

Hotel Council of San Francisco and Corporate Social Responsibility (CSR)

By Michael D. Collins, Michelle Millar and David L. Jones

Introduction

On a foggy San Francisco morning, Kevin Carroll, Executive Director of the Hotel Council of San Francisco, walks past a disheveled man sitting on the ground, rattling a handful of coins in a paper cup, displaying a cardboard sign with “Lost Job! Anything Will Help!” scribbled onto its surface, on his way to his office located just off Union Square—the posh shopping district located adjacent to San Francisco’s financial district. Kevin is, once again, reminded of a concern that has been frustrating many members of the Hotel Council of San Francisco for years—despite the community’s investment of \$167 million annually or \$458,000 each day to provide services and assistance to San Francisco’s least fortunate citizens (Sabatini, 2014), aggressive panhandling and other offensive street behavior continues to proliferate on Union Square, Fisherman’s Wharf, Civic Center Plaza, and other areas frequented by tourists to the City by the Bay.

A recent survey of Hotel Council members revealed the following:

- 87.5% of hotel executives are concerned about visitors to the city being harassed for money by panhandlers.
- 63.9% are concerned, very concerned, or extremely concerned about visitors feeling guilty about the circumstances of panhandlers.
- 73.1% are at least somewhat concerned that tourists will feel bad for not giving to someone in need during their visit to San Francisco.
- 86.5% are concerned, very concerned, or extremely concerned with people sleeping in the streets.
- 93.7% are, at a minimum, concerned with people asking for money, while 83.2% are at least concerned, if not extremely concerned, with people asking for food.
- And, 96.7% expressed concern with people urinating and/or defecating in the streets.

Although many panhandlers are not homeless, many tourists associate panhandling with homelessness—a stubborn social challenge faced by all large cities; however, San Francisco seems to have a particularly high number of homeless. It is estimated that the homeless population living in the streets of San Francisco has remained stable, at approximately 7,000

individuals, for the past ten (10) years (Matier & Ross, 2014). And, even with the city spending nearly one-half million dollars per day to provide services, two-thirds (66.4%) of hotel and tourism officials fear that San Francisco’s visitors will perceive that the local government and other organizations have failed to provide the services and support necessary to help get panhandlers and the homeless off the streets.

Purpose and theoretical foundation

The purpose of this case study is to help its readers gain an appreciation for the many ways that a vibrant hotel industry may contribute to a local community, while at the same time also encountering problems, such as those mentioned above, that may affect the industry’s vibrancy. In San Francisco, tourism is the second leading generator of economic activity in the city, just behind bio-sciences and healthcare, and ahead of Information Technology (IT) (Krasny, 2015). This case study defines the many contributions of the industry in terms of economic impact, employment, and tax revenues to the city and county, in addition to providing a description of one of the organizations through which the hotel industry interfaces with the local community, namely the local Hotel Council.

Despite the success of the hotel community, it faces the challenge of responding to aggressive panhandling, offensive street behavior, and homelessness; however, the Hotel Council’s response has the potential to negatively impact the perception of the hotel industry within the local community, despite its many positive contributions, since there is little consensus on how to best address this social challenge. “Traditionally, the factors that mattered most to consumers when forming an opinion of a company [as a corporate citizen] were product quality, value for money, and financial performance. Now, across a worldwide sample of the public, the most commonly mentioned factors relate to corporate responsibility (e.g. treatment of employees, community involvement, ethical and environmental issues)” (Dawkins & Lewis, 2003). “The main principle embedded in Corporate Social Responsibility (CSR) is that no company can act in opposition to, or in isolation from, the issues in society” (Golob, Lah & Jančic, 2008). Thus, the Hotel Council’s response to this dilemma becomes all the more important to society and to how the hotel industry is perceived by community members relative to its social responsibilities.

A business is viewed as exhibiting good, responsible corporate citizenship or CSR if it is perceived to be utilizing its resources appropriately to fulfill the needs of stakeholders. There are four (4) ob-

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ligations related to CSR, all of which are highlighted in this case study. First, a business has a financial responsibility to generate a reasonable profit for its shareholders and to ensure stable, quality employment for its workforce. Next, a business must operate in full compliance relative to regulatory and legal obligations. Third, a business must fulfill its ethical obligations, which includes treating its employees, suppliers, and customers in a fair and equitable manner. And finally, a business has a philanthropic responsibility to give back to the community and to support work-life balance programs for its employees (as theorized by Carroll, 1993 and referenced by Evans & Davis, 2014).

The Dilemma

At today's meeting of the Hotel Council's Board of Directors, the Board plans to review the results of the aforementioned survey and to discuss the hotel community's response. The Board has many questions, which include: Is the street behavior of San Francisco's least fortunate, including aggressive panhandling, sleeping in the streets, and loitering in public areas surrounded by piles of personal belongings, likely to have a negative impact on tourists' perception of San Francisco as a tourism destination? Will this behavior impact tourists' perceptions of their safety and security while visiting the city? And, ultimately, might the impact on tourists' perceptions of the destination image, as well as their safety and security, derail the strong financial performance enjoyed in recent years by San Francisco hotels? Ultimately, the Hotel Council of San Francisco seeks to formulate a strategy to address this seemingly unsolvable challenge, while at the same time being responsible corporate citizens by meeting the needs of the community financially, ethically, legally, and philanthropically.

Background Information

Hotel Council of San Francisco

The Hotel Council of San Francisco is the voice of the hospitality industry in the vibrant, world-class San Francisco hotel market. It is a "membership-based advocacy organization committed to the economic and social vitality of the hospitality industry in San Francisco" (Hotel Council of San Francisco, 2015). San Francisco is one of the most visited cities in the world—hosting 16.9 million visitors in 2013 with the great majority of visitors to the city accommodated in one of the more than 200 member hotels (San Francisco Travel Association, 2015 [SFTA]). According to the Council's website, "the hospitality industry must be united to deliver its message to the City and public." Consequently, it monitors issues that may impact the hospitality industry, seeks to fully understand the potential impact of these issues on the community and the industry, formulates an appropriate and responsible position relative to areas of common concern, and then works to effectively communicate the hotel industry's position on the issues to the stakeholders impacted, including the public and city officials.

The Hotel Council of San Francisco employs a full-time staff,

which includes Executive Director Kevin Carroll, Director of Marketing and Membership Kelly Powers, Manager of Programs and Communications Jessica Lum, and Program Coordinator Cara Bruno. The paid staff is directed by a 24-member, volunteer Board of Directors. The senior leadership of the Board includes Thomas Klein, President (The Fairmont San Francisco), Bruce Gorelick, Vice President (The Ritz-Carlton San Francisco), Michael Jokovich, Second Vice President (Grand Hyatt San Francisco), Ralph Lee, Treasurer (Hotel Whitcomb), Sheila Martin, Secretary (Holiday Inn Fisherman's Wharf), and Michael Dunne, Immediate Past President (Hilton San Francisco Union Square)—a virtual "who's who" of the San Francisco hotel community.

Economic Impact of San Francisco Hotels (CSR and financial responsibility)

To evaluate the hotel industry's performance as a corporate citizen from a financial perspective, it may be useful to understand the economic impact of the hotel industry. For the 2012 calendar year, the Bay Area Council Economic Institute (2013) provided an analysis, at the request of the Hotel Council, which reported the following relative to the economic impact of the 215 hotels, with 33,642 rooms, located in San Francisco:

- The total economic activity generated by hotels is \$6.6 billion.
- \$3 billion of this economic activity occurs outside of hotels.
- The hotel industry generates \$253 million in total taxes.
- \$170 million, or two-thirds, of the tax revenues generated by the hotel industry goes to the City's General Fund, which makes the hotel industry the largest single-industry contributor.

A further analysis of this economic impact reveals that \$2.1 billion was generated through room revenue alone with an additional \$2.3 billion being spent by hotel guests outside of hotels on food (including expenditures in hotel restaurants), retail shopping, transportation, and other tourism activities including sightseeing. Since hotels must routinely update their facilities, hotels generate another \$160 million in economic activity through capital expenditures for renovations and replacement of furniture, fixtures, and major equipment. The remaining \$2.04 billion in economic activity, which accounts for the \$6.6 billion total, is due to the multiplier effect. A substantial portion of the initial economic activity generated by hotel guests for hotel rooms, meals, retail merchandise, transportation, and sightseeing is utilized to pay wages to employees and to purchase operating supplies from local vendors, in addition to generating demand for supporting goods and services. This second wave of spending, which occurs as employees spend their paychecks and hotels purchase goods and services locally, is referred to by economists as the multiplier effect. Please refer to *Appendix A* for additional detail.

Hotel Tax Revenues

In 2012, hotels in San Francisco collected \$253.5 million in hotel taxes from their guests—two-thirds of which is contributed to the City of San Francisco's General Fund. This \$170.2 million tax contribution

to the City's General Fund makes the hotel industry the largest single-industry contributor to the City's tax coffers, which gives the industry considerable clout with local politicians. While the sales tax rate in California state-wide is 7.5%, the hotel occupancy tax in San Francisco is 14.0% making it one of the highest hotel tax rates in the country. A portion of the hotel taxes collected from visitors is also allocated to promote tourism and to fund cultural attractions.

Three percent (3%) of the hotel taxes collected by San Francisco hotels is utilized to fund San Francisco Travel—the organization responsible for marketing San Francisco as a conference and tourism destination (\$7.58 million). Thirteen percent (13%) of taxes collected, or \$34.15 million, is utilized to subsidize the operation of the Moscone Convention Center and two percent (2%), or \$5.5 million, is allocated to cover low-income housing rental subsidies. The bulk of the remaining hotel tax revenues, approximately \$36 million (14.2%), is allocated to support the arts, which contribute to the City's attractiveness as a tourism destination (Bay Area Council Economic Institute, 2013).

Hotel Industry Performance

In 2015, the hotel industry in San Francisco continues to enjoy record levels of occupancy and overall revenue. Smith Travel Research reports that, in 2014, hotel occupancy topped eighty-four percent (84.1%) with an Average Daily Rate (ADR) of \$207.81 generating Revenue per Available Room (RevPAR) of \$174.81, which equates to overall room revenues in excess of \$2.1 billion citywide. San Francisco's performance is topped in the United States only by New York City and Honolulu, Hawaii (Smith Travel Research, 2015). This strong market performance is due to the fact that San Francisco is an attractive destination for many different segments of travelers.

Home to many technology companies, such as Apple, Adobe Systems, Google, Sales Force, and Yahoo; venture capital firms; world-class research universities, including Stanford University, the University of California, San Francisco, and the University of California, Berkeley; as well as well more traditional business enterprises, including Levi Strauss, Wells Fargo, and the Gap; the San Francisco Bay area is a hub of economic activity and innovation. This vibrant business environment attracts Individual Business Travel (IBT) and corporate groups, generating strong weekday (Sunday through Thursday) demand for hotel accommodations. The natural beauty of the San Francisco Bay area, a moderate year-round climate, the scenic Pacific coast and nearby wine country, countless tourist attractions, including Fisherman's Wharf, Alcatraz, and the Golden Gate Bridge, as well as the availability of world-class hotels and restaurants, create strong demand for hotel accommodations on the weekends (Friday and Saturday) and during the summer and holiday periods, when business demand typically softens. Demand for accommodations is also bolstered by San Francisco's competitive major league sports franchises, including the San Francisco Giants (MLB), the Oakland Athletics (MLB), San Francisco

49ers (NFL), Oakland Raiders (NFL), and Golden State Warriors (NBA). A lively theater community, the Union Square shopping district, and the city's exceptional cultural institutions, including the San Francisco Opera, Symphony, Ballet, and countless museums, as well as its many parks and ethnic neighborhoods, which include Chinatown, Japantown, North Beach, and the Mission and Castro Districts, also add to the city's lure as a leisure and meeting destination.

The City and County of San Francisco also own the state-of-the-art Moscone Convention Center, which consists of more than two million square feet of building area, including over 700,000 square feet of exhibit space, up to 106 meeting rooms, and nearly 123,000 square feet of pre-function lobbies. The Center attracts over 1 million visitors annually. The Center was built with its primary objective being to boost hotel occupancy in San Francisco, which would subsequently bolster the economic impact of hotels, increase tax revenues to the city, and generate increased employment (Moscone Convention Center, 2015). According to the Moscone Expansion website (San Francisco Department of Public Works, 2015), "Tourism is the single biggest contributor to San Francisco's economy and Moscone Center is responsible for 21% of it" (San Francisco Department of Public Works, 2015). Although the Center operates at a loss, thirteen percent (13%) of the hotel taxes collected in the city, or \$34.15 million in 2012, are allocated to cover Moscone Center's operating costs, which more than offsets the Center's operating loss.

The successful financial performance of San Francisco hotels is due, at least in part, to the efforts of the San Francisco Travel Association. The City and County of San Francisco, which share common geographic boundaries, are marketed as both a leisure and a meetings destination by San Francisco Travel, the local convention and visitors' bureau. San Francisco Travel is supported in part by tax revenues; three percent (3%) of the hotel taxes that are collected, roughly \$7.58 million in 2012, are utilized to fund the promotion of the city as a tourism and convention destination. San Francisco Travel also has a variety of additional funding sources, including a portion of restaurant, admissions, and other tourism-related taxes, as well as private funding sources including membership dues; its total annual budget is over \$42 million for its most recent fiscal year (SFTA, 2015). A wide-variety of businesses and other organizations that are impacted by tourism and convention traffic to the San Francisco Bay Area elect to purchase San Francisco Travel memberships. These "partners" include hotels, restaurants, retailers, attractions, transportation companies, destination management firms, and a wide-variety of organizations that provide products and services either directly to tourists and meeting attendees or to the hotels, restaurants, and other firms that directly serve visitors to the city.

During the 2013 -2014 fiscal year, San Francisco Travel was directly responsible for the booking of 1,150 meetings in San Francisco, generating \$1.1 billion in direct spending and approximately two (2)

million occupied hotel rooms. San Francisco Travel's marketing initiatives generated over 4.9 million website "hits", 554,000+ Facebook fans, 127,000+ Twitter followers, and 41,600+ Instagram followers during this same time frame. There was \$10.3 million in favorable media coverage and over 184 million media impressions as a result of San Francisco Travel's efforts. The organization spearheaded 91 new tourism programs and hosted 1,000 travel professionals and members of the media on familiarization (FAM) trips. San Francisco Travel also conducted international sales missions that drove more than four (4) million international visitors to the city, producing approximately \$2.3 billion in economic impact (San Francisco Travel Association, 2015).

This non-profit association performs a critical role by coordinating the marketing efforts of a wide-variety of public and private enterprises to ensure that San Francisco effectively competes as a tourism and meetings destination against rival destinations including Los Angeles, Las Vegas, San Diego, and New York City. Through their advertising and marketing campaigns, as well as their direct sales efforts that promote the use of the Moscone Convention Center and the city's hotels, restaurants, attractions, and countless additional amenities, San Francisco Travel serves as the city's chief marketing organization and is entrusted with defining and protecting the image of San Francisco as a travel destination.

Hotel Industry Workforce (CSR and ethical responsibility through the equitable treatment of employees)

A portion of the economic impact generated by the multiplier effect is a result of the wages that are paid to hotel industry employees, as well as to those employed in other jobs supported by hotel and visitor spending. The hotel industry provides 24,000 local full-time equivalent jobs directly within hotels and supports 62,000 total jobs in the entire Bay Area; this means that approximately sixty percent (60%) of the jobs generated by the hotel industry are actually outside of hotels. The specific number of full-time equivalent positions generated by hotel revenues, capital expenditures, and visitor spending, as well as the location of these jobs, is outlined in *Appendix B*.

Fifty-seven percent (57%) of hotel workers live within the City of San Francisco, forty-eight percent (48%) of the hotel workforce have not completed any college coursework, and seventy-seven (77%) describe themselves as Asian, Hispanic, African American, or other. While forty-six percent (46%) of San Francisco workers in other industries describe themselves as white, only twenty-three (23%) percent of hotel workers describe themselves as white. This demographic make-up of the hotel industry workforce in San Francisco is notable since it is increasingly difficult for ethnically-diverse, urban workers without a college education to find high quality jobs in today's economy. In other words, San Francisco's hotel industry provides jobs to the demographic groups that are most in need of good quality employment opportunities.

The hotel industry in San Francisco offers generous compensation

including very competitive wages, insurance coverage, and retirement programs for the great majority of its employees. According to the Bureau of Labor Statistics, entry level workers employed as front desk agents and housekeepers earn wages in excess of \$35,000 annually in San Francisco and San Mateo counties as compared to \$22,010 and \$21,130 respectively nationwide (Bureau of Labor Statistics, 2015). Many hotel workers in San Francisco are covered by collective bargaining agreements between the Hotel Employees and Restaurant Employees Union (UNITEHERE Local 2) and the hotels. According to the UNITEHERE Local 2 website, the average union member employed as a housekeeper in San Francisco earns \$20.94 per hour plus benefits, which is the equivalent of over \$43,500 annually, based upon a forty-hour workweek, with no overtime (Unite HERE Local 2, 2015). In addition to a pleasant work environment, many hotels provide their workers with uniforms, free meals, as well as vacation and travel privileges on top of their wages and more traditional benefits. Finally, hotels offer employees professional development opportunities and upward career mobility. As a result, hotel workers in San Francisco remain in their jobs thirty-three percent (33%) longer than hotel employees nationwide, with an average tenure of 11.6 years.

Advocates for the less fortunate (CSR and philanthropic and legal responsibilities)

The hotel industry strives to be responsible corporate citizens and to show compassion toward the less fortunate and disenfranchised. This compassion is evident by the more than \$5 million that was contributed to charities by San Francisco's largest hotels in 2012. Through the Hotel Non-Profit Collaborative, the hotel community donates excess goods, supplies and equipment to non-profit groups serving the community; in a typical year, the Collaborative donates nearly 50 tons of supplies and equipment to local non-profits. Each year, hotels and their employees participate in Aids Walk San Francisco; raise funds for local charities, such as the \$400,000 raised in just 30-days for the Leukemia & Lymphoma Society's Million Dollar Mission in 2012; donate personal hygiene supplies and invest their time to Project Homeless Connect; and contribute time, money, and materials to support Project Night Night—an initiative intended to make a positive impact on the lives of homeless children (Bay Area Council Economic Institute, 2013). Yet, the Hotel Council is concerned that any effort to address the challenge of offensive street behavior, such as aggressive panhandling or sleeping directly on the streets of the city, may be misconstrued by advocates in the community as an effort to simply hide or relocate the problem, as opposed to a sincere effort to help those in greatest need.

Many communities have put in place laws and ordinances that ban specific behaviors in public, such as panhandling, sleeping, performing basic human functions, living in vehicles, and loitering. In addition, many parks, beaches, and other public spaces have posted hours during which these areas may be enjoyed by the public, in

an effort to prevent people from sleeping or camping overnight. Policymakers commonly refer to these regulations as quality-of-life ordinances since they are designed to ensure that community members can enjoy these areas without being exposed to offensive behaviors by others. Enforcement of these regulations by law enforcement has been labeled quality-of-life policing. Many advocates for the less fortunate contend that bans, ordinances, and restrictions that address these quality-of-life behaviors target the poor and criminalize poverty. The citations and fines that result from quality-of-life policing, in turn, clog our court systems and place an undue financial burden on the poor, who are unlikely to ever be able to pay the fines. Meanwhile, legal scholars have debated whether aggressive panhandling laws violate the first amendment right of free speech (Hershkoff, 1993). Consequently, a number of advocates for the less fortunate have pursued legislation in several states to protect the rights of the homeless.

In 2012, Rhode Island passed the first homeless bill of rights; bills have also been introduced in California, Hawaii, Illinois, Connecticut, Oregon, Vermont, and Missouri (Rankin, 2014). Typically, homeless rights legislation creates a protected class, based upon housing status, and seeks to provide members of this class with specific rights and entitlements, such as personal property privacy, emergency medical care, access to clean restrooms and affordable housing, the right to conduct life sustaining activities in public and to refuse shelter, as well as access to legal assistance to protect these rights, just to outline a few of the protections included in California's proposed homeless bill of rights legislation. The bill requires that individuals without permanent housing be treated equally under the law and not be discriminated against relative to employment, access to education, and their right to vote (Rankin, 2014).

In opposition to this legislation are downtown associations and community groups looking to protect the quality-of-life within their local communities as well as fiscal conservatives, which are particularly concerned about the high cost of providing these entitlements and protections. A study of the proposed California homeless bill of rights legislation, conducted by the California Assembly Committee on Appropriations, found that the California legislation may cost California taxpayers hundreds of millions of dollars due to costs ranging from \$8.2 million in additional law enforcement costs to comply with the reporting requirements under the law, \$216 million to build the required hygiene centers, as well as another \$81 million to staff them, just to highlight a few of the costs. Currently, the California legislation is inactive and no vote on the legislation is scheduled due to the State of California's inability to fund the law coupled with the more practical matter of how to implement the law (e.g. how to provide affordable housing, how many restroom facilities will need to be built to comply with the law and where they will need to be located, etc.) (Ammiano, 2014).

Returning to the Hotel Council's Dilemma

As previously outlined, despite the San Francisco hotel industry's strong financial performance in recent years, the Hotel Council's membership is concerned that the city's least fortunate residents, many of whom roam the streets of San Francisco throughout each day, coupled with a contingent of aggressive panhandlers that ask for money and food—particularly in areas frequented by tourists—may tarnish the city's image as a world-class tourism and convention destination. In addition, they are concerned that most visitors to the city may not realize that nearly one-half million dollars per day, or over \$167 million annually, is being spent to care for San Francisco's least fortunate citizens—leaving visitors with the impression that San Franciscans are not empathic to their plight. There is some evidence that supports the hotel community's concern.

Twenty five percent (25%) of tourists that have visited San Francisco report that a negative aspect of their visit was their exposure to panhandlers. In fact, exposure to panhandlers is one of the issues that most irritate tourists to San Francisco (Sherbert, 2011). In addition, panhandlers are now mentioned in travel guides such as Frommers and Lonely Planet in an effort to prepare tourists for their inevitable exposure to them (Griffin, 2012). Residents of San Francisco are also concerned about the panhandling population—a quality-of-life issue with which local residents must deal on nearly a daily basis. The results of a poll of five-hundred (500) residents, conducted by the San Francisco Chamber of Commerce in 2013, showed that the second most pervasive concern of the city's residents, second only to the high cost of housing in San Francisco, is “homelessness/street behavior”, with forty-nine-percent (49%) of residents indicating that the problem is getting worse as compared to previous years (San Francisco Chamber of Commerce, 2013). Consequently, the Hotel Council is debating whether they should utilize their considerable political clout, as San Francisco's largest single industry source of tax revenues for the city's general fund, to seek the assistance of the city's policymakers and law enforcement in addressing the problem; however, the problem is not easily solved and has perplexed sociologists and policymakers for decades.

Analyzing the Options

In order to formulate an appropriate strategy, the following questions and factors must be considered about the Hotel Council, and corporate social responsibility, and then applied when addressing the challenge:

The Hotel Council

- Explain the structure and mission of the Hotel Council of San Francisco. Outline the various activities that are spearheaded by the Hotel Council in an effort to achieve its mission.
- What options does the Hotel Council of San Francisco have relative to addressing the concerns of its members regarding aggressive panhandling and other offensive street behaviors

that may negatively impact visitors and their perceptions of San Francisco? Identify the potential risks, rewards, and most likely outcome related to each strategy's implementation.

Corporate Social Responsibility – Financial Performance

- As a part of a business's CSR policies, it has a responsibility to perform well financially. What factors are contributing to the strong financial performance of hotels in San Francisco? Identify the specific factors that are contributing to the high occupancy rates, Average Daily Rates (ADRs) and Revenue Per Available Room (RevPAR) currently being enjoyed by San Francisco hotels. How might these factors influence the Hotel Council's response to the dilemma?
- Outline the impact that San Francisco's hotel industry contributes to the Bay Area's economy. Explain the multiplier effect and how it bolsters the industry's economic contribution. What relationship, if any, does the industry's economic impact have on the Hotel Council's dilemma?
- How do hotel occupancy taxes in San Francisco compare to other destinations in the United States? How are the taxes allocated and how does this contribute to the industry's political clout? How might this political clout affect, either positively or negatively, the Hotel Council's response to aggressive street behavior?
- Other San Francisco businesses, organizations, and constituencies may share the Hotel Council's concerns, as related to aggressive street behavior. Identify these businesses and organizations. How might this impact the Hotel Council's response to the dilemma?

Corporate Social Responsibility – Ethical, Philanthropic, and Legal

- Discuss the unique characteristics of the hotel industry's workforce in San Francisco. How does it differ from other employers within the city? How might the workforce, and the characteristics of it, impact community perceptions of the industry as a corporate citizen? Might these workforce characteristics aid the industry in its efforts to address aggressive street behavior?
- Discuss pending legislation and other activities the San Francisco community has already undertaken to address homelessness in the community. How might the legislation and other activities affect the Hotel Council's response to its dilemma?

The Challenge

- Finally, based upon each of the factors above, please recommend a specific strategy to address aggressive street behavior in San Francisco and provide support for these recommendations.

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Appendix A

Breakdown of the Economic Impact Generated by San Francisco Hotels

Source	Direct impact	%	Indirect impact	%	Total impact	%
Hotel revenues	\$2,100,000,000	48%	\$1,356,000,000	61%	\$3,456,000,000	52%
Capital expenditures	\$0	0%	\$160,000,000	7%	\$160,000,000	2%
Visitor spending	\$2,300,000,000	52%	\$718,000,000	32%	\$3,018,000,000	45%
Total	\$4,400,000,000	66%	\$2,234,000,000	34%	\$6,634,000,000	100%

Appendix B

Jobs Generated by San Francisco Hotels

Source	San Francisco	%	Rest of Bay Area	%	Total	%
Hotel revenues	24,312	41%	1,624	50%	25,936	42%
Capital expenditures	1,331	2%	79	2%	1,410	2%
Visitor spending	33,269	56%	1,538	47%	34,807	56%
Total	58,912	95%	3,241	5%	62,153	100%