

[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<sup>1</sup>, with approximately 125,678 small businesses making up 99% of businesses in SF county<sup>2</sup>; and

WHEREAS, Small businesses have employed 360,000 San Franciscans, providing economic security for marginalized and BIPOC families and youth<sup>3</sup>. 27.44% of small businesses in California are family owned, with 92% of those businesses being first-generation owned<sup>45</sup>; and

WHEREAS, small businesses are critical to young people, providing culturally relevant services and spaces; community hubs; and employment and mentorship opportunities; and

WHEREAS, small businesses in commercial corridors and districts are core to San Francisco's cultural identity, showcasing the city's diversity and authentic communities; and

WHEREAS, youth-employment programs such as Enterprise for Youth and JCYC Programs like MYEEP provide San Francisco youth with hands-on experience in

<sup>1</sup> 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](https://media.api.sf.gov/documents/2023_CGJ_Report_Taking_Care_of_Business_-_San_Franciscos_Plan_to_Save_its_Smal_AuH2v4H.pdf).

<sup>2</sup> "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/>.

<sup>3</sup> Ordinance No. 0143-21 (San Francisco, Cal.), adopted October 18, 2021, <https://sfbos.org/sites/default/files/o0143-21.pdf>.

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

<sup>5</sup> 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/>.

1 small businesses, bolstering career exposure, financial independence, and community  
2 engagement; and

3 WHEREAS, In 2022, The Board of Supervisors reported that San Francisco's  
4 small businesses contributed hundreds of millions of dollars to San Francisco's  
5 economy each year and made a "significant investment in the economic health of our  
6 City and the quality of life of its citizens and visitors"<sup>6</sup>; and

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

11 WHEREAS, San Francisco's Legacy Business Program recognizes and  
12 preserves 450 historical small businesses in San Francisco by providing them with  
13 grants<sup>8</sup>, business advocacy, marketing and networking opportunities<sup>9</sup>; and

14 WHEREAS, All businesses on the Legacy Business Registry, or "the Registry,"  
15 were nominated by either the Mayor or a member on the Board of Supervisors for  
16 consistently serving their communities for at least 30 years and for contributing to San  
17 Francisco's broader history<sup>10</sup>; and

18 WHEREAS, Since the pandemic, many historical businesses have terminated  
19 because of increased rent or lease terminations. In San Francisco's current economic

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<sup>6</sup> San Francisco, Cal., *Administrative Code* § 14B (as amended July 1, 2022), *Chapter 14B: Local Business Enterprise*, [https://media.api.sf.gov/documents/Chapter\\_14B\\_Local\\_Business\\_Enterprise\\_07\\_01\\_22.pdf](https://media.api.sf.gov/documents/Chapter_14B_Local_Business_Enterprise_07_01_22.pdf).

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

<sup>8</sup> "Legacy Business Light: Spring 2025," SF.gov, May 22, 2025, <https://www.sf.gov/news-legacy-business-light-spring-2025>.

<sup>9</sup> "Benefits of Being a Legacy Business | SF.gov," n.d., <https://www.sf.gov/information--benefits-being-legacy-business>.

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

climate, many long-operating small businesses are still vulnerable to displacement due to difficulty obtaining ownership or a long-term lease on a commercial space<sup>11</sup>; and

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

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

WHEREAS, The Rent Stabilization Grant is an effective strategy for stabilizing long-standing businesses in San Francisco, as it provides incentives for landlords to enter long-term leases with legacy businesses<sup>13</sup>; and

WHEREAS, From fiscal year 2016-17 to 2023-24, \$4.3 million in Rent Stabilization Grants were awarded to 273 businesses<sup>14</sup>; 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 applying<sup>15</sup>; 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

<sup>11</sup> San Francisco, Cal., Admin. Code ch. 14B (as amended July 1, 2022), "Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance," [codelibrary.amlegal.com, https://codelibrary.amlegal.com/codes/san\\_francisco/latest/sf\\_admin/0-0-0-52840](https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-52840).

<sup>12</sup> 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](https://media.api.sf.gov/documents/LBP_Grants_Annual_Report_2023-24.pdf).

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

<sup>14</sup> 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](https://media.api.sf.gov/documents/LBP_Grants_Annual_Report_2024-25.pdf).

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

Business Stabilization Grant, established in October 2024, falls under this Legacy Business Assistance Program and is currently taking new applicants<sup>16</sup>; 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 tenants<sup>17</sup>; 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 Grants<sup>18</sup>; and

WHEREAS, Beyond the funding for the aforementioned grants, the Legacy Business Assistance Program lacks the funding for other facets of small business support, such as neon sign restoration, storefront improvement, employee ownership support, and more; and therefore be it

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

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

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

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

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

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

FURTHER RESOLVED, That the San Francisco Youth Commission urges the Office of Small Business to continue incentivizing landlords to have long-term leases with businesses; and be it

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

FURTHER RESOLVED, The San Francisco Youth Commission urges the Commission of Small Business and the Office of Small Business to consider other equitable and long-lasting protections for Legacy Businesses' commercial spaces, including renting from city-purchased buildings or Legacy Business-specific loans and when given the opportunity to increase funding for the Legacy Business Assistance Program, consider allocating funds towards different types of business assistance especially storefront improvement; and be it

FURTHER RESOLVED, That the San Francisco Youth Commission urges the Office of Small Business and Office of Economic Workforce Development to prioritize the Legacy Business Assistance Program management and to effectively designate responsibilities for its operations, especially given that the sole position responsible for managing the program will be eliminated in the upcoming fiscal year; and be it

- 1           FURTHER RESOLVED, That the San Francisco Youth Commission staff shall
- 2   transmit copies of this resolution to the Mayor and Board of Supervisors as well as the
- 3   Office of Small Business and the Small Business Commission.