

How can my city increase flexibility for businesses trying to reopen?

During the COVID-19 outbreak, cities throughout the nation took swift action to help their communities adjust to the changing public health environment and they found creative ways to provide relief to businesses in a challenging economic landscape. Cities' willingness to provide more flexibility to businesses during the stay-at-home orders was crucial, but it is critical to local economies that city governments continue to increase flexibility for businesses.

Why should city governments continue to increase business flexibility?

Many businesses realized they needed to get creative and modify their business models to stay afloat during the pandemic. But oftentimes, restrictive licensing and zoning requirements can stand in the way. Permits for additional activities are expensive and time-consuming to obtain, and narrow license categories leave little room to grow. Granting businesses the flexibility to adapt to an ever-changing environment will allow them to keep their doors open and keep people employed while addressing the needs of their communities.

To give businesses the flexibility they need to meet the challenges of today's economy, cities should:

- ✓ Allow businesses to modify their business activities and provide services beyond what would normally be permitted under their narrow license category or categories.
 - **Boston** lifted regulations to allow all restaurants and bars that serve food to offer food for take-out and delivery without the required take-out license.
 - **Tucson** granted restaurants the ability to operate as pop-up grocery stores without changes to their business licenses or needing additional permits.
- ✓ Simplify and fast-track the process of getting a permit for public way uses and outdoor seating so that businesses can quickly add sidewalk sales and al fresco dining options for customers.
 - **Tampa** established Restaurant & Retail Recovery Zones which close street traffic in key commercial areas and convert them into open space for outdoor dining and retail shopping.
 - **Chicago** created a similar program with an Expanded Outdoor Dining Permit for outdoor restaurant dining. It also established a fast-track application process that can issue the permit in five business days.
- ✓ Reform zoning rules to allow for more seasonal or temporary businesses, such as farmers' markets or pop-up shops.
 - **DC** offers a special certificate of occupancy to accommodate seasonal and temporary businesses, including farmers' markets and other outdoor events of limited duration.

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- ✓ Ease restrictions on take-out and delivery sales of alcohol beverages so bars and restaurants can have access to additional sources of revenue.
 - **Los Angeles** issued an executive order to allow restaurants to sell alcoholic beverages for take-out and delivery.
- ✓ Ease parking requirements that force business owners to lease space or reconfigure.
 - These requirements can be waived to allow businesses to open with fewer delays and costs.
- ✓ Be flexible with businesses that have been grandfathered in under restrictive zoning codes.
 - Allow them to adapt their business models without losing “legal nonconforming” status.

The economic effects of the COVID-19 outbreak will be felt long after our communities regain a sense of normalcy or adapt to a “new normal.” Our nation’s local businesses will need their city governments to continue to increase business flexibility in order for them to keep their doors open, provide jobs, and continue to play a vital role in local economies.

City leaders can be a force for entrepreneurs by removing regulatory obstacles, and the Institute for Justice (IJ) can help. We work alongside city officials to:

- **Research requirements:** We research what it takes to start a business in cities, including all of the steps and costs. We can also share best practices for how other cities dealt with similar policy issues.
- **Conduct surveys:** We host roundtables and compile feedback from entrepreneurs with first-hand experience navigating the licensing process.
- **Advocate:** We work with agencies and councilmembers to enact regulatory and legislative changes that truly make a difference for entrepreneurs.



Contact us to get tailored recommendations for how your city can increase flexibility for entrepreneurs to innovate.

IJ is a nonprofit law firm that works with city officials, entrepreneurs, and advocates to remove regulatory barriers to entrepreneurship. For more information, visit <https://2021initiative.com>.