

1 [Urging the Office of Small Business to Convene a Small Business Economic Mitigation
2 Working Group]

3 **Resolution urging the Office of Small Business to convene a Small Business Economic**
4 **Mitigation Working Group to outline economic mitigation measures in support of San**
5 **Francisco small business retailers affected by Ordinance No. 122-19 (File No. 190312);**
6 **and requesting the Office of the Controller to provide an economic impact report for**
7 **Ordinance No. 122-19 and an updated report for Ordinance No. 140-17 (File No. 170441).**

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9 WHEREAS, On July 7, 2017, the City and County of San Francisco approved File No.
10 170411 prohibiting all San Francisco retail establishments from the sale or distribution of any
11 flavored tobacco product and flavored cigarettes including menthol cigarettes; and

12 WHEREAS, San Francisco voters affirmed their support of the prohibition on the sale
13 of flavored tobacco products by adopting Proposition E on June 5, 2018; and

14 WHEREAS, On June 28, 2019, the City and County of San Francisco approved File
15 No. 190312 restricting the sale, manufacture, and distribution of electronic cigarettes; and

16 WHEREAS, The Office of Economic Analysis issued an economic impact report on
17 June 13, 2017 relative to File No. 170411 and estimated that could be a \$50 million dollar loss
18 in sales per year of flavored tobacco products; and

19 WHEREAS, Based on figures provided in the June 13, 2017, Office of Economic
20 Analysis Economic Impact Report on Banning the Sale of Flavored Tobacco, the Office of
21 Small Business estimates that there may be a . \$70 million loss in sales per year from banning
22 e-cigarette products; and

23 WHEREAS, On June 24, 2019, the San Francisco Small Business Commission
24 enacted Resolution No. 002-2019-SBC Economic Mitigation Measures Responsive to City
25 Bans on the Sales of Certain Tobacco Products; and

1 WHEREAS, Small businesses such as grocery stores, “mom and pop” shops, corner
2 stores, and stores with 10 or less employees are the most impacted by Ordinance No. 140-17
3 (File No. 170441), Ordinance No. 122-19 (File No. 190312) and operational fees enacted by
4 the City and County of San Francisco; now, therefore, be it

5 RESOLVED, The Board of Supervisors request that the Office of the City Controller
6 conduct an Economic Impact Report on Ordinance No. 122-19 (File No. 190312), an updated
7 report on the impact of Ordinance No. 140-17 (File No. 170441), and an assessment of
8 operational fees enacted by the City and County of San Francisco; and be it

9 FURTHER RESOLVED, That economic mitigation measures should be developed in
10 partnership and with representation from merchants, small business owners, community
11 stakeholders, the Office of Small Business, the Office of Economic and Workforce
12 Development, the Small Business Development Center, the Controller’s Office, the City
13 Attorney’s Office, and the Board of Supervisors; and be it

14 FURTHER RESOLVED, That the Office of Small Business convene a Small Business
15 Economic Mitigation Working Group within 60 days to develop recommendations on
16 immediate and long-term economic mitigation measures, including the details of a Tobacco
17 Retail Buy Back Program and relevant tobacco-related fees; and, be it

18 FURTHER RESOLVED, That the Small Business Economic Mitigation Working Group
19 shall include, but not limited to: one representative from the Office of Small Business, one
20 representative from the Office of Economic and Workforce Development, one representative
21 from the Small Business Development Center, one representative from the Small Business
22 Commission, or their designee, one representative from the City Attorney, four small business
23 representatives including one smoke shop representative, one merchant organization
24 representative, two small grocer representatives, representatives may also be sought from
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1 groups with expertise or experience in addressing or advocating small business concerns;
2 and, be it

3 FURTHER RESOLVED, That the Economic Mitigation Work Group shall use the
4 following guiding principles for economic mitigation recommendations: 1) identify alternative
5 revenue sources for our small merchants and grocers including diversifying inventory such as
6 having a combination of open food booths like deli's; 2) facilitate fast-tracked permitting
7 processes to help our small merchants; 3) expand the Healthy Retail SF program to assist the
8 most vulnerable corner stores; 4) expand the support for small merchants through the Office
9 of Small Business and Office of Economic and Workforce Development among other ideas;
10 and be it

11 FURTHER RESOLVED, That the Board of Supervisors, request the Work Group to
12 submit their recommendations 6 months after it is established, following the submission of
13 recommendations to the Board of Supervisors the Economic Mitigation Work Group will
14 terminate.

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