

File No. 210303

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date May 10, 2021

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input checked="" 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 type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Memorandum of Understanding (MOU) |
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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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| <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 |
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Completed by: Victor Young Date May 6, 2021

Completed by: _____ Date _____

1 [Administrative Code - Creating a Neighborhood Anchor Business Registry]

2

3 **Ordinance amending the Administrative Code to create a Neighborhood Anchor**
 4 **Business Registry under the Office of Small Business and make it City policy to**
 5 **promote participation by Neighborhood Anchor Businesses in City grant programs for**
 6 **small businesses and for commercial eviction defense.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
 8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
 9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
 10 **Board amendment additions** are in double-underlined Arial font.
 11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
 12 **Asterisks (* * * *)** indicate the omission of unchanged Code
 13 subsections or parts of tables.

14 Be it ordained by the People of the City and County of San Francisco:

15 Section 1. Article XVI of Chapter 2A of the Administrative Code is hereby amended by
 16 adding Sections 2A.244 and 2A.245, to read as follows:

17 **SEC. 2A.244. NEIGHBORHOOD ANCHOR BUSINESS REGISTRY.**

18 *(a) The Office of Small Business shall establish and maintain a registry of Neighborhood*
 19 *Anchor Businesses in San Francisco (“the Registry”).*

20 *(b) For purposes of this Section 2A.244 and Section 2A.245, “Neighborhood Anchor Business”*
 21 *means a business that either (1) is included in the Legacy Business Registry under Section 2A.242 of*
 22 *this Article, or (2) is designated pursuant to subsection (d), below, and meets all of the following*
 23 *criteria:*

24 *(1) The business has been in continuous operation in San Francisco for 15 or more*
 25 *years at the time of nomination, meaning there has been no break in San Francisco operations*

1 exceeding two years, provided that a period of non-operation during the COVID-19 pandemic shall not
2 be considered a break in operations;

3 (2) The business has operated for that period in at least one physical location within a
4 Neighborhood Commercial District (Planning Code Art. 7), Historic District (Planning Code Art. 10),
5 or Conservation District (Planning Code Art. 11), or in a location that has subsequently been
6 recognized as a Neighborhood Commercial District, Historic District, or Conservation District.

7 (3) The business has 100 or fewer employees.

8 (c) A business shall not be eligible for inclusion in the Registry if it has an unpaid judgment
9 with the California Division of Labor Standards Enforcement (DLSE), if there are any pending
10 complaints against the business with the Office of Labor Standards Enforcement (OLSE) or if the OLSE
11 has issued findings of misconduct against the business within the past five years, unless the OLSE
12 determines in writing that the misconduct has since been corrected. If the OLSE issues findings of
13 misconduct against a business already included in the Registry, the inclusion of that business in the
14 Registry shall automatically be suspended until the OLSE determines that the misconduct has been
15 corrected.

16 (d) The Office of Small Business shall enter a proposed Neighborhood Anchor Business in the
17 Registry as follows:

18 (1) The proposed Neighborhood Anchor Business must first be nominated by a local
19 merchants association representing the neighborhood where the Business is located, or recommended
20 by petition signed by 50 or more residents who live within a one-mile radius of the Business;

21 (2) The Executive Director of the Office of Small Business shall determine whether the
22 nomination meets the requirements of subsection (d)(1), above, and the proposed Neighborhood
23 Anchor Business meets the requirements of subsection (b), above; and

24 (3) The Executive Director specifies in the Registry the location or locations of the
25 Neighborhood Anchor Business that meet the requirements of subsection (d)(2), above.

1 (e) In order to remain on the Registry, a Neighborhood Anchor Business must continue to meet
2 the criteria set in subsection (b).

3 (f) In addition to its duties under Section 2A.245, and subject to the fiscal and budgetary
4 provisions of the Charter, the Office of Small Business may develop and submit to the Mayor and the
5 Board of Supervisors for approval programs to preserve and grow Neighborhood Anchor Businesses,
6 including programs for business and technical assistance, lease renewal and acquisition assistance,
7 public education and commendation initiatives to recognize and honor the contributions of
8 Neighborhood Anchor Businesses, and additional business stabilization and neighborhood continuity
9 initiatives.

10 (g) The Office of Small Business may, after a noticed hearing, adopt such rules, regulations
11 and forms that are not inconsistent with this Section 2A.244 or its purposes and that will assist and
12 guide departments in implementing this Section and Section 2A.245.

13
14 **SEC. 2A.245. NEIGHBORHOOD ANCHOR BUSINESS REGISTRY; BUSINESS GRANTS AND**
15 **LOANS; COMMERCIAL EVICTION DEFENSE.**

16 (a) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor
17 Businesses in the award and administration of any grant or loan program for San Francisco
18 businesses, subject to any applicable legal restrictions. All City officers and departments shall
19 cooperate with the Office of Small Business in carrying out this policy. No later than 30 days after the
20 effective date of this Section 2A.245, the Office of Small Business shall prepare a report identifying all
21 such programs and their eligibility requirements. The Office of Small Business shall inform
22 Neighborhood Anchor Businesses of such opportunities and assist them, as appropriate, in applying
23 and qualifying for such programs.

24 (b) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor
25 Businesses in any commercial lease assistance, conflict resolution, or commercial eviction defense

1 programs for San Francisco businesses, subject to any applicable legal restrictions. All City officers
2 and departments shall cooperate with the Office of Small Business in carrying out this policy. No later
3 than 30 days after the effective date of this ordinance, the Office of Small Business shall prepare a
4 report identifying all such programs and their eligibility requirements. The Office of Small Business
5 shall inform Neighborhood Anchor Businesses of such programs and assist them, as appropriate, in
6 applying and qualifying for such programs.

7

8 Section 2. Section 2A.244 of the Administrative Code is renumbered without change
9 as Section 2A.249.

10

11 Section 3. Effective Date. This ordinance shall become effective 30 days after
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
14 of Supervisors overrides the Mayor's veto of the ordinance.

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17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA, City Attorney

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By: /s/ Thomas J. Owen
 THOMAS J. OWEN
 Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Creating a Neighborhood Anchor Business Registry]

Ordinance amending the Administrative Code to create a Neighborhood Anchor Business Registry under the Office of Small Business and make it City policy to promote participation by Neighborhood Anchor Businesses in City grant programs for small businesses and for commercial eviction defense.

Existing Law

The City currently has a number of programs to support small and neighborhood businesses, but does not have a specific program to benefit “Neighborhood Anchor Businesses.”

Amendments to Current Law

The proposed legislation is an ordinance that would amend the Administrative Code to create a program recognizing “Neighborhood Anchor Businesses” and making it City policy to support these businesses.

Under the proposal, the Office of Small Business would create a registry—or official list—of Neighborhood Anchor Businesses in San Francisco.

A business could get on the list in either of two ways. First, if the business already was a “Legacy Business” under the Administrative Code, it automatically would also be included on the Neighborhood Anchor Business Registry. Second, the Executive Director of the Office of Small Business could add a business to the Registry if the business met three requirements:

- The business had been in continuous operation in San Francisco for 15 or more years, with no break in those operations of more than two years, excluding any temporary closure of the business because of the COVID-19 pandemic;
- The business had operated during that time from at least one physical location within a Neighborhood Commercial District, Historic District, or Conservation District, as defined in the Planning Code; and,
- The business had 100 or fewer employees.

The Executive Director would only select businesses that had been nominated by a local merchants association, or recommended by a petition signed by 50 or more residents who lived within a one-mile radius of the business.

The proposal would make it City policy to include Neighborhood Anchor Businesses in any grant or loan program for San Francisco businesses that the Anchor Businesses otherwise qualified for, or in any programs for commercial lease assistance, conflict resolution, or commercial eviction defense. And it would make it City policy to give priority to Anchor Businesses in those programs, where appropriate. The proposal would require the Office of Small Business to prepare a report within 30 days identifying all such programs and their eligibility requirements, and direct the Office to inform Neighborhood Anchor Businesses of such opportunities and help the Businesses apply and qualify for such programs.

Background Information

The Administrative Code currently provides for establishment of a San Francisco Legacy Business Registry. The registry is open to businesses that are 30 years or older, have been nominated by a member of the Board of Supervisors or the Mayor, and, in a hearing before the Small Business Commission, prove they have made a significant impact on the history or culture of their neighborhood. Only 300 businesses may be nominated for the Legacy Business Registry annually, and all applicants must agree to maintain the historical name and essential business operations, physical features, craft, and traditions of their businesses.

In addition, the Administrative Code establishes a Legacy Business Historic Preservation Fund. The Fund provides grants to both Legacy Business owners and to property owners who agree to lease extensions with Legacy Business tenants, subject to the availability of funds.

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BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Victor Young, Assistant Clerk *Victor Young*
Rules Committee

DATE: March 29, 2021

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Rules Committee

The Board of Supervisors' Rules Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 210303

Ordinance amending the Administrative Code to create a Neighborhood Anchor Business Registry under the Office of Small Business and make it City policy to promote participation by Neighborhood Anchor Businesses in City grant programs for small businesses and for commercial eviction defense.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

No Comment

Recommendation Attached

Chairperson, Small Business Commission



April 23, 2021

Mr. Sharky Laguana, President
SF Small Business Commission
City Hall, Room 140
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Email: sbc@sfgov.org

Re: Neighborhood Anchor Business Registry

Dear President Laguana:

The Japantown Merchants Association (JMA) welcomes and strongly supports the creation of a **Neighborhood Anchor Business Registry**.

We represent over 75 businesses in Japantown, with the majority of them being businesses with less than 10 employees. Our businesses provide more than a tangible commodity to purchase. They serve as our cultural liaisons to residents, neighbors and visitors in providing information and culturally authentic goods and services from Japan. Without them, our Japantown community would be void of being able to appropriately promote and preserve our cultural heritage with the larger community.

The **Neighborhood Anchor Business Registry** would be a welcome addition to the Japantown community. There are a number of businesses who are not yet eligible for the Legacy Business Registry but are still vital and critical members of our business community. The protections and incentives provided by this program would allow them a better chance in succeeding and carrying on the traditions Japantown has continued to pass down over its 115+ years of existence in this City.

Thank you for seriously considering this Ordinance.

Sincerely,

Richard Hashimoto
President

cc: SF Board of Supervisors