Retailing

Can the Castro get its groove back?

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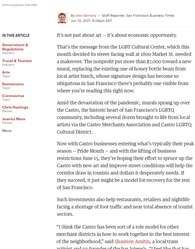

"Scatterlies" Mural by Scotlan DeLeeuw and Juan Manuel Carmona at the San Francisco LGBTQ Center in San Francisco.
ANNA GUDOVICH FOR SFBT

By Ann Barnes – Staff Reporter, San Francisco Business Times
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RECOMMENDED

Just not just about art – it's about economic opportunity.

That's the message from the LGBT Cultural Center, which this month decked the walls of its Harvey Milk Art Plaza with murals, needed a makeover. The nonprofit put more than $1,000 toward a new mural, replacing the existing one of honey bottle bears from local artist Enoch, whose signature design has become so ubiquitous in San Francisco there's probably one visible from where you're reading this right now.

Amid the devastation of the pandemic, murals sprang up over the Castro, the historic heart of San Francisco's LGBTQ community, including several dozen brought to life from local artists via the Castro Merchants Association and the LGBTQ Cultural District.

Now with Castro businesses entering what's typically their peak season – Pride Month – and with the lifting of business restrictions June 15, they're hoping their effort to spruce up the Castro with new art and improve street conditions will help the corridor draw in tourists and dollars it desperately needs. If they succeed, it just might be a model for recovery for the rest of San Francisco.

Such investments also help restaurants, retailers and nightlife facing a shortage of foot traffic and near total absence of tourist sectors.

"I think the Castro has been sort of a role model for other merchant districts in how to work together in the best interest of the neighborhood," said Shannon Amith, a local trans activist and co-founder of the bar Aslene's. "I feel like that has been another beautiful outcome of the pandemic, this sort of unification of residents, mutual aid coming out of this."

Shannon Amith in the Castro in San Francisco, California, on June 7, 2021.
ANNA GUDOVICH FOR SFBT

Artistic synergies

Businesses and community organizations in the Castro have added their own spin to the city's popular Shared Spaces program – which enables restaurants, retailers and others to expand their square footage into the street.

Every Sunday since last fall, the half block of Noe Street between Market and Beaver streets has been transformed into an open-air market for artisans hawking everything from psychedelic portraits to potted succulents. The three local owners of the Noe Street Art Mart – Chris Hastings, owner and operator of the Lookout Bar, and friends Christopher Vasquez and Nicole Whitten – partnered with the Castro Merchants Association on the Shared Spaces permit.

"We wanted to make sure queer vendors have a space to show their work and that we're honoring the story of the neighborhood," Vasquez said. "The Castro is one of the neighborhoods that's so loved by tourists, and there hasn't been that the past year."

Vasquez said part of the inspiration was from the closure to traffic of three blocks on Valencia Street in the Mission (between 16th and 19th street) last July, initiated by local businesses in collaboration with the Shared Spaces program.

Because the permits are in The Lookout's name, the bar and restaurant has been able to put tables out front in the sun to serve food and drinks.

The closed street has been put to other creative uses as well – on May 31, Harvey Milk Day, the block hosted a celebration with speakers and DJs, and community groups also facilitated distribution of 200 doses of the Johnson & Johnson single-shot Covid-19 vaccine.

Vasquez said the organizers are trying to make the closed streets program ongoing after the permits expire at the end of June. Despite nominal reservations from a few Supervisors, the citywide Shared Spaces program appears likely to become a regular feature of the new normal under legislation proposed by Mayor London Breed.

Other businesses have also sought out ways to bring foot traffic into the neighborhood and support the wider community of commerce. Since opening Bangin Rair Salon at 2315 Market St. last August, owner Diane Ramirez has used her parklet to host the occasional pop-up from neighborhood businesses without storefronts of their own.

Bangin Rair Salon owner Diane Ramirez at Bangin Rair Salon in the Castro.
ANNA GUDOVICH FOR SFBT

Vendors have sold old-fashioned portraits, plants and vintage clothes, and Ramirez said the Shared Space has "made a big difference on the block," creating a livelier atmosphere and drawing more potential customers to the neighborhood. Ramirez also used the parklet to host a hang-trim fundraising drive in support of an AAPI-focused foundation.

Ramirez said when she started negotiating her lease at the space in 2019, the gay bar Hi Tops was "the only energy" on a block surrounded by vacancies. Now in addition to Bangin Rair, the block has another new barber shop, Castro Barber Lounge, and Mexican restaurant and margarita bar Sarrela.

"We're all active with each other. We talk all the time," Ramirez said. "Walking down that block there's a sense of community that during the pandemic has been very warming."

Cleaning up

In addition to making the corridor more colorful, Castro community organizations and businesses have spent considerable energy over the past year lobbying the city for resources to improve street conditions, where homeless encampments and burglaries have been commonplace for years and surged during the economic distress and quieter streets of the pandemic.

Businesses are hoping the combination of those measures will make life easier for restaurateurs, retailers and residents alike and the streets more inviting for tourists.

In late February, Castro businesses reported racking up more than $15,000 in broken or vandalized storefront windows since January 2020. The data gathering effort led by the Castro Merchants Association was aimed at pressuring the city for reimbursement legislation similar to a $1,000 policy that went into effect in District 3 last year. In May, the wish came one step closer to fulfillment when Supervisor Rafael Mandelman introduced legislation to reimburse small businesses up to $2,000 for broken windows.

Kamalee added he's hoping after June 15 boarded up storefronts will uncover and improve the neighborhood's appeal to tourists.

The community has also upped its investment in neighborhood foot patrols from authorities such as the Patrol Special Police, a private, city-chartered security force, and unarmed Public Safety Ambassadors – at a total annual cost of about $270,000 funded by city grants and donations from residents and merchants.

"They're getting used to the job," said Andrea Aiello, executive director of the Castro Community Benefit District. "Having our public safety teams on the street close by, there's more coordination with city services which can provide intervention and help somebody."

Another program in the works – similar to others around the city consisting of security cameras controlled by neighborhood organizations and that would be funded with a $60,000 grant from cryptocurrency billionaire Chris Larsen, per the Bay Area Reporter – is strongly supported by the CBD and is still being debated among the community.

"There's been a lot more collaboration between the merchants, the CBD and the residents to pool our energy together," Aiello said, calling it a kind of "silver lining" of the pandemic.

The vacancy issue

Businesses and community representatives say one thing holding back the neighborhood is a glut of retail vacancies. They attribute the vacancies to holdout landlords.

"We still have some kinds of landlords who are not willing to negotiate or understand the fact that the market has changed, and if they want their property to be rented they need to base it on the current market value," said Masood Samiee, president of the Castro Merchants Association. He acknowledged there are some landlords who are exceptions to the rule.

I reached out to several landlords who own commercial property in the Castro but none returned messages seeking comment.

"There's lots of landlords that have owned properties in the family for years and years and they did give their tenants great deals," Aiello said. "There are others that didn't and are still holding out. And now they feel they've suffered so much through the pandemic they don't want to lower their rents."

Currently there are 51 vacancies along the neighborhood's primary commercial streets of Castro, 16th, Church, Market Street and 18th – a vacancy rate of 20% – according to a count from boutique real-estate company Maven Commercial. On Castro and Church Street the vacancy rate is 32% and 33%.

It's worth noting some of these vacancies may have leases out for signature, permitting delays or other factors. But Aiello noted the vacancies are still a noticeable part of the corridor, and anecdotally she hasn't seen asking rents lower to fill them.

A measure imposing an annual tax on retail landlords for storefronts empty for more than six months, passed with 70% approval from voters last year, but was shelved by the Supervisors this past June until 2022.

"We've had young new business owners interested in opening something up and they thought they'd have some great deal on rent and there isn't any," Aiello said. "Everybody still wants their $12,000 $17,000 a month and strong financing. That kind of money just isn't around right now."

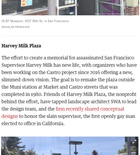
Locals like renowned drag performer and queen activist Juanita More said it's a problem that's predated the pandemic but has only gotten worse during it.

"I was having to deal with property owners who don't live in the city or specifically care about it being a queer neighborhood," More told me, recounting her experience a few years ago testing the waters to start their own restaurant. "They have property in the Castro, so they're going to keep their price where they want it."

Elsewhere in the neighborhood …

A new museum?

San Francisco Mayor London Breed is seeking $10 million in city funds to acquire a site to house a large-scale, freestanding LGBTQ history museum. The money would go toward the acquisition of a site yet to be identified or determined. A city official said a request for proposals will be issued if the money is approved, according to the Bay Area Reporter. The intention is to create a permanent home for the GLBT Historical Society, which operates a museum and archives out of two separate locations. The museum is in 1,600 square feet it subleases from Walgreen's at 4127 18th St., but that sublease is up in January. The archives are at 989 Market St., with a lease through 2031. Efforts to find a larger or more permanent museum space have failed in the past.



GLBT Museum, 4127 18th St., in San Francisco.
SHAUN MALDARI

Harvey Milk Plaza

The effort to create a memorial for assassinated San Francisco Supervisor Harvey Milk has new life, with organizers who have been working on the Castro project since 2016 offering a new, slimmed-down vision. The goal is to remake the plaza outside the Muni station at Market and Castro streets that was completed in 1985. Friends of Harvey Milk Plaza, the nonprofit behind the effort, have tapped landscape architect SWA to lead the design team, and the firm recently shared conceptual designs to honor the slain supervisor, the first openly gay man elected to office in California.

Harvey Milk Plaza, commissioned in 1985, as it looks today.
SHAUN MALDARI

Update on The Stud

The Stud, one of the city's oldest and most enduring gay bars, shuttered its SoMa location a year ago. Though the 17-member ownership collective held onto the liquor license and held virtual DJ'd drag shows for several months after – and entertained ideas of the bar's reincarnation as pop-up or party bus – bestsider Marke Bieschke said in May nothing material is imminent. As it stands the group hopes to find a brick-and-mortar venue for the bar in SoMa, but pandemic circumstances have led the collective to reimagine their search for leads.

The Stud
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Joshua Bellamy