website was updated during this reporting period and a fillable application form was included for an easier fee waiver application process.

San Francisco Police Department (SFPD) - Alcohol Liaison Unit (ALU)

In May 2010, the Chief of Police created a unit of the SFPD called the Alcohol Liaison Unit (ALU). The ALU conducts DAO inspections in coordination with their Alcohol Beverage Control (ABC) inspections known as IMPACT (Informed Merchants Preventing Alcohol-Related Crime Tendencies) inspections at off-sale ABC licensed premises. Documentation, including any police reports, are submitted to the State ABC and the DAO team.

ALU conducted a total of 9 IMPACT inspections, 0 Minor Decoy Operations and issued no citations during this reporting period, July 1, 2022-June 30, 2023.

Last fiscal year, SFPD experienced a severe staff shortage. In FY 2023-24, ALU plans to start early to bring the numbers up.

City Attorney

Although the services of the Office of the City Attorney (CA) were not accessed in FY 2022-23, the City Attorney was available if needed to provide guidance on DAO in the following ways:

- Receiving and reviewing requests from city departments including Planning, Police, Public Health and Building Inspection for City Attorney Analysis. Based upon that

review, advise whether further enforcement is appropriate and authorized under the DAO.

- Providing advice to City agencies regarding compliance and enforcement.

Office of the Treasurer and Tax Collector

In December 2013, pursuant to an Ordinance amending various sections of the San Francisco Business and Tax Regulations Code, the Office of the Treasurer and Tax Collector (TTX) implemented a consolidated billing system for license renewal fees. As a result, businesses receive a single bill that lists all the certificate renewal fees associated to a single ownership based on their current Business Registration Certificate Number we have on file. The annual bills are sent in the beginning of March and payment is due on or before April 30. Below is summary of revenue collected and activities conducted by TTX during its billing cycle for this report period according to the Unified License (UL) Master Report provided by TTX:

- TTX mailed the license fee bills to 528 ABC Type 20 and 21 vendors in March 2023.
- 480 of these businesses have paid their annual fee of \$293 as of this reporting period.
- TTX received \$140,616 in license fees for DAO/H73 fees, \$1,644 in penalties, \$365 in Bureau of Delinquent Revenue (BDR) penalties, and \$15 in surcharges for a total of \$142,640.

DAO Administrative Activities

The DPH staff members implement administrative responsibilities and provide general coordination for DAO. Activities in this fiscal year included:

- Communication between DAO staff, the Treasurer and Tax Collector's Office and Department of Public Health's Environmental Health Branch continued, as needed, to plan and coordinate administration of DAO.
- Additionally, DPH and the SFPD connected remotely to meet new SFPD/ALU leadership to discuss collaboration and develop strategies to support aligned work in this area.

Planned DAO Activities for FY 2023-24:

- DPH DAO staff will continue efforts around promoting and highlighting the fee waiver opportunity.
- An annual assessment of fee eligible stores will take place in the Fall 2023. This will confirm which stores have continued to meet all criteria and should remain on the fee waived list or not met criteria and be removed for the next TTX billing cycle in 2024.
- The DAO website is scheduled to be converted to the SF.gov website in the Fall/Winter of 2023.
- Partnerships with SFPD, Office of Treasurer and Tax Collector, and City Attorney's Office will continue.
- DPH DAO staff will continue to provide education to retailers through mailing, website education, response to inquiries, and other areas as identified.

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San Francisco Department of Public Health September 2023
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