

LEGISLATIVE DIGEST

(Amended in Committee, 5/17/2021)

[Administrative Code - 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 related to COVID-19 relief 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 one 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 would 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, Conservation District, or Cultural District, as defined in the Planning and Administrative Codes; and,
- The business had a total of 100 or fewer employees across all locations.

The Executive Director would only select businesses that had been nominated by the Small Business Commission, nominated by a local merchants association, or recommended by a petition signed by 25 or more residents who lived within a one-mile radius of the business. The Executive Director could also accept nominations from additional community-based

organizations, identified by the Executive Director, that have an established connection to the local business community and whose inclusion would advance the City's racial equity and language access goals. The ordinance would require the Office of Small Business to prepare an annual report on the characteristics and demographics of the businesses included in the Registry.

The proposal would make it City policy to include Neighborhood Anchor Businesses in any grant or loan program for San Francisco businesses related to COVID-19 relief 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 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.

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The May 17 committee amendments made three additions to the proposed ordinance:

- The amendments authorized the Small Business Commission to nominate qualified businesses for inclusion in the Registry;
- The amendments reduced the number of neighborhood signatures required to nominate a business for inclusion in the Registry from 50 to 25; and
- The amendments added a requirement that the Office of Small Business prepare an annual report on the characteristics and demographics of the businesses included in the Registry.