

BOARD of SUPERVISORS



City Hall
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San Francisco 94102-4689
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TDD/TTY No. 554-5227

MEMORANDUM

RULES COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Hillary Ronen, Chair
Rules Committee

FROM: Victor Young, Assistant Clerk *Victor Young*

DATE: July 22, 2019

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, July 23, 2019

The following file should be presented as a **COMMITTEE REPORT** at the Board Meeting on Tuesday, July 23, 2019. This item was acted upon at the Rules Committee Meeting on Monday, July 22, 2019, at 10:00 a.m., by the votes indicated.

Item No. 66 File No. 190775

Urging the Office of Small Business to Convene a Small Business Economic Mitigation Working Group

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

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Hillary Ronen - Aye
Supervisor Shamann Walton - Aye
Supervisor Gordon Mar - Aye

c: Board of Supervisors
Angela Calvillo, Clerk of the Board
Alisa Somera, Legislative Deputy Director
Jon Givner, Deputy City Attorney

File No. 190775

Committee Item No. 4

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date July 22, 2019

Board of Supervisors Meeting

Date _____

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input 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 checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 - Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 700 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vacancy Notice |
| <input type="checkbox"/> | <input type="checkbox"/> | Information Sheet |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <u>Charter Amendment</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
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Completed by: Victor Young Date July 18, 2019

Completed by: Victor Young Date 7/22/19

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).**

8
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

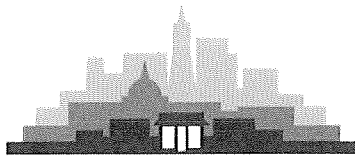
14 FURTHER RESOLVED, That the Office of Small Business convene a Small Business
15 Economic Mitigation Working Group within 60 days to develop recommendations on
16 immediate and long-term economic mitigation measures, including the details of a Tobacco
17 Retail Buy Back Program and relevant tobacco-related 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
25

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.



SAN FRANCISCO

OFFICE OF SMALL BUSINESS

CITY AND COUNTY OF SAN FRANCISCO
LONDON N. BREED, MAYOR

OFFICE OF SMALL BUSINESS
SMALL BUSINESS COMMISSION
REGINA DICK-ENDRIZZI, DIRECTOR

STEPHEN ADAMS, PRESIDENT
MARK DWIGHT, VICE PRESIDENT
KATHLEEN DOOLEY, COMMISSIONER
SHARKY LAGUANA, COMMISSIONER
WILLIAM ORTIZ-CARTAGENA, COMMISSIONER
IRENE YEE RILEY, COMMISSIONER
MIRIAM ZOUZOUNIS, COMMISSIONER

June 24, 2019

Resolution No. 002-2019-SBC

Economic Mitigation Measures Responsive to City Mandated Tobacco Control Laws

Resolution

WHEREAS, the Small Business Commission, whose mandate was established by the voters in 2003; and

WHEREAS, that mandate specifically authorizes the Small Business Commission to set policies for the City regarding small businesses, consistent with any overall objectives established by the Mayor and the Board of Supervisors through the adoption of legislation, in order to promote the economic health of the small business community in San Francisco, its employees, and its customers; and

WHEREAS, that mandate specifically requires the Small Business Commission to review all legislation affecting small businesses and make recommendations to the Board of Supervisors; and

WHEREAS, that mandate specifically requires that the Small Business Commission review rules and regulations adopted by City departments that affect small businesses and recommend modifications that would promote the health of small businesses; and

WHEREAS, there are approximately 700 small businesses that are City licensed tobacco retailers; and

WHEREAS, since implementation of the San Francisco Permit Density Cap, the total number of tobacco retail permits has declined by 23%; and



WHEREAS, on September 5, 2017 the City and County of San Francisco enacted BOS File No. 170441 Health Code - Banning the Sale of Flavored Tobacco Products; and

WHEREAS, the Office of Economic Analysis issued an economic impact report on June 13, 2017 relative to File No. 170441 and estimated that there could be a \$50 million dollar loss in the sales of flavored tobacco products;

WHEREAS, the Small Business Commission passed a motion on September 24, 2018 recommending that the Office of Economic and Workforce Development and Department of Public Health develop economic mitigation measures for licensed tobacco retailers who would be affected by the flavored tobacco ban;

WHEREAS, the ban on the sales of flavored tobacco products by City licensed retailers has had a direct adverse effect on the economic health of the City licensed tobacco retailers

WHEREAS, the Board of Supervisors first passed on June 18, 2019 BOS File Nos. 190312 Health Code - Restricting the Sale, Manufacture, and Distribution of Tobacco Products; and

WHEREAS, based on figures provided in the June 13, 2017 Office of Economic Analysis Economic Impact Report on the Banning the Sale of Flavored Tobacco, the Office of Small Business estimates that there may be a \$70 million loss in sales from banning e-cigarette products; therefore be it

RESOLVED, that the Small Business Commission requests that, in the spirit of equitable policy administration, the Mayor and the Board of Supervisors administer economic mitigation measures in support of San Francisco small business retailers who are licensed to sell tobacco; and be it

FURTHER RESOLVED, that the City Controller's Office should be directed to conduct an Economic Impact Report on BOS File No. 190312 and an updated report on the impact of BOS File No. 170441; and be it

FURTHER RESOLVED, that economic mitigation measures should be developed in partnership with merchants, the Office of Small Business, the Office of Economic and Workforce Development, the Small Business Development Center, the Controller's Office, the City Attorney's Office, and the Board of Supervisors; and be it



FURTHER RESOLVED, that economic mitigation measures be administered in a timely manner and no later than January of 2020 in order to offset anticipated losses due to the implementation of BOS File No. 190312; and be it

FURTHER RESOLVED, that proposed economic mitigation measures be presented to the Small Business Commission for their input and approval.



President, District 7
BOARD of SUPERVISORS



BOS, Aides, COB,
Depts, PSNS, Rules,
Dep City Atty City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Norman Yee

PRESIDENTIAL ACTION

Date: 7/15/19

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____ (Primary Sponsor)

Title. _____

Transferring (Board Rule No 3.3)

File No. 190775 Walton (Primary Sponsor)

Title. Urging the Office of Small Business to Convene a Small Business Economic Mitigation

From: Public Safety & Neighborhood Services Committee

To: Rules Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ Meeting
(Date) (Committee)

Norman Yee
Norman Yee, President
Board of Supervisors

RECEIVED
BOARD OF SUPERVISORS
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2019 JUL 17 AM 10:41
BY

Introduction Form

By a Member of the Board of Supervisors or Mayor

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BOARD OF SUPERVISORS
SAN FRANCISCO
Time stamp
2019 JUL 9 11:24 AM
Meeting date

I hereby submit the following item for introduction (select only one):

BY _____

- 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 [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Topic 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 the Imperative Form.

Sponsor(s):

Walton, Fewer

Subject:

Urging the Office of Small Business to Convene a Small Business Economic Mitigation Working Group

The text is listed:

Resolution urging the Office of Small Business to convene a Small Business Economic Mitigation Working Group to outline economic mitigation measures in support of San Francisco small business retailers affected by File No. 190312 as well as an updated report on File No. 170441.

Signature of Sponsoring Supervisor:



For Clerk's Use Only