

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

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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 related to COVID-19 relief 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 Cultural District (Administrative Code
6 Chapter 107), or in a location that has subsequently been recognized as a Neighborhood Commercial
7 District, Historic District, ~~or~~ Conservation District, or Cultural District. For purposes of this
8 Section 2A.244, "Neighborhood Commercial District" shall include a Neighborhood
9 Commercial Transit District and any other class of district established by Planning Code
10 Section 702.

11 (3) The business has a total of 100 or fewer employees across all locations.

12 (c) A business shall not be eligible for inclusion in the Registry if there are any pending
13 complaints against the business related to the violation of any worker protection law filed in
14 court or it has an unpaid judgment with the California Division of Labor Standards Enforcement
15 (DLSE), if there are any pending complaints against the business with the San Francisco Office
16 of Labor Standards Enforcement (OLSE) or if the OLSE, the California Division of Occupational
17 Safety and Health (Cal/OSHA), or the California Division of Workers' Compensation
18 (hereinafter, "labor enforcement agencies"); if any court or labor enforcement agency has
19 issued findings of misconduct against the business within the past five years that the business
20 has violated any worker protection law, unless the relevant court or agency OLSE determines in
21 writing that the misconduct has since been corrected or resolved; or if the business has any unpaid
22 judgment against it based on a finding by a court or labor enforcement agency that the
23 business violated any worker protection law. If a court or labor enforcement agency the OLSE
24 issues such findings of misconduct against a business already included in the Registry, the inclusion of
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1 that business in the Registry shall automatically be suspended until the court or labor enforcement
2 agency ~~OLSE~~ determines that the misconduct has been corrected or resolved.

3 (1) Any business nominated to the Neighborhood Anchor Business Registry
4 must first, as condition of that nomination, submit a signed, sworn statement under penalty of
5 perjury, in a form to be provided by the Office of Small Business, that the business is in
6 compliance with this subsection (c). The business shall also disclose as a part of the
7 statement whether it has any pending complaints against it before a court or labor
8 enforcement agency for violation of a worker protection law.

9 (2) Any business included in the Registry must notify the Office of Small
10 Business of any subsequent change in circumstances that would render its previous sworn
11 statement inaccurate within 30 days of becoming aware of those changes.

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

14 (1) The proposed Neighborhood Anchor Business must first be nominated by a local
15 merchants association representing the neighborhood where the Business is located, nominated by
16 the Small Business Commission, or recommended by petition signed by 2550 or more residents
17 who live within a one-mile radius of the Business; The Executive Director of the Office of Small
18 Business may, by regulation, identify additional community-based organizations that may
19 nominate businesses for inclusion in the Registry, where the Executive Director determines
20 that such organizations have an established connection to the local business community and
21 that the addition of such organizations would advance the City's racial equity and language
22 access goals.

23 (2) No merchants association or community-based organization may nominate
24 more than 10 businesses for inclusion in the Registry in any year. The Small Business
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1 Commission may nominate no more than 10 businesses for inclusion in the Registry in any
2 year. There shall be no cap on the number of nominations by petition permitted in a year;

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

6 (4)(3) The Executive Director specifies in the Registry the location or locations of the
7 Neighborhood Anchor Business that meet the requirements of subsection (b)(d)(2), above.

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

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

17 (g) To ensure that the implementation of the Neighborhood Anchor Business Registry
18 program comports with the City's racial equity and language access goals and that the
19 Registry includes an equitable balance of industries and types of businesses, the Office of
20 Small Business shall, by October 1 of each year, prepare and submit to the Mayor and the
21 Board of Supervisors a report on the characteristics and demographics of the businesses
22 included in the Registry. The report shall include a breakdown of the businesses by industry
23 type, the method of nomination to the Registry, the geographic distribution of the businesses,
24 and the number of any requests for financial assistance or lease assistance made by the
25 businesses through the Office of Small Business. The report shall also include summaries of

1 how many people are employed by the businesses in the Registry, the race or ethnicity of
2 those employees, their gender identity, and the languages spoken by those employees, and
3 summaries of the race or ethnicity of the owners or operators of the businesses, their gender
4 identity, and the languages spoken by the owners or operators.

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

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9 **SEC. 2A.245. NEIGHBORHOOD ANCHOR BUSINESS REGISTRY; BUSINESS GRANTS AND**
10 **LOANS; COMMERCIAL EVICTION DEFENSE.**

11 (a) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor
12 Businesses in the award and administration of any grant or loan program for San Francisco businesses
13 related to relief or recovery from the COVID-19 emergency, subject to any applicable legal
14 restrictions and consistent with the City's racial equity and language access goals. All City
15 officers and departments shall cooperate with the Office of Small Business in carrying out this policy.
16 No later than 30 days after the Office of Small Business issues an application form for the
17 Registry program~~the effective date of this Section 2A.245, the Office of Small Business shall~~
18 prepare a report identifying all such programs that have as of that date formally adopted and
19 promulgated and their eligibility requirements. If the City adopts any such grant or loan
20 programs after the effective date of this Section 2A.245, the Office of Small Business shall
21 add the programs to the report no later than 30 days after the formal adoption of eligibility
22 criteria for those programs. The Office of Small Business shall inform Neighborhood Anchor
23 Businesses of such opportunities and assist them, as appropriate, in applying and qualifying for such
24 programs.

1 (b) It shall be City policy to include and, as appropriate, give priority to Neighborhood Anchor
2 Businesses in any commercial lease assistance, conflict resolution, or commercial eviction defense
3 programs for San Francisco businesses, subject to any applicable legal restrictions and consistent
4 with the City's racial equity and language access goals. All City officers and departments shall
5 cooperate with the Office of Small Business in carrying out this policy. No later than 30 days after the
6 Office of Small Business issues an application form for the Registry program the effective date
7 of this ordinance, the Office of Small Business shall prepare a report identifying all such programs
8 that have as of that date formally adopted and promulgated and their eligibility requirements. If
9 the City adopts any such commercial lease assistance, conflict resolution, or commercial
10 eviction defense programs after the effective date of this Section 2A.245, the Office of Small
11 Business shall add the programs to the report no later than 30 days after the formal adoption
12 of eligibility criteria for those programs. The Office of Small Business shall inform Neighborhood
13 Anchor Businesses of such programs and assist them, as appropriate, in applying and qualifying for
14 such programs.

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16 Section 2. Section 2A.244 of the Administrative Code is renumbered without change
17 as Section 2A.249.

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

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7 APPROVED AS TO FORM:
8 DENNIS J. HERRERA, City Attorney

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

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