



LEGACY BUSINESS PROGRAM

Annual Report Fiscal Year 2017-18 April 2017 - March 2018

*Preserving San Francisco's Historic,
Community-Serving Small Businesses*



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EXECUTIVE SUMMARY

This Legacy Business Program Annual Report for fiscal year 2017-18 (April 2017 through March 2018) is the second annual report for the Legacy Business Program of the City and County of San Francisco. It summarizes activities of the Legacy Business Program, including the following: major accomplishments, the Legacy Business Registry, business assistance services, the Legacy Business Historic Preservation Fund, marketing and branding, the Program budget, Program challenges and major upcoming activities. Highlights are included below.

MAJOR ACCOMPLISHMENTS

- Developed additional rules and regulations for the Legacy Business Registry.
- Added 53 businesses to the Registry between April 2017 and March 2018.
- Celebrated the 100th Legacy Business being added to the Registry in September 2017.
- Created a Google map for Legacy Businesses on the Legacy Business Registry webpage.
- Increased the capacity for one-on-one business assistance services through the addition of a Small Business Case Manager in May 2017.
- Provided 233 hours of technical assistance to 49 unduplicated clients between July 2017 and March 2018.
- Created business assistance materials for Legacy Businesses including a resources handbook and an employee ownership toolkit in partnership with the Small Business Development Center and the Democracy at Work Institute, respectively.
- Created a webpage to identify Legacy Businesses that compliant Suppliers with the City.
- Updated the rules and regulations for Business Assistance Grants for Legacy Businesses.
- Approved 72 Business Assistance Grants totaling \$625,321 for fiscal year 2017-18.
- Updated the rules and regulations for Rent Stabilization Grants for landlords of Legacy Businesses.
- Approved 14 Rent Stabilization Grants totaling \$204,863 between April 2017 and March 2018.
- Issued a Request For Quotes for marketing and branding services, and negotiated a contract with the selected contractor, Osaki Creative Group.
- Increased visibility of the Legacy Business Program beginning September 2017 through added staff support focused on communications.

LEGACY BUSINESS REGISTRY

The Legacy Business Program received 208 nominations from the Mayor and members of the Board of Supervisors through March 31, 2018. The Program received 154 applications, and 129 businesses were added to the Legacy Business Registry.

Fiscal Year	Number of Nominations Received	Number of Applications Received	Number of Businesses Listed on the Legacy Business Registry
Fiscal Year 2015-16	71	30	0
Fiscal Year 2016-17	99	87	93
Fiscal Year 2017-18 through March 31, 2018	38	37	36
ANNUAL REPORT TOTAL	208	154	129

BUSINESS ASSISTANCE SERVICES

The Legacy Business Program has been working with a team of technical assistance providers including the San Francisco Small Business Development Center (SFSBDC), Working Solutions and the Lawyers' Committee for Civil Rights to assist businesses in need of lease negotiation, real estate assistance, one-on-one business consulting and other business challenges. Since July 1, 2017, the Legacy Business Program provided 233 hours of technical assistance to 49 unduplicated clients. Since the Program launched, the Legacy Business Program provided 587 hours of consulting to 74 unique clients.

	Fiscal Year 2017-18 (Through March 31, 2018)	Fiscal Year 2016-17	Program Total
Number of Clients	49	25	74
Number of Hours of Technical Assistance	233	354	587

Legacy Businesses are also eligible for one-on-one consulting with access to all training workshops offered via SFSBDC at no cost, such as marketing, financial management, QuickBooks training and technology. In addition, SFSBDC has partnered with BusinessBlocks, a San Francisco education company, to provide Legacy Businesses with free seats in the MainStreet Marketing online course through which they learn marketing strategy and marketing tactics to help them reach new customers, and create a practical marketing plan tailored to their specific needs. Six Legacy Businesses have taken advantage of this training opportunity.

LEGACY BUSINESS HISTORIC PRESERVATION FUND

The Legacy Business Program approved Business Assistance Grants to all 72 of the 111 eligible Legacy Businesses that applied for the grant. The total amount approved for all grantees was \$625,321, and the average grant award was \$8,685 per grantee.

Business Assistance Grant	Number of Full-Time Equivalent Employees	Grants Paid
Total	1,213	\$625,321
Count	72	72
Average	16.85	\$8,685
Median	9.00	\$4,640

The Legacy Business Program paid 14 Rent Stabilization Grants to landlords of Legacy Businesses from April 1, 2017, through March 31, 2018. The grant applications totaled \$204,862.60. All 14 grant payments were the first year payments of multiple year grants.

Rent Stabilization Grant	Grants Paid
Total	\$204,862.60
Count	14
Average	\$14,633.04

MARKETING AND BRANDING

The Office of Small Business began working with Osaki Creative Group, a third party marketing firm selected through a formal solicitation process, for marketing and branding services for the Legacy Business Program, including the creation of a logo, brand, marketing strategy and website design. In addition, the Office of Small Business hired a new employee, Rhea Aguinaldo, to support the Legacy Business Program with communications and administration. Social media efforts were elevated on Twitter and Facebook, and the Office of Small Business began issuing regular press releases to announce new businesses added to the Legacy Business Registry. From April 2017 through March 2018, eight press releases were issued by the Office of Small Business resulting in the publication of 13 known news articles.

Fiscal Year	Number of Press Releases Issued	Number of Known News Articles Resulting From Press Releases
Fiscal Year 2016-17	2	9
Fiscal Year 2017-18 Through March 31, 2018	8	13

PROGRAM BUDGET

Following is the estimated Legacy Business Program budget through fiscal year 2018-19. The budget includes staffing, program expenses, application fees paid by Legacy Businesses and grants. For detailed information, please see pages 32-34.

Budget Year	Revenue or Estimated Revenue	Expenses or Estimated Expenses	Difference Between Revenue and Expenses	Carryforward to Next Fiscal Year
Fiscal Year 2016-17	\$1,579,323	\$584,860	\$994,463	\$897,120
Fiscal Year 2017-18	\$1,446,545	\$1,438,945	\$7,600	\$7,600
Fiscal Year 2018-19	\$1,318,330	\$1,314,730	\$3,600	\$3,600

MAJOR UPCOMING ACTIVITIES

- Updating the rules and regulations for the Legacy Business Registry.
- Issuing and processing the Business Assistance Grant for fiscal year 2018-19.
- Issuing an annual "Re-Application" form for current grantees of the Rent Stabilization Grant.
- Processing new Rent Stabilization Grant applications.
- Developing policies to measure and analyze the effects of Legacy grants and developing protocols to address the growing demand for the grants.
- Providing resources and training to Legacy Businesses for succession planning.
- Providing real estate technical assistance and researching new opportunities for assisting Legacy Businesses with the purchase of commercial buildings and commercial spaces.
- Creating a resource guide about commercial tenancies-in-common (TICs).
- Working with the Planning Department and other City departments to provide benefits to Legacy Businesses and their landlords.
- Creating a logo for the Legacy Business Program.
- Developing a marketing and branding plan for the Legacy Business Program.

BACKGROUND

The Legacy Business Program is a groundbreaking initiative to recognize and preserve longstanding, community-serving businesses that are valuable cultural assets to the City. San Francisco businesses – including retailers, restaurants, service providers, manufacturers, nonprofit organizations and more – are the places that give the city its character. They're the bedrock of our communities and a draw for tourists from around the world. Preserving our legacy businesses is critical to maintaining what it is that makes San Francisco a special place.

BACKGROUND OF LEGACY BUSINESS PROGRAM

A 2014 report by the City's Budget and Legislative Analyst's Office showed the closure of small businesses had reached record numbers in San Francisco. Commercial rents in most neighborhoods had risen significantly. The report drew connections between the city's high level of commercial evictions and skyrocketing rents. While rent control laws shield many residents from exorbitant rent hikes, no such laws exist for businesses. State law does not allow restrictions on commercial leases. An alternative effort to assist the city's legacy businesses was needed. Inspired by programs in cities such as Buenos Aires, Barcelona and London, Supervisor David Campos proposed legislation and a ballot proposition that would become the Legacy Business Program. It was introduced in two phases.

Phase one, which unanimously passed the Board of Supervisors in March 2015 and was signed by the Mayor on March 19, 2015, created the San Francisco Legacy Business Registry. To be listed on the Registry, businesses must be nominated by the Mayor or a member of the Board of Supervisors and determined by the Small Business Commission, after a noticed hearing, as having met the following criteria:

1. The business has operated in San Francisco for 30 or more years, with no break in San Francisco operations exceeding two years.
2. The business has contributed to the neighborhood's history and/or the identity of a particular neighborhood or community.
3. The business is committed to maintaining the physical features or traditions that define the business, including craft, culinary or art forms.

Phase two asked voters to create the Legacy Business Historic Preservation Fund, first-of-its-kind legislation that provides grants to both Legacy Business owners and property owners who agree to lease extensions with Legacy Business tenants.

Proposition J, establishing the Legacy Business Historic Preservation Fund, was approved by voters in November 2015, with 56.97 percent in favor and 43.03 percent opposed.

THE LEGACY BUSINESS PROGRAM IN THE SAN FRANCISCO ADMINISTRATION CODE

In the San Francisco Administrative Code, the Legacy Business Registry and the Legacy Business Historic Preservation Fund are addressed in sections [2A.242](#) and [2A.243](#), respectively.

MAJOR ACCOMPLISHMENTS

Following are major accomplishments for the Legacy Business Program from April 1, 2017, through March 31, 2018:

- Developed additional rules and regulations for the Legacy Business Registry.
- Added 53 businesses to the Registry between April 2017 and March 2018.
- Celebrated the 100th Legacy Business, Casa Sanchez, being added to the Legacy Businesses Registry on September 11, 2017.
- Created a Google map for Legacy Businesses on the Legacy Business Registry webpage.
- Increased the capacity for one-on-one business assistance services through the addition of a Small Business Case Manager, Lawrence Liu, through the San Francisco Small Business Development Center in May 2017.
- Provided 233 hours of technical assistance to 49 unduplicated clients between July 2017 and March 2018.
- Created the “Legacy Business Program Resources Handbook” in partnership with the San Francisco Small Business Development Center to provide Legacy Businesses with a reference guide of local business programs, services and available resources. Posted the handbook in English, Spanish, Chinese and Tagalog on the Office of Small Business’s website and distributed copies to all Legacy Businesses.
- Created “Becoming Employee-Owned: A Small Business Toolkit for Transitioning to Employee Ownership” in partnership with the Democracy at Work Institute to introduce Legacy Businesses to the succession strategy of transitioning to employee ownership. Posted the toolkit on the Office of Small Business’s website.
- Created a webpage to identify Legacy Businesses that are compliant Suppliers with the City and County of San Francisco and are eligible to do business with the City.
- Updated the rules and regulations for Business Assistance Grants for Legacy Businesses.
- Approved 72 Business Assistance Grants totaling \$625,321 for fiscal year 2017-18.
- Updated the rules and regulations for Rent Stabilization Grants for landlords of Legacy Businesses.
- Approved 14 Rent Stabilization Grants totaling \$204,863 between April 2017 and March 2018.
- Created a Supplier Portal Resource Guide to assist grantees through the process of becoming Suppliers with the City so they can receive grant payments.
- Issued a Request For Quotes for marketing and branding services. Received seven proposal. Negotiated a contract with the selected contractor, Osaki Creative Group, for marketing and

branding services for the Legacy Business Program, including the development of a logo, brand identity, collateral and public relations materials, a marketing plan and website design.

- Began working with Osaki Creative Group on marketing and branding for the Legacy Business Program. Established a Marketing and Branding Committee to provide guidance on the project.
- Increased visibility of the Legacy Business Program beginning September 2017 through added staff support focused on communications.



Casa Sanchez, a family-owned distributor of Mexican food products, inducted as the 100th Legacy Business by the Small Business Commission on September 11, 2017; Photo: Office of Small Business.



Mayor Ed Lee with employees of Casa Sanchez and Office of Small Business staff; Photo: Office of Small Business.

LEGACY BUSINESS REGISTRY

The purpose of the Legacy Business Registry is to recognize and preserve longstanding, community-serving businesses that are valuable cultural assets to the City. The Registry is a tool for providing educational and promotional assistance to Legacy Businesses to encourage their continued viability and success.

Nominations for the Registry are made by the Mayor or a member of the Board of Supervisors on an ongoing basis. Nominations are limited to a total of 300 businesses per fiscal year (July 1 through June 30). Businesses that are nominated for inclusion on the Registry and wish to be included on the Registry must pay a one-time non-refundable administrative fee of \$50 to offset the costs of administering the Legacy Business Program.

NOMINATIONS, APPLICATIONS AND BUSINESSES LISTED ON THE REGISTRY

The following table shows the number of nominations received, the number of applications received and the number of businesses listed on the Legacy Business Registry for fiscal year 2015-16 and 2016-17 and the first three quarters of fiscal year 2017-18.

EXHIBIT 1: Number of Nominations, Applications and Legacy Businesses by Fiscal Year

Fiscal Year	Number of Nominations Received	Number of Applications Received	Number of Businesses Listed on the Legacy Business Registry
Fiscal Year 2015-16	71	30	0
Fiscal Year 2016-17	99	87	93
Subtotal Fiscal Years Prior to 2017-18	170	117	93
2017 Quarter 3: July through September	17	15	18
2017 Quarter 4: October through December	12	17	8
2018 Quarter 1: January through March	9	5	10
Subtotal Fiscal Year 2017-18 Through March 31, 2018	38	37	36
ANNUAL REPORT TOTAL	208	154	129

We're proud to be a part of San Francisco's history and fun part of San Francisco's future. When my grandfather built the hotel in 1958, he never could have imagined the city that San Francisco would become. I'm thankful every day that he built a hotel in the Castro. It's such a welcoming neighborhood and sets the accepting tone for the whole city. San Francisco is part of who we are, and becoming a Legacy Business solidifies this.” – Brittney Beck, Owner of Beck’s Motor Lodge

The previous table represents a total of 217 businesses of which 208 have been nominated by the Mayor or a member of the Board of Supervisors and 154 have provided applications to the Office of Small Business. The following table shows the status of the 217 businesses with regard to the Legacy Business Registry for fiscal years 2015-16 and 2016-17 and the first three quarters of fiscal year 2017-18.

EXHIBIT 2: Status of Nominees and Applicants

Status with Regard to the Legacy Business Registry	Nominees	Applicants	TOTAL
Legacy Business listed on the Registry	129	129	129
Legacy application in the approval pipeline	4	4	4
Legacy application in progress	7	14	14
Legacy application rescinded by the applicant	1	2	2
Business not yet age eligible for the Registry	2	2	2
Business not eligible for the Registry	0	1	1
Business closed	2	2	2
No application received	63	NA	63
TOTAL	208	154	217

LEGACY BUSINESSES

The following table indicates the 129 Legacy Businesses that were placed on the Legacy Business Registry in fiscal year 2016-17 and in the first three quarters of fiscal year 2017-18. The businesses are in alphabetical order, and only their main business addresses are listed. For a current list of all Legacy Businesses, including multiple San Francisco business locations if applicable, please visit the Office of Small Business’s website at <http://sfosb.org/legacy-business/registry>.

EXHIBIT 3: Legacy Businesses as of March 31, 2018

Legacy Business	Main Business Address	Current District	Nominator	Date Placed on Registry
Accion Latina	2958 24th St.	9	Edwin Lee	3/27/2017
AIDS Legal Referral Panel	1663 Mission St., Suite 500	6	Jeff Sheehy	1/22/2018
Analytical Psychology Club	2411 Octavia St. #1	2	Mark Farrell	7/10/2017
Anchor Oyster Bar	579 Castro St.	8	Scott Wiener	11/14/2016
Arrow Stamp and Coin Company	2395 21st Ave. ¹	4	Katy Tang	12/12/2016
ArtHaus Gallery	411 Brannan St.	6	Jane Kim	2/27/2017
Ave Bar	1607 Ocean Ave.	7	Norman Yee	9/25/2017
Avedano's Holly Park Market	235 Cortland Ave.	9	Hillary Ronen	9/25/2017
Babylon Burning	63 Bluxome St.	6	Jane Kim	2/26/2018

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Legacy Business	Main Business Address	Current District	Nominator	Date Placed on Registry
Bay Area Video Coalition	2727 Mariposa St., Second Floor	9	Edwin Lee	11/28/2016
Beck's Motor Lodge	2222 Market St.	8	Jeff Sheehy	12/11/2017
Beep's Burgers	1051 Ocean Ave.	7	Norman Yee	6/12/2017
Blue Bear School of Music	2 Marina Blvd.	2	Mark Farrell	11/28/2016
Books Inc.	1501 Vermont St.	10	Mark Farrell	2/27/2017
Booksmith	1644 Haight St.	5	London Breed	10/3/2016
Bo's Flowers Stand	1520 Market St.	5	Jane Kim	11/28/2016
Boudin Bakery	50 Francisco St., Suite 200	3	Edwin Lee	3/27/2017
BrainWash	1126 Folsom St. ¹	6	Jane Kim	5/8/2017
Brazen Head	3166 Buchanan St.	2	Mark Farrell	8/22/2016
Britex Fabrics	146 Geary St.	3	Aaron Peskin	12/12/2016
Brownies Hardware	1563 Polk St.	3	Aaron Peskin	1/9/2017
Cable Car Clothiers	110 Sutter St., Suite 108	3	Aaron Peskin	9/25/2017
Cafe du Nord	2170 Market St.	8	Scott Wiener	11/28/2016
Cafe International	508 Haight St.	5	London Breed	11/14/2016
Caffe Trieste	601 Vallejo St.	3	Aaron Peskin	11/28/2016
Cal's Automotive Center	1004 Treat Ave.	9	Hillary Ronen	4/24/2017
Canessa Gallery	708 Montgomery St.	3	Aaron Peskin	6/12/2017
Cartoon Art Museum of California	781 Beach St., 1st Floor ²	2	Edwin Lee	11/28/2016
Casa Sanchez	250 Napoleon St., Unit M	10	Edwin Lee	9/11/2017
Castro Country Club	4058 18th St.	8	Scott Wiener	11/28/2016
Chinese Historical Society of America	965 Clay St.	3	Aaron Peskin	5/8/2017
Cinderella Bakery and Cafe	436 Balboa St.	1	Eric Mar	8/14/2017
City Lights Booksellers and Publishers	261 Columbus Ave.	3	Aaron Peskin	11/14/2016
Clarion Music Center	816 Sacramento St.	3	Aaron Peskin	12/12/2016
Cliff's Variety	479 Castro St.	8	Jeff Sheehy	11/27/2017
Cole Hardware	956 Cole St.	5	London Breed	11/28/2016

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Legacy Business	Main Business Address	Current District	Nominator	Date Placed on Registry
Community Boards	601 Van Ness Ave., Suite 2040	5	London Breed	8/8/2016
Cove on Castro	434 Castro St.	8	Scott Wiener	12/12/2016
Dance Brigade	3316 24th St.	9	David Campos	12/12/2016
DNA Lounge	375 11th St.	6	Jane Kim	9/25/2017
Doc's Clock	2417 Mission St.	9	David Campos	8/22/2016
Dog Eared Books	900 Valencia St.	9	David Campos	10/3/2016
Donaldina Cameron House	920 Sacramento St.	3	Aaron Peskin	8/14/2017
Eddie's Cafe	800 Divisadero St.	5	Edwin Lee	12/11/2017
El Rio, Your Dive	3158 Mission St.	9	Hillary Ronen	11/13/2017
Elbo Room	647 Valencia St.	9	Hillary Ronen	4/24/2017
Elite Sport Soccer	2637 Mission St.	9	Hillary Ronen	8/14/2017
Ermico Enterprises	120 Mississippi St.	10	Malia Cohen	9/25/2017
EROS	2051 Market St.	8	Jane Kim	11/14/2016
Escape From New York Pizza	1737 Haight St.	5	London Breed	10/24/2016
Faxon Garage	545 Faxon Ave.	7	Norman Yee	3/27/2017
FLAX art & design	Fort Mason Center, 2 Marina Blvd, Building D	2	Jane Kim	2/13/2017
Galeria de la Raza (Galeria Studio 24)	2851 24th St.	9	Edwin Lee	11/28/2016
Gilmans Kitchens and Baths	228 Bayshore Blvd.	9	David Campos	8/8/2016
Gino and Carlo	548 Green St.	3	Aaron Peskin	5/8/2017
Golden Bear Sportswear	200 Potrero Ave.	10	Edwin Lee	11/28/2016
Golden Gate Fortune Cookies	56 Ross Alley	3	Aaron Peskin	12/12/2016
Good Vibrations	603 Valencia St.	9	David Campos	1/9/2017
Great American Music Hall	859 O'Farrell St.	6	Jane Kim	6/26/2017
Green Apple Books	506 Clement St.	1	Eric Mar	10/3/2016
Gypsy Rosalie's Wigs & Vintage	1457 Powell St.	3	Aaron Peskin	10/24/2016
Hamburger Haven	800 Clement St.	1	Eric Mar	12/12/2016
Henry's House of Coffee	1618 Noriega St.	4	Katy Tang	10/3/2016

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Legacy Business	Main Business Address	Current District	Nominator	Date Placed on Registry
Hwa Rang Kwan Martial Arts Center	90 Welsh St.	6	Jane Kim	11/13/2017
Image Conscious	147 Tenth St.	6	Jane Kim	8/22/2016
Instituto Familiar de la Raza	2919 Mission St.	9	David Campos	11/14/2016
Izzy's Steaks and Chops	3345 Steiner St.	2	Mark Farrell	7/10/2017
Jeffrey's Toys	45 Kearny St.	3	Edwin Lee	9/25/2017
Joe's Ice Cream	5420 Geary Blvd.	1	Eric Mar	1/9/2017
Kabuki Springs & Spa	1750 Geary Blvd.	5	London Breed	3/26/2018
Lab SF	2948 16th St.	9	Hillary Ronen	2/26/2018
Little Joe's Pizzeria	5006 Mission St.	11	Ahsha Safai	12/11/2017
Lone Star Saloon	1354 Harrison St.	6	Jane Kim	8/8/2016
Long Boat Jewelry	754 Grant Ave.	3	Aaron Peskin	4/24/2017
Lucca Delicatessen	2120 Chestnut St.	2	Mark Farrell	1/22/2018
Luxor Cab Company	2230 Jerrold Ave.	10	Jane Kim	11/14/2016
Macchiarini Creative Design and Metalworks	1544 Grant Ave. #B	3	Aaron Peskin	8/8/2016
Mindful Body	2876 California St.	2	Mark Farrell	2/26/2018
Mission Neighborhood Health Center	240 Shotwell St.	9	David Campos	8/22/2016
Moby Dick	4049 18th St.	8	David Campos	8/22/2016
Navarro's Kenpo Karate Studio	960 Geneva Ave. ³	11	David Campos	12/12/2016
Nihonmachi Little Friends	1830 Sutter St.	5	London Breed	9/25/2017
Noe Valley Bakery	4073 24th St.	8	Jeff Sheehy	1/22/2018
Noriega Produce	3821 Noriega St.	4	Katy Tang	5/8/2017
Ocean Hair Design	1619 Ocean Ave.	7	Norman Yee	9/25/2017
Oddball Films	275 Capp St.	9	David Campos	10/24/2016
One Twenty For Hair	155 Main St.	6	Jane Kim	12/11/2017
Pacific Cafe	7000 Geary Blvd.	1	Eric Mar	8/8/2016
Pacitas Salvadorean Bakery	10 Persia Ave.	11	Ahsha Safai	9/25/2017
Papenhausen Hardware	32 West Portal Ave.	7	Norman Yee	11/14/2016
Perry's San Francisco (Union Street)	1944 Union St.	2	Mark Farrell	4/24/2017

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Legacy Business	Main Business Address	Current District	Nominator	Date Placed on Registry
Phoenix Arts Association Theatre	414 Mason St., Suite 601	3	Aaron Peskin	9/25/2017
Pier 23 Cafe	Pier 23, The Embarcadero	3	Aaron Peskin	8/22/2016
Plough and Stars	116 Clement St.	1	Sandra Lee Fewer	2/26/2018
Precita Eyes Muralists Association	2981 24th St.	9	David Campos	8/8/2016
Project Inform	273 9th St.	6	Jeff Sheehy	9/25/2017
Project Open Hand	730 Polk St.	6	Jane Kim	12/12/2016
Real Food Company	2140 Polk St.	3	Rescinded on 2/23/17; Formerly Aaron Peskin ⁴	2/13/2017
Red and White Fleet	Pier 43 ½, The Embarcadero	3	Aaron Peskin	4/10/2017
Retro Fit Vintage	910 Valencia St. ¹	8	David Campos	3/27/2017
Rolo San Francisco	1301 Howard St.	8	Scott Wiener	2/13/2017
Rooky Ricardo's Records	419 Haight St.	5	London Breed	7/10/2017
Roxie Theater	3125 16th St.	8	Scott Wiener	8/22/2016
Ruby Sailing	1129 Folsom St.	6	Jane Kim	4/10/2017
Ruby's Clay Studio & Gallery	552A Noe St.	8	Scott Wiener	8/22/2016
Russian Hill Bookstore	2162 Polk St.	3	Aaron Peskin	6/26/2017
Sacred Grounds Cafe	2095 Hayes St.	5	London Breed	12/12/2016
Sam Jordan's Bar	4004 3rd St.	10	Edwin Lee	12/12/2016
Sam Wo Restaurant	713 Clay St.	3	Aaron Peskin	11/14/2016
Sam's Grill and Seafood Restaurant	374 Bush St.	3	Aaron Peskin	11/28/2016
San Francisco Eagle Bar	398 12th St.	6	Hillary Ronen	4/24/2017
San Francisco Heritage	2007 Franklin St.	2	Mark Farrell	11/28/2016
San Francisco Market Corporation	2095 Jerrold Ave., Suite 212	10	Malia Cohen	1/22/2018
San Francisco Prosthetic Orthotic Service	330 Divisadero St.	5	London Breed	12/12/2016
SF Party	939 Post St.	6	Jane Kim	8/22/2016
Shanti Project	730 Polk St., #3	6	Jane Kim	6/26/2017

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Legacy Business	Main Business Address	District	Nominator	Date Placed on Registry
Slim's	333 11th St.	6	Jane Kim	2/26/2018
Specs' 12 Adler Museum Cafe	12 William Saroyan Pl.	3	Aaron Peskin	8/8/2016
Spectacles of Union Square	177 Maiden Ln.	3	Aaron Peskin	6/26/2017
St. Francis Fountain	2801 24th St.	9	David Campos	11/14/2016
Stud Bar	399 9th St.	6	Jane Kim	11/28/2016
Tommaso's Ristorante Italiano	1042 Kearny St.	3	Aaron Peskin	11/27/2017
Toy Boat Dessert Cafe	401 Clement St.	1	Eric Mar	8/8/2016
Twin Peaks Auto Care	598 Portola Dr.	7	Norman Yee	8/22/2016
Two Jack's Nik's Place Seafood	401 Haight St.	5	London Breed	8/8/2016
Valencia Whole Foods	999 Valencia St.	9	David Campos	12/12/2016
VIP Coffee and Cake Shop	671 Broadway	3	Aaron Peskin	12/12/2016
Zam Zam	1633 Haight St.	5	London Breed	12/12/2016
Zeitgeist	199 Valencia St.	8	David Campos	10/3/2016

Notes:

¹Arrow Stamp & Coin Company, BrainWash and Retro Fit Vintage are closed at these locations. At this time, the businesses remain on the Registry per the Legacy Business Registry Rules and Regulations.

²The original business address of Cartoon Art Museum when added to the Registry was 275 5th Street, Suite 303 in District 6.

³The original business address of Navarro's Kenpo Karate Studio when added to the Registry was 3470 Mission St. in District 9.

⁴The nomination for Real Food Company was rescinded by the nominator after the Legacy Business was placed on the Registry. Rescinding a nomination after placement on the Registry does not remove a Legacy Business from the Registry.

“Along with our 30 merchant businesses that call The SF Market home, we are incredibly honored by the Legacy Business Registry recognition and how it reflects on our strong commitment to our community throughout our long history. We are extremely proud of our deep connections and relationships with our customers, farming partners, Bayview Hunters Point community, and the City of San Francisco and look forward to serving them for many years to come.” – Larry Brucia, Board President of San Francisco Market Corporation

LEGACY BUSINESSES PER NOMINATOR

The following table indicates the number of nominations for each nominator for the 129 Legacy Businesses that were placed on the Legacy Business Registry through March 31, 2018.

EXHIBIT 4: Legacy Businesses Per Nominator as of March 31, 2018

Nominator	Number of Legacy Businesses
Mayor Edwin Lee	10
Supervisor London Breed	12
Supervisor David Campos	15
Supervisor Malia Cohen	2
Supervisor Mark Farrell	9
Supervisor Sandra Lee Fewer	1
Supervisor Jane Kim	19
Supervisor Eric Mar	6
Supervisor Aaron Peskin	24
Supervisor Hillary Ronen	7
Supervisor Ahsha Safaí	2
Supervisor Jeff Sheehy	5
Supervisor Katy Tang	3
Supervisor Scott Wiener	7
Supervisor Norman Yee	6
Rescinded; Formerly Supervisor Aaron Peskin	1
TOTAL	129
AVERAGE	8

LEGACY BUSINESSES PER DISTRICT

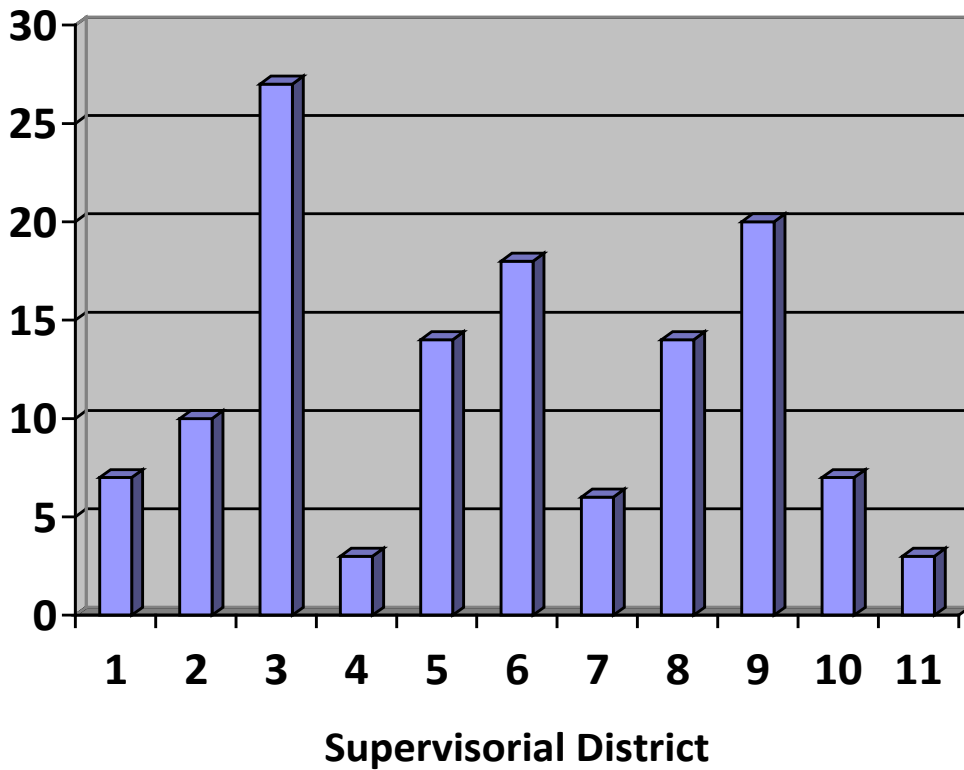
The table on the following page indicates the number of Legacy Businesses per supervisorial district for the 129 Legacy Businesses that were placed on the Legacy Business Registry through March 31, 2018. The table lists the district for the main business address for each Legacy Business even if the Legacy Business has multiple locations included on the Registry.

“Our community is very proud to have the Jazz Room named a Legacy Business. This further cements and acknowledges the deep contributions of African-Americans in Bayview and San Francisco.” – Theo Ellington, Board Member of Economic Development on Third

EXHIBIT 5: Table of Number of Legacy Businesses Per District as of March 31, 2018

Supervisory District	Number of Legacy Businesses
1	7
2	10
3	27
4	3
5	14
6	18
7	6
8	14
9	20
10	7
11	3
TOTAL	129
AVERAGE	12

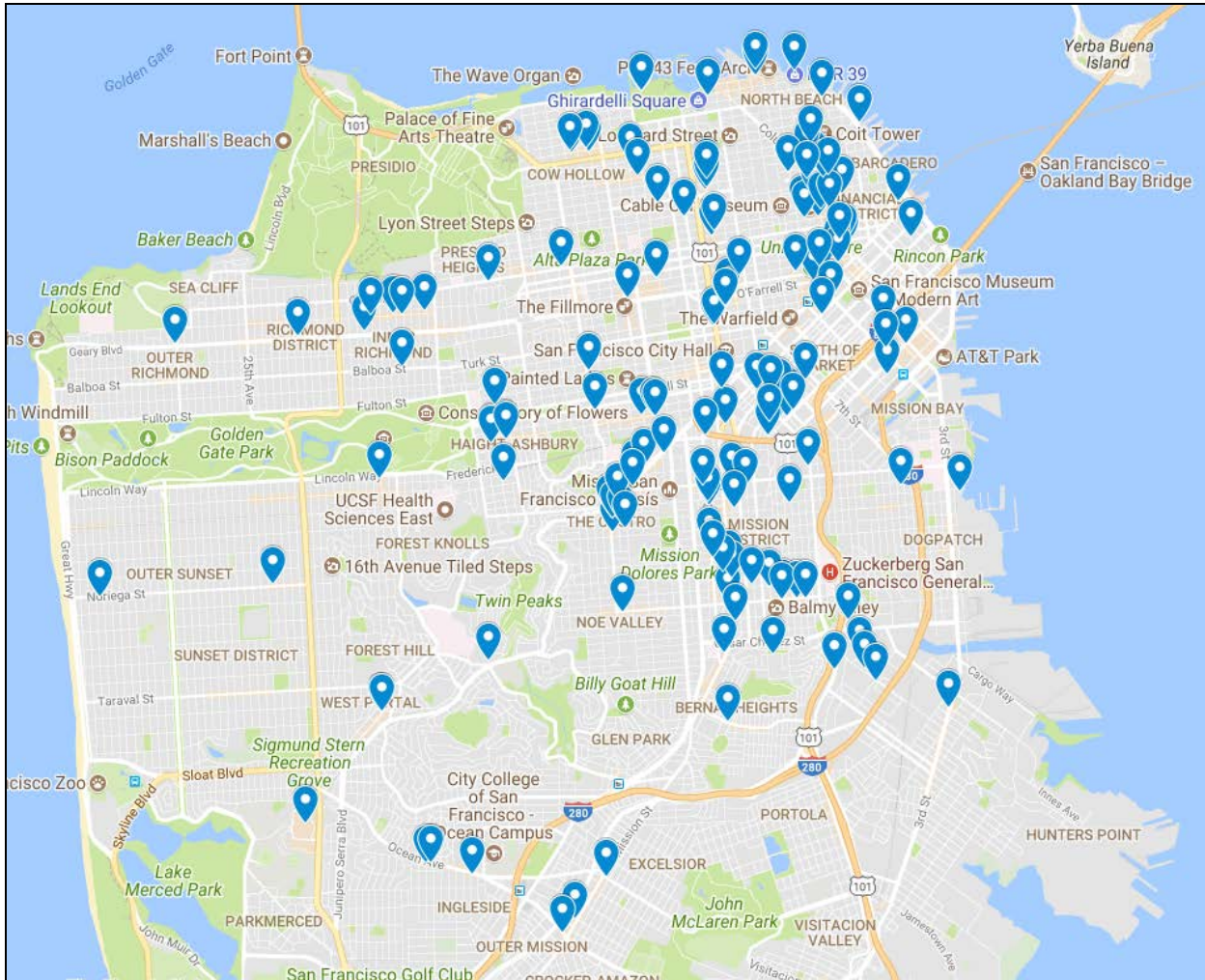
EXHIBIT 6: Chart of Number of Legacy Businesses Per District as of March 31, 2018



MAP OF LEGACY BUSINESSES

The following map shows the locations of all 129 Legacy Businesses, including multiple business locations for applicable businesses, as of March 31, 2018. For a current map, please visit the following website: https://drive.google.com/open?id=1fri3u5gtCKQYycK-hgkaQ45_nlo&usp=sharing

EXHIBIT 7: Map of Legacy Businesses as of March 31, 2018



Map data ©2018 Google

“Local feeds local. “It’s my new saying. Through all these years it’s the local businesses that have kept our dream alive. Our t-shirt business runs on local creative people thinking of designs that we put on shirts. Inclusion of Babylon Burning on the Legacy Business Registry will help the business remain in ever-changing San Francisco, where we can continue helping our local, creative brothers and sisters that need to be heard.” – Mike Lynch, Owner of Babylon Burning Screen Printing

BUSINESS ASSISTANCE SERVICES

SUMMARY OF SERVICES

ONE-ON-ONE CONSULTING

The Legacy Business Program has been working with a team of technical assistance providers including the San Francisco Small Business Development Center (SFSBDC), Working Solutions and the Lawyers' Committee for Civil Rights (LCCR) to assist businesses in need of lease negotiation, real estate assistance, one-on-one business consulting, and other business challenges. Since July 1, 2017, the Legacy Business Program has provided technical assistance to 49 unduplicated clients for a total of 233 hours of consulting. Since the program launched, the Legacy Business Program has served 74 unique clients for a total of 587 hours of consulting.

EXHIBIT 8: Business Assistance Provided through March 31, 2018

	Fiscal Year 2017-18 (Through March 31, 2018)	Fiscal Year 2016-17	Program Total
Number of Clients	49	25	74
Number of Hours of Technical Assistance	233	354	587

TRAINING

Not only are Legacy Businesses eligible for one-on-one consulting, but they also have access to all training workshops offered via SFSBDC at no cost. Topics include, but are not limited to, marketing, financial management, QuickBooks training, access to capital and technology.

In addition to regular workshops, SFSBDC has partnered with BusinessBlocks, a San Francisco-based small business education company, to provide Legacy Businesses with free seats in the MainStreet Marketing online course (retail value of \$750). In this course, businesses learn marketing strategy, master online and offline marketing tactics to help them reach new customers and create a practical marketing plan tailored to their specific needs. Each business is also paired with an SFSBDC marketing consultant who provides customized one-on-one advising and feedback on their marketing plan.

This packaged offering empowers Legacy Businesses with knowledge, support and confidence to innovate and adapt to a hyper-competitive and ever-evolving business environment. Since the program launched, six Legacy Businesses have taken advantage of the concentrated business program.

“Just because our business has been around a long time doesn’t mean we don’t need help. That’s why this partnership between SFSBDC and BusinessBlocks is so helpful.” – Emily Lund, San Francisco Prosthetic Orthotic Service, Inc.

CLIENT NEEDS

ASSISTANCE WITH LEGACY BUSINESS REGISTRY APPLICATIONS

Businesses owners continue to require assistance with their Legacy Business Registry applications. Business owners needing help are paired with a business advisor who helps guide the client through the application process. The most common assistance sought by business owners is with writing the narrative section, but assistance is also provided with compiling back-up documentation and ensuring the application is complete before submission. In cases where business owners did not understand English well, an interpreter/advisor was assigned to facilitate communication.

TECHNIAL ASSISTANCE TO LEGACY BUSINESSES

Legacy Businesses face similar challenges encountered by non-Legacy Business. The two most common issues are primarily related to real estate and business performance. The majority of Legacy Businesses do not own their commercial property and, given the bargaining power of property owners, they encounter challenges when their leases are about to expire. It is extremely helpful for business owners to work with someone who understands the negotiating process, market rates, and current real estate trends, as this helps balance the negotiating advantage of landlords.

In cases where business owners had intentions to move to new locations, SFSBDC was able to pair the business owners with real estate professionals for their relocation plans. Additionally, business owners were paired with a marketing and financial management advisor to help reduce the risk of poor sales and poor cash flow, which is inherent in a relocation.

Finally, some business owners have demonstrated a need for performance improvements. Such cases are referred to a specialized consultant to 1) help assess the business situation and diagnose the potential problems; and 2) provide one-on-one support in the areas of financial management, marketing assistance, business planning, access to capital, technology and strategy. The end-goal of the one-on-one assistance is to help establish the long-term sustainability of Legacy Businesses.



The Booksmith, an independent bookstore serving residents, tourists and book lovers in Haight-Ashbury since 1976; Photo: The Booksmith, Facebook.

SUCCESS STORIES

Technical assistance is provided to Legacy Businesses that are listed on the Registry as well as to Legacy nominees and applicants who are in the process of applying for the Registry. Following are two success stories: one about a Legacy Business and the other about a Legacy nominee.

Cal's Automotive Center

1004 Treat Ave., San Francisco, CA 94110

Company Profile: The long-time auto body shop and garage owned by Nick Calabrese has been located in the Mission District since 1977. The business was added to the Legacy Business Registry on April 24, 2017, and is also located within the Calle 24 Latino Cultural District.

Challenges: Cal's was facing displacement after being served with an eviction notice due to several factors which included proposed improvements to the building. The business had recently undergone a rent increase from \$3,500 to \$5,000 per month and had been paying on time. However, the business was still served an eviction notice under unclear circumstances.

Actions Taken: The first step taken was to get Cal's Automotive Center admitted to the Legacy Business Registry, as the business had been in operation for over 30 years. Working Solutions assisted with this application, and the business was admitted to the Registry on April 24, 2017. The next step was to connect Cal's with the Lawyers Committee for Civil Rights to provide pro-bono legal assistance. However, the issue had since moved to litigation once the eviction notice was served and a discount attorney was then provided to provide council. Nick's personal attorney assisted in negotiating a deal with the landlord to possibly leverage the Rent Stabilization Grant in exchange for a long-term lease.

Results: The landlord eventually relented and pulled the eviction order, allowing Cal's to remain at their current location indefinitely. The landlord will now honor the previous arrangement and will not evict Cal's from their space. However, the landlord did not wish to sign on to a long-term lease agreement; therefore, the Rent Stabilization Grant cannot be utilized. Nick would like to explore finding a new location at a later date where he can sign a long-term agreement. This has not been decided yet.

“Working Solutions treated me like family while working with me through this ordeal.” – Nick Calabrese, Cal's Automotive Center

Yuet Lee Restaurant

1300 Stockton St., San Francisco, CA 94133

Company Profile: Yuet Lee Restaurant has been nominated to the Legacy Business Registry. It is a traditional family-owned Chinese restaurant founded by the father of an immigrant family, Chi Yuet Yu, in 1977 and passed on to Sam Yu, the second son in 1988. Yuet Lee specializes in Hong Kong Style Seafood dishes. It is a famous icon at the corner of Stockton St. and Broadway in Chinatown, San Francisco, for the last 41 years.

Challenges: Yuet Lee's Restaurant was affected by road construction on Stockton Street resulting from the Central Subway Project in the Chinatown area. As a result, the business owner exhausted cash reserves and needed additional capital to continue his operation.

Action Taken: SFSBDC advisor Lawrence Liu learned about the challenges the business was facing and informed the client of an opportunity to access a low interest City Loan managed by Main Street Launch (MSL). Lawrence helped the client complete the loan application, gather the required documentation and submit the packet to the loan officer.

Results: After two months of tireless preparation and resolving challenges, a \$50,000 loan was eventually approved on April 11, 2018. Sam now has a peace of mind knowing that he has sufficient fund to keep his business running healthily amid the impact brought by the construction. He plans to hire additional staff when the business improves.



Owner Sam Yu in front of Yuet Lee Restaurant; Photo: SFSBDC.

“A great thank you to both SBDC and MSL. They are really hard working people who care and help small businesses. Without their help I am afraid that I will be running my restaurant under great financial stress. Thank you!” – Sam Yu, Yuet Lee Restaurant

LEGACY BUSINESS HISTORIC PRESERVATION FUND

The purpose of the Legacy Business Historic Preservation Fund is to maintain San Francisco's cultural identity and to foster civic engagement and pride by assisting long-operating businesses to remain in the city.

Long-operating businesses in San Francisco foster civic engagement and pride as neighborhood gathering spots, and contribute to San Francisco's cultural identity.

In San Francisco's current economic climate, many otherwise successful, long-operating businesses are at risk of displacement, despite continued value to the community and a record of success. In recent years, San Francisco has witnessed the loss of many long-operating businesses because of increased rents or lease terminations.

To the extent that property owners have little incentive to retain longstanding tenants, a long-operating business that does not own its commercial space or have a long-term lease is particularly vulnerable to displacement. A viable strategy for securing the future stability of San Francisco's long-operating businesses is to provide incentives for them to stay in the community, and incentives for their landlords to enter into long-term leases with such businesses.

Through the Legacy Business Historic Preservation Fund, Legacy Businesses on the Registry may receive Business Assistance Grants of up to \$500 per full-time equivalent employee per year, while landlords who extend the leases of such businesses for at least 10 years may receive Rent Stabilization Grants of up to \$4.50 per square foot of space leased per year. The business grants are capped at \$50,000 annually; the landlord grants are capped at \$22,500 a year. A biennial Consumer Price Index (CPI) adjustment will be added to the grants starting in fiscal year 2017-18.

BUSINESS ASSISTANCE GRANT

Business Assistant Grants are used to promote the long-term stability of Legacy Businesses and help them remain in San Francisco. The grant pays up to \$500 per full-time equivalent employee (FTE) per year, plus a Consumer Price Index adjustment, up to a maximum of 100 FTEs.

“Full-time equivalent employees” are defined as the number of employees employed in San Francisco by a Legacy Business as of the immediately preceding June 30, which is determined by adding, for each employee employed as of that date, the employee's average weekly hours over the preceding 12 months (July 1-June 30), dividing the result by 40 and rounding to the nearest full employee.

For fiscal year 2017-18, a total of 72 of the 111 eligible Legacy Business applied for a Business Assistance Grant. The average applicant had 16.85 FTEs and received a grant of \$8,685, totaling \$625,321 for all grantees.

For more information about the Business Assistance Grant, please visit <http://sfosb.org/legacy-business/businessgrant>.

BUSINESS ASSISTANCE GRANT AWARDS

The following indicates Business Assistance Grant awards for fiscal year 2017-18, including the name of the recipient, the number of FTEs, the grant amount and the proposed use of funds. A Consumer Price Index adjustment of 3.1% is included in the grant amounts.

EXHIBIT 9: Business Assistance Grant Awards for Fiscal Year 2017-18

Legacy Business	Number of FTEs	Grant Amount	Proposed Use of Funds	
Acción Latina ⁵	5	\$2,578	Office Supplies Security	\$1,778 \$800
Analytical Psychology Club of San Francisco ⁵	1	\$516	Rent	\$516
ArtHaus Gallery	2	\$1,031	Tenant Improvements	\$1,031
Avedano's Holly Park Market	7	\$3,609	Equipment	\$3,609
Bay Area Video Coalition, Inc. ⁵	28	\$14,434	Rent	\$14,434
Blue Bear School of Music ⁵	10	\$5,155	Marketing/Promotion	\$5,155
Books Inc.	71	\$36,601	Tenant Improvements	\$36,601
Booksmith	10	\$5,155	Equipment/Technology	\$5,155
Bo's Flower Stand	1	\$516	Marketing/Promotion	\$516
BrainWash	10	\$5,155	Rent	\$5,155
Brazen Head	13	\$6,702	Rent	\$6,702
Brownies Hardware	9	\$4,640	Façade Improvements	\$4,640
Cable Car Clothiers	3	\$1,547	Rent	\$1,547
Caffe Trieste	7	\$3,609	Tenant Improvements Marketing/Promotion	\$1,109 \$2,500
Casa Sanchez	12	\$6,186	Tenant Improvements	\$6,186
Chinese Historical Society of America ⁵	7	\$3,609	Marketing/Promotion	\$3,609
Cinderella Bakery and Café	14	\$7,217	Rent	\$7,217
City Lights Booksellers and Publishers	18	\$9,279	Marketing/Promotion	\$9,279
Clarion Music Center	1	\$516	Rent	\$516
Cole Hardware	100	\$51,550	Rent	\$51,550
Community Boards ⁵	2	\$1,031	Marketing/Promotion Rent	\$1,000 \$31
DNA Lounge	52	\$26,806	Equipment/Technology Financial Advisor Marketing/Promotion Tenant Improvements Rent	\$8,000 \$3,000 \$5,000 \$10,000 \$806

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Legacy Business	Number of FTEs	Grant Amount	Proposed Use of Funds	
Doc's Clock	3	\$1,547	Tenant Improvements	\$1,547
Dog Eared Books	13	\$6,702	Marketing/Promotion Tenant Improvements	\$3,702 \$3,000
Donaldina Cameron House ⁵	29	\$14,950	Marketing/Promotion	\$14,950
Elite Sports Soccer	6	\$3,093	Façade Improvements	\$3,093
EROS	6	\$3,093	Marketing/Promotion	\$3,093
Escape from New York Pizza	62	\$31,961	Tenant Improvements Façade Improvements	\$31,000 \$961
Flax Art and Design	5	\$2,578	Rent	\$2,578
Gilmans Kitchens and Baths	12	\$6,186	Rent	\$6,186
Gino and Carlo	5	\$2,578	Rent	\$2,578
Golden Bear Sportswear	20	\$10,310	Human Resources Equipment/Technology	\$10,000 \$310
Golden Gate Fortune Cookies	2	\$1,031	Tenant Improvements	\$1,031
Good Vibrations	21	\$10,826	Façade Improvements Tenant Improvements	\$5,526 \$5,300
Great American Music Hall	23	\$11,857	Tenant Improvements	\$11,857
Green Apple Books	32	\$16,496	Tenant Improvements Associate Membership Legal Assistance Rent	\$5,896 \$4,300 \$4,928 \$1,372
Gypsy Rosalie's Wigs and Vintage	1	\$516	Marketing/Promotion	\$516
Hamburger Haven	5	\$2,578	Tenant Improvements	\$2,578
Henry's House of Coffee	8	\$4,124	Equipment/Technology	\$4,124
Image Conscious	10	\$5,155	Website Improvements Tenant Improvements	\$3,000 \$2,155
Izzy's Steaks and Chops	25	\$12,888	Tenant Improvements Equipment/Technology	\$10,500 \$2,388
Joe's Ice Cream	4	\$2,062	Tenant Improvements Marketing/Promotion	\$2,000 \$62
Lone Star Saloon	3	\$1,547	Rent	\$1,547
Luxor Cab Company	16	\$8,248	Equipment	\$8,248
Macchiarini Creative Design and Metalworks	3	\$1,547	Equipment Accounting	\$797 \$750
Mission Neighborhood Health Center ⁵	100	51,550	Tenant Improvements	\$51,550

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Legacy Business	Number of FTEs	Grant Amount	Proposed Use of Funds	
Moby Dick	8	\$4,124	Human Resources Equipment/Technology Façade Improvements	\$1,500 \$2,500 \$124
Pacific Café	9	\$4,640	Rent	\$4,640
Papenhausen Hardware	11	\$5,671	Equipment/Technology Marketing/Promotion Tenant Improvements	\$2,500 \$2,500 \$671
Phoenix Arts Association Theatre	1	\$516	Equipment/Technology	\$516
Pier 23 Café	47	\$24,229	Tenant Improvements	\$24,229
Precita Eyes Muralists ⁵	7	\$3,609	Rent	\$3,609
Project Inform ⁵	9	\$4,640	Rent	\$4,640
Project Open Hand ⁵	100	\$51,550	Façade Improvements	\$51,550
Rooky Ricardo's Records	1	\$516	Façade Improvements	\$516
Roxie Theater ⁵	11	\$5,671	Rent	\$5,671
Russian Hill Bookstore	1	\$516	Façade Improvements	\$516
Sacred Grounds Café	4	\$2,062	Rent	\$2,062
Sam Wo Restaurant	16	\$8,248	Marketing/Promotion Tenant Improvements	\$6,248 \$2,000
San Francisco Eagle	6	\$3,093	Tenant Improvements	\$3,093
SF Prosthetic Orthotic Service	12	\$6,186	Human Resources	\$6,186
SF Party	15	\$7,733	Equipment/Technology	\$7,733
Nihonmachi Little Friends ⁵	21	\$10,826	Façade Improvements	\$10,826
Sam's Grill and Seafood Restaurant	26	\$13,403	Rent Marketing/Promotion	\$13,000 \$403
San Francisco Heritage ⁵	4	\$2,062	Marketing/Promotion	\$2,062
Shanti Project ⁵	52	\$26,806	Rent	\$26,806
St. Francis Fountain	11	\$5,671	Tenant Improvements	\$5,671
The Stud	5	\$2,578	Tenant Improvements	\$2,578
Valencia Whole Foods	5	\$2,578	Façade Improvements	\$2,578
Twin Peaks Auto Care	5	\$2,578	Tenant Improvements	\$2,578
Zam Zam	2	\$1,031	Tenant Improvements	\$1,031
Zeitgeist	27	\$13,919	Tenant Improvements	\$13,919
TOTAL	1,213	\$625,321		\$625,321

Note:

⁵Nonprofit organization.

The following tables indicate Business Assistance Grant awards for fiscal year 2017-18 and, for comparative purposes, fiscal year 2016-17.

EXHIBIT 10: Business Assistance Grant Awards for Fiscal Year 2017-18

	Number of FTEs	Grant Amount
TOTAL	1,213	\$625,321
COUNT	72	72
AVERAGE	16.85	\$8,685
MEDIAN	9.00	\$4,640
FOR-PROFIT AVERAGE	14.51	\$7,480
NONPROFIT AVERAGE	25.73	\$13,266

EXHIBIT 11: Business Assistance Grant Awards for Fiscal Year 2016-17

	Number of FTEs	Grant Amount
TOTAL	798	\$399,000
COUNT	51	51
AVERAGE	15.65	\$7,824
MEDIAN	8.00	\$4,000
FOR-PROFIT AVERAGE	12.72	\$6,360
NONPROFIT AVERAGE	31.38	\$15,688

PROPOSED USE OF BUSINESS ASSISTANCE GRANTS

Consistent with the purpose of the Legacy Business Historic Preservation Fund as set forth in Administrative Code section 2A.243(a), Business Assistance Grant funds shall be used only to promote the long-term stability of Legacy Businesses or to help Legacy Businesses remain in San Francisco. The following table is a summary of how applicants intend to use the 2017-18 grant funds to support the continuation of their businesses as a Legacy Businesses.

EXHIBIT 12: Proposed Use of Business Assistance Grant Funds for Fiscal Year 2017-18

Proposed Use of Funds	Amount	Percent of Total
Advisor (Financial/Legal)	\$8,678	1.39%
Associate Membership	\$4,300	0.69%
Equipment/Technology	\$45,880	7.34%
Façade Improvements	\$80,330	12.85%
Human Resources	\$17,686	2.83%

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Proposed Use of Funds	Amount	Percent of Total
Marketing/Promotion	\$63,595	10.17%
Office Supplies	\$1,778	0.28%
Rent	\$163,163	26.09%
Security	\$800	0.13%
Tenant Improvements	\$239,111	38.24%
TOTAL	\$625,321	100.00%⁶

ACTUAL USE OF BUSINESS ASSISTANCE GRANTS

The following table is a summary of how applicants used the 2016-17 grant funds to support the continuation of their businesses as a Legacy Businesses.

EXHIBIT 13: Actual Use of Business Assistance Grant Funds from Fiscal Year 2016-17

Proposed Use of Funds	Amount	Percent of Total
Associate Membership	\$2,100	0.53%
Equipment/Technology	\$34,885	8.74%
Façade Improvements	\$61,123	15.32%
Human Resources	\$20,361	5.10%
Marketing/Promotion	\$22,306	5.59%
Rent	\$87,589	21.95%
Tenant Improvements	\$155,186	38.89%
Vehicle Registrations	\$2,450	0.61%
Other	\$13,000	3.26%
TOTAL	\$399,000	100.00%⁶

Note:

⁶Percentage does not sum to 100 percent due to rounding.

RENT STABILIZATION GRANT

The Rent Stabilization Grant (<http://sfosb.org/legacy-business/rentgrant>) is used to provide an incentive for landlords to enter into long-term leases with Legacy Businesses.

Per San Francisco Administrative Code section 2A.243(c)(1), "Subject to the budgetary and fiscal provisions of the City Charter, the Office of Small Business shall award an annual grant to a landlord that, on or after January 1, 2016, enters into an agreement with a Legacy Business that leases real property in San Francisco to the Legacy Business for a term of at least 10 years or extends the term of the Legacy Business's existing lease to at least 10 years, for each year of a lease entered into on or after January 1, 2016, or each year that was added to an existing lease on or after January 1, 2016

(e.g., an existing five-year lease that is extended to 20 years on January 1, 2016 would entitle the landlord to 15 years of grants) ...”

The Rent Stabilization Grant was issued in February 2017. The following table indicates Rent Stabilization Grant applications received as of March 31, 2018.

EXHIBIT 14: Rent Stabilization Grant Applications Paid as of March 31, 2018

Landlord of Legacy Business	Address of Legacy Business	Date Paid	Grant Amount
Gilmans Screens and Kitchens	228 Bayshore Blvd.	June 5, 2017	\$22,500.00
Navarro's Kenpo Karate Studio	960 Geneva Avenue	June 15, 2017	\$11,700.00
St. Francis Fountain	2051 Market Street	June 22, 2017	\$12,420.00
Subtotal Fiscal Year 2016-17			\$46,620.00
EROS: The Center for Safe Sex	2051 Market Street	August 14, 2017	\$22,500.00
Lone Star Saloon	1352 Harrison Street	December 8, 2017	\$23,197.50
Ruby's Clay Studio and Gallery	552-552A Noe Street	December 18, 2017	\$23,197.50
Sam's Grill & Seafood Restaurant	374 Bush Street	January 16, 2018	\$21,069.00
Joe's Ice Cream	5420 Geary Blvd.	January 19, 2018	\$9,279.00
Papenhausen Hardware	32 West Portal Avenue	January 22, 2018	\$16,962.01
Analytical Psychology Club of San Francisco	2411 Octavia St., Suite 1	January 22, 2018	\$3,214.25
Community Boards	601 Van Ness Ave., Suite 2040	January 22, 2018	\$7,506.71
Eddie's Café	800 Divisadero Street	January 22, 2018	\$3,711.60
Golden Gate Fortune Cookies	56 Ross Alley	February 12, 2018	\$13,686.53
Elite Sport Soccer	2637 Mission Street	March 15, 2018	\$13,918.50
Subtotal Fiscal Year 2017-18			\$158,242.60
TOTAL			\$204,862.60
COUNT			14
AVERAGE			\$14,633.04

“The Mindful Body yoga and massage studio is thrilled to be recognized as a long standing member of the San Francisco wellness community and to be a continuing contributor to the eclectic cultural fabric of our wonderful city.” – Maile Sivert, Owner of The Mindful Body

MARKETING AND BRANDING

The Office of Small Business began working with Osaki Creative Group, a third party marketing firm, for marketing and branding services for the Legacy Business Program. Osaki Creative Group was selected out of seven companies who responded to a Request For Quotes in July 2017. The goal for the project is to elevate the Legacy Business Program through the creation of a logo, brand, marketing strategy and website design.

As part of this work, the Office of Small Business established a Marketing and Branding Committee consisting of representatives from the Small Business Commission, Office of Small Business, Historic Preservation Commission, Office of Economic and Workforce Development, Planning Department and San Francisco Heritage to work with Osaki Creative Group to provide guidance and direction on the project.

In addition, the Office of Small Business hired a new employee, Rhea Aguinaldo, as a Business Case Manager and Assistance Project Manager. Rhea spends 20% of her time supporting the Legacy Business Program largely through a communications and administrative role. Rhea helps to increase visibility for the program by writing press releases and managing social media. She also reviews and processes Business Assistance Grants.

SOCIAL MEDIA PROMOTION

Building a strong social media presence is an easy and cost-effective way to increase visibility of the Legacy Business Program and, more importantly, draw customers to Legacy Businesses. The Office of Small Business ramped up social media efforts for the Legacy Business Program on its Twitter (@SFOSB) and Facebook (<https://www.facebook.com/SFOSB/>) pages. This includes announcement posts when new Legacy Businesses are added to the Registry. Social media will be used for better engagement of the program with the public. Supporters are encouraged to post photos and share stories of their favorite Legacy Businesses, making sure to tag the business and Office of Small Business and use the hashtag “#sflegacybusiness.”

PRESS RELEASES AND MEDIA ENGAGEMENT

Press releases have helped bring valuable media attention to the Legacy Business Program locally and nationally. The Office of Small Business began issuing regular press releases to announce new businesses added to the Registry starting in September 2017. Press releases are also issued to announce notable accomplishments, such as when Casa Sanchez became the 100th Legacy Business. Establishing this process has proven to be a successful way to draw visibility of the program as evidenced by an increase in press articles on the Legacy Business Program and Legacy Businesses. This includes pick-up on the Internet via blogs and social networks.

In fiscal year 2017-18 through March 31, 2018, eight press releases were issued by the Office of Small Business resulting in the publication of 13 known news articles, including coverage by the San Francisco Chronicle, Hoodline and San Francisco Eater.

“I believe that the Legacy Business Program isn’t just about the San Francisco of the past, it’s very much about the San Francisco of today, and what we want this great city to look like in the future.” – Tony Huerta, co-owner of Lone Star Saloon

EXHIBIT 15: Press Releases Issued

Fiscal Year	Number of Press Releases Issued	Number of Known News Articles Resulting From Press Releases
Fiscal Year 2016-17	2	9
Fiscal Year 2017-18 Through March 31, 2018	8	13
TOTAL	10	22

NOTABLE PRESS MENTIONS AND ARTICLES

August 17, 2017, San Francisco Business Times, "[Here's how San Francisco's Legacy Business program works.](#)"

September 14, 2017, San Francisco Chronicle, "[Casa Sanchez named a San Francisco Legacy Business.](#)"

November 30, 2017, San Francisco Bay Times, "[El Rio Receives Legacy Business Status.](#)"

December 7, 2017, San Francisco Chronicle, "[Slice of Culinary History: Pizza Destination Tommaso's Gets Legacy Status.](#)"

January 2, 2018, SF Station, "[San Francisco's Legacy Business List: Historical & Cultural Hot Spots That Were Added in 2017.](#)"

March 22, 2018, Katom.com, "[Preserving Small Businesses in San Francisco.](#)"

LEGACY BUSINESS PROGRAMS IN OTHER CITIES

Several cities in the United States and Canada are considering developing legacy business programs for their cities, including New York, Washington, Seattle, Madison, Tucson and Vancouver. As part of their research efforts, some city officials have contacted the Office of Small Business about San Francisco's Legacy Business Program. The press over the past two years has covered some of their efforts.

February 2017, Seattle Magazine, "[Some Seattle Companies May Benefit From City's Legacy Business Program.](#)"

March 1, 2017, MyNorthwest, "[Legacy Business Program could save your favorite Seattle business.](#)"

March 28, 2018, Tucson Weekly, "[Here's How To Preserve Local Ownership on Fourth Avenue.](#)"

"It is highly fortuitous for Kabuki Springs & Spa to be added to the Registry in the same week as the 50th anniversary of the Japanese Cultural and Trade Center. I hope we can continue to be a place of respite for San Franciscans for years to come." – Kathy Nelsen, Spa Director of Kabuki Springs & Spa

PROGRAM BUDGET

FISCAL YEAR 2016-17

The following table indicates revenue and expenses for the Legacy Business Program for fiscal year 2016-17.

EXHIBIT 16: Legacy Business Program Budget for Fiscal Year 2016-17

Budget Item	Estimated Revenue	Estimated Expenses	Difference Between Revenue and Expenses	Carryforward to Next Fiscal Year
Staffing				
All Legacy Business Program Staff Including Fringe Benefits	\$239,623	\$163,319	\$76,304	\$0
Subtotal Staffing	\$239,623	\$163,319	\$76,304	\$0
Program Expenses				
Translation Services	\$28,000	\$5,473	\$21,039	\$0
Marketing (Branding; Collateral)		\$1,488		
Reserve (From FY 2015-16)	\$25,000	\$0	\$25,000	\$25,000
Subtotal Program Expenses	\$53,000	\$6,961	\$46,039	\$25,000
Application Fees				
Carryforward Application Fees (From Fiscal Year 2015-16)	\$1,400	\$0	\$1,400	\$1,400
Application Fees	\$4,050	\$0	\$4,050	\$4,050
Subtotal Application Fees	\$5,450	\$0	\$5,450	\$5,450
Grants				
Business Assistance Grant	\$1,000,000	\$414,580 ⁷	\$585,420	\$585,420
Rent Stabilization Grant				
Reserve (From FY 2015-16)	\$281,250	\$0	\$281,250	\$281,250
Subtotal Grants	\$1,281,250	\$414,580	\$866,670	\$866,670
TOTAL	\$1,579,323	\$584,860	\$994,463	\$897,120

Notes:

⁷Actual grant amounts for fiscal year 2016-17 were \$399,000 for the Business Assistance Grant and \$46,620 for the Rent Stabilization Grant, totaling \$445,620. Only \$414,580 was expended by June 30, 2017, (a difference of \$31,040). The remaining \$585,420 was carried forward to fiscal year 2017-18.

FISCAL YEAR 2017-18

The following table indicates estimated revenue and expenses for the Legacy Business Program for fiscal year 2017-18.

EXHIBIT 17: Estimated Legacy Business Program Budget for Fiscal Year 2017-18

Budget Item	Estimated Revenue	Estimated Expenses	Difference Between Revenue and Expenses	Carryforward to Next Fiscal Year
Staffing				
All Legacy Business Program Staff Including Fringe Benefits	\$276,875	\$276,875	\$0	\$0
Subtotal Staffing	\$276,875	\$276,875	\$0	\$0
Program Expenses				
Translation Services	\$20,400	\$5,400	\$0	\$0
Marketing (Branding; Collateral)		\$40,000	\$0	\$0
Reserve (From FY 2015-16)	\$25,000		\$0	\$0
Subtotal Program Expenses	\$45,400	\$45,400	\$0	\$0
Application Fees				
Carryforward Application Fees (From Fiscal Year 2016-17)	\$5,450	\$0	\$5,450	\$5,450
Application Fees	\$2,200 ⁸	\$0	\$2,200	\$2,200
Subtotal Application Fees	\$7,600	\$0	\$7,600	\$7,600
Grants				
Carryforward Grants (From Fiscal Year 2016-17)	\$585,420		\$0	\$0
Business Assistance Grant	\$250,000	\$1,116,670 ⁹	\$0	\$0
Rent Stabilization Grant			\$0	\$0
Reserve (From FY 2015-16)	\$281,250		\$0	\$0
Subtotal Grants	\$1,116,670	\$1,116,670	\$0	\$0
TOTAL	\$1,446,545	\$1,438,945	\$7,600	\$7,600

Notes:

⁸ Estimated 44 applications at \$50 per application.

⁹ Calculated as \$31,040 for grants from fiscal year 2016-17, \$625,321 for Business Assistance Grants for fiscal year 2017-18 and \$460,309 for Rent Stabilization Grants for fiscal year 2017-18.

FISCAL YEAR 2018-19

The following table indicates estimated revenue and expenses for the Legacy Business Program for fiscal year 2018-19.

EXHIBIT 18: Estimated Legacy Business Program Budget for Fiscal Year 2018-19

Budget Item	Estimated Revenue	Estimated Expenses	Difference Between Revenue and Expenses	Carryforward to Next Fiscal Year
Staffing				
All Legacy Business Program Staff Including Fringe Benefits	\$287,330	\$287,330	\$0	\$0
Subtotal Staffing	\$287,330	\$287,330	\$0	\$0
Program Expenses				
Translation Services	\$20,400	\$20,400	\$0	\$0
Marketing (Branding; Collateral)			\$0	\$0
Subtotal Program Expenses	\$20,400	\$20,400	\$0	\$0
Application Fees				
Carryforward Application Fees (From Fiscal Year 2017-18)	\$7,600	\$7,000	\$3,600	\$3,600
Application Fees	\$3,000 ¹⁰			
Subtotal Application Fees	\$10,600	\$7,000	\$3,600	\$3,600
Grants				
Business Assistance Grant	\$1,000,000	\$1,000,000	\$0	\$0
Rent Stabilization Grant				
Subtotal Grants	\$1,000,000	\$1,000,000	\$0	\$0
TOTAL	\$1,318,330	\$1,314,730	\$3,600	\$3,600

Notes:

¹⁰Estimated five applications per month at \$50 per application.



The Roxie Theater, a movie theater in the Mission District hosting daily film screenings, special events and programs since 1934; Photo: www.roxie.com.

PROGRAM CHALLENGES

The Office of Small Business has identified some challenges faced by businesses applying for the Legacy Business Registry as well as Legacy Businesses listed on the Registry. The Office of Small Business, with the assistance of the San Francisco Small Business Development Center and other partners, will continue to address these challenges.

Legacy Business Registry Applications

Some business owners require assistance with their Legacy Business Registry applications due to time and staffing constraints, language barriers and other issues. The most common assistance sought by business owners is with the writing of their application narrative sections. The San Francisco Small Business Development Center has provided, and will continue to provide, assistance to business owners needing help with their applications, including providing an interpreter/advisor to facilitate communication, if needed, at no charge to the business.

In addition, students at the University of San Francisco will be assisting six businesses with their Legacy Business Registry application narratives in fiscal year 2018-19.

Grant Writing and Grant Reporting

There appears to be a trend among Legacy Businesses in which the smaller businesses have been less likely to apply for the Business Assistance Grant. It is possible this is due to time and staffing constraints, language barriers and computer access challenges. It is also possible that small businesses with fewer employees are less incentivized to apply for Business Assistance Grants because the grants are based upon the number of employees.

The Office of Small Business will be researching this further in fiscal year 2018-19 and considering how to provide grant-writing assistance, if needed, in later fiscal years.

Suppliers with the City and County of San Francisco

All grantees receiving grants through the Legacy Business Program must become Suppliers with the City and County of San Francisco to receive payments. The process to become a Supplier with the City became exceedingly difficult starting July 2017 when the City went live with its new financial system. All businesses must now be guided step-by-step through the multi-step Supplier set-up process. To help Legacy Businesses, the Office of Small Business assisted in the development of an unofficial Supplier Portal Resource Guide.

In upcoming fiscal years, the Office of Small Business will work with other City departments to improve and streamline the Supplier set-up process.

“The beauty of Two Jack’s Nik’s Place being recognized as a Legacy Business is in the blood, sweat, tears and commitment of so many different people coming together and believing in what my family created. It represents courage, faith and hope that when you are committed every day to being the highest expression of yourself, your efforts will be rewarded.” – Nikki Cooper, second generation owner of Two Jack’s Nik’s Place Seafood

MAJOR UPCOMING ACTIVITIES

Following are major upcoming activities for the Legacy Business Program for the fourth quarter of fiscal year 2017-18 and for fiscal year 2018-19:

- Issuing and processing the Business Assistance Grant for fiscal year 2018-19, which will be translated into Spanish, Chinese and Tagalog.
- Issuing an annual “Re-Application” form for current grantees of the Rent Stabilization Grant.
- Continuing to process new Rent Stabilization Grant applications for landlords of Legacy Businesses.
- Developing policies to measure and analyze the effects of the Business Assistance Grant and Rent Stabilization Grant, and developing protocols to address the growing demand for the grants.
- Providing resources and training to Legacy Businesses for succession planning in partnership with the San Francisco Small Business Development Center, the Democracy at Work Institute and the University of San Francisco’s Gellert Family Business Resource Center.
- Providing real estate technical assistance, and researching new opportunities for assisting Legacy Businesses with the purchase of commercial buildings and commercial spaces.
- Creating a resource guide about commercial tenancies-in-common (TICs) to educate Legacy Businesses on how to purchase commercial real estate in partnership with other businesses.
- Working with the Planning Department and other City departments to provide benefits to Legacy Businesses and their landlords.
- Creating a logo for the Legacy Business Program.
- Developing a marketing and branding plan for the Legacy Business Program including, but not limited to, the creation of collateral and public relations materials, the establishment of a marketing plan to promote Legacy Businesses and the redesign of the Legacy Business Program website.



St. Francis Fountain, the oldest business in the Mission District's Calle 24 Latino Cultural District;
Photo: St. Francis Fountain, Facebook.

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