

## Small businesses say SF's new curbside sales won't change much

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Come Monday, many San Francisco shops that have been closed to walk-in customers for two months can begin offering storefront pickup.

Some have hailed it as a grand reopening. But among merchants who hope to salvage their business, nervousness abounds.

Small-business owners are grappling with a scarcity of protective equipment like masks and gloves, as well as with strict new safety guidelines. Some worry whether they'll get enough customers placing orders and coming to their doors to make complying with the new rules worth the expense.

Mayor London Breed announced the changes last week, as officials eased some of the stay-at-home restrictions that took effect in mid-March. She was taking advantage of Gov. Gavin Newsom's four-stage process for reopening the state's economy; limited retail operations, like curbside pickup, are part of the second stage of Newsom's road map.

Counties can advance further into the second stage by meeting strict health criteria — no recent COVID-19 deaths, low positive coronavirus tests, and adequate contact tracing and hospital capacity.

Marin, San Mateo, Sonoma, Solano and Napa counties are either already allowing curbside retail or will begin on Monday. Alameda and Contra Costa are expected to issue new orders Monday permitting it, leaving Santa Clara as the only Bay Area county that has not yet sanctioned curbside retail.

In San Francisco, warehouses and manufacturers are allowed to reopen. So will sellers of art supplies, books, cosmetics, florists, toys and games, home furnishings and music.

Even as stores are eager to reopen and kick-start a battered economy — census data showed retail sales plummeting in April — many business owners still have questions about safety for their staff and customers, given the shortage of personal protective equipment.

Mandates for physical distancing, mask-wearing, health and safety plans and limits on the number of employees add to the challenges that the city's businesses face.

"I don't think we're at the end of the deal, so why would I all of a sudden pull back from this new normal that we've gotten used to?" San Francisco Guitarworks owner Geoff Luttrell said. "It's not like: 'OK, it's Monday. It's all different now.' The big what-if for me is about a second wave of infections. If things get opened up too fast and a lot of people get sick, we're going to go right back to where we were."

Hardware stores, deemed essential, never had to close under shelter-in-place, though with some changes. Albert Chow, owner of Great Wall Hardware in the Parkside neighborhood, said customers are required to wear masks when they walk into his store, and while most comply, some have loudly resisted.

"I had one guy walk out of my store, he was so angry I asked him to have a mask on," said Chow.

But he's seen an uptick in business as people clamor to get basic items like paper towels, gloves, hand sanitizer and face masks. He's seeing up to 120 paying customers a day, up from an average of 80 a day before the pandemic, he said.

"It's humbling, and I feel guilty, it's almost like survivors' guilt," he said. Chow, whose parents started the business in 1983, said he used to carry about 3,000 N95 masks prior to the pandemic because of a different threat specific to Northern California: the annual wildfire season. He now has about 200 masks in stock to sell and has set aside 200 for his three employees.

"It's been a whirlwind, trying to nail down personal protective equipment supplies," he said. "Our supplies have shriveled up."

Santa Clara University Professor Andy Tsay, who specializes in global supply chain management, said he is concerned about whether the safety standards can be properly monitored.

"While the store employees will presumably be wearing gloves and masks during the curbside interactions, the devil is in the details of what happens inside the shop or back office. Are proper practices being followed inside the shop?" Tsay said.

Habits are powerful, and even well-meaning employees and shoppers can slip into old ways, Tsay said.

"Buy-in from workers at all levels, which also must be cultivated carefully, is also considered crucial to sustained compliance, but now we are hoping for behavioral change to happen essentially overnight on massive scale, without central control, with change management that is ad hoc at best," he said.

D. Veloz, the CEO of Versus Games San Francisco, a store on Taraval Street, relied on nightly events that packed the store with customers — and occasionally the pizzeria next door — playing the wildly popular Magic: The Gathering card game. Without that draw, Veloz has developed his website to boost online sales and has been offering same-day delivery.

He is designing card tables with Plexiglas partitions between players for when stores are allowed to completely open, but for now, he's excited about being able to offer curbside pickup.

"We're expecting some lines. Nothing like I've seen at the post office, but we'll have lines," Veloz said. "These gamers need their fix."

When Beverly Weinkauff, owner of Tojours Lingerie, heard that almost all retail could open on Monday, she popped a small bottle of Champagne to celebrate. "The switch is now being flipped back, but it'll take some time to get to how things were," she said.

Weinkauff, who's had her store in the Fillmore district for 33 years, closed her business for more than 50 days when health orders first took effect in mid-March. A few phone and social media orders trickled in, but it was nowhere near enough to cover expenses.

She said she applied for a \$20,000 loan to keep her afloat and pay for expenses while trying to stem declining revenue. Her 320-square-foot store might present challenges in hiring back employees and safely practicing physical distancing, and she's not expecting to see too many shoppers right away.

"A lot of people may not feel comfortable coming up to a small store," Weinkauff said. "I can't bank too much on Monday, though I'm hoping my store's popularity locally is enough."

Linda Mihara, the owner and manager of Paper Tree in Japantown, also expects only a trickle of customers at her 52-year-old business, which specializes in origami and paper crafts. Barely making enough to pay her basic bills with online orders during the past two months, Mihara is worried about fulfilling the terms of her Paycheck Protection Program loan. To have the loan forgiven, 75% of the borrowed funds must go to rehiring employees whose services she may not need.

But she's being creative, planning to offer online origami courses and making storefront displays that have large barcodes for customers to scan with their phones through the window and purchase off the company's website.

"That might be the new way to go, without people coming into the store," Mihara said. "I just don't know."

There are a lot of unknowns right now. Dan St. Louis, the owner of HeadShots Inc., a photography studio focused on business portraits, ramped up to 500 sessions a month in January and February after a year of just breaking even. He opted to take unemployment in March and may stick with that route, even though he is now allowed to take photographs in outdoor spaces.

“I would have to declare any money made on a job against unemployment, so you’re caught between a rock and a hard place. For the first \$1,500 of work each month, I would be losing money by working,” said St. Louis, who has used the past two months to write an employee training manual, upgrade his website, and revamp his studio lighting. “I’d rather be working. I don’t want to take unemployment, but it doesn’t make sense for me to lose money.”

Luttrell, who lives in Petaluma and also has a guitar repair shop there, had enough of a backlog in guitars that he stayed busy for the first month of the shelter-in-place order. He’s currently taking appointments Tuesdays, Wednesdays and Saturdays and is considering going to five days a week, if it becomes financially worthwhile.

“With San Francisco rent getting more expensive and all of the changing demographics of the city, we don’t know how long we’re going to be in the city,” he said. “There are no imminent plans, but you always think about that. You just wonder how long we can make it here.”

“As much as people really enjoy their music and art, if you’re looking to either pay your mortgage or get your guitar fixed, I know which one it’s going to be,” he added.

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