

File No. 210303

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date May 17, 2021

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Memorandum of Understanding (MOU) |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 - Ethics Commission |
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Completed by: Victor Young Date May 13, 2021

Completed by: _____ Date _____

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 related to COVID-19 relief 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 Cultural District (Administrative Code
6 Chapter 107), or in a location that has subsequently been recognized as a Neighborhood Commercial
7 District, Historic District, ~~or~~ Conservation District, or Cultural District. For purposes of this
8 Section 2A.244, "Neighborhood Commercial District" shall include a Neighborhood
9 Commercial Transit District and any other class of district established by Planning Code
10 Section 702.

11 (3) The business has a total of 100 or fewer employees across all locations.

12 (c) A business shall not be eligible for inclusion in the Registry if there are any pending
13 complaints against the business related to the violation of any worker protection law filed in
14 court or it has an unpaid judgment with the California Division of Labor Standards Enforcement
15 (DLSE), if there are any pending complaints against the business with the San Francisco Office
16 of Labor Standards Enforcement (OLSE) or if the OLSE, the California Division of Occupational
17 Safety and Health (Cal/OSHA), or the California Division of Workers' Compensation
18 (hereinafter, "labor enforcement agencies"); if any court or labor enforcement agency has
19 issued findings of misconduct against the business within the past five years that the business
20 has violated any worker protection law, unless the relevant court or agency OLSE determines in
21 writing that the misconduct has since been corrected or resolved; or if the business has any unpaid
22 judgment against it based on a finding by a court or labor enforcement agency that the
23 business violated any worker protection law. If a court or labor enforcement agency the OLSE
24 issues such findings of misconduct against a business already included in the Registry, the inclusion of
25

1 that business in the Registry shall automatically be suspended until the court or labor enforcement
2 agency ~~OLSE~~ determines that the misconduct has been corrected or resolved.

3 (1) Any business nominated to the Neighborhood Anchor Business Registry
4 must first, as condition of that nomination, submit a signed, sworn statement under penalty of
5 perjury, in a form to be provided by the Office of Small Business, that the business is in
6 compliance with this subsection (c). The business shall also disclose as a part of the
7 statement whether it has any pending complaints against it before a court or labor
8 enforcement agency for violation of a worker protection law.

9 (2) Any business included in the Registry must notify the Office of Small
10 Business of any subsequent change in circumstances that would render its previous sworn
11 statement inaccurate within 30 days of becoming aware of those changes.

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

14 (1) The proposed Neighborhood Anchor Business must first be nominated by a local
15 merchants association representing the neighborhood where the Business is located, or recommended
16 by petition signed by 50 or more residents who live within a one-mile radius of the Business;. The
17 Executive Director of the Office of Small Business may, by regulation, identify additional
18 community-based organizations that may nominate businesses for inclusion in the Registry,
19 where the Executive Director determines that such organizations have an established
20 connection to the local business community and that the addition of such organizations would
21 advance the City's racial equity and language access goals.

22 (2) No merchants association or community-based organization may nominate
23 more than 10 businesses for inclusion in the Registry in any year. There shall be no cap on
24 the number of nominations by petition permitted in a year;

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

4 (4)(3) The Executive Director specifies in the Registry the location or locations of the
5 Neighborhood Anchor Business that meet the requirements of subsection (b)(d)(2), above.

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

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

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

18
19 **SEC. 2A.245. NEIGHBORHOOD ANCHOR BUSINESS REGISTRY; BUSINESS GRANTS AND**
20 **LOANS; COMMERCIAL EVICTION DEFENSE.**

21 (a) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor
22 Businesses in the award and administration of any grant or loan program for San Francisco businesses
23 related to relief or recovery from the COVID-19 emergency, subject to any applicable legal
24 restrictions and consistent with the City's racial equity and language access goals. All City
25 officers and departments shall cooperate with the Office of Small Business in carrying out this policy.

1 No later than 30 days after the Office of Small Business issues an application form for the
2 Registry program~~the effective date of this Section 2A.245, the Office of Small Business shall~~
3 prepare a report identifying all such programs that have as of that date formally adopted and
4 promulgated and their eligibility requirements. If the City adopts any such grant or loan
5 programs after the effective date of this Section 2A.245, the Office of Small Business shall
6 add the programs to the report no later than 30 days after the formal adoption of eligibility
7 criteria for those programs. The Office of Small Business shall inform Neighborhood Anchor
8 Businesses of such opportunities and assist them, as appropriate, in applying and qualifying for such
9 programs.

10 (b) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor
11 Businesses in any commercial lease assistance, conflict resolution, or commercial eviction defense
12 programs for San Francisco businesses, subject to any applicable legal restrictions and consistent
13 with the City's racial equity and language access goals. All City officers and departments shall
14 cooperate with the Office of Small Business in carrying out this policy. No later than 30 days after the
15 Office of Small Business issues an application form for the Registry program~~the effective date~~
16 ~~of this ordinance, the Office of Small Business shall prepare a report identifying all such programs~~
17 that have as of that date formally adopted and promulgated and their eligibility requirements. If
18 the City adopts any such commercial lease assistance, conflict resolution, or commercial
19 eviction defense programs after the effective date of this Section 2A.245, the Office of Small
20 Business shall add the programs to the report no later than 30 days after the formal adoption
21 of eligibility criteria for those programs. The Office of Small Business shall inform Neighborhood
22 Anchor Businesses of such programs and assist them, as appropriate, in applying and qualifying for
23 such programs.

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

3
4 Section 3. 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
10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA, City Attorney

12
13 By: /s/ Thomas J. Owen
 THOMAS J. OWEN
14 Deputy City Attorney

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LEGISLATIVE DIGEST

(Revised 5/10/2021)

[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 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 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 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 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 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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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



April 23, 2021

Mr. Sharky Laguana, President
SF Small Business Commission
City Hall, Room 140
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Email: sbc@sfgov.org

Re: Neighborhood Anchor Business Registry

Dear President Laguana:

The Japantown Merchants Association (JMA) welcomes and strongly supports the creation of a **Neighborhood Anchor Business Registry**.

We represent over 75 businesses in Japantown, with the majority of them being businesses with less than 10 employees. Our businesses provide more than a tangible commodity to purchase. They serve as our cultural liaisons to residents, neighbors and visitors in providing information and culturally authentic goods and services from Japan. Without them, our Japantown community would be void of being able to appropriately promote and preserve our cultural heritage with the larger community.

The **Neighborhood Anchor Business Registry** would be a welcome addition to the Japantown community. There are a number of businesses who are not yet eligible for the Legacy Business Registry but are still vital and critical members of our business community. The protections and incentives provided by this program would allow them a better chance in succeeding and carrying on the traditions Japantown has continued to pass down over its 115+ years of existence in this City.

Thank you for seriously considering this Ordinance.

Sincerely,

Richard Hashimoto
President

cc: SF Board of Supervisors



San Francisco Council of District Merchants Associations

Maryo Mogannam
President

Masood Samereie
Vice-President

Al Williams
Vice-President

Tracey Sylvester
Secretary

Keith Goldstein
Treasurer

April 22, 2021

The Honorable Supervisor Connie Chan,
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, #244
San Francisco, CA 94102-4689

RE: Ordinance amending the Administrative Code to create a Neighborhood Anchor Business Registry under the Office of Small Business

Dear Supervisor Chan, and members of the Board of Supervisors,

The San Francisco Council of District Merchants Associations (SFCDMA) has served to protect, preserve, and promote small businesses in San Francisco for 72 years. We represent local merchant associations and an eclectic mix of neighborhood businesses in every commercial district.

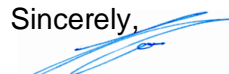
We are writing in **support** of Supervisor Chan's ordinance amendment regarding the Neighborhood Anchor Business Registry. We thank Supervisor Chan, and all the Supervisors who are making the effort to help small neighborhood merchants survive and have an opportunity to thrive as we begin to reopen and move through and beyond the COVID-19 pandemic.

San Francisco's merchant corridors help define the character of each of our individual neighborhoods. Local merchants contribute to San Francisco's reputation as a uniquely livable city in which to work, live and visit. It is therefore imperative that we continue to collaborate to find creative and equitable solutions that will ensure the economic recovery of local small businesses of every kind in all neighborhoods across the city.

The SFCDMA **supports** the creation of a Neighborhood Anchor Business Registry. We also urge that the ordinance is funded to have staff available to execute on this valuable Identification of anchor businesses which are unique and define our commercial neighborhood corridors. We understand that we are all under financial duress, but please consider this as an investment in our future and not an expense.

Thank you again for your support of San Francisco's merchants and merchant associations.

Sincerely,



Maryo Mogannam, President
San Francisco Council of District Merchants Associations

cc: Clerk of the Board of Supervisors, to be distributed to all Supervisors; Clerk of the Small Business Commission, to be distributed to all Commissioners; Sharky Laguana, SBC President; Regina Dick-Endrizzi, OSB Executive Director