

BOARD of SUPERVISORS



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

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Victor Young, Assistant Clerk *Victor Young*
Rules Committee

DATE: March 29, 2021

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. 210303

Ordinance amending the Administrative Code to create a Neighborhood Anchor Business Registry under the Office of Small Business and make it City policy to promote participation by Neighborhood Anchor Businesses in City grant programs for small businesses and for commercial eviction defense.

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



City and County of San Francisco

Master Report

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 210303 **File Type:** Ordinance **Status:** 30 Day Rule

Enacted: _____ **Effective:** _____

Version: 1 **In Control:** Rules Committee

File Name: Administrative Code - Creating a Neighborhood Anchor Business Registry **Date Introduced:** 03/23/2021

Requester: _____ **Cost:** _____ **Final Action:** _____

Comment: _____ **Title:** Ordinance amending the Administrative Code to create a Neighborhood Anchor Business Registry under the Office of Small Business and make it City policy to promote participation by Neighborhood Anchor Businesses in City grant programs for small businesses and for commercial eviction defense.

Sponsors: Chan; Haney,
Ronen, Preston
and Walton

History of Legislative File 210303

Ver	Acting Body	Date	Action	Sent To	Due Date	Result
1	President	03/23/2021	ASSIGNED UNDER 30 DAY RULE	Rules Committee	04/22/2021	

1 [Administrative Code - Creating a Neighborhood Anchor Business Registry]

2

3 **Ordinance amending the Administrative Code to create a Neighborhood Anchor**
 4 **Business Registry under the Office of Small Business and make it City policy to**
 5 **promote participation by Neighborhood Anchor Businesses in City grant programs for**
 6 **small businesses and for commercial eviction defense.**

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

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

15 Section 1. Article XVI of Chapter 2A of the Administrative Code is hereby amended by
 16 adding Sections 2A.244 and 2A.245, to read as follows:

17 **SEC. 2A.244. NEIGHBORHOOD ANCHOR BUSINESS REGISTRY.**

18 *(a) The Office of Small Business shall establish and maintain a registry of Neighborhood*
 19 *Anchor Businesses in San Francisco (“the Registry”).*

20 *(b) For purposes of this Section 2A.244 and Section 2A.245, “Neighborhood Anchor Business”*
 21 *means a business that either (1) is included in the Legacy Business Registry under Section 2A.242 of*
 22 *this Article, or (2) is designated pursuant to subsection (d), below, and meets all of the following*
 23 *criteria:*

24 *(1) The business has been in continuous operation in San Francisco for 15 or more*
 25 *years at the time of nomination, meaning there has been no break in San Francisco operations*

1 exceeding two years, provided that a period of non-operation during the COVID-19 pandemic shall not
2 be considered a break in operations;

3 (2) The business has operated for that period in at least one physical location within a
4 Neighborhood Commercial District (Planning Code Art. 7), Historic District (Planning Code Art. 10),
5 or Conservation District (Planning Code Art. 11), or in a location that has subsequently been
6 recognized as a Neighborhood Commercial District, Historic District, or Conservation District.

7 (3) The business has 100 or fewer employees.

8 (c) A business shall not be eligible for inclusion in the Registry if it has an unpaid judgment
9 with the California Division of Labor Standards Enforcement (DLSE), if there are any pending
10 complaints against the business with the Office of Labor Standards Enforcement (OLSE) or if the OLSE
11 has issued findings of misconduct against the business within the past five years, unless the OLSE
12 determines in writing that the misconduct has since been corrected. If the OLSE issues findings of
13 misconduct against a business already included in the Registry, the inclusion of that business in the
14 Registry shall automatically be suspended until the OLSE determines that the misconduct has been
15 corrected.

16 (d) The Office of Small Business shall enter a proposed Neighborhood Anchor Business in the
17 Registry as follows:

18 (1) The proposed Neighborhood Anchor Business must first be nominated by a local
19 merchants association representing the neighborhood where the Business is located, or recommended
20 by petition signed by 50 or more residents who live within a one-mile radius of the Business;

21 (2) The Executive Director of the Office of Small Business shall determine whether the
22 nomination meets the requirements of subsection (d)(1), above, and the proposed Neighborhood
23 Anchor Business meets the requirements of subsection (b), above; and

24 (3) The Executive Director specifies in the Registry the location or locations of the
25 Neighborhood Anchor Business that meet the requirements of subsection (d)(2), above.

1 (e) In order to remain on the Registry, a Neighborhood Anchor Business must continue to meet
2 the criteria set in subsection (b).

3 (f) In addition to its duties under Section 2A.245, and subject to the fiscal and budgetary
4 provisions of the Charter, the Office of Small Business may develop and submit to the Mayor and the
5 Board of Supervisors for approval programs to preserve and grow Neighborhood Anchor Businesses,
6 including programs for business and technical assistance, lease renewal and acquisition assistance,
7 public education and commendation initiatives to recognize and honor the contributions of
8 Neighborhood Anchor Businesses, and additional business stabilization and neighborhood continuity
9 initiatives.

10 (g) The Office of Small Business may, after a noticed hearing, adopt such rules, regulations
11 and forms that are not inconsistent with this Section 2A.244 or its purposes and that will assist and
12 guide departments in implementing this Section and Section 2A.245.

13
14 **SEC. 2A.245. NEIGHBORHOOD ANCHOR BUSINESS REGISTRY; BUSINESS GRANTS AND**
15 **LOANS; COMMERCIAL EVICTION DEFENSE.**

16 (a) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor
17 Businesses in the award and administration of any grant or loan program for San Francisco
18 businesses, subject to any applicable legal restrictions. All City officers and departments shall
19 cooperate with the Office of Small Business in carrying out this policy. No later than 30 days after the
20 effective date of this Section 2A.245, the Office of Small Business shall prepare a report identifying all
21 such programs and their eligibility requirements. The Office of Small Business shall inform
22 Neighborhood Anchor Businesses of such opportunities and assist them, as appropriate, in applying
23 and qualifying for such programs.

24 (b) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor
25 Businesses in any commercial lease assistance, conflict resolution, or commercial eviction defense

1 programs for San Francisco businesses, subject to any applicable legal restrictions. All City officers
2 and departments shall cooperate with the Office of Small Business in carrying out this policy. No later
3 than 30 days after the effective date of this ordinance, the Office of Small Business shall prepare a
4 report identifying all such programs and their eligibility requirements. The Office of Small Business
5 shall inform Neighborhood Anchor Businesses of such programs and assist them, as appropriate, in
6 applying and qualifying for such programs.

7

8 Section 2. Section 2A.244 of the Administrative Code is renumbered without change
9 as Section 2A.249.

10

11 Section 3. Effective Date. This ordinance shall become effective 30 days after
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
14 of Supervisors overrides the Mayor's veto of the ordinance.

15

16

17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA, City Attorney

19

20

By: /s/ Thomas J. Owen
 THOMAS J. OWEN
 Deputy City Attorney

21

22

n:\legana\as2021\2100292\01521414.docx

23

24

25

LEGISLATIVE DIGEST

[Administrative Code - Creating a Neighborhood Anchor Business Registry]

Ordinance amending the Administrative Code to create a Neighborhood Anchor Business Registry under the Office of Small Business and make it City policy to promote participation by Neighborhood Anchor Businesses in City grant programs for small businesses and for commercial eviction defense.

Existing Law

The City currently has a number of programs to support small and neighborhood businesses, but does not have a specific program to benefit “Neighborhood Anchor Businesses.”

Amendments to Current Law

The proposed legislation is an ordinance that would amend the Administrative Code to create a program recognizing “Neighborhood Anchor Businesses” and making it City policy to support these businesses.

Under the proposal, the Office of Small Business would create a registry—or official list—of Neighborhood Anchor Businesses in San Francisco.

A business could get on the list in either of two ways. First, if the business already was a “Legacy Business” under the Administrative Code, it automatically would also be included on the Neighborhood Anchor Business Registry. Second, the Executive Director of the Office of Small Business could add a business to the Registry if the business met three requirements:

- The business had been in continuous operation in San Francisco for 15 or more years, with no break in those operations of more than two years, excluding any temporary closure of the business because of the COVID-19 pandemic;
- The business had operated during that time from at least one physical location within a Neighborhood Commercial District, Historic District, or Conservation District, as defined in the Planning Code; and,
- The business had 100 or fewer employees.

The Executive Director would only select businesses that had been nominated by a local merchants association, or recommended by a petition signed by 50 or more residents who lived within a one-mile radius of the business.

The proposal would make it City policy to include Neighborhood Anchor Businesses in any grant or loan program for San Francisco businesses that the Anchor Businesses otherwise qualified for, or in any programs for commercial lease assistance, conflict resolution, or commercial eviction defense. And it would make it City policy to give priority to Anchor Businesses in those programs, where appropriate. The proposal would require the Office of Small Business to prepare a report within 30 days identifying all such programs and their eligibility requirements, and direct the Office to inform Neighborhood Anchor Businesses of such opportunities and help the Businesses apply and qualify for such programs.

Background Information

The Administrative Code currently provides for establishment of a San Francisco Legacy Business Registry. The registry is open to businesses that are 30 years or older, have been nominated by a member of the Board of Supervisors or the Mayor, and, in a hearing before the Small Business Commission, prove they have made a significant impact on the history or culture of their neighborhood. Only 300 businesses may be nominated for the Legacy Business Registry annually, and all applicants must agree to maintain the historical name and essential business operations, physical features, craft, and traditions of their businesses.

In addition, the Administrative Code establishes a Legacy Business Historic Preservation Fund. The Fund provides grants to both Legacy Business owners and to property owners who agree to lease extensions with Legacy Business tenants, subject to the availability of funds.

n:\legana\as2021\2100292\01521420.docx

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Chan; Haney, Ronen, Preston, Walton

Subject:

Administrative Code - Creating a Neighborhood Anchor Business Registry

The text is listed:

Ordinance amending the Administrative Code to create a Neighborhood Anchor Business Registry under the Office of Small Business and make it City policy to promote participation by Neighborhood Anchor Businesses in City grant programs for small businesses and for commercial eviction defense.

Signature of Sponsoring Supervisor: /c/ Connie Chan

For Clerk's Use Only

From: [Fregosi, Ian \(BOS\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Chan, Connie \(BOS\)](#); [OWEN, TOM \(CAT\)](#); [CROWLEY, SARAH \(CAT\)](#)
Subject: Introduction: Neighborhood Anchor Business Legislation
Date: Tuesday, March 23, 2021 3:55:31 PM
Attachments: [Intro Form- Neighborhood Anchor Businesses.pdf](#)
[NAB Legislation Introduced 3-23-21.docx](#)
[NAB Leg Digest 3-23-21.docx](#)

Hello,

Attached is the intro form, legislation, and legislative digest for Supervisor Chan's ordinance to create a Neighborhood Anchor Business Registry. Please let me know if there's anything else you need from me.

Thanks,

Ian Fregosi 范義仁
Legislative Aide
Office of Supervisor Connie Chan
San Francisco Board of Supervisors | District 1
415-554-7412

From: [Somera, Alisa \(BOS\)](#)
To: [BOS Legislation, \(BOS\)](#)
Subject: FW: Ordinance for Introduction - Neighborhood Anchor Business Registry
Date: Tuesday, March 23, 2021 9:40:34 AM
Attachments: [01521414.docx](#)
[01521420.DOCX](#)

Alisa Somera

Legislative Deputy Director
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
415.554.7711 direct | 415.554.5163 fax
alisa.somera@sfgov.org

(VIRTUAL APPOINTMENTS) To schedule a “virtual” meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

Due to the current COVID-19 health emergency and the Shelter in Place Order, the Office of the Clerk of the Board is working remotely while providing complete access to the legislative process and our services.

Click [HERE](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

~~~~~

**Disclosures:** *Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

---

**From:** Owen, Thomas (CAT) <Thomas.Owen@sfcityatty.org>  
**Sent:** Tuesday, March 23, 2021 9:21 AM  
**To:** Chan, Connie (BOS) <connie.chan@sfgov.org>; Fregosi, Ian (BOS) <ian.fregosi@sfgov.org>  
**Cc:** PEARSON, ANNE (CAT) <Anne.Pearson@sfcityatty.org>; ZAREFSKY, PAUL (CAT) <Paul.Zarefsky@sfcityatty.org>; BUTA, ODAYA (CAT) <Odaya.Buta@sfcityatty.org>; SAPERSTEIN, ALLIE (CAT) <Allie.Saperstein@sfcityatty.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>; CROWLEY, SARAH (CAT) <Sarah.Crowley@sfcityatty.org>  
**Subject:** Ordinance for Introduction - Neighborhood Anchor Business Registry

Supervisor Chan and Ian,

Please find attached Word versions of the following ordinance and legislative digest for submission to the Clerk of the Board upon introduction:

**Ordinance amending the Administrative Code to create a Neighborhood Anchor Business Registry under the Office of Small Business and make it City policy to promote participation by Neighborhood Anchor Businesses in City grant programs for small businesses and for commercial eviction defense.**

Please note that my electronic signature at the end of the ordinance reflects that I have approved this ordinance as to form. Let me know if you have any questions or would like any additional information.

**Thomas J. Owen**

Deputy City Attorney

Office of City Attorney Dennis Herrera

(415) 554-####

[www.sfcityattorney.org](http://www.sfcityattorney.org)

**DURING COVID, PLEASE CONTACT ME THROUGH EMAIL.**

1 [Administrative Code - Creating a Neighborhood Anchor Business Registry]

2

3 **Ordinance amending the Administrative Code to create a Neighborhood Anchor**  
 4 **Business Registry under the Office of Small Business and make it City policy to**  
 5 **promote participation by Neighborhood Anchor Businesses in City grant programs for**  
 6 **small businesses and for commercial eviction defense.**

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

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

15 Section 1. Article XVI of Chapter 2A of the Administrative Code is hereby amended by  
 16 adding Sections 2A.244 and 2A.245, to read as follows:

17 **SEC. 2A.244. NEIGHBORHOOD ANCHOR BUSINESS REGISTRY.**

18 *(a) The Office of Small Business shall establish and maintain a registry of Neighborhood*  
 19 *Anchor Businesses in San Francisco (“the Registry”).*

20 *(b) For purposes of this Section 2A.244 and Section 2A.245, “Neighborhood Anchor Business”*  
 21 *means a business that either (1) is included in the Legacy Business Registry under Section 2A.242 of*  
 22 *this Article, or (2) is designated pursuant to subsection (d), below, and meets all of the following*  
 23 *criteria:*

24 *(1) The business has been in continuous operation in San Francisco for 15 or more*  
 25 *years at the time of nomination, meaning there has been no break in San Francisco operations*

1 exceeding two years, provided that a period of non-operation during the COVID-19 pandemic shall not  
2 be considered a break in operations;

3 (2) The business has operated for that period in at least one physical location within a  
4 Neighborhood Commercial District (Planning Code Art. 7), Historic District (Planning Code Art. 10),  
5 or Conservation District (Planning Code Art. 11), or in a location that has subsequently been  
6 recognized as a Neighborhood Commercial District, Historic District, or Conservation District.

7 (3) The business has 100 or fewer employees.

8 (c) A business shall not be eligible for inclusion in the Registry if it has an unpaid judgment  
9 with the California Division of Labor Standards Enforcement (DLSE), if there are any pending  
10 complaints against the business with the Office of Labor Standards Enforcement (OLSE) or if the OLSE  
11 has issued findings of misconduct against the business within the past five years, unless the OLSE  
12 determines in writing that the misconduct has since been corrected. If the OLSE issues findings of  
13 misconduct against a business already included in the Registry, the inclusion of that business in the  
14 Registry shall automatically be suspended until the OLSE determines that the misconduct has been  
15 corrected.

16 (d) The Office of Small Business shall enter a proposed Neighborhood Anchor Business in the  
17 Registry as follows:

18 (1) The proposed Neighborhood Anchor Business must first be nominated by a local  
19 merchants association representing the neighborhood where the Business is located, or recommended  
20 by petition signed by 50 or more residents who live within a one-mile radius of the Business;

21 (2) The Executive Director of the Office of Small Business shall determine whether the  
22 nomination meets the requirements of subsection (d)(1), above, and the proposed Neighborhood  
23 Anchor Business meets the requirements of subsection (b), above; and

24 (3) The Executive Director specifies in the Registry the location or locations of the  
25 Neighborhood Anchor Business that meet the requirements of subsection (d)(2), above.

1 (e) In order to remain on the Registry, a Neighborhood Anchor Business must continue to meet  
2 the criteria set in subsection (b).

3 (f) In addition to its duties under Section 2A.245, and subject to the fiscal and budgetary  
4 provisions of the Charter, the Office of Small Business may develop and submit to the Mayor and the  
5 Board of Supervisors for approval programs to preserve and grow Neighborhood Anchor Businesses,  
6 including programs for business and technical assistance, lease renewal and acquisition assistance,  
7 public education and commendation initiatives to recognize and honor the contributions of  
8 Neighborhood Anchor Businesses, and additional business stabilization and neighborhood continuity  
9 initiatives.

10 (g) The Office of Small Business may, after a noticed hearing, adopt such rules, regulations  
11 and forms that are not inconsistent with this Section 2A.244 or its purposes and that will assist and  
12 guide departments in implementing this Section and Section 2A.245.

13  
14 **SEC. 2A.245. NEIGHBORHOOD ANCHOR BUSINESS REGISTRY; BUSINESS GRANTS AND**  
15 **LOANS; COMMERCIAL EVICTION DEFENSE.**

16 (a) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor  
17 Businesses in the award and administration of any grant or loan program for San Francisco  
18 businesses, subject to any applicable legal restrictions. All City officers and departments shall  
19 cooperate with the Office of Small Business in carrying out this policy. No later than 30 days after the  
20 effective date of this Section 2A.245, the Office of Small Business shall prepare a report identifying all  
21 such programs and their eligibility requirements. The Office of Small Business shall inform  
22 Neighborhood Anchor Businesses of such opportunities and assist them, as appropriate, in applying  
23 and qualifying for such programs.

24 (b) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor  
25 Businesses in any commercial lease assistance, conflict resolution, or commercial eviction defense

1 programs for San Francisco businesses, subject to any applicable legal restrictions. All City officers  
2 and departments shall cooperate with the Office of Small Business in carrying out this policy. No later  
3 than 30 days after the effective date of this ordinance, the Office of Small Business shall prepare a  
4 report identifying all such programs and their eligibility requirements. The Office of Small Business  
5 shall inform Neighborhood Anchor Businesses of such programs and assist them, as appropriate, in  
6 applying and qualifying for such programs.

7

8 Section 2. Section 2A.244 of the Administrative Code is renumbered without change  
9 as Section 2A.249.

10

11 Section 3. Effective Date. This ordinance shall become effective 30 days after  
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
14 of Supervisors overrides the Mayor's veto of the ordinance.

15

16

17 APPROVED AS TO FORM:  
18 DENNIS J. HERRERA, City Attorney

19

20

By:           /s/ Thomas J. Owen            
          THOMAS J. OWEN  
          Deputy City Attorney

21

22 n:\legana\as2021\2100292\01521414.docx

23

24

25