

File No. 160490 Committee Item No. 4
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date June 2, 2016

Board of Supervisors Meeting Date _____
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- MOU
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- Grant Budget
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- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- Referral FYI Hearing - 05/11/2016
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Completed by: Erica Major Date May 26, 2016
Completed by: _____ Date _____

Torres, Joaquin (ECN)

From: Torres, Joaquin (ECN)
Sent: Wednesday, May 18, 2016 11:28 PM
To: Peskin, Aaron (BOS); Campos, David (BOS)
Cc: Hepner, Lee (BOS); Ronen, Hillary; Rufo, Todd (ECN)
Subject: Legacy Business Registry Responses_5.18.16
Attachments: Legacy Inquiry from Supervisor Peskin_Responses_5 18 16.pdf; Legacy Business Registry and Application Information_Chinese Translation_5.2016.pdf; Legacy Business Registry and Application Information_Spanish Language Translation_5.2016.pdf

Good evening Supervisors and all,

Thank you again for our conversations earlier today.

Please see the attached documents related to your inquiries with the Office of Small Business regarding implementation and administration of the San Francisco Legacy Business Registry and Legacy Business Preservation Fund.

Best regards,
Joaquín

Joaquín Torres
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OFFICE OF ECONOMIC AND
WORKFORCE DEVELOPMENT

May 18, 2016

Dear Supervisor Peskin,

Thank you for your inquiry regarding the status of the San Francisco Legacy Business Registry and the Legacy Business Preservation Fund. The Office of Small Business and Office of Economic and Workforce Development will provide additional details regarding the implementation of these programs to serve the needs of Legacy Businesses in San Francisco.

Following are the initial responses to your inquiries:

1. Approximately how many businesses in San Francisco are potentially eligible for inclusion on the Legacy Business Registry?

The City's economist found that 7,457 small businesses are currently operating in San Francisco that were founded over 30 years ago. As the office considers those small businesses that are currently operating in San Francisco and founded over 20 years ago or more, additional data will be needed to determine how many small businesses would be potentially eligible for nomination and inclusion on the Legacy Business Registry and benefit from corresponding services.

Under Proposition J, the number of legacy businesses eligible for the registry is limited to 300 per fiscal year.

2. How many nominations has the Office of Small Business received of businesses that are potentially eligible for inclusion on the Legacy Business Registry? Please list all businesses and sort by nominating authority.

The Office of Small Business is currently compiling this information and will send this list in the next seven days.

3. Of the nominated businesses, how many has the Office of Small Business reached out to for assistance in completing the application?

The Office of Small Business is currently compiling this information and will send in the next seven days.

4. How many Legacy Business Registry applications has the Office of Small Business received? How many of these applications have been reviewed for completeness? How many of these applications have been deemed complete? What efforts have been made by the Office of Small Business to reach out to businesses that may have submitted incomplete applications?

The Office of Small Business is currently compiling information and will report back to your office as early as possible. At this time, there are approximately 10 applications that are nearly ready for referral to the Historic Preservation Commission (HPC). Based upon feedback provided by the HPC, some of these may require modification before they are formally referred. The Office of Small Business will outreach and provide assistance to those small businesses that have incomplete applications as staffing currently allows.

5. What kind of application does the Office of Small Business perform prior to forwarding an application to the Historic Preservation Commission?

After a nomination and an application, including the \$50 filing fee, are received by the Office of Small Business, the application is reviewed to determine whether the business has proven that it meets the eligibility criteria set forth in the pertinent legislation. Applications that are deemed complete are bundled for referral to Planning Department Staff, who immediately place them on the HPC agenda to meet the 30-day deadline.

6. How many applications has the Office of Small Business forwarded to the Historic Preservation Commission or Small Business Commission for review?

No applications have been sent to either the HPC or Small Business Commission (SBC) for review. To date, there are approximately 10 applications that may be ready for referral to the HPC. Based upon feedback provided by the HPC, some of these may require modification before they are formally referred. The Office of Small Business will outreach and provide assistance to those small businesses that have incomplete applications as staffing currently allows.

7. Has the Office of Small Business translated and made available the Legacy Business Registry Application and/or Instructions to that Application into any languages other than English? If so, please provide these forms.

The program webpage includes application text, criteria and requirements and can be translated with google tool in multiple languages. Monolingual speakers and other interested parties are directed to the Office of Small Business for assistance with the program details and the application process.

Please see the attached google translations in Spanish and Chinese, as examples.

8. When does the Office of Small Business plan to send its next batch of Legacy Business Registry Applications to the Historic Preservation Commission or Small Business Commission for review? How many applications does the Office of Small Business plan to send at that time?

Per the above, there are approximately 10 applications that are nearly finalized for referral to the Historic Preservation Commission. Based upon feedback provided by the

Historic Preservation Commission, some of these may require modification before they are formally referred. At this time, the Office of Small Business is compiling and reviewing the pertinent information and will provide an update in the next seven days.

9. Describe the role of the Office of Small Business in implementing and administering the Legacy Business Preservation Fund, specifically as it relates to the roles and functions performed by Planning Department Staff and the Office of Economic and Workforce Development.

The Legacy Business Registry and Historic Preservation Fund, per ordinance, requires the Office of Small Business to establish and maintain the registry for San Francisco in addition to administering the fund.

The Small Business Commission makes the final determination on which businesses meet the established criteria to be accepted into the registry only after it seeks advisory recommendation from the Historic Preservation Commission (HPC). Per ordinance, the Small Business Commission, "shall request an advisory recommendation from the Historic Preservation Commission as to whether the business meets the requirement in this subsection (b)(2). If the Historic Preservation Commission does not provide an advisory recommendation within 30 days of receipt of the request, the Small Business Commission shall treat such nonresponse as an advisory recommendation that the business meets the requirement in this subsection (b)(2)." The recommended Legacy Business Registry review process for the Historic Preservation Committee (HPC) per Tim Frye at May 4th, 2016 hearing is as follows:

Upon receipt from the Office of Small Business, nominations are automatically placed on the next available HPC agenda as a consent item with a brief Case Report with a Staff Recommendation (1-2 pages). To the degree possible, the Small Business Office will forward nominations in bundles to the HPC so that several applications can be reviewed simultaneously. At the hearing, the Commission must pass a resolution stating whether or not the nominee has "contributed to the neighborhood's history and/or the identity of a particular neighborhood or community" as described in Administrative Code Section 2A.242(b)(2).

On May 4, 2016, Tim Frye provided an update to HPC on status of legacy business applications and proposed process to review applications expected for June 10th hearing.

http://commissions.sfplanning.org/hpcpackets/Legacy%20Business%20Registry_Packet_5.4.16.pdf

10. How does administration and implementation of the Legacy Business Registry and Legacy Business Registration Fund fit within the context the Office of Small Business' other functions?

Current programs administered under the Office of Small Business include the Small Business Assistance Center, KIVA Zip, Small Business Week, providing support to the Small Business Commission, and education around policies and regulations that impact

small businesses. The Legacy Business Registry and Historic Preservation Fund will be a new program area, which will include hiring a full time legacy business program manager and support staff member to facilitate legacy business applications, manage the Legacy Business Registry, manage a promotional assistance program, facilitate and support educational programs, administer the Legacy Business Historic Preservation Fund and maintain data and produce annual reports and budget requests.

11. Approximately how many total staff hours has the Office of Small Business expended in furtherance of adding businesses to the Legacy Business Registry and administering the Legacy Business Preservation Fund? To the extent possible, please itemize the time spent by type of activity (e.g., creating forms, reaching out to potentially eligible businesses, preparing for hearings before City policy bodies).

The program structure is currently being developed as businesses continue to inquire and receive information about the program and its corresponding elements, including nomination process, application process and corresponding services that may be provided. At this time, the Office of Small Business is compiling the requested information and will provide an update as early as possible.

12. Approximately how many staff hours per week does the Office of Small Business dedicate to outreach efforts to businesses that may be eligible for inclusion on the Legacy Business Registry?

Program staff will be critical for the effective implementation of the Legacy Business Registry. Formalized outreach efforts are scheduled to begin once dedicated program staff have been identified, hired and placed within the Office of Small Business.

13. Please provide an organizational chart showing the appropriate contact persons at the Office of Small Business tasked with performing outreach to potentially eligible businesses, fielding and processing applications, and other duties related to the implementation of the Legacy Business Registry and the Legacy Business Preservation Fund.

The program structure is currently being developed to incorporate recent funding decisions in support of program staff, including a formalized organizational chart. Additional details will be provided as early as possible.

In the interim, information on the program has been posted on the Office of Small Business and Planning Department websites and a marketing plan for the program is under development.

14. How many points of contact have you received from members of the public or representatives or agents of potentially eligible businesses regarding the Legacy Business Registry or the Legacy Business Preservation Fund, and how many of those contacts have you been able to respond to?

The full list of points of contact received from various individuals and entities is currently being compiled and reviewed by staff at the Office of Small Business. This list, once completed, will include details on the number of contacts that have been received and responded to; the level of support that has been provided, and the level of additional assistance businesses may need to move forward in the process. OSB will provide this information as early as possible.

15. How many points of contact have you received from various City departments, staff members, or other City officials regarding the Legacy Business Registry or the Legacy Business Preservation Fund, and how many of those contacts have you been able to respond to?

Similar to the above response, the full list of points of contact received and responded to from various individuals and entities is currently being organized and reviewed by staff at the Office of Small Business. This list, once completed, will include details on the number of contacts that have been responded to, the level of support that has been provided, and the level of additional assistance businesses may need to move forward in the process. The Office of Small Business will provide this update as soon as possible.

BOARD of SUPERVISORS



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MEMORANDUM

TO: Nicole Elliott, Liaison to the Board of Supervisors, Mayor's Office
Melissa Whitehouse, Acting Budget Director, Mayor's Office of Public
Policy and Finance
Todd Rufo, Director, Office of Economic and Workforce Development
Regina Dick-Endrizzi, Director, Small Business Commission

FROM: Erica Major, Assistant Committee Clerk, Government Audit and
Oversight Committee, Board of Supervisors

DATE: May 11, 2016

SUBJECT: HEARING MATTER INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following hearing request, introduced by Supervisor Campos on May 3, 2016:

File No. 160490

Hearing on the implementation of the Legacy Business Registry and Historic Preservation Grant; and requesting the Mayor's Legislative Liaison Nicole Elliott, Acting Budget Director Melissa Whitehouse, Office of Economic and Workforce Development Director Todd Rufo, and Office of Small Business Executive Director Regina Dick-Endrizzi to report.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

Introduction Form

By a Member of the Board of Supervisors or the 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 [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) 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 a Imperative Form.

Sponsor(s):

Campos, Peskin

Subject:

Hearing on the Implementation of Legacy Business Registry and Historic Preservation Grant

The text is listed below or attached:

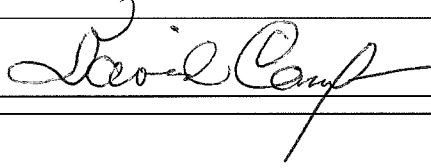
I am calling a hearing on the implementation of the Legacy Business Registry and Historic Preservation Grant Programs. In March 2015, the Board of Supervisors unanimously passed legislation creating a Legacy Business Registry. Despite unanimous passage over a year ago, not one business has been placed on the registry. In November 2015, the voters passed Proposition J with a 60% approval rate. Despite passage of this landmark legislation and grant program, and over 54 nominations by nine Supervisors, not one business has been forwarded to the Historic Preservation Commission for review and not one business has had a hearing before the Small Business Commission. In a recent article on Hoodline, the director of the Office of Small Business, Regina Dick-Endrizzi, told the reporter that she hasn't yet had time to work on the program because she's already been doing double duty, handling her own job as well as that of the senior policy analyst commission secretary, a position that was only recently filled.

With the drastic increase in commercial rents, no commercial rent control, rising costs of doing business, and

difficultly hiring staff because of extreme housing and transportation costs in the oay area, small businesses and non-profits are shutting down at alarming rates. The Legacy Business Program is one of the very few in the City providing direct financial assistance to these struggling businesses and a tool to help negotiate long term leases. I am calling a hearing on the City's implementation of the Legacy Business program. Why has implementation of this program not been a priority for the Office of Economic and Workforce Development and the Mayor's Office? Why has not one business been nominated to the registry despite nominations by nine Supervisors offices? What plans does the Mayor have to implement this program? What is OEWD's budget request to adequately and fully implement this program?

I request this hearing be held at the Government Audit & Oversight Committee. I respectfully request the Clerk of the Board to forward this hearing request to Nicole Wheaton, Mayor's Office, Melissa Whitehouse, Acting Budget Director, Todd Rufo, Director of OEWD, and Regina Dick-Endrizzi at the Office of Small Business.

Signature of Sponsoring Supervisor: _____



For Clerk's Use Only: