

[Small Business Protections and Funding]

Resolution urging the San Francisco Mayor and Board of Supervisors to preserve funding for the Legacy Business Assistance Program & its protected businesses

WHEREAS, The Commission of Small Business defines a small business as one with less than 100 employees,¹ with approximately 125,678 small businesses making up 99% of businesses in SF county²; and

WHEREAS, Small businesses provide economic security for women, BIPOC communities, and their families.³ 27.44% of small businesses in California are family owned, with 92% of those businesses being first-generation owned⁴⁵; and

WHEREAS, The Board of Supervisors found that San Francisco's small businesses contribute hundreds of millions of dollars to San Francisco's economy each year, making a "significant investment in the economic health of our City and the quality of life of its citizens and visitors"⁶; and

WHEREAS, The San Francisco Civil Grand Jury stated that San Francisco's protections of small businesses in its commercial districts created a "unique urban environment in which small businesses are particularly vital to our culture and identity"⁷; and

¹ 2022–2023 CIVIL GRAND JURY, "Taking Care of Business: San Francisco's Plan to Save Its Small Businesses," *CITY AND COUNTY OF SAN FRANCISCO* (CITY AND COUNTY OF SAN FRANCISCO, June 21, 2023), https://media.api.sf.gov/documents/2023_CGJ_Report_Taking_Care_of_Business_-_San_Franciscos_Plan_to_Save_its_Smal_AuH2v4H.pdf.

² "Number of Small Businesses in San Francisco County, CA: 2023 Outlook - Neilsberg," n.d., <https://www.neilsberg.com/insights/number-of-small-businesses-in-san-francisco-county-ca/>.

³ "Ordinance Waiving Certain First-year Permit, License, and Business Registration Fees for Businesses in San Francisco," *BOARD OF SUPERVISORS*, July 14, 2021, <https://sfbos.org/sites/default/files/o0143-21.pdf>.

⁴ "Small Business Cash Flow Trend Report | OnDeck," OnDeck, May 30, 2024, <https://www.ondeck.com/small-business-trends>.

⁵ Gabriel Dillard, "Study: Fresno No. 2 in U.S. for Proportion of Family Businesses," *The Business Journal*, April 17, 2024, <https://thebusinessjournal.com/study-fresno-no-2-in-u-s-for-proportion-of-family-businesses/>.

⁶ "Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance," legal, *Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance*, 2004,

https://media.api.sf.gov/documents/Chapter_14B_Local_Business_Enterprise_07_01_22.pdf.

⁷ 2022–2023 CIVIL GRAND JURY, "Taking Care of Business: San Francisco's Plan to Save Its Small Businesses."

1 WHEREAS, San Francisco's Legacy Business Program recognizes and
 2 preserves 450 historical small businesses in San Francisco by providing them with
 3 grants, business advocacy, marketing and networking opportunities⁸⁹; and

4 WHEREAS, All businesses on the Legacy Business Registry "the Registry" were
 5 nominated by either the Mayor or a member on the Board of Supervisors for
 6 consistently serving their communities for at least 30 years and for contributing to San
 7 Francisco's broader history¹⁰; and

8 WHEREAS, Since the pandemic, many historical businesses have terminated
 9 because of increased rent or lease terminations. In San Francisco's current economic
 10 climate, many long-operating small businesses are still vulnerable to displacement due
 11 to difficulty obtaining ownership or a long-term lease on a commercial space¹¹; and

12 WHEREAS, Two grants that the Legacy Business Program currently provides to
 13 combat this issue are the Rent Stabilization Grant and the Business Stabilization Grant;
 14 and

15 WHEREAS, The Rent Stabilization Grant gives landlords that provide leases to
 16 Legacy Businesses for at least 10 years up to \$4.50 per square foot of space leased per
 17 year (around \$22,500 annually)¹²; and

18 WHEREAS, The Rent Stabilization Grant is an effective strategy for stabilizing
 19 long-standing businesses in San Francisco, as it provides incentive for landlords to
 20 enter long-term leases with legacy businesses¹³; and

⁸ "Benefits of Being a Legacy Business | SF.gov," n.d., <https://www.sf.gov/information--benefits-being-legacy-business>.

⁹ "Legacy Business Light: Spring 2025," SF.gov, May 22, 2025, <https://www.sf.gov/news-legacy-business-light-spring-2025>.

¹⁰ "Apply to Join the Legacy Business Registry," SF.gov, n.d., <https://www.sf.gov/step-by-step--apply-join-legacy-business-registry>.

¹¹ "SEC. 2A.243. LEGACY BUSINESS HISTORIC PRESERVATION FUND.," American Legal Publishing, n.d., https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-52840.

¹² San Francisco Office of Small Business, "Annual Report on the Legacy Business Historic Preservation Fund, Fiscal Year 2023-24," SF.Gov, May 30, 2024, https://media.api.sf.gov/documents/LBP_Grants_Annual_Report_2023-24.pdf.

¹³ San Francisco Office of Small Business, "Annual Report on the Legacy Business Historic Preservation Fund, Fiscal Year 2023-24."

WHEREAS, From fiscal year 2016-17 to 2023-24, \$4.3 million in Rent Stabilization Grants were awarded to 273 businesses¹⁴; and

WHEREAS, Due to the 2023 city-wide budget cuts, the annual funds for the Rent Stabilization Grant were decreased to from \$1 million to \$771,776, causing the program to phase out and preventing new Registry members from applying¹⁵; and

WHEREAS, In March 2024, the Board of Supervisors added the Legacy Business Assistance Program to the Administrative Code (Section 2A.246) which is used for financial assistance for Legacy Businesses and their landlords. The newer Business Stabilization Grant, established in October 2024, falls under this Legacy Business Assistance Program and is currently taking new applicants¹⁶; and

WHEREAS, The Business Stabilization Grant functions the same way as the Rent Stabilization Grant but guarantees that at least 50% of the money goes to the Legacy Business tenants¹⁷; and

WHEREAS, In fiscal year 2024-25, \$465,931 was added to the Legacy Business Assistance Program. Through May 31, 2025, the Legacy Business Assistance Program awarded 7 grants and reviewed 3 additional applications, totaling \$186,052.50 in Business Stabilization Grants¹⁸; and

WHEREAS, Beyond the funding for the aforementioned grants, the Legacy Business Assistance Program lacks the funding for different facets of small business

¹⁴ San Francisco Office of Small Business, "Legacy Business Program: Report on Legacy Business Program Grants, Fiscal Year 2024-25," SF.Gov, June 2, 2025, https://media.api.sf.gov/documents/LBP_Grants_Annual_Report_2024-25.pdf.

¹⁵ San Francisco Office of Small Business, "Legacy Business Program: Report on Legacy Business Program Grants, Fiscal Year 2024-25."

¹⁶ San Francisco Office of Small Business, "Legacy Business Program: Report on Legacy Business Program Grants, Fiscal Year 2024-25."

¹⁷ San Francisco Office of Small Business, "Business Stabilization Grant," SF.gov, n.d., <https://www.sf.gov/information--business-stabilization-grant>.

¹⁸ San Francisco Office of Small Business, "Legacy Business Program: Report on Legacy Business Program Grants, Fiscal Year 2024-25."

1 support, such as neon sign restoration, storefront improvement, employee ownership
2 support, and more; and therefore be it

3 RESOLVED, That the San Francisco Youth Commission recognizes that small
4 businesses play a monumental role in San Francisco's economy, culture, and identity,
5 making them a cornerstone of our youth's well-being; and be it

6 FURTHER RESOLVED, That the San Francisco Youth Commission recognizes
7 the importance of preserving the financial protections for small businesses—especially
8 Legacy Businesses—and their commercial spaces; and be it

9 FURTHER RESOLVED, That the San Francisco Youth Commission urges the
10 Mayor and Board of Supervisors to maintain current levels of funding for the Legacy
11 Business Assistance Program (and therefore the Business Stabilization Grant) with the
12 intent to increase funding when it is fiscally responsible; and be it

13 FURTHER RESOLVED, The San Francisco Youth Commission urges the Office
14 of Small Business to continue incentivizing landlord to have long-term leases with
15 businesses; and be it

16 FURTHER RESOLVED, That the San Francisco Youth Commission urges the
17 Mayor and Board of Supervisors to streamline the Legacy Business grant process by
18 entirely merging the Rent Stabilization Grant into the new Business Stabilization Grant,
19 funneling existing funding and participants from the former grant to the latter; and be it

20 FURTHER RESOLVED, The San Francisco Youth Commission urges the
21 Commission of Small Business and the Office of Small Business to consider other
22 equitable and long-lasting protections for Legacy Businesses' commercial spaces,

1 including renting from city-purchased buildings or Legacy Business-specific loans; and
2 be it

3 FURTHER RESOLVED, The San Francisco Youth Commission urges the Mayor
4 and the Board of Supervisors to, when given the opportunity to increase funding for the
5 Legacy Business Assistance Program, consider allocating funds towards different types
6 of business assistance especially storefront improvement; and be it

7 FURTHER RESOLVED, That the San Francisco Youth Commission staff shall
8 transmit copies of this resolution to the Mayor and Board of Supervisors as well as the
9 Office of Small Business and the Small Business Commission.