

HOME-SF and Small Business Retention Instructions

The San Francisco Bay Area continues to grow jobs and households, and is anticipated to add over 2 million new residents by 2040. New housing, particularly new affordable housing, is critical to the health and welfare of San Franciscans. Failure to adequately provide adequate housing options for new and existing residents results in high housing costs, increased congestion, loss of economic and social diversity, and increased health impacts, particularly for low income residents. Small businesses are particularly hit hard as rising housing costs make it increasingly difficult to hire and retain employees. Long commutes can frustrate the most valuable employees. And, faithful customers may be lost if they are unable to live and shop locally.

San Francisco owes much of its global appeal to the unique character of its neighborhood commercial districts. Small businesses contribute to vibrant neighborhoods, increasing the quality of life and creating economic opportunities for the city's residents and workers. While San Francisco is home to many large, established and highly visible companies, more than 95% of all businesses in the city are small businesses.

HOME-SF is an optional program that seeks to support our City's critical housing needs by encouraging more housing in areas of the city that are well served by transit, parks and schools in return for 30% on-site affordable units. In addition to providing more affordable housing options for employees and customers of existing neighborhood-serving small businesses, HOME-SF supports the retention of important community assets facing possible displacement due to new development. In response to concerns surrounding small business displacement, including those heard at previous hearings of the Small Business Commission, Supervisor Katy Tang, the San Francisco Planning Department, the Office of Economic and Workforce Development (OEWD) and the Office of Small Business (OSB) have collaborated to ensure any small business faced with displacement through a HOME-SF project is offered three types of assistance:

- Time to Plan
- Support + Resources
- A Guide to the Process

Here's a bit more about how each of these three features can help support small businesses as the City adds new housing.

TIME TO PLAN

Many commercial businesses are confronted with the need to relocate – whether they feel a new location would better serve their business, cannot renew an existing lease, or the land owner chooses to redevelop the site. Business relocation is a very involved process that can require up to 1 or 1.5 years of planning and work. Businesses are more vulnerable to changes in leases than residential occupants. While the City has little control over this relationship, this program would give businesses a necessary lever to help keep their business open: knowledge. Whereas many business owners have told of being surprised with the need to uproot their business within a few weeks or months; HOME-SF would ensure that surprises would be limited from development under this program.

HOME-SF REQUIRES THAT ANY SMALL BUSINESSES ARE PROVIDED AT LEAST 18 MONTHS NOTIFICATION OF ANY CHANGES TO THEIR PROPERTY RELATED TO HOME-SF.

SUPPORT + RESOURCES

There are many considerations for a business owner – developing or modifying a business plan, finding a new suitable location, and building out the new space. Accomplishing each of these steps requires time, knowledge and financial resources. Some commercial businesses can independently accomplish a relocation successfully, but most benefit from technical and/or financial support. San Francisco aims to support this process with the Office of Economic and Workforce Development's *SF Guide to Small Business Retention and Relocation Support*, which includes a menu of available programs and financial resources to assist small businesses.

Small business retention is a priority in the City. OEWD launched a Small Business Retention and Relocation Program to support and service small businesses at-risk of and facing displacement. Businesses that participate in the program benefit from:

- Business Retention and Relocation Services,
- Improved Sustainability of the business
- Access to Services and Grants to maximize operations and utilization of space.

The program offers:

- One-on-one Case Management and Customized Assistance to access Real Estate Support from an in-house broker,
- Financing Assistance,
- Access to Incentives, and
- Navigating City agencies to coordinate and mitigate build-out on behalf of the business.

In addition, the [San Francisco Business Portal](#) is the ultimate resource for [starting](#), [running](#), and [growing](#) a business in our City. With comprehensive information and tailored tools, the portal helps you navigate the process and quickly learn what it takes to be compliant.

OEWD AND OSB ARE COMMITTED TO PROVIDING SUPPORT SERVICES TO SMALL BUSINESSES. IN ADDITION TO TECHNICAL SUPPORT, THE CITY OFFERS A MENU OF FINANCIAL RESOURCES AND ACCESS TO GRANTS. THESE RESOURCES ARE SUMMARIZED AND DESCRIBED IN THE OEWD GUIDE.

The HOME-SF Process

Any project sponsor proposing to utilize HOME-SF on a site that contains an existing small business will be required to complete the following steps:

1. **Early Notification.** On website and promotional materials, project sponsors are notified that early notification to any existing commercial tenant on the site is required in order to submit Environmental Evaluation (EE) for a HOME-SF project. If project sponsor has not notified tenants at Preliminary Project Assessment (PPA) submittal, they are notified in the PPA letter that an EE will not be accepted until proof of early notification is received.

Project sponsors provide early notification to tenants and OEWD.

Notifications to OEWD should be addressed to:

The Office of Economic and Workforce Development – Small Business Programs

ATTN: Holly Lung

1 Dr. Carlton B. Goodlett Place, Suite 448

San Francisco, CA 94102

2. **Verification.** Copies of notification with tenant(s) contact information are submitted to the Planning Department as part of the EE application.
3. **Description of Existing Businesses.** When project sponsors apply for entitlement, they will include information about existing businesses and indicate how the redeveloped site will satisfy HOME-SF specific Conditional Use criteria related to impact to neighborhood serving businesses.

Tenants can develop a relocation plan, with OEWD support as requested by project sponsor or tenant.

Tenants or project sponsors provide updated information to the department and OEWD during the review process, detailing information that is relevant to the impacts on small businesses.

4. **Findings & Deliberation on Project Benefits.** Project sponsor works with assigned Planner to complete case report, including findings related to HOME-SF specific Conditional Use criteria.

The Planning Commission will review the findings related to impacts on neighborhood commercial districts, including any small businesses, as part of the Conditional Use Authorization. This public deliberation will provide the project sponsor an opportunity to describe their efforts to help the City achieve its goals of supporting existing commercial and retail uses, while also contributing to its stock of permanently affordable housing.

Step 1 – AT PRELIMINARY PROJECT ASSESSMENT (PPA) LETTER

Many project sponsors submit their PPA and EE at the same time. The HOME-SF application, website and other promotional materials will make it clear that proof of early notification to any existing commercial tenants on the site will be required before any EE is accepted at the Planning Department.

If project sponsor proposes to utilize HOME-SF in PPA application, and has NOT provided proof of early notification, Planning Department response letter will include the following template language:

If the project proposes to demolish an existing commercial space or spaces, the project sponsor is required to submit information about the existing tenant(s) (or the last tenant to occupy the space, if presently vacant) upon submittal for Environmental Evaluation (EE) to the Planning Department. Project sponsor will also be required to send notice to the tenant (CCing OEWD) that a housing development is proposed on the site, and provide the tenant with the **SF Guide to Small Business Retention and Relocation Support**.

Step 2 – AT ENVIRONMENTAL EVALUATION (EE) SUBMITTAL

Applicant required to indicate whether a business is existing on the site. If yes, is informed he/she cannot submit EE until proof is provided that :

1. Project sponsor has given 18 month notice to tenant(s) that a new housing development is proposed on the site
2. Project sponsor has provided said tenant(s) with the **SF Guide to Small Business Retention and Relocation Support**

Step 3 – AT HOME-SF ENTITLEMENT SUBMITTAL

Applicant required to fill in the following section of HOME-SF application:

San Francisco’s small business community is an integral part of San Francisco’s neighborhood commercial corridors, local economy, and rich culture, and the City is committed to maintaining small businesses in its neighborhoods. For this reason, the HOME-SF Program acknowledges the need for support for any business that might be impacted as part of a development project. The Office of Economic and Workforce Development (OEWD), in coordination with the Office of Small Business, currently coordinate on referrals to and deployment of a range of services to small businesses including but not limited to; small business consulting, lease negotiation assistance, small business loans, ADA Certified Access Specialists (CASp) inspection services, legacy business registry, façade improvement assistance, commercial corridor management, grants and assessments, relocation and broker services for production, distribution and repair (PDR) businesses, business permit assistance, and coordination with city agencies.

Does a commercial use or space exist on the project site?

No (skip this section)

Yes

Name of business(es) _____

Size of commercial space (sf per use) _____

Currently occupied or date last occupied _____

Present or last use(s) on the project site

Restaurant (Sec. 790.91)

Limited Restaurant (Sec. 790.90)

Bar (Sec. 790.22)

Sales and Services, Other Retail (Sec. 790.102)

Production, Distribution or Repair (Sec. 102)

Other (please indicate) _____

Type of Business

Formula Retail (see Sec. 303.1 for definition)

San Francisco Legacy Business

Other

Notification Provided

_____ **All commercial tenants were notified of proposed project and provided the SF Guide to Small Business Retention and Relocation Support.**

Date of notification:

In no case may a project receive a site permit or any demolition permit prior to 18 months from the date of written notification required by 206.3(e)(1)(B).

_____ **All commercial tenants were notified of OEWD and its program for specific small business relocation case managers**

Name and contact info of case manager assigned, if applicable:

Conditional Use Findings

Pursuant to Planning Code Section 303(t), before approving a conditional use authorization, the Planning Commission needs to find that the facts presented are such to establish the findings stated below: In the space below and on separate paper, if necessary, please present facts sufficient to establish each finding.

- (A) whether the project would require the demolition of an existing building;**
- (B) whether the project would remove existing commercial or retail uses;**
- (C) If the project would remove existing commercial or retail uses, how recently the commercial or retail uses were occupied by a tenant or tenants;**
- (D) whether the project includes commercial or retail uses;**
- (E) whether there is an adverse impact on the public health, safety, and general welfare due to the loss of commercial or retail uses in the district where the project is located.**

Step 4 – AT PLANNING COMMISSION HEARING

Applicant will work with assigned Planner to make the following HOME-SF specific Conditional Use findings, pursuant to [Sec. 303\(t\)](#) of the San Francisco Planning Code, and included the case report presented to the Planning Commission:

The Planning Commission shall consider the extent to which the following criteria are met:

- (A) whether the project would require the demolition of an existing building;**
- (B) whether the project would remove existing commercial or retail uses;**
- (C) If the project would remove existing commercial or retail uses, how recently the commercial or retail uses were occupied by a tenant or tenants;**
- (D) whether the project includes commercial or retail uses;**
- (E) whether there is an adverse impact on the public health, safety, and general welfare due to the loss of commercial or retail uses in the district where the project is located.**