



Presentation Title

March 18, 2021

Government Audits
and Oversight Committee

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Office of Small Business - Business Assistant Center

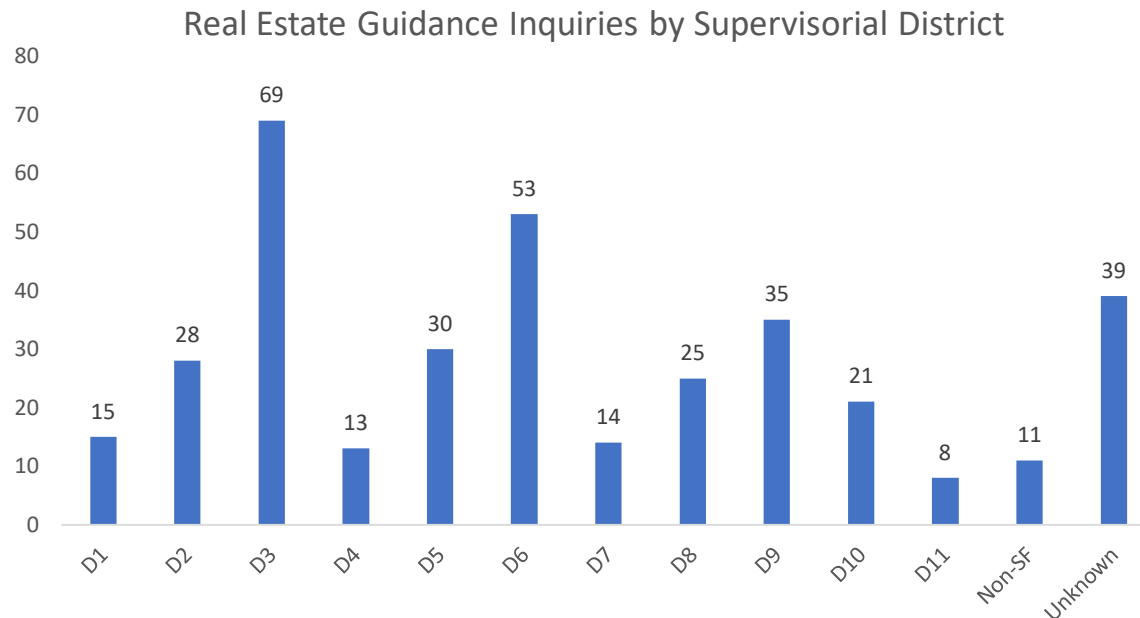


- Frontline assistance to small business.
 - OSB -email and phone listed on OEWD COVID-19 website
- Direct coordination with OEWD for seamless delivery of services
- March 2020 – February 2012 – 6475 businesses assisted (44%+)
- 10 – COVID tags used to tracked businesses needs
 - Real Estate Guidance – 361 request for assistance
 - (Assistance needed to: assist in negotiating reduce rent, exiting a lease, Commercial Eviction Moratorium, and negotiating renewal of lease during 2020.)
- 63% percent of inquires occurred in the first 5 months (March – July 2020)

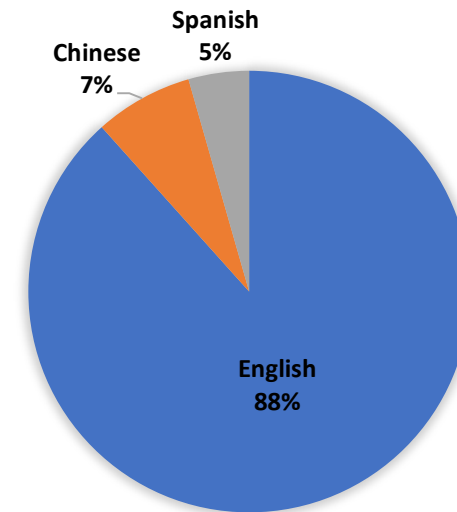
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- February 2021 – slight increase due to the March 31, 2021, Commercial Eviction Moratorium expiration date
- **Request for real estate guidance by District**



Real Estate Guidance Inquiries by
Language of Service



Legacy Business Program



Rent Stabilization Grant

- Incentive for landlords to provide long-term leases to Legacy Businesses
- Landlords apply for the grant
- Pays up to \$4.50 per square foot annually (5,000 square feet maximum)
 - Example: 1,000 square feet = \$5,000
 - Example: 5,000 square feet = \$22,500
- Began February 2017; Grant applications are accepted year round
- Biennial CPI adjustments added since 2017-19

Legacy Business Program



Rent Stabilization Grant Statistics

- 42 leases for 36 business (some have more than one storefront/location)
- Secured 412 months of leases (avg. 10 years per lease)
- 4 applications during pandemic (plus one additional application pending)
- \$640,000 first-year grant payments
- \$1,138,000 second-, third-, and fourth-year payments
- Roughly reported, nearly half of the Legacy Businesses receive some or all of the funds as a rent reduction

Small Business Commission



- 53 Federal Relief Recommendations to the Mayor (4/13/20 & 12/11/20)
- 56 Recommendations to Economic Recovery Task Force (5/13/20)

Commercial Rent and Mortgage Assistance:

- Expand the commercial eviction moratorium through the end of the calendar year. (Now June 30, 2021)
- Relieve small business owners of outstanding lease obligations. (SF, allows Tier 1 tenants option to terminate lease)

Small Business Commission

Survey – SBC and SF State Economics Dept.

- 582 survey responses. Preliminary findings:

Do you own or lease the building/s in which your business is located?		
	Freq.	Percent
Lease	450	77.32
Not replied	69	11.86
Own	63	10.82
Total	582	100

Have the terms in your lease been renegotiated during this time?		
	Freq.	Percent
No, no rent negotiation offered	223	38.32
Yes, Rent has decreased in lease renewal	133	22.85
No Reply	94	16.15
No, no contact with landlord	41	7.04
Not Applicable	63	10.82
Yes, Rent has increased in lease renewal	28	4.81
Total	582	100

Small Business Commission



Survey – Continued

Have you missed any lease payments?		
	Freq.	Percent
No	224	38.49
Yes	214	36.77
Not Applicable	63	10.82
No Reply	81	13.92
Total	582	100

When does your lease expire?		
	Freq.	Percent
Just re-negotiated	18	3.09
Month to month	94	16.15
in 1-3 years	141	24.23
in 3-5 years	102	17.53
in 6 months	34	5.84
in 7+ years	44	7.56
No Reply	86	14.78
Not applicable	63	10.82
Total	582	100

Looking Ahead



- Assess need for increased legal lease support
 - Increasing need for legal support provided in non-English languages
 - Timing of the lifting of restrictions with the phase out of the Commercial Eviction Moratorium
 - Tier 4: July 1, 2021 (50+FTE)
 - Tier 3: July 1, 2022 (25-49 FTE)
 - Tier 2: January 1, 2023 (10-24 FTE)
 - Tier 1: July 1, 2024 (<10 FTE) – pre-pandemic 80% of small biz
 - Phase out Commercial Eviction Moratorium with lease renewals
 - New businesses opening and need for lease negotiation support
- Track the impact of Federal Relief to reduction of rent debt obligation



Commission President Sharky Laguana