

1 [Board Response - Civil Grand Jury Report - Taking Care of Business: San Francisco's Plan
2 to Save its Small Businesses]

3 **Resolution responding to the Presiding Judge of the Superior Court on the findings**
4 **and recommendations contained in the 2022-2023 Civil Grand Jury Report, entitled**
5 **“Taking Care of Business: San Francisco's Plan to Save its Small Businesses;” and**
6 **urging the Mayor to cause the implementation of accepted findings and**
7 **recommendations through her department heads and through the development of the**
8 **annual budget.**

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10 WHEREAS, Under California Penal Code, Section 933 et seq., the Board of
11 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior
12 Court on the findings and recommendations contained in Civil Grand Jury Reports; and

13 WHEREAS, In accordance with California Penal Code, Section 933.05(c), if a finding or
14 recommendation of the Civil Grand Jury addresses budgetary or personnel matters of a
15 county agency or a department headed by an elected officer, the agency or department head
16 and the Board of Supervisors shall respond if requested by the Civil Grand Jury, but the
17 response of the Board of Supervisors shall address only budgetary or personnel matters over
18 which it has some decision making authority; and

19 WHEREAS, Under San Francisco Administrative Code, Section 2.10(a), the Board of
20 Supervisors must conduct a public hearing by a committee to consider a final report of the
21 findings and recommendations submitted, and notify the current foreperson and immediate
22 past foreperson of the Civil Grand Jury when such hearing is scheduled; and

23 WHEREAS, In accordance with San Francisco Administrative Code, Section 2.10(b),
24 the Controller must report to the Board of Supervisors on the implementation of

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1 recommendations that pertain to fiscal matters that were considered at a public hearing held
2 by a Board of Supervisors Committee; and

3 WHEREAS, The 2022-2023 Civil Grand Jury Report, entitled “Taking Care of Business:
4 San Francisco's Plan to Save its Small Businesses” (“Report”) is on file with the Clerk of the
5 Board of Supervisors in File No. 230727, which is hereby declared to be a part of this
6 Resolution as if set forth fully herein; and

7 WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond
8 to Finding Nos. F1 and F9, as well as Recommendation Nos. R1, R5, R7, R8.5 and R9
9 contained in the subject Report; and

10 WHEREAS, Finding No. F1 states: “First Year Free has been generally well-received
11 by small businesses and City agencies, but due to its limited scope when first adopted and its
12 status as a temporary pilot program, its financial benefits to small businesses have been more
13 modest than initially expected;” and

14 WHEREAS, Finding No. F9 states: “Despite recent reforms, there remains a prevalent
15 perception that San Francisco is inhospitable to small businesses, and City agencies have not
16 deployed the resources required to effectively counter that perception;”

17 WHEREAS, Recommendation No. R1 states: “By November 30, 2023, the Mayor and
18 Board of Supervisors should take the legislative and budgetary steps necessary to make First
19 Year Free a permanent program.,” and

20 WHEREAS, Recommendation No. R5 states: “By November 30, 2023, the Board of
21 Supervisors should resolve to allow an additional period of three years (from December 2023
22 through December 2026) before initiating or considering proposals to delete or amend the
23 provisions of Proposition H (as defined in this report) requiring 30-day permit processing and
24 elimination of neighborhood notification for eligible commercial projects.,” and

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1 WHEREAS, Recommendation No. R7 states: “By March 1, 2024, the Mayor and Board
2 of Supervisors should take the legislative and budgetary steps necessary for the City to
3 implement a cross-departmental technology integration strategy for the deployment of a
4 federated computer system that will increase data visibility across all departments involved in
5 business registration, planning, and permitting, for improved collaboration and to enable
6 compilation of disparate system data into transparent and usable output for small business
7 customers.” and

8 WHEREAS, Recommendation No. R8.5 states: “By December 31, 2023, each member
9 of the Board of Supervisors should conduct meetings on at least a quarterly basis with small
10 businesses and merchants’ associations within his or her district, to address issues impacting
11 small business formation and operation and potential solutions, and to disseminate
12 information (with appropriate contact information for City personnel) regarding small business
13 assistance programs such as First Year Free, Proposition H, and any materials developed in
14 response to R8.2 and R8.3 above. Each Supervisor should include a summary report of each
15 such meeting in any publication or newsletter issued by his or her Office and provide a copy to
16 OSB;” and

17 WHEREAS, Recommendation No. R9 states: “By January 31, 2024, the Mayor and
18 Board of Supervisors, in consultation with OSB, should approve funding sufficient to develop
19 and launch a sophisticated marketing campaign to promote San Francisco as a welcoming
20 and supportive environment for new small businesses to open, and to encourage support for
21 existing small businesses, with reference as appropriate to programs such as First Year Free
22 and Proposition H;” and

23 WHEREAS, In accordance with California Penal Code, Section 933.05(c), the Board of
24 Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior
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1 Court on Finding Nos. F1 and F9, as well as Recommendation Nos. R1, R5, R7, R8.5 and R9
2 contained in the subject Report; now, therefore, be it

3 RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the
4 Superior Court that they agree with Finding No. F1; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge
6 of the Superior Court that they partially disagree with Finding No. F9 for the following
7 reason: it is critical to reverse existing perceptions that the City is inhospitable to small
8 businesses, including conducting more outreach about the programs small businesses can
9 utilize for their benefit. However, the City agencies have deployed resources to counter this
10 perception, and we do not have certainty that it is not the level of resources required to
11 counter the perception; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
13 No. R1 requires further analysis and requests the Budget and Legislative Analyst's Office to
14 study the financial impacts of making First Year Free a permanent program and provide a
15 report by June 30, 2024; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
17 No. R5 has not been implemented but will be implemented by June 30, 2024; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
19 No. R7 requires further analysis and requests the Budget and Legislative Analyst's Office to
20 study the financial and process impacts of making departments, including the Department of
21 Building Inspection, move to a new computer system and provide a report by September 30,
22 2024; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
24 No. R8.5 will not be implemented because it is not reasonable since each Supervisorial
25 district is unique and contains different institutions, non-profits, merchant associations, and

1 community stakeholders, and that most offices already hold these meetings regularly; and, be
2 it

3 FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation
4 No. R9 has been implemented with existing resources dedicated to marketing and promoting
5 the City's supportive environment for small businesses through the ShopDineSF campaign
6 and raising awareness through information videos and handouts of Proposition H's as well as
7 First-Year-Free's provisions to small business applicants at the permit center and online; and,
8 be it

9 FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to cause the
10 implementation of the accepted findings and recommendations through her department heads
11 and through the development of the annual budget.

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