

San Diego offers financial help for restaurants struggling to afford building outdoor dining on the street

By Lori Weisberg

Restaurateurs spending thousands of dollars to bring their outdoor dining venues into compliance with local regulations are now eligible for some financial assistance, thank to new grants being offered by the city of San Diego.

The city announced Wednesday that it is making available individual grants of up to \$20,000 for those businesses that have applied for permits allowing them to operate outdoors in the public right of way. What began as a temporary program during the height of the pandemic to assist restaurants that were forced to close down indoor dining has now been made permanent.

The required permitting system under the Spaces As Places program, as it's known, went into effect last July, but the process of redesigning outdoor seating structures in the street and on sidewalks has proved not only time consuming but also costly. In many instances, the structures already constructed by restaurant owners were not compliant with city and fire codes and needed to be redesigned or reconstructed.

Some restaurateurs have spent as much as \$20,000 on their al fresco dining structures. The fees are not inexpensive, either. They vary, depending upon where in the city the businesses are located. As an example, the annual charge for a two-year permit for a 200-square-foot parklet would range from \$2,000 to \$6,000. The average parking space takes up about 200 square feet

"We know that San Diegans enjoy the outdoor experience that many local business offer, and we want to assist dining and drinking establishments who made these changes during the COVID-19 pandemic to continue operating outdoors," said Christina Bibler, director of the city's Economic Development Department. "It's our hope that people will cooperate with the new Spaces as Places requirements and use this program to their benefit."

Businesses that had a valid temporary outdoor permit and are now in the process of obtaining a Spaces as Places permit can apply for the funds. The city has a total of \$300,000 in funding, which will be available through June 30. The money comes from the city's share of fees collected through the sale of business licenses and renewals, as well as from the Small Business Enhancement Program.

The release of the grant funds comes just as San Diego is starting to issue the first permits. To date, one permit has been granted under the new regulations — to Ironside Fish & Oyster Bar in Little Italy — and 93 applications have been submitted, according to the Economic Development Department. The first applications started coming into the city last July.

"The time frame for our reviews has not been six months, it's been much shorter than that," said

Chris Larson, program coordinator for Spaces as Places. "It's a partnership between the Development Services Department and the applicants, and we can't control the time frame they take to move through the process. We can only control our time frame."

The new grant money is meant to cover not only permitting costs, but also design and construction expenses for sidewalk cafes and "streeteries." The highest grant awards of \$20,000 will go to businesses located within the San Diego Promise Zone, which covers a number of neighborhoods south of State Route 94, including Logan Heights, Lincoln Park and Encanto. Also eligible are those businesses that are owned by low- and moderate-income individuals that are located in lower and middle-income communities. All other businesses can apply for grants of up to \$15,000.

"The grant program is great and a good step but if the point of the parklets is to help make up for lost revenue, there should be a different financing mechanism that doesn't require businesses to pay for the permit fees up front," said Marco Li Mandri, president of New City America, which works with communities across the U.S., including Little Italy and East Village, to create and manage business districts. "This is a substantial fee, so why not let them finance the cost of a two-year fee over time instead of having to pay all the money up front?"

Under the Spaces as Places initiative, a portion of the fee revenue will be used to fully recover the costs of administering and enforcing the program. Remaining funds, though, can also be spent on improvements like sidewalk widening and expanded bikeways and other upgrades in traditionally underserved communities.