

File No. 240088

Committee Item No. 2

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Rules Committee

Date March 4, 2024

Board of Supervisors Meeting

Date \_\_\_\_\_

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Completed by: Victor Young

Date Feb 29, 2024

Completed by: \_\_\_\_\_

Date \_\_\_\_\_

1 [Administrative Code - Legacy Business Assistance Program]

2

3 **Ordinance amending the Administrative Code to create the Legacy Business**  
4 **Assistance Program.**

5 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
6 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
7 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
8 **Board amendment additions** are in double-underlined Arial font.  
9 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
10 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
11 subsections or parts of tables.

9

10 Be it ordained by the People of the City and County of San Francisco:

11

12 Section 1. Article XVI of Chapter 2A of the Administrative Code is hereby amended by  
13 adding Section 2A.246, to read as follows:

14

15 **SEC. 2A.246. LEGACY BUSINESS ASSISTANCE PROGRAM.**

16 **(a) Definitions.**

17 For purposes of this Section 2A.246, the following terms have the following meanings:

18 (1) “Legacy Business” has the meaning set forth in Section 2A.242(b) of this Code.

19 (2) “Program” means the Legacy Business Assistance Program.

20 (3) “Fund” means the Legacy Business Assistance Program Fund.

21 **(b) Legacy Business Assistance Program Fund.**

22 (1) Funds for the Program shall be deposited in the Legacy Business Assistance  
23 Program Fund, which shall be used for grants and assistance to Legacy Businesses and landlords of  
24 Legacy Businesses, as well as marketing, promotions, branding, and programmatic expenses to support  
25 Legacy Businesses.

1 (2) The Fund shall be a category 4 fund, as that term is defined in Administrative Code  
2 Section 10.100-1.

3 (c) **Oversight and Management.**

4 (1) The Small Business Commission shall provide oversight of the Office of Small  
5 Business's management of the Program.

6 (2) The Office of Small Business shall report annually to the Small Business  
7 Commission on the activities and expenditures of the Program.

8 (3) The Office of Small Business shall manage the Program, including but not limited to  
9 the approval of grants, assistance, marketing, promotions, branding, and programmatic expenses.

10 (d) **Operation of the Program.**

11 (1) **Grants to Legacy Businesses.** To promote the long-term stability of Legacy  
12 Businesses and to help Legacy Businesses remain in San Francisco, the Fund may be used to fund  
13 grants to Legacy Businesses, as defined in Section 2A.242, consistent with any rules and regulations  
14 approved by the Small Business Commission.

15 (2) **Financial and Business Assistance to Legacy Businesses.** To promote the long-  
16 term stability of Legacy Businesses and to help Legacy Businesses remain in San Francisco, the Fund  
17 may be used to provide other financial assistance, business assistance, incentives, and programs to  
18 Legacy Businesses, consistent with any rules and regulations approved by the Small Business  
19 Commission.

20 (3) **Grants to Landlords of Legacy Businesses.** To provide incentives for landlords to  
21 enter into long-term leases with Legacy Businesses and secure the future stability of San Francisco's  
22 long-operating businesses, the Fund may be used to provide grants to landlords who enter into  
23 agreements with Legacy Businesses that lease real property in San Francisco, consistent with any rules  
24 and regulations approved by the Small Business Commission.

1 (4) **Financial and Business Assistance to Landlords of Legacy Businesses.** To  
2 provide incentives for landlords to enter into long-term leases with Legacy Businesses and secure the  
3 future stability of San Francisco's long-operating businesses, the Fund may be used to provide other  
4 financial assistance, business assistance, incentives, and programs to landlords of Legacy Businesses,  
5 consistent with any rules and regulations approved by the Small Business Commission.

6 (5) **Marketing, Promotions, Branding, and Programmatic Expenses.** To maintain San  
7 Francisco's cultural identity and to foster civic engagement and pride, the Fund may be used to fund  
8 marketing, promotions, branding, and programmatic expenses to support Legacy Businesses and  
9 landlords of Legacy Businesses and other related programmatic expenses, with management by the  
10 Office of Small Business.

11 (e) **Rules and Regulations.**

12 (1) Within six months of the effective date of the ordinance in Board of Supervisors File  
13 No. 240088 enacting this Section 2A.246, and before the disbursement of any monies from the Fund,  
14 the Small Business Commission shall, after a noticed hearing, adopt such rules and regulations  
15 necessary to implement this Section 2A.246 and achieve the purposes identified in subsection (d),  
16 including but not limited to eligibility criteria and application procedures for grants from the Fund.  
17 Rules and regulations shall become final in accordance with subsection (e)(2).

18 (2) Any rules and regulations adopted under the authority of subsection (e)(1) shall be  
19 subject to disapproval of the Board of Supervisors by ordinance. The Small Business Commission shall  
20 provide written notice to the Clerk of the Board of Supervisors of its adoption of any rule or regulation  
21 under subsection (a), along with a copy of said rule or regulation. If a Member of the Board of  
22 Supervisors does not introduce an ordinance to disapprove the rule or regulation within 30 days of the  
23 date of delivery of such notice to the Clerk of the Board of Supervisors, or if such an ordinance is  
24 introduced within the 30-day period but the ordinance is not enacted by the City within 90 days of the  
25

1 date of the Commission’s delivery of notice to the Clerk of the Board of Supervisors, the rule or  
2 regulation shall become final.

3  
4 Section 2. Effective Date. This ordinance shall become effective 30 days after  
5 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
6 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
7 of Supervisors overrides the Mayor’s veto of the ordinance.

8  
9 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
10 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
11 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
12 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
13 additions, and Board amendment deletions in accordance with the “Note” that appears under  
14 the official title of the ordinance.

15  
16 APPROVED AS TO FORM:  
17 DAVID CHIU, City Attorney

18 By: /s/ Victoria Wong  
19 VICTORIA WONG  
Deputy City Attorney

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## **LEGISLATIVE DIGEST**

[Administrative Code - Legacy Business Assistance Program]

### **Ordinance amending the Administrative Code to create the Legacy Business Assistance Program.**

#### Existing Law

Administrative Code Section 2A.246 would create a new program.

#### Amendments to Current Law

Section 2A. 246 would create the Legacy Business Assistance Program. This program would administer a Legacy Business Assistance Program Fund, which would be used for grants and financial and business assistance to Legacy Businesses and landlords of Legacy Businesses, as well as marketing, promotions, branding, and programmatic expenses to support Legacy Businesses. The Small Business Commission would oversee the Program. The Office of Small Business would manage the Program; would report annually to the Small Business Commission on the activities and expenditures of the Program; and would adopt rules and regulations for the Program, subject to disapproval by the Board of Supervisors.



#### Background Information

Currently, Administrative Code Section 2A.243, Legacy Business Historic Preservation Fund, authorizes the City to provide grants to Legacy Businesses and landlords of Legacy Businesses, and sets forth eligibility criteria, application procedures and grant amounts. Section 2A.246 would not supersede Section 2A.243, but instead would be an additional program to support Legacy Businesses.



CITY AND COUNTY OF SAN FRANCISCO  
LONDON BREED, MAYOR

OFFICE OF SMALL BUSINESS  
DIRECTOR KATY TANG

February 29, 2024

Ms. Angela Calvillo, Clerk of the Board  
City Hall Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**RE: BOS File No. 240088 – Legacy Business Assistance Program - SUPPORT**

Dear Ms. Calvillo,

On February 26, 2024 the Small Business Commission (the Commission) heard BOS File 240088– Legacy Business Assistance Program. Richard Kurylo, Legacy Business Program Manager, Office of Small Business, presented the legislation.

This legislation would create a Legacy Business Assistance Program and Fund within the Administrative Code to be used for grants, financial assistance, and business assistance for Legacy Businesses and landlords of Legacy Businesses. Currently, the Legacy Business Program administers Rent Stabilization Grants to property owners with Legacy Business tenants. Many, but not all, property owners share a portion or all of the Rent Stabilization Grants directly with Legacy Businesses. The new Program and Fund would ensure that at least 50 percent of the grant funding goes directly to Legacy Businesses for new applicants.

The Commission supports this proposal as a way to provide financial assistance and help sustain San Francisco’s Legacy Businesses. Thank you for considering the Commission’s recommendations. Please feel free to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Katy Tang".

Katy Tang  
Director, Office of Small Business

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. (415) 554-5184  
Fax No. (415) 554-5163  
TDD/TTY No. (415) 554-5227

## MEMORANDUM

TO: Katy Tang, Director, Small Business Commission  
Kerry Birnbach, Commission Secretary

**Small Business Commission, City Hall, Room 448**

FROM: Victor Young, Assistant Clerk  
Rules Committee

DATE: February 6, 2024

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Rules Committee

The Board of Supervisors' Rules Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File No. 240088**

**Ordinance amending the Administrative Code to create the Legacy Business Assistance Program**

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

\*\*\*\*\*

**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

\_\_\_\_\_ **No Comment**

\_\_\_\_\_ **Recommendation Attached**

\_\_\_\_\_  
**Chairperson, Small Business Commission**