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CONSENT CALENDAR

December 2, 2025

To: Honorable Mayor and Members of the City Council

From: Councilmember Igor Tregub (Author), Mayor Adena Ishii (Co-Sponsor), Councilmember Brent Blackaby (Co-Sponsor), Councilmember Shoshana O’Keefe (Co-Sponsor)

Subject: Referral to the City Manager and City Attorney: Vibrant Storefront Policy

**RECOMMENDATION**

Referral to the City Manager and City Attorney to develop a vibrant storefront policy that sets performance standards and considers additional strategies to address a growing number of ground-floor storefront vacancies in Berkeley’s commercial districts.

**FINANCIAL IMPLICATIONS**

Staff time will be needed to develop and enforce the policy and to monitor commercial corridors to ensure compliance. Some of these efforts are aligned with the ongoing work of the City of Berkeley’s Office of Economic Development. Long-term fiscal benefits include stronger commercial activity, higher business tax revenues, and stabilized property values. While the goal of this policy is compliance, penalties for non-compliance could offset the costs of policy development and enforcement.

**CURRENT SITUATION AND ITS EFFECTS**

Community members, businesses, and neighborhood organizations have increasingly raised concerns about the number and condition of vacant commercial properties in Berkeley, a matter of urgency that necessitates expeditious policy intervention.

Although Berkeley’s economy remains fundamentally strong, prolonged ground-floor vacancies continue to affect key commercial corridors, including but not limited to

Downtown Berkeley.<sup>1</sup> Even short-term vacancies create a perception of decline, discourage pedestrian activity, and reduce the sense of safety and vitality that defines Berkeley's community spaces. In fact, when participants were asked at a recent Downtown Association Strategic Planning survey "to vote for their top three physical improvement priorities to achieve this vision, fill and activate empty storefronts was by far the most popular option, with 74% support.<sup>2</sup>

Storefront vacancies in commercial districts also generate ripple effects across the city. Vacant storefronts interrupt pedestrian continuity, deter new investments, and reinforce perceptions of economic stagnation. The resulting deterioration undermines public safety, weakens consumer confidence, and diminishes the sense of place and neighborhood identity.<sup>3</sup>

### ***Causes of Vacancies***

Berkeley's commercial vacancy rate, though variable by corridor, has generally remained higher than pre-pandemic levels. For example, according to the Downtown Berkeley Association, the Downtown area exhibits a 28.2% vacancy rate by square footage,<sup>4</sup> including properties slated for development. This high rate of vacancy can be attributed to several interrelated factors:

#### ***Macro Causes/Issues***

- Continued shift to e-commerce sales away from brick & mortar
- Continued growth of food delivery services, including the advent of ghost kitchens outside of the commercial core
- Low property taxes for commercial properties with pre-Prop 13 or long-term owners
- High costs of building out "cold shells" in new mixed-use developments
- The amortization of buildout costs of tenant improvements paid by landlords and included in monthly rent over the term of lease, especially in cold shell spaces, can lead to reluctance to invest in such tenant improvements
- In some instances, speculative property holding in anticipation of redevelopment, rezoning, or tax advantages.<sup>5 6 7</sup>

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<sup>1</sup>[https://berkeleyca.gov/sites/default/files/documents/Attachment2\\_Commercial%20District%20Dashboards\\_2024\\_Q4.pdf?utm\\_source=chatgpt.com](https://berkeleyca.gov/sites/default/files/documents/Attachment2_Commercial%20District%20Dashboards_2024_Q4.pdf?utm_source=chatgpt.com)

<sup>2</sup> [https://www.downtownberkeley.com/wp-content/uploads/2025/06/DBAstrategicPlan\\_June-19-2025\\_FINAL2.pdf](https://www.downtownberkeley.com/wp-content/uploads/2025/06/DBAstrategicPlan_June-19-2025_FINAL2.pdf)

<sup>3</sup> [https://www.brookings.edu/articles/how-to-break-the-doom-loop-actionable-insights-from-the-brookings-future-of-downtowns-learning-exchange/?utm\\_source=chatgpt.com](https://www.brookings.edu/articles/how-to-break-the-doom-loop-actionable-insights-from-the-brookings-future-of-downtowns-learning-exchange/?utm_source=chatgpt.com)

<sup>4</sup> [https://www.downtownberkeley.com/wp-content/uploads/2025/06/DBAstrategicPlan\\_June-19-2025\\_FINAL2.pdf](https://www.downtownberkeley.com/wp-content/uploads/2025/06/DBAstrategicPlan_June-19-2025_FINAL2.pdf), Page 14

<sup>5</sup> <https://www.irs.gov/taxtopics/tc425>

<sup>6</sup> <https://www.irs.gov/businesses/small-businesses-self-employed/tips-on-rental-real-estate-income-deductions-and-recordkeeping>

<sup>7</sup> <https://www.irs.gov/businesses/small-businesses-self-employed/tips-on-rental-real-estate-income-deductions-and-recordkeeping>

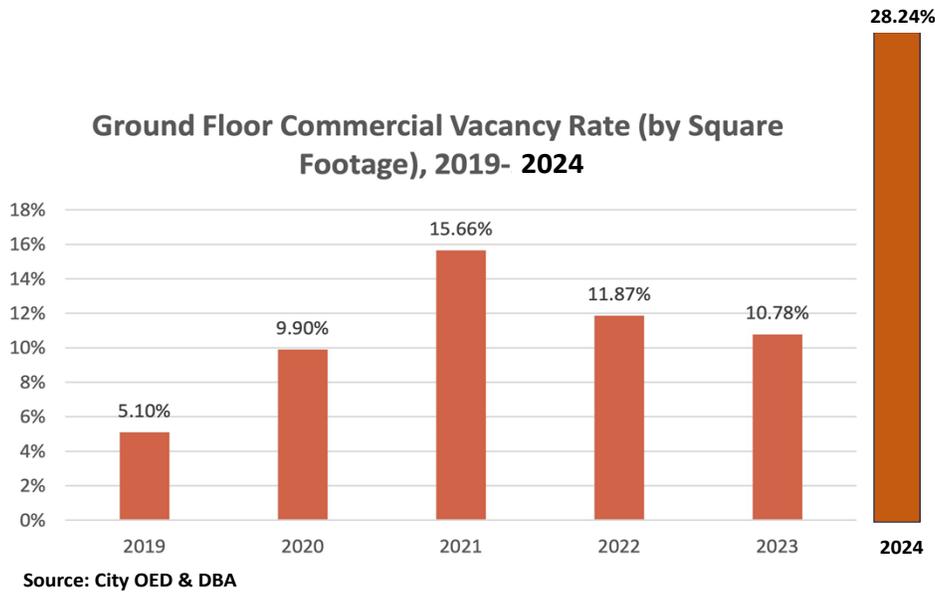
Berkeley-Specific Causes/Issues

- Requirement of mixed-use retail on the ground floor in new residential projects
- Stalled housing projects due to market conditions (retail vacated and stripped of utilities in anticipation of now delayed construction)
- Safety and quality-of-life concerns for customers and employees (e.g., closure of Peet’s Coffee at Shattuck & Kittredge)<sup>8</sup> also impacting willingness of residents and visitors to come to the Downtown and other commercial districts.
- Retail crime and property damage (e.g., stolen tip jars, smash & grab, broken windows)
- Lack of loading zones for pickup and delivery
- High cost of buildout with older infrastructure with time and expense of new code requirements
- Dependence on student market with limited disposable income in some areas of the City
- Shrinking need for office space square footage and usage in commercial districts (due to effects of COVID-19 and other factors)
- Extended permitting and renovation timelines delaying re-occupancy
- Lingering impacts of COVID-19, including business closures, remote work, and reduced daytime foot traffic
- Misalignment between available spaces and market demand in terms of layout, size, and allowable use
- High commercial rents limiting affordability for small and locally owned businesses

District	Vacancy Rate 2020	Vacancy Rate 2021	Vacancy Rate 2022	Vacancy Rate 2023	Vacancy Rate 2024
Downtown Berkeley	9.9%	15.7%	11.9%	10.8%	28.2% <sup>9</sup>
Telegraph Avenue	17.2%	12.6%	8.5%	9.3%	9.9%
San Pablo Avenue	4.8%	7.9%	10.8%	15.5%	7.1%
Solano Avenue	6.7%	4.4%	3.7%	2.6%	2.1%

<sup>8</sup> <https://oaklandside.org/2024/06/13/parlour-cabanas-peets-east-bay-restaurant-closing/>

<sup>9</sup> This figure includes vacant storefronts in buildings that were scheduled for demolition to make way for new construction.



As identified in the *Spring 2025 Vacant Storefront Toolkit*, the leading causes of Berkeley’s storefront vacancies include high rents, holding costs, financing delays, ongoing COVID-19 impacts, zoning and permitting challenges, e-commerce disruption, and safety concerns.

Developing a vibrant storefront policy will help Berkeley promote vibrant and welcoming streetscapes, preserve neighborhood integrity, and address the key externalities of long-term vacancies, blight, and economic stagnation across its commercial corridors.

There are several patterns of vacant commercial property ownership that contribute to prolonged storefront inactivity.<sup>10</sup> Research shows that these patterns are observed in cities nationwide and have measurable impacts on neighborhood vitality, economic resilience, and the public experience of commercial districts.<sup>11</sup>

- **Active Leasing**

Property owners who are actively seeking tenants and setting lease rates within a reasonable market range and/or willing to do “deals” with right tenants including reduced rents, first months free, tenant improvement budgets, etc. These owners maintain their spaces, respond to inquiries, and demonstrate consistent effort to lease in good faith, but cannot find appropriate tenants.

- **Holding for Higher Returns**

Property owners who keep spaces vacant while waiting for a more profitable

<sup>10</sup> <https://archive.strongtowns.org/journal/2025/5/22/whats-with-the-vacant-storefronts-8-reasons-for-empty-commercial-spaces>

<sup>11</sup> [Joint Center for Housing Studies of Harvard University. “Why Do Urban Storefronts Stay Empty for So Long?” 2023](#)

tenant or future sale. Lease rates may be set significantly above realistic market conditions, or negotiations may be prolonged or discouraged to secure higher returns.

- **Holding for Redevelopment or Rezoning**

Property owners who do not attempt to lease their properties because they anticipate future demolition, conversion, or redevelopment. These spaces remain inactive to avoid investment in improvements or tenant commitments prior to redevelopment. This includes several properties in the Downtown where retail was vacated in spring/summer 2024, and utilities removed, in anticipation of construction starting soon. When markets shifted with lower rents and continued high construction costs, these projects were put on hold, and re-leasing or pop-up retail not viable due to high costs and time to reinstall utilities.

- **Vacancy as a Financial Strategy**

While not observed in Berkeley, this has been used as a strategy in certain cases outside of Berkeley for tax depreciation or other financial advantages. In these cases, the vacancy is intentional and financially structured rather than related to leasing conditions.

- **Absentee or Disengaged Ownership**

Property owners who are unresponsive or minimally involved in the management of their buildings. Lack of maintenance, delayed repairs, and visible deterioration can result in negatively impacting surrounding businesses and the public realm.

While most property owners make good-faith efforts to lease or activate spaces, there are some who unfortunately do not.<sup>12</sup> A quick look at Loopnet<sup>13</sup> or CoStar<sup>14</sup> shows that a large majority of vacant retail is being marketed by property owners and/or their commercial brokers. A milieu of business tax write-offs, absentee ownership dynamics, and ownership incentives contribute to the problem. Federal tax rules<sup>15</sup> allow deduction of certain carrying costs and depreciation for income-producing property, subject to passive activity loss limitations.<sup>16</sup> <sup>17</sup> shows that a large majority of vacant retail is being marketed by property owners and/or their commercial brokers. Business tax write-offs, absentee ownership dynamics, and ownership incentives contribute to the problem.

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<sup>12</sup> <https://www.spur.org/voter-guide/2020-03/sf-prop-d-vacancy-tax>

<sup>13</sup> <https://www.loopnet.com/search/commercial-real-estate/berkeley-ca/for-lease/?view=map>

<sup>14</sup>

[https://www.costar.com/home/demo?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=8362819905&utm\\_content=85421354763&utm\\_term=costar&utm\\_campaign\\_id=3ac7680a-ea7a-4c27-a0d2-4ee10fe6a14e&qad\\_source=1&qad\\_campaignid=8362819905&gbraid=0AAAAAD1YTcl71652Bu9Cml0kkofeS77qv&qclid=Cj0KCCQiA5ablBhCaARIsAM3-zFV3YP3GPolkpdj3pvHRRxXI6PEfx\\_qFBYiKEsEe0y48o3FIDEnyafQaAthTEALw\\_wcB](https://www.costar.com/home/demo?utm_source=google&utm_medium=cpc&utm_campaign=8362819905&utm_content=85421354763&utm_term=costar&utm_campaign_id=3ac7680a-ea7a-4c27-a0d2-4ee10fe6a14e&qad_source=1&qad_campaignid=8362819905&gbraid=0AAAAAD1YTcl71652Bu9Cml0kkofeS77qv&qclid=Cj0KCCQiA5ablBhCaARIsAM3-zFV3YP3GPolkpdj3pvHRRxXI6PEfx_qFBYiKEsEe0y48o3FIDEnyafQaAthTEALw_wcB)

Federal tax rules<sup>18</sup> allow deduction of certain carrying costs and depreciation for income-producing property, subject to passive activity loss limitations.<sup>19 20</sup>

Several departments within the City share responsibility for various aspects of implementing, coordinating, and enforcing policies related to vacant and blighted properties. These efforts need to be aligned and coordinated to be effective. Adopting a vibrant storefront policy is an important step to develop regulations that are sensible, workable, and supportive of the vitality of our commercial corridors.

## **BACKGROUND**

Vacant storefronts have been an ongoing conversation in Berkeley for years. In March 2025, the Council considered the First Year Free Program, *Fill Empty Storefronts Act*<sup>21</sup>, introduced by former Councilmember Sophie Hahn, to waive initial business registration and licensing fees for new small businesses, modeled after San Francisco's successful program to help fill vacant spaces. Despite previous efforts like the Berkeley Relief Fund<sup>22</sup> and the Save-our-Small Business Loan Fund,<sup>23</sup> commercial vacancies remain above pre-pandemic levels, particularly in South Berkeley, along San Pablo and University Avenue commercial corridors, and Downtown Berkeley. This proposal reflects Berkeley's longstanding commitment to combining economic incentives with creative activation strategies to restore vibrancy to its commercial corridors.

While Berkeley has explored its own incentive-based approaches, examining how other cities have tackled similar challenges offers valuable insight into best practices and potential adaptations. Across the U.S., cities such as Cambridge, Massachusetts,<sup>24</sup> Saratoga, California,<sup>25</sup> and Evanston, Illinois<sup>26</sup> have adopted vibrant storefront policies to reduce blight, maintain active street-level environments, and support local

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<sup>18</sup> [https://www.irs.gov/forms-pubs/about-publication-946?utm\\_source=chatgpt.com](https://www.irs.gov/forms-pubs/about-publication-946?utm_source=chatgpt.com)

<sup>19</sup> [https://www.irs.gov/businesses/small-businesses-self-employed/tips-on-rental-real-estate-income-deductions-and-recordkeeping?utm\\_source=chatgpt.com](https://www.irs.gov/businesses/small-businesses-self-employed/tips-on-rental-real-estate-income-deductions-and-recordkeeping?utm_source=chatgpt.com)

<sup>20</sup> [https://www.irs.gov/taxtopics/tc425?utm\\_source=chatgpt.com](https://www.irs.gov/taxtopics/tc425?utm_source=chatgpt.com)

<sup>21</sup> [https://berkeleyca.gov/sites/default/files/documents/2025-03-11%20Item%2016%20%20First%20Year%20Free%20-%20Fill%20Empty%20Storefronts%20Act.pdf?utm\\_source=chatgpt.com](https://berkeleyca.gov/sites/default/files/documents/2025-03-11%20Item%2016%20%20First%20Year%20Free%20-%20Fill%20Empty%20Storefronts%20Act.pdf?utm_source=chatgpt.com)

<sup>22</sup> <https://berkeleyrelieffund.org/>

<sup>23</sup> [https://www.dailycal.org/archives/city-of-berkeley-announces-loan-fund-to-support-small-businesses/article\\_d3dc322c-9aa7-5f74-b030-cd56920ef263.html#:~:text=To%20prevent%20Berkeley's%20entrepreneurial%20landscape,default%20rate%20of%20about%2020%25.](https://www.dailycal.org/archives/city-of-berkeley-announces-loan-fund-to-support-small-businesses/article_d3dc322c-9aa7-5f74-b030-cd56920ef263.html#:~:text=To%20prevent%20Berkeley's%20entrepreneurial%20landscape,default%20rate%20of%20about%2020%25.)

<sup>24</sup> [https://www.cambridgema.gov/~media/Files/CDD/EconDev/retailstrategy/cambridgevacancystorefrontreport\\_6302018.pdf](https://www.cambridgema.gov/~media/Files/CDD/EconDev/retailstrategy/cambridgevacancystorefrontreport_6302018.pdf)

<sup>25</sup> <https://www.saratoga.ca.us/689/Vacant-Storefront-Regulations>

<sup>26</sup> <https://www.cityofevanston.org/government/departments/community-development/vacant-buildings>

businesses. These policies typically require property owners to upkeep vacant storefronts and implement temporary activations after a defined vacancy period.<sup>27</sup>

### ***How Other Cities Addressed Similar Challenges***

#### *Cambridge, Massachusetts – Vacant Storefront Policy (2025)*<sup>28</sup>

- Requires property owners to register vacant storefronts, submit activation plans, and post leasing contact information after 60 days of vacancy;
- Encourages temporary activations such as art installations, community displays, and non-commercial exhibits that contribute to street vibrancy;
- Cambridge’s approach illustrates how structured registration and activation requirements can enhance transparency and encourage owner responsiveness while maintaining flexibility for artistic and community-based activations

#### *Saratoga, California – Vacant Storefront Regulations (2024)*<sup>29</sup>

- Requires property owners to install window displays or visual activations within 30 days of a property becoming vacant;
- Acceptable activations include artwork, community-themed window paintings, or simulated business displays;
- City outreach materials provide templates and examples for compliance, ensuring the program remains accessible for small landlords;
- Observed outcomes: Reduction in visible blight, faster re-tenanting, and simplified maintenance standards for property owners;
- Saratoga’s clear activation timeline and flexible display options offer a practical compliance model for Berkeley’s diverse commercial corridors.

#### *Evanston, Illinois – Vacant Building Registration Ordinance*<sup>30</sup>

- Requires registration of all vacant buildings, including commercial properties, with detailed information on ownership and maintenance plans;
- Obligates owners to conduct regular safety inspections and document marketing or rehabilitation efforts;
- Limits the duration of window boarding and façade neglect, framing vacancy as a public nuisance issue;

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<sup>27</sup> [https://rpa.org/work/reports/vacant-storefront-toolkit?utm\\_source=chatgpt.com#temporary-window-activations-to-camouflage-vacancy](https://rpa.org/work/reports/vacant-storefront-toolkit?utm_source=chatgpt.com#temporary-window-activations-to-camouflage-vacancy)

<sup>28</sup> [https://www.cambridgema.gov/-/media/Files/CDD/EconDev/vacantstorefront/cityofcambridgevacantstorefrontpolicy2025\\_signed.pdf](https://www.cambridgema.gov/-/media/Files/CDD/EconDev/vacantstorefront/cityofcambridgevacantstorefrontpolicy2025_signed.pdf)

<sup>29</sup> <https://mcclibraryfunctions.azurewebsites.us/api/ordinanceDownload/16616/1363290/pdf>

<sup>30</sup> [https://library.municode.com/il/evanston/codes/code\\_of\\_ordinances?nodeId=TIT4BURE\\_CH16VABU](https://library.municode.com/il/evanston/codes/code_of_ordinances?nodeId=TIT4BURE_CH16VABU)

- Improved data collection and communication between city staff and property owners have led to proactive code enforcement outcomes;
- Evanston’s data-driven registration model can strengthen Berkeley’s vacancy tracking and accountability, particularly if integrated with its permitting systems.

### **Opportunities for Berkeley to revitalize commercial districts**

- **Visual activations:** art installations, murals, green walls, living plant displays, flower arrangements, and artistic window films.
- **Seasonal or event-based activations:** installations tied to holidays, festivals, or city events to keep streetscapes dynamic
- **Temporary adaptive uses:** coworking spaces, mini-galleries, pop-up libraries, or community meeting spaces in long-term vacant units.
- **Community partnerships:** collaborations with local artists, youth organizations, nonprofits, schools, or cultural institutions to design, install, and maintain displays
- **Pop-up retail or temporary community uses:** coordinated through the City’s Office of Economic Development, including local maker displays, cultural programming, or rotating food/coffee stands.
- **Clear signage standards:** “For Lease” and “Coming Soon” signs compliant with Berkeley Municipal Code (BMC) 20.12.<sup>31</sup>
- **Technology-enabled engagement:** QR codes or digital displays linking pedestrians to leasing info, virtual tours, or community programming.
- **Flexible design guidelines:** simple, low-cost activation templates that allow creativity but maintain safety, accessibility, and sightlines for pedestrians
- **Financial support:** fee waivers, small grants, or tax incentives for community-based activations or façade improvements
- **Transparency measures:** public database of registered vacant storefronts, including vacancy duration, owner contact info, and activation plans
- **Zoning changes:** allowing live-work uses in lieu of ground-floor commercial retail in certain corridors and/or side streets or provide additional flexibility to subdivide larger vacant storefront properties to better respond to market conditions

The City can provide guidelines for installation and design ideas.

Measures should be developed to ensure that materials used to mitigate the negative impacts of vacant storefronts, including window film or other screening materials, are kept in good condition and free of rips, tears, bubbling, peeling, staining, or fading.

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<sup>31</sup> <https://berkeley.municipal.codes/BMC/20.12.010>

These measures should also require that any material that becomes worn or visibly deteriorated be replaced in a timely manner to maintain a professional and well-kept appearance consistent with surrounding commercial storefronts.

To encourage participation, the City may offer (1) fee waivers or reductions for temporary activations, (2) small grants or tax incentives for community-based activations or façade improvements collaborations, and (3) technical or design assistance through the Office of Economic Development.

### **ALTERNATIVE ACTIONS CONSIDERED**

While this policy is contemplated for commercial districts, the City Manager could also consider implementing it in certain Mixed-Use districts with a high number of commercial storefronts.

Vacant to Vibrant<sup>32</sup> strategies, such as those being explored and/or deployed in San Francisco,<sup>33</sup> could be included within this legislation and also developed as a standalone set of recommendations and implementation projects.

If the adoption of a vibrant storefront policy does not prove successful in reducing vacancies and blight in our commercial districts, the City Council may consider developing a **commercial vacancy tax** (CVT) to be placed on ballot for a future election.

CVTs are designed to address the negative impacts of prolonged storefront vacancies by applying a tax when a commercial property remains unoccupied beyond a defined threshold (commonly 182 days per year). The primary intent is to incentivize the activation of unused commercial space, either through realistic leasing strategies or interim uses such as pop-ups, community-serving activities, or temporary tenancies.

### **Peer city models of Commercial Vacancy Taxes**

- **San Francisco (Proposition D, 2020):**<sup>34</sup>  
A tax on ground-floor commercial spaces vacant for more than 182 days in named corridors. Rates escalate from \$250 to \$1,000 per linear foot of frontage, depending on consecutive years vacant. Revenue funds small-business support.

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<sup>32</sup> From Vacant to Vibrant: Transforming Empty Downtown Storefronts, <https://mrsc.org/stay-informed/mrsc-insight/june-2025/vacant-to-vibrant>

<sup>33</sup> <https://www.vibrantsf.org/>

<sup>34</sup> [https://ballotpedia.org/San Francisco, California, Proposition D, Vacant Property Tax \(March 2020\)](https://ballotpedia.org/San_Francisco,_California,_Proposition_D,_Vacant_Property_Tax_(March_2020))

Reported results show corridor vacancy reductions: North Beach fell from ~10% to ~5% and Haight-Ashbury dropped from 32 of 150 storefronts closed at peak to under 14 today.

- **Oakland (Measure W, 2018):**<sup>35 36</sup>  
This measure established a parcel tax of \$3,000–\$6,000 per year for both vacant residential properties and ground-floor commercial spaces. It generally applies to commercial businesses whose permitted use is fewer than 50 days in use per year (i.e., >315 days vacant), with some exceptions.
- **Washington, DC:**<sup>37</sup>  
This jurisdiction classifies vacant and blighted properties into higher tax classes. Vacant property (Class 3) is taxed at 5 dollars per 100 dollars of assessed value; blighted (Class 4) at 10 dollars per 100 dollars, a structure designed to create strong activation incentives.<sup>38</sup>

Other jurisdictions' experience indicates that a vacancy tax, when paired with a package of other items that support commercial activation,<sup>39</sup> can encourage more realistic pricing, shorter downtimes, and interim community-serving uses.<sup>40</sup> At the same time, implementation must emphasize accurate definitions, robust exemptions, and enforcement to avoid penalizing owners facing legitimate leasing challenges.

## **COMMUNITY IMPACT**

This policy directly supports Berkeley's goals of maintaining vibrant, safe, and inclusive commercial areas. Vacant storefronts can contribute to perceptions of neglect, discourage investment, and undermine the cultural and economic vitality of the city.

By introducing visual activation and requiring basic maintenance standards, the policy encourages collaboration with local artists, youth programs, and community organizations to transform empty spaces into creative, inviting displays. These measures will enhance the pedestrian experience, support local culture, and reinforce the City's commitment to equitable and sustainable urban life.

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<sup>35</sup> <https://www.oaklandca.gov/Business/For-Landlords/Vacant-Property-Tax-VPT>

<sup>36</sup> <https://cao-94612.s3.amazonaws.com/documents/Measure-W-City-of-Oakland.pdf>

<sup>37</sup> <https://www.hklaw.com/en/insights/publications/2024/11/dc-council-legislation-seeks-to-address-ongoing-vacant-and-blighted>

<sup>38</sup> <https://dob.dc.gov/vacantbuildings>

<sup>39</sup> A separate package of commercial district revitalization reforms is being contemplated as a separate item authored by Councilmember Tregub.

<sup>40</sup> <https://abc7news.com/post/remember-vacant-storefront-tax-san-francisco-heres-how-going/16588700/>

## **CONSULTATIONS CONDUCTED**

This report was prepared in close consultation with the City Manager's Office, the Office of Economic Development, the Department of Planning and Zoning, and the City Attorney's Office. The Downtown Berkeley Association, Berkeley Chamber, Telegraph Business Improvement District, individual business owners, Downtown Berkeley constituents, and other stakeholders were also consulted, and their feedback has been incorporated as appropriate.

This item is presented as a referral to allow for continued coordination among City departments and with community and business stakeholders. A summary of topics discussed is below.

Discussions included the applicability of the ordinance to all ground floor and street facing commercial spaces in commercial and/or certain mixed-use zoning districts that are unoccupied for any duration of time, with property owners required to implement and maintain compliance measures immediately upon vacancy. Stakeholders and staff reviewed two activation pathways, allowing for either transparent storefronts with visible art, cultural, educational, or pop-up displays, or professionally installed interior screening treatments such as green walls, illustrated window films, or other durable materials, maintained in good condition with appropriate dusk to dawn lighting where feasible.

Discussion topics also included pathways for the city to collaborate with local artists, youth organizations, nonprofits, schools, and cultural institutions to design, install, and maintain activation displays. General standards requiring the removal of outdated signage, allowance for permitted real estate signage, and ongoing maintenance to keep storefronts and adjacent public areas clean and free of debris.

Enforcement provisions discussed included each day of noncompliance constituting a separate violation, cumulative penalties, and a clear appeals process for property owners. The effective date of 90 days after adoption, with compliance expected at the point of vacancy, was also discussed.

Discussion with staff and various stakeholders yielded strong interest in enabling temporary activations, including pop up retail, cultural programming, and other short-term community uses, as part of the City's efforts to activate vacant storefronts and support neighborhood vitality. While the Municipal Code already includes provisions for temporary uses, there is an opportunity to create clearer, more efficient pathways for permitting and implementing these activations. This may include Pop Up Retail or

Temporary Community Uses,<sup>41</sup> such as local maker displays, cultural programming, or rotating food and beverage stands. Temporary adaptive uses like coworking areas, mini galleries, pop up libraries, or small community meeting spaces in long term vacant storefronts can offer flexible and productive short-term use of space.

Seasonal or Event-Based Activations connected to holidays, festivals, or city-sponsored events, along with visual demonstrations of future tenancy such as signage that states “Future Home of (Business Name)” or “(Business Name) Coming Soon,” can help maintain an inviting street presence. Allowing participatory art installations, maker pop-ups, small coworking or gallery spaces, seasonal displays, and technology enabled engagement such as QR-linked virtual tours of the vacant space or leasing information can foster economic activity, support local entrepreneurs, and strengthen a sense of community presence in commercial districts.

To ease implementation, pop-up activations of 90 days or less may be administratively approved, with the possibility of limited extensions when appropriate. These activations can be designed to meet basic life safety and accessibility standards, remain time-limited, and return the storefront to a clean and orderly condition at the end of the activation period, while contributing to a more welcoming and continuously active streetscape.

Incorporating live-work spaces into commercial corridors can support small business owners, artists, and entrepreneurs by allowing them to combine living and working in one place, thereby reducing their overhead costs, and providing a key neighborhood stabilization tool. These spaces can help keep creative and community-oriented businesses in Berkeley, encourage local economic activity, and contribute to a sense of neighborhood presence and care. By enabling residents to be co-located with their place of business, live-work spaces also promote walkability, reduce reliance on cars, and strengthen the social fabric of commercial districts.

## **ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS**

Maintaining active and visually engaging storefronts promotes walkable, transit-oriented neighborhoods and reduces vehicle dependency. Preventing long-term vacancies helps limit waste associated with property deterioration and aligns with Berkeley’s Climate Action Plan goals by encouraging adaptive reuse and sustainable urban density.

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<sup>41</sup> Chapter 23.302, Supplemental Use Regulations, [https://berkeley.municipal.codes/BMC/23\\_Div3](https://berkeley.municipal.codes/BMC/23_Div3); Chapter 23.204, Commercial Districts, <https://berkeley.municipal.codes/BMC/23.204.030>

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