SAN FRANCISCO
OFFICE OF SMALL BUSINESS

LEGACY BUSINESS PROGRAM

Annual Report
Fiscal Year 2020-21

April 2020 – March 2021

LEGACY BUSINESS
SAN FRANCISCO

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The Legacy Business Program is a groundbreaking initiative of the City and County of San Francisco that recognizes and preserves longstanding, community-serving establishments that have contributed to San Francisco's history and identity. These businesses - including retailers, restaurants, service providers, manufacturers, and more - foster civic engagement and serve as valuable cultural assets of the city.

Legacy Businesses are the bedrock of our local communities and a draw for tourists from around the world.

Preserving Legacy Businesses, the "soul of the city," is critical to maintaining the unique character of San Francisco.

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EXECUTIVE SUMMARY

This Legacy Business Program Annual Report for fiscal year 2020-21 (April 2020 through March 2021) is the fifth 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; marketing, branding, and promotion; business assistance services; the Rent Stabilization Grant; program budget; program challenges; and major upcoming activities. Highlights are included below.

MAJOR ACCOMPLISHMENTS

- Added 37 businesses to the Registry between April 2020 and March 2021.
- Posted 24 entries on Facebook and tweeted 49 tweets on Twitter between April 2020 and March 2021 about Legacy Businesses and the Legacy Business Program.
- Issued a Request for Proposals and selected a contractor for marketing and website development.
- Made major additions and improvements to the Legacy Business Registry database so it would fully support the new Legacy Business Registry website.
- Went live with a new Legacy Business Registry website at www.legacybusiness.org.
- Finalized the design of the Legacy Business bronze plaques.
- Determined the first potential group of Legacy Businesses to receive bronze plaques.
- Developed a streamlined review process for the placement of bronze plaques on buildings.
- Promoted Legacy Businesses during the Shelter-In-Place Order resulting from the coronavirus pandemic, and helped Legacy Businesses with issues pertaining to the pandemic.
- Provided 261.50 hours of technical assistance to 758 Legacy Business clients between July 2020 and March 2021.
- Paid 2 first-year Rent Stabilization Grants totaling $48,065.22 between July 2020 and March 2021.
- Provided documents to the Controller's Office for their first quinquennial assessment and review of the Legacy Business Historic Preservation Fund.
- Provided information about the Legacy Business Program to representatives from the State of Virginia; the Harvard Kennedy School; the proposed book reThinkRepair, the Salt Lake City Department of Economic Development; the City of Los Angeles; the City of Pasadena; and 11th Street Bridge Park in Washington, D.C.
- Participated on a panel with three other legacy business programs nationally in an American Planning Association webinar titled "Legacy Businesses: Emerging Directions."

LEGACY BUSINESS REGISTRY

Since 2016, the Office of Small Business received 369 nominations from the mayor and members of the Board of Supervisors through March 31, 2021. During that time, the Office of Small Business received 337 applications, and 276 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	67	30	0
Fiscal Year 2016-17	101	86	93
Fiscal Year 2017-18	50	49	42
Fiscal Year 2018-19	75	83	61
Fiscal Year 2019-20	36	55	43
Fiscal Year 2020-21 through March 31, 2021	40	39	37
ANNUAL REPORT TOTAL	**369**	**342**	**276**

MARKETING, BRANDING, AND PROMOTION

The Office of Small Business began Phase 3 of the marketing and branding strategy, including:

- Issuing a Request For Proposals to select a contractor to map out and implement Phase 3 marketing and branding efforts for Legacy Businesses and the Legacy Business Program.
- Working with the selected contractor, Design Media, to design and implement a new website for the Legacy Business Registry, which is now live at www.legacybusiness.org.
- Working with the contractor Priority Architectural Graphics to finalize the bronze plaque design and select Legacy Businesses to receive the first round of bronze plaques for the exterior of their businesses.

BUSINESS ASSISTANCE SERVICES

The Legacy Business Program has been working with the San Francisco Small Business Development Center (SFSBDC) and their team of technical assistance providers to assist businesses in need of various types of assistance, including Legacy Business Registry applications, finances, grant applications, legal issues, marketing, real estate, succession planning and other business challenges.

From July 1, 2020, to March 31, 2021, the Legacy Business Program provided 261.50 hours of technical assistance to 58 Legacy Business clients. Since the Program launched, the Legacy Business Program provided 2,131.75 hours of consulting to 273 unique clients.

Fiscal Year	Number of Clients	Number of Hours of Technical Assistance
Fiscal Year 2016-17	25	379.00
Fiscal Year 2017-18	49	318.00
Fiscal Year 2018-19	60	552.00
Fiscal Year 2019-20	81	621.25
Fiscal Year 2020-21 (through March 31, 2021)	58	261.50
ANNUAL REPORT TOTAL	**273**	**2,131.75**

RENT STABILIZATION GRANT

The Rent Stabilization Grant has been an effective strategy in stabilizing longstanding businesses of all sizes in San Francisco. The grant was initially issued in February 2017. Since it was issued, there have been 42 first-year grant applications helping stabilize 36 Legacy Businesses. In several instances, Legacy Businesses rented two storefronts, and Rent Stabilization Grants were awarded for both storefronts.

From July 1, 2020, through March 31, 2021, the Legacy Business Program paid 2 first-year Rent Stabilization Grants totaling $48,065 and numerous second-year, third-year, fourth-year, and fifth-year grants to landlords of Legacy Businesses totaling $1,334,667.

Rent Stabilization Grant (Fiscal Year 2020-21 through March 31, 2021)	Grants Paid (Fiscal Year 2020-21 through March 31, 2021)
Total First-Year Grants since 2017	$639,869
Count (First-Year Grants since 2017)	42
Average (First-Year Grants since 2017)	$15,235
Total Second-, Third-, Fourth-, and Fifth-Year Grants	$1,334,667
Total All Grants	$1,974,535[1]

[1]Error due to rounding.

PROGRAM BUDGET

Following is the estimated Legacy Business Program budget for fiscal years 2020-21 and 2021-22. The budget includes staffing, program expenses, application fees paid by Legacy Businesses, and grants. For detailed information, please see pages 31 and 32.

Budget Year	Estimated Revenue	Estimated Expenses
Fiscal Year 2020-21	$1,475,087	$979,362
Fiscal Year 2021-22	$2,337,238	$1,868,984

MAJOR UPCOMING ACTIVITIES

- Manufacturing and installing bronze plaques recognizing Legacy Businesses.
- Designing virtual plaques and etched plaques as alternatives to bronze plaques.
- Conducting surveys and interviews of Legacy Businesses to inform the strategic marketing plan.
- Finalizing and implementing the strategic marketing plan.
- Working closely with the new Neighborhood Anchor Business program manager, who will be hired in the San Francisco Office of Small Business.
- Creating an internal database for the Rent Stabilization Grant to more efficiently manage the grant applications and payments.
- Exploring the development of a property ownership program for Legacy Businesses.
- Exploring the concept of a business interruption insurance program that would provide coverage for Legacy Businesses.
- Publicizing the Controller's Office's first quinquennial assessment and review of the Legacy Business Historic Preservation Fund.

Photo: Center Hardware & Supply Co., Inc.

"Our strength is rooted in our team and customers. We spent the last year moving PPE and supplies into the city for the pandemic, much like we did for the 1989 earthquake, so being designated as an official Legacy Business is an honor Center Hardware won't take lightly." – Jamie Gentner, Chief Operating Officer of Center Hardware & Supply Co., Inc.

Legacy Business Program
Annual Report
FY 2020-21

BACKGROUND

The Legacy Business Program is a groundbreaking initiative to recognize longstanding, community-serving establishments that have contributed to San Francisco's history and identity. The businesses range in industry, size, tradition, history, products, and services. They are restaurants, retail stores, bars, service providers, manufacturers, artists, and much more. Legacy Businesses are the bedrock of our communities and a draw for tourists from around the world. Preserving Legacy Businesses, the "soul of the city," is critical to maintaining what makes San Francisco a unique and 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 Mayor Edwin M. Lee 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, 2020, through March 31, 2021:

- Added 37 businesses to the Registry between April 2020 and March 2021.
- Posted 24 entries on Facebook and tweeted 49 tweets on Twitter between April 2020 and March 2021 about Legacy Businesses and the Legacy Business Program.
- Issued a Request For Proposals to select a contractor for marketing and website development. Selected Design Media, a local, small, woman-owned business.
- Made major additions and improvements to the Legacy Business Registry database so it would fully support the new Legacy Business Registry website.
- Went live with a new Legacy Business Registry website at www.legacybusiness.org.
- Worked with Priority Architectural Graphics to select the material and size of the Legacy Business plaques – precision tooled bronze and 15 inches in diameter – and finalize the design of the plaque.
- Worked with Priority Architectural Graphics to analyze Bronze Plaque Questionnaires from Legacy Businesses to determine the first potential group of businesses to receive bronze plaques for their buildings.
- Worked with the Department of Building Inspection and San Francisco Planning to develop a streamlined review process by Planning for Legacy Business Program bronze plaques that does not require a building permit.
- Promoted Legacy Businesses during the Shelter-In-Place Order resulting from the coronavirus pandemic.
- Connected Legacy Businesses with San Francisco Heritage for promotional services.
- Continued providing one-on-one business assistance services through the San Francisco Small Business Development Center.
- Provided 261.50 hours of technical assistance to 58 Legacy Business clients between July 2020 and March 2021.
- Advocated for numerous Legacy Businesses including ArtHaus Gallery, Canessa Gallery, F. Dorian, Great American Music Hall, Haight and Fillmore Whole Foods, Lone Star Saloon, Marina Supermarket, Phoenix Arts Association Theatre, San Francisco Bay View National Black Newspaper, SF Eagle, The Stud, Twin Peaks Auto Care, and World Gym SF.
- Helped Legacy Businesses with issues pertaining to the coronavirus pandemic.

- Paid 2 first-year Rent Stabilization Grants totaling $48,065.22 between July 2020 and March 2021.

- Provided documents to the Controller's Office for their first quinquennial assessment and review of the effect of the Legacy Business Historic Preservation Fund on the stability of Legacy Businesses for the prior five fiscal years.

- Provided information about the Legacy Business Program to representatives from the State of Virginia; the Harvard Kennedy School; the proposed book *reThinkRepair*, the Salt Lake City Department of Economic Development; the City of Los Angeles; the City of Pasadena; and 11th Street Bridge Park in Washington, D.C.

- Participated on a panel with three other legacy business programs nationally in an American Planning Association webinar titled "Legacy Businesses: Emerging Directions," viewable on YouTube at the following link: https://www.youtube.com/watch?v=HmrHEhrgelg.

Photo: New Conservatory Theatre Center

"The New Conservatory Theatre Center has been part of San Francisco's artistic landscape since 1981. Our goal has always been to entertain, educate and inspire our audiences through the magic of live theatre. We are thrilled to be honored for our work with youth, as well as the LGBTQ+ and allied community. We look forward to an exciting future in our beloved city."
– Ed Decker, Founder and Artistic Director of the New Conservatory Theatre Center.

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 years 2015-16 through 2019-20 and the first three quarters of fiscal year 2020-21.

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	67	30	0
Fiscal Year 2016-17	101	86	93
Fiscal Year 2017-18	50	49	42
Fiscal Year 2018-19	75	83	61
Fiscal Year 2019-20	36	55	43
Subtotal (Fiscal Years Prior to 2020-21)	**329**	**303**	**239**
2020 Quarter 3: July through September	15	17	15
2020 Quarter 4: October through December	15	7	11
2021 Quarter 1: January through March	10	15	11
Subtotal (Fiscal Year 2020-21 through March 31, 2021)	**40**	**39**	**37**
ANNUAL REPORT TOTAL	**369**	**342**	**276**

The table represents a total of 405 businesses of which 369 have been nominated by the mayor or a member of the Board of Supervisors and 342 have provided applications to the Office of Small Business. The following table shows the status of the 405 businesses with regard to the Legacy Business Registry for fiscal years 2015-16 through 2019-20 and the first three quarters of fiscal year 2020-21.

EXHIBIT 2: Status of Nominees and Applicants

Status with Regard to the Legacy Business Registry	Nominees	Applicants	TOTAL
Legacy Business listed on the Registry	276	276	276
Legacy application in the approval pipeline	7	7	7
Legacy application in progress	18	47	47
Legacy application rescinded by the applicant	1	3	3
Business not yet age eligible for the Registry	1	4	4
Business not eligible for the Registry	0	1	1
Business closed	4	4	5
No application received	62	NA	62
TOTAL	**369**	**342**	**405**

LEGACY BUSINESSES

The following table indicates the 37 Legacy Businesses that were placed on the Legacy Business Registry from April 2020 through March 2021. The businesses are listed by supervisorial district according to the location of their main business address. Nominations do not expire, so some Legacy Businesses have been nominated by supervisors who are no longer in office. For a current list of all Legacy Businesses, including multiple San Francisco business locations if applicable, please visit the Legacy Business Registry website at www.legacybusiness.org.

EXHIBIT 3: Businesses Placed on the Registry from April 2020 through March 2021

Legacy Business	Main Business Address	Current District	Nominator	Date Placed on Registry
Giorgio's Pizzeria	151 Clement St.	1	Supervisor Sandra Lee Fewer	12/14/2020
American Conservatory Theatre Foundation	415 Geary St.	3	Supervisor Matt Haney	1/25/2021
Bimbo's 365 Club	1025 Columbus Ave.	3	Supervisor Aaron Peskin	12/14/2020
Fior d'Italia	2237 Mason St.	3	Supervisor Aaron Peskin	11/9/2020
House of Nanking	919 Kearny St.	3	Supervisor Aaron Peskin	8/24/2020

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Legacy Business	Main Business Address	Current District	Nominator	Date Placed on Registry
San Sun Restaurant	848 Washington St.	3	Supervisor Aaron Peskin	3/22/2021
Wok Shop	718 Grant Ave.	3	Supervisor Aaron Peskin	8/24/2020
Blade Runners Hair Studio	1792 Haight St.	5	Supervisor Vallie Brown	1/25/2021
Iyengar Yoga Association of Northern California	2201 Sutter St.	5	Mayor London Breed	11/9/2020
Japan Video & Media	1737 Post St., #305	5	Supervisor Dean Preston	12/14/2020
JHW Locksmith	376 Fillmore St.	5	Supervisor Vallie Brown	8/24/2020
New Conservatory Theatre Center	25 Van Ness Ave., Lower Lobby	5	Supervisor Dean Preston	8/10/2020
Pipe Dreams	1376 Haight St.	5	Supervisor Vallie Brown	1/25/2021
UKO	350 Hayes St.	5	Supervisor Dean Preston	3/22/2021
Val de Cole Wines & Spirits	906 Cole St.	5	Supervisor Vallie Brown	9/28/2020
Ambiance	915 Howard St.	6	Supervisor Catherine Stefani	9/28/2020
City Nights	715 Harrison St.	6	Supervisor Matt Haney	8/10/2020
Don Ramon's Mexican Restaurant, Inc.	225 11th St.	6	Mayor London Breed	11/9/2020
GLBT Historical Society	989 Market St., Lower Level	6	Supervisor Matt Haney	9/28/2020
Legal Assistance to the Elderly	1663 Mission St., Suite 225	6	Supervisor Aaron Peskin	8/24/2020
Yadav Diamonds and Jewelry	888 Brannan St., Suite 1100	6	Supervisor Matt Haney	3/22/2021
Korean Martial Arts Center	1414 Ocean Ave.	7	Supervisor Norman Yee	8/10/2020
Surfaces by David Bonk	1942 Ocean Ave.	7	Supervisor Norman Yee	12/14/2020
Marcello's Pizza	420 Castro St.	8	Supervisor Rafael Mandelman	12/14/2020
Munroe Motors Inc.	412 Valencia St.	8	Supervisor Rafael Mandelman	11/9/2020

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Legacy Business	Main Business Address	Current District	Nominator	Date Placed on Registry
24th Street Dental	2720 24th St.	9	Supervisor Hillary Ronen	1/25/2021
Royal Motor Sales	285 S. Van Ness Ave.	9	Supervisor Hillary Ronen	8/10/2020
San Bruno Supermarket	2480 San Bruno Ave.	9	Supervisor Hillary Ronen	9/28/2020
AJC Auto Body	250 Napoleon St., Unit P	10	Supervisor Shamann Walton	2/22/2021
Annie's Hot Dogs	1330 25th St.	10	Supervisor Matt Haney	8/24/2020
Center Hardware & Supply Co., Inc.	3003 3rd St.	10	Mayor London Breed	1/25/2021
Farley's	1315 18th St.	10	Supervisor Shamann Walton	9/28/2020
G. Mazzei & Son Hardware	5166 3rd St.	10	Supervisor Shamann Walton	2/22/2021
San Francisco Natural Medicine	1615 20th St.	10	Supervisor Shamann Walton	8/24/2020
Secret Studios	2200 Cesar Chavez St.	10	Mayor London Breed	11/9/2020
Washington Vegetable Company	2035 Jerrold Ave.	10	Mayor London Breed	11/9/2020
Central Drug Store	4494 Mission St.	11	Supervisor Ahsha Safai	3/22/2021

"Thank you to our City's leadership for naming American Conservatory Theater as a Legacy Business. We are appreciative of the recognition and will continue to play our part in building a stronger community through fostering empathy and connection through our artistic work." - Jennifer Bielstein, Executive Director of the American Conservatory Theatre Foundation

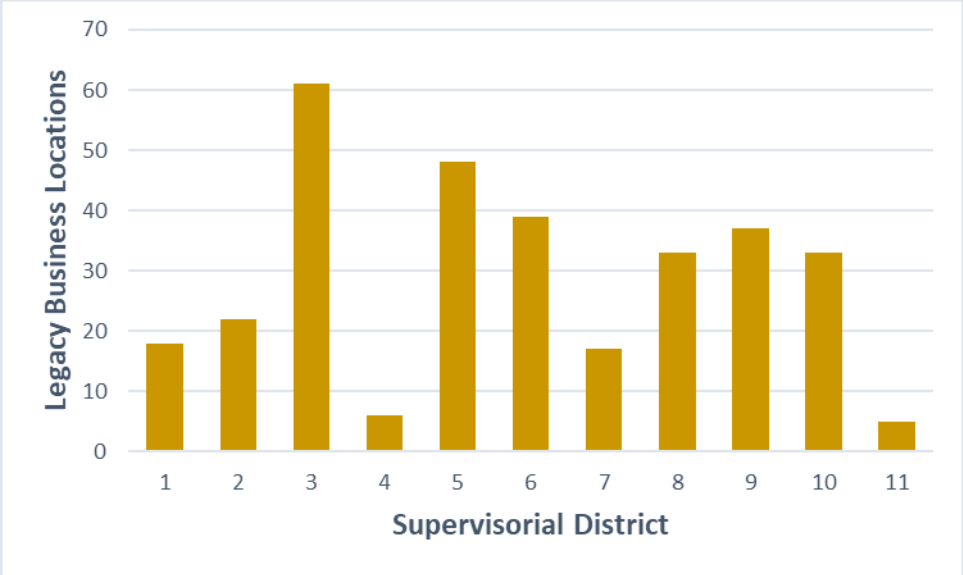
LEGACY BUSINESS LOCATIONS PER DISTRICT

The following table and chart indicate the number of Legacy Business locations per supervisorial district for the 276 Legacy Businesses that were placed on the Legacy Business Registry through March 31, 2021. The table and chart include all the business locations for all the Legacy Businesses, a number of which have multiple locations.

EXHIBIT 4: Table of Number of Legacy Business Locations per District as of March 31, 2021

Supervisorial District	Number of Legacy Business Locations	Percent of Total
1	18	5.64%
2	22	6.9%
3	61	19.12%
4	6	1.88%
5	48	15.05%
6	39	12.23%
7	17	5.33%
8	33	10.34%
9	37	11.60%
10	33	10.34%
11	5	1.57%
TOTAL	**319**	**100.00%**
AVERAGE	**29**	**9.09%**
MEDIAN	**33**	**10.34%**

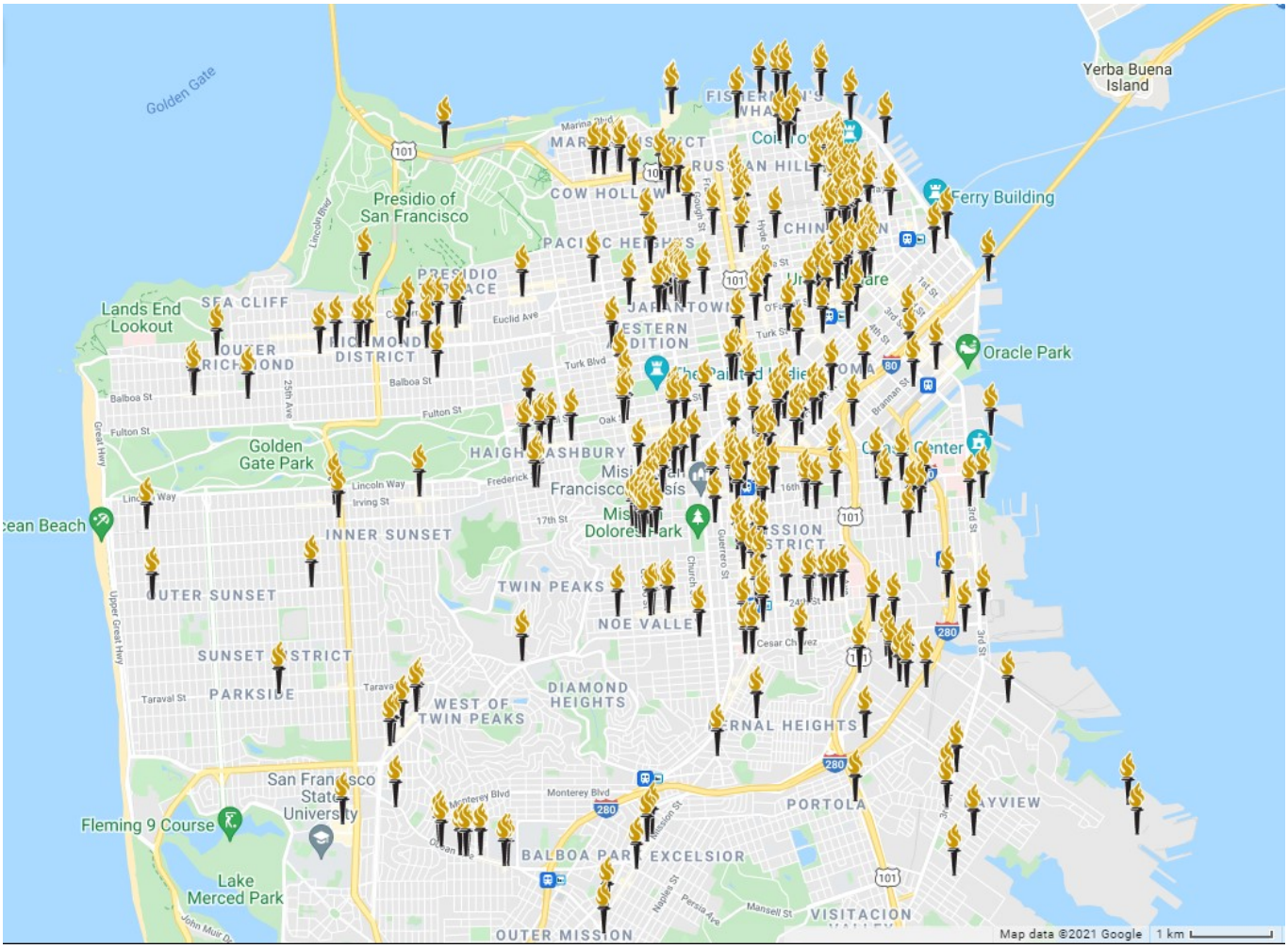
EXHIBIT 5: Chart of Number of Legacy Business Locations per District as of March 31, 2021



MAP OF LEGACY BUSINESSES

The following map shows the locations of all Legacy Businesses in operation as of March 31, 2021. For a current map of active Legacy Businesses, please visit the Legacy Business Registry website at www.legacybusiness.org.

EXHIBIT 6: Map of Legacy Businesses as of March 31, 2021



DIRECTORY OF LEGACY BUSINESSES

A directory of all active Legacy Businesses can be found at https://www.legacybusiness.org/registry. Businesses are searchable by business type, neighborhood, and business name.

MARKETING, BRANDING, AND PROMOTION

A continued, major goal of the Legacy Business Program is to illustrate the importance of Legacy Businesses to San Francisco, its communities, and visitors as a way to draw customers to patronize Legacy Businesses. The marketing and branding strategy is being rolled out in phases over several fiscal years.

MARKETING AND BRANDING STRATEGY

PHASE 1

Phase 1 of the marketing and branding strategy began in 2018-19. After a comprehensive research and development process, the design firm Osaki Creative Group created a logo, branding, and a wide variety of print and digital materials for Legacy Businesses and the Legacy Business Program:

- Designed a logo and branding for the Legacy Business Program, and translated the logo into seven different languages.
- Designed and distributed a brand book, style guide, marketing toolkit, and social media guide to enable Legacy Businesses to utilize branding to promote their businesses. The Office of Small Business encourages Legacy Businesses to consider Legacy-branded marketing strategies to engage new and potential customers.
- Designed certificates, bronze plaques, point of sale stickers, postcards, window clings, a production shop list, business cards, envelopes, letterhead, mailing labels, and a brochure, for implementation in future phases of the marketing and branding strategy.
- Conceptualized a new website for the Legacy Business Registry.

MARKETING SPOTLIGHT

Examples of Legacy Businesses utilizing logo and branding for promotions

New Delhi Restaurant
Logo incorporated into company logo

San Francisco Bay Times
Logo in newspaper masthead

PHASE 2

Phase 2 of the marketing and branding strategy occurred in fiscal year 2019-20 and involved the printing and distribution of several promotional items and selecting a contractor in preparation for Phase 3:

- Printed and distributed certificates, point of sale stickers, window clings, and roll labels (logo stickers) to all existing Legacy Businesses and new businesses added to the Registry.

- Printed branded office supplies for the Legacy Businesses Program that were designed by Osaki Creative Group, including business cards and letterhead.

- Issued a Request for Proposals to select a contractor for manufacturing bronze plaques for installation on the exterior or interior of buildings to acknowledge the presence of Legacy Businesses. Selected Priority Architectural Graphics – a local, small, woman-owned business.

- Issued Bronze Plaque Questionnaires to Legacy Businesses and received 65 completed questionnaires from those businesses interested in receiving bronze plaques for the exterior or interior of their buildings.

PHASE 3

Phase 3 of the marketing and branding strategy began in fiscal year 2020-21 and will be implemented over several fiscal years. The following were completed prior to March 31, 2021:

- Issued a Request For Proposals to select a contractor to map out and implement Phase 3 marketing and branding efforts for Legacy Businesses and the Legacy Business Program. Selected Design Media – a local, small, woman-owned business.

- Worked with Design Media to design and develop a new website for the Legacy Business Registry: www.legacybusiness.org.

- Worked with the firm Priority Architectural Graphics to finalize the bronze plaque design and select Legacy Businesses to receive the first round of bronze plaques for the exterior of their businesses.

Additional tasks of Phase 3 of the marketing and branding strategy will occur in future fiscal years and will include the following:

- Work with Design Media to conduct an online survey of all Legacy Businesses.

- Work with Design Media to conduct one-on-one interviews of several Legacy Businesses that participated in the online survey.

- Work with Design Media to develop and implement a strategic marketing plan for Legacy Businesses and the Legacy Business Program, including adding webpages to www.legacybusiness.org, as needed.

- Work with Priority Architectural Graphics to manufacture and install bronze plaques.
- Complete and print the Legacy Business Program brochure.
- Work with organizations such as San Francisco Travel and San Francisco Heritage to develop promotions for Legacy Businesses.
- Assist Legacy Businesses with marketing and promotions, including boosting social media posts and developing a system for the Office of Small Business doing social media posts for Legacy Businesses.
- Assist with the development of a program to increase patronage of Legacy Businesses by the City and County of San Francisco.
- Trademark the Legacy Business Program logo.
- Print Legacy Business Program letterhead, envelopes, mailing labels, postcards, and pins.

LEGACY BUSINESS REGISTRY WEBSITE

The new Legacy Business Registry website at www.legacybusiness.org went live on March 12, 2021. The website was conceptualized by Osaki Creative Group and designed and implemented by Design Media.

The website currently has four webpages: Home, Registry, About, and Contact.

The homepage features a "Daily Spotlight" business and a link to the Legacy Business directory.

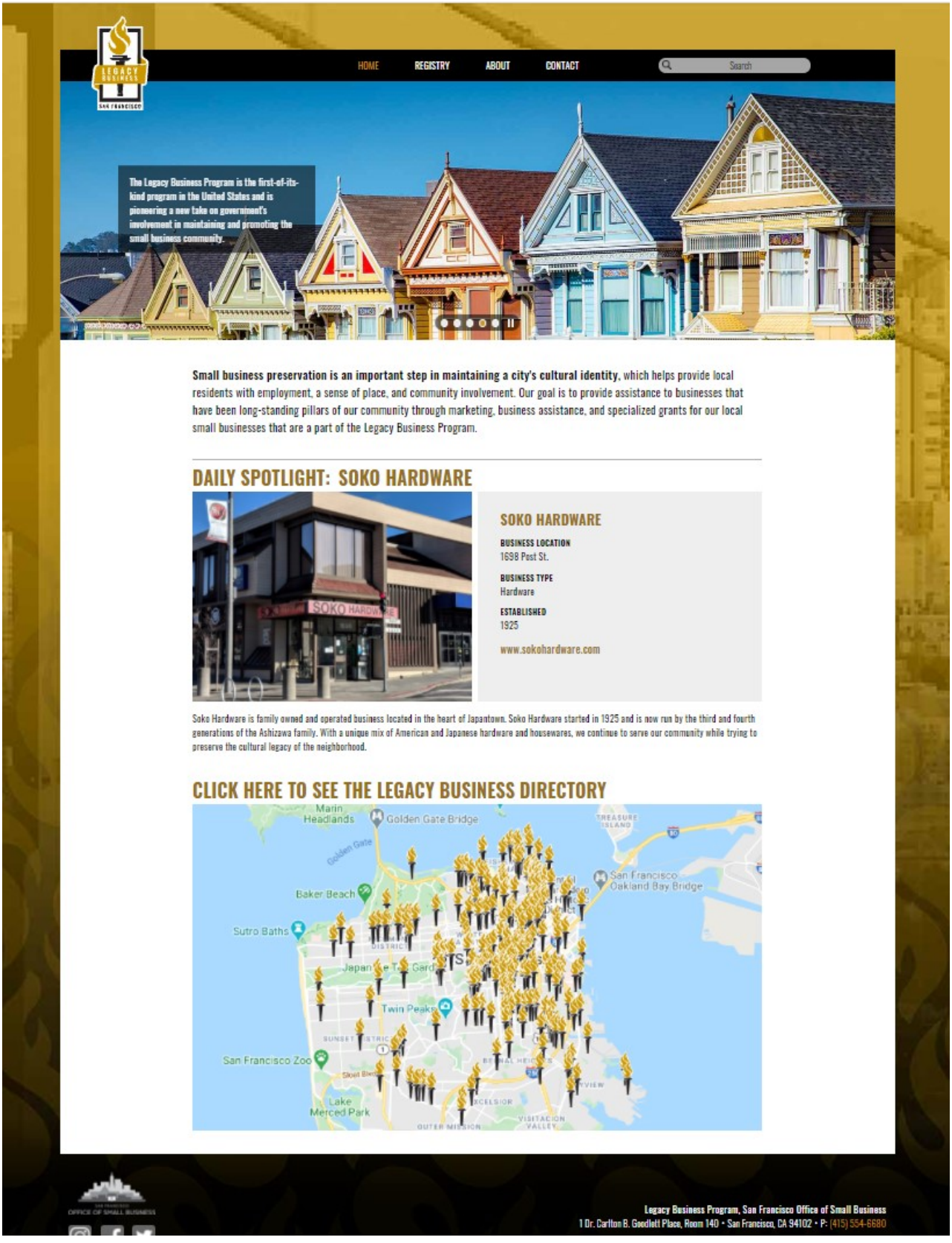
The Registry webpage features the business map and directory. Businesses are categorized by business type, and website users can search by business type, neighborhood, and business name, or any combination of the three.

The About webpage features information about Legacy Businesses, the Legacy Business Program, and the Office of Small Business. It also includes links on how to become a Legacy Business.

Following development of the marketing and promotional strategy for the Legacy Business Program, additional features and web pages will be added to the website.

"We are honored to be approved for the San Francisco Legacy Business Registry. Providing entertainment and so much more for the city of San Francisco and its visitors over the last 90 years is something we are so very proud of." – Gino Cerchiai, Owner of Bimbo's 365 Club

Legacy Business Registry website at www.legacybusiness.org



BRONZE PLAQUES

As part of the ongoing marketing and branding effort for Legacy Businesses, the Office of Small Business created a preliminary design for plaques to be installed on the exterior of buildings to acknowledge the presence of Legacy Businesses. The design was conceptualized by contractor Osaki Created Group in fiscal year 2018-19, with two preliminary designs created for either a larger plaque or a smaller plaque.

Plaque Design Finalized

Based on the conceptual designs, contractor Priority Architectural Graphics presented the Office of Small Business with numerous different plaque options, including three potential sizes – 12, 15, and 18 inches in diameter – and several different materials to consider. The Office of Small Business selected a 15-inch diameter plaque of precision tooled bronze as the final size and material. Priority Architectural Graphics then finalized the design.

Final Bronze Plaque Design for Legacy Businesses

Streamlined Review Process Established

The Office of Small Business worked with the Department of Building Inspection and San Francisco Planning to develop a streamlined review process for Legacy Business Program bronze plaques. Instead, design proofs showing proposed plaques and their placement on buildings will be sent to San Francisco Planning for review. Planning staff will analyze the proposals and provide approvals, approvals with conditions, suggestions for changes, or denials based on the specifics of each building. The plaques will not require a building permit, and there is no fee required, resulting in a significant savings of time and money for the Office of Small Business. Additional plaques were budgeted as a result of the cost savings.

Potential Bronze Plaque Locations Analyzed

The Office of Small Business and Priority Architectural Graphics worked in partnership to analyze the 78 questionnaires completed by Legacy Businesses wanting bronze plaques. Based on storefront configurations and landlord support, 28 potential plaque locations were identified for Round 1.

Later in fiscal year 2020-21, Priority Architectural Graphics will create proofs for the 28 proposed plaques, which the Office of Small Business will present to San Francisco Planning for review. Approved proofs will be sent to Legacy Businesses and their landlords for approval, and Round 1 plaques will be manufactured and installed in fiscal year 2021-22.

PROMOTION BY THE OFFICE OF SMALL BUSINESS

The Office of Small Business continued efforts to promote Legacy Businesses by posting on social media, issuing press releases, writing newsletters, and encouraging the City and County of San Francisco to patronize Legacy Businesses.

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 continued social media efforts for the Legacy Business Program on its Facebook (https://www.facebook.com/SFOSB/) and Twitter (@SFOSB) pages. This includes announcement posts when new Legacy Businesses are added to the Registry. Social media is 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 "#SFLegacyBiz."

In fiscal year 2020-21 through March 31, 2021, the Office of Small Business posted 11 posts on Facebook and tweeted or retweeted 23 tweets on Twitter promoting Legacy Businesses and the Legacy Business Program.

"We are proud to serve the San Francisco community. We train kids to compete all over the world and adults in self-defense. Our students include teachers, law enforcement personnel, and members of the military. Our competitors are national and world champions." - Teresa Hoang-Mar, Co-owner of Korean Martial Arts Center

EXHIBIT 7: Office of Small Business Social Media Posts Featuring Legacy Businesses

Fiscal Year	Number of Facebook Posts	Number of Tweets
Fiscal Year 2016-17	2	1
Fiscal Year 2017-18	14	21
Fiscal Year 2018-19	3	12
Fiscal Year 2019-20	23	53
Fiscal Year 2020-21 through March 31, 2021	11	23
TOTAL	**53**	**110**

NOTABLE PRESS MENTIONS AND ARTICLES

Following are several press articles between April 1, 2020, and March 31, 2021 featuring Legacy Businesses:

- June 15, 2020, San Francisco Chronicle, "Socially distanced sex toys are hot sellers at SF's re-opened Good Vibrations," by Dan Gentile.
- November 18, 2020, San Francisco Chronicle, "Britex Fabrics defies the signs of the times and raises its own banner in S.F.'s Union Square," by J.K. Dineen.
- December 15, 2020, Bay Area Reporter, "Haney proposes landmarking gay SF Eagle bar," by John Ferrannini.
- December 15, 2020, Hoodline, "Little Original Joe's opens for pizza and pasta takeout in West Portal," by Jay Barmann.
- December 17, 2020, The Bold Italic, "The San Francisco Bars That Are Doing Outdoor Seating Best: Zeitgeist wins for its spacious and safe patio," by Clara Hogan.
- March 2, 2021, Hoodline, "The Booksmith to move closer to first Haight Street home, taking over Bindery space," by Carrie Sisto.
- March 30, 2021, San Francisco Chronicle, "How the SF treasure behind one of Anthony Bourdain's favorite burgers in the world survived COVID-19," by Grant Marek.

"Royal Motors opened its doors in San Francisco in 1947 and it is a tremendous privilege to be named as a Legacy Business. My family and great employees have solely focused on San Francisco for the past seven decades and we look forward to serving our customers for generations to come." – Andy Hansen, Chief Operating Officer and General Manager of Royal Motor Sales.

BUSINESS ASSISTANCE SERVICES

SUMMARY OF SERVICES

The Legacy Business Program has been working with the San Francisco Small Business Development Center (SFSBDC) and their team of technical assistance providers to assist businesses in need of various types of assistance. Assistance includes help with Legacy Business Registry applications, finances, grant applications, legal issues, marketing, real estate, succession planning and other business challenges.

During the 9-month period from July 1, 2020, to March 31, 2021, the Legacy Business Program provided technical assistance to **58** Legacy Business clients who received **261.50** hours of counseling. Since the Legacy Business Program launched, the program has served **273** unique clients for a total of **2,131.75** hours of consulting.

EXHIBIT 8: Business Assistance Provided through March 31, 2021

Fiscal Year	Number of Clients	Number of Hours of Technical Assistance
Fiscal Year 2016-17	25	379.00
Fiscal Year 2017-18	49	318.00
Fiscal Year 2018-19	60	552.00
Fiscal Year 2019-20	81	621.25
Fiscal Year 2020-21 (through March 31, 2021)	58	261.50
ANNUAL REPORT TOTAL	**273**	**2,131.75**

CLIENT NEEDS

TECHNICAL ASSISTANCE AND ONE-ON-ONE CONSULTING

During this reporting period, a majority of the small businesses were seriously impacted by an unprecedented COVID-19 pandemic, which led to an almost total shutdown of the economy. Fortunately, technology has been instrumental in allowing SFSBDC advisors to continue working with businesses during the Shelter-In-Place Order. The SFSBDC have been offering webinars, virtual group discussions, and remote sessions to help businesses stay informed and respond to economic challenges. They provided technical assistance to Legacy Businesses and helped owners apply for various COVID-19 economic disaster financial relief programs to keep them afloat during these though times. Among the 261.50 hours of counseling, over 65% of the time was dedicated to assisting businesses in applying for these grants and loans. In addition to financial assistance,

SFSBDC advisors also provide counseling on strategies for short-term survival along with long-term resilience and growth.

In order for businesses to protect their workplace, employees, and customers, business owners need to rely on local, state, and federal directives. Having the most up-to-date information regarding health and safety threats will allow businesses to take proactive measures to ensure safety. The SFSBDC has always kept itself updated on government directives so they can provide Legacy Business owners with most recent information regarding health and safety threats.

A 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 real estate trends, as this helps negotiate more favorable terms. In cases where business owners had intentions to move to new locations, SFSBDC was able to pair the clients with real estate professionals for their relocation plans, which includes real estate searches, preparing Letters of Intent, and lease negotiations.

TRAINING

Legacy Businesses are eligible for all training workshops offered via the SFSBDC at no cost. Topics include, but are not limited to, access to capital, bookkeeping, business laws, government contracting, financial management, marketing, and social media. By attending such workshops, Legacy Business owners and their managers have the opportunity to learn new knowledge or techniques to bring their businesses to the next level. In view of the pandemic, the SFSBDC has been able to quickly pivot in-person workshops to webinars. Together with their Norcal Regional Center, the SFSBDC had provided weekly updates on COVID-19 relief programs during critical months to help businesses understand all the financial relief programs and answer their questions in the webinars.

ASSISTANCE WITH GRANT APPLICATIONS

For the Rent Stabilization Grant, an SFSBDC Case Manager helped the Legacy Business Program Manager review all applications to ensure they were correct and complied with the grant Rules and Regulations.

ASSISTANCE WITH LEGACY BUSINESS REGISTRY APPLICATIONS

Business owners continue to require assistance with the Legacy Business Registry applications. Those 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 the writing of the narrative section, but assistance is also provided with online research of historical information about the business, 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 provide language assistance for more effective communication.

RENT STABILIZATION GRANT

The Rent Stabilization Grant helps maintain San Francisco's cultural identity and fosters civic engagement and pride by assisting Legacy Businesses to remain in the city.

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. This problem has been exacerbated by the coronavirus pandemic that began affecting San Francisco businesses in February 2020.

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 landlords to enter into long-term leases with such businesses.

The purpose of the Rent Stabilization Grant (http://sfosb.org/legacy-business/rentgrant) is to provide an incentive for landlords to enter into long-term leases with Legacy Businesses. Through the grant, landlords who extend the leases of Legacy Businesses for at least 10 years may receive grants of up to $4.50 per square foot of space leased per year. Rent Stabilization Grants are capped at 5,000 square feet ($22,500 annually). A biennial Consumer Price Index (CPI) adjustment has been added to the grants starting in fiscal year 2017-18.

The Rent Stabilization Grant is included in the Legacy Business Historic Preservation Fund in San Francisco Administrative Code section 2A.243. Per the Admin Code, “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 grant was initially issued in February 2017 and has been an effective strategy in stabilizing longstanding businesses of all sizes in San Francisco. Since fiscal year 2016-17, the annual budget allocation for the Legacy Business Historic Preservation Fund has been $1 million in the City’s budget, which includes both the Rent Stabilization Grant and the former Business Assistance Grant. The Business Assistance Grant was active from fiscal years 2016-17 through 2019-20.

Since it was issued, there have been 42 first-year grant applications helping stabilize 36 Legacy Businesses through March 2021. Initially, the Office of Small Business received an average of one new Rent Stabilization Grant application per month, but OSB has received fewer applications during the coronavirus pandemic. The resulting grant carryforwards each fiscal year will prolong the number of years the Rent Stabilization Grant will be fully funded considering its expected $1 million annual budget allocation, thus providing greater stability for San Francisco’s Legacy Businesses.

The following table indicates Rent Stabilization Grant applications paid as of March 31, 2021.

EXHIBIT 9: Rent Stabilization Grant Applications Paid as of March 31, 2021

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 Ave.	June 15, 2017	$11,700.00
St. Francis Fountain	2051 Market St.	June 22, 2017	$12,420.00
Subtotal Fiscal Year 2016-17			**$46,620.00**
EROS: The Center for Safe Sex	2051 Market St.	August 14, 2017	$22,500.00
Lone Star Saloon	1352 Harrison St.	December 8, 2017	$23,197.50
Ruby's Clay Studio and Gallery	552-552A Noe St.	December 18, 2017	$23,197.50
Sam's Grill & Seafood Restaurant	374 Bush St.	January 16, 2018	$21,069.00
Joe's Ice Cream	5420 Geary Blvd.	January 19, 2018	$9,279.00
Papenhausen Hardware	32 West Portal Ave.	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 St.	January 22, 2018	$3,711.60
Golden Gate Fortune Cookies	56 Ross Alley	February 12, 2018	$13,686.53
Elite Sport Soccer	2637 Mission St.	March 15, 2018	$13,918.50
Phoenix Arts Association Theatre	414 Mason St., Suite 601	April 9, 2018	$8,351.10
Phoenix Arts Association Theatre	414 Mason St., Suite 604	April 16, 2018	$5,799.38
Good Vibrations	1620 Polk St.	June 7, 2018	$16,238.25
Avedano's Holly Park Market	235 Cortland St.	June 7, 2018	$6,912.86
Avedano's Holly Park Market	237 Cortland St.	June 22, 2018	$7,794.36
Subtotal Fiscal Year 2017-18			**$203,338.55**
Toy Boat Dessert Café	401 Clement St.	August 30, 2018	$4,718.37
Dog Eared Books	900 Valencia St.	September 5, 2018	$11,830.73
ArtHaus Gallery	228 Townsend St.	September 14, 2018	$13,454.55

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Landlord of Legacy Business	Address of Legacy Business	Date Paid	Grant Amount
Russian Hill Bookstore	2162 Polk St.	September 26, 2018	$13,686.53
Cal's Automotive Center	55 Elmira St.	October 3, 2018	$17,166.15
Café International	508 Haight St.	November 19, 2018	$9,279.00
Books Inc.	3515 California St.	November 19, 2018	$12,526.65
Green Apple Books	506 Clement St.	December 4, 2018	$23,197.50
Green Apple Books	520 Clement St.	December 4, 2018	$20,200.38
Cartoon Art Museum of California	781 Beach St., 1st Floor	March 25, 2019	$23,197.50
AIDS Legal Referral Panel	1663 Mission St., Suite 500	June 14, 2019	$13,222.58
Subtotal Fiscal Year 2018-19			**$162,479.94**
The Booksmith	1644 Haight St.	July 19, 2019	$15,861.52
San Francisco Supply Master	301 Toland St., Suite A	November 1, 2019	$24,032.61
Books Inc.	601 Van Ness Ave., Suite B/C	December 23, 2019	$24,032.61
El Rio	3154 Mission St.	December 24, 2019	$24,032.61
Eddie's Café (new grant due to new owner and new lease)	800 Divisadero St.	February 24, 2020	$3,845.22
DNA Lounge	371 11th St.	February 26, 2020	$24,032.61
DNA Lounge	375 11th St.	February 26, 2020	$24,032.61
Ocean Cyclery	1935 Ocean Ave.	April 2, 2020	$5,287.17
San Francisco Prosthetic Orthotic Service	330 Divisadero St.	April 6, 2020	$17,611.10
Creativity Explored	1 Arkansas St.	June 17, 2020	$16,596.92
Subtotal Fiscal Year 2019-20			**$179,364.98**
Horizons Unlimited of San Francisco, Inc.	440 Potrero Ave.	August 5, 2020	$24,032.61
Great American Music Hall	859 O'Farrell St.	August 12, 2020	$24,032.61
Subtotal Fiscal Year 2020-21 Paid through March 31, 2021			**$48,065.22**

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TOTAL FIRST-YEAR GRANTS			**$639,868.69**
COUNT			**42**
AVERAGE			**$15,234.97**
Second-, third-, fourth-, and fifth-year grants paid from fiscal year 2017-18 through 2020-21, up to March 31, 2021	Various	Various	$1,334,666.53
Subtotal Second-, Third-, Fourth-, and Fifth-Year Grants Paid through March 31, 2021			**$1,334,666.53**
GRAND TOTAL ALL GRANTS PAID THROUGH MARCH 31, 2021			**$1,974,535.22**

Photo: Marcello's Pizza, Facebook

"We are honored to be a Legacy Business. We love our diverse community and San Francisco. We will continue to follow our motto, 'Bake with Love, Serve with Pride!'" - Annie Flores and Sara McNulty, owners of Marcello's Pizza

PROGRAM BUDGET

FISCAL YEAR 2020-21

The following table indicates revenue and expenses for the Legacy Business Program for fiscal year 2020-21.

EXHIBIT 10: Legacy Business Program Budget for Fiscal Year 2020-21

Budget Item	Estimated Revenue	Estimated Expenses	Carry-forward
Staffing			
All Legacy Business Program Staff Including Fringe Benefits	$233,708	$233,708	
Subtotal Staffing	**$233,708**	**$233,708**	**$0**
Program Expenses			
Program Expenses – Annual Budget Allocation	$20,400	$3,600	$88,464[2]
Bronze Plaques – Priority Architectural Graphics			
Bronze Plaques – Priority Architectural Graphics (Carryforward from Fiscal Year 2019-20)	$71,664		
Marketing and Website – Design Media (Addback from Board of Supervisors)	$75,500	$46,700	$82,800
Marketing and Website – Design Media (Carryforward from Fiscal Year 2019-20)	$54,000		
Subtotal Program Expenses	**$221,564**	**$50,300**	**$171,264**
Application Fees			
Application Fees	$1,300		$14,350
Application Fees (Carryforward from Previous Fiscal Years)	$13,050		
Subtotal Application Fees	**$14,350**	**$0**	**$14,350**
Grants			
Rent Stabilization Grant – Annual Budget Allocation	$1,000,000	$695,354	$310,111[2]
Rent Stabilization Grant (Carryforward from Fiscal Year 2019-20)	$5,465		
Subtotal Grants	**$1,005,465**	**$695,354**	**$310,111**
TOTAL	**$1,475,087**	**$979,362**	**$495,725**

[2]Carryforward amounts may be reflected differently in the City's financial system.

FISCAL YEAR 2021-22

The following table indicates estimated revenue and expenses for the Legacy Business Program for fiscal year 2021-22.

EXHIBIT 11: Estimated Legacy Business Program Budget for Fiscal Year 2021-22

Budget Item	Estimated Revenue	Estimated Expenses	Carry-forward
Staffing			
All Legacy Business Program Staff Including Fringe Benefits	$242,363	$242,363	
Temporary Staff (Addback from Board of Supervisors)	$100,000	$66,667	$33,333
Subtotal Staffing	**$342,363**	**$309,030**	**$33,333**
Program Expenses			
Program Expenses – Annual Budget Allocation	$20,400	$17,464	
Bronze Plaques – Priority Architectural Graphics		$34,190	$57,210
Bronze Plaques – Priority Architectural Graphics (Carryforward from Fiscal Year 2020-21)	$88,464		
Strategic Marketing Plan	$75,500	$99,600	
Marketing and Website – Design Media		$58,700	
Marketing and Website – Design Media (Carryforward from Fiscal Year 2020-21)	$82,800		
Subtotal Program Expenses	**$267,164**	**$209,954**	**$57,210**
Application Fees			
Application Fees	$3,250[3]		$17,600
Carryforward Application Fees (From Previous Fiscal Years)	$14,350		
Subtotal Application Fees	**$17,600**	**$0**	**$17,600**
Grants			
Rent Stabilization Grant	$1,000,000	$950,000	$360,111
Rent Stabilization Grant (Carryforward from Fiscal Year 2020-21)	$310,111		
Legacy Business Grant – NEW (Addback from Board of Supervisors)	$400,000	$400,000	
Subtotal Grants	**$1,710,111**	**$1,350,000**	**$360,111**
TOTAL	**$2,337,238**	**$1,868,984**	**$468,254**

[3]Application fees for 2021-22 were estimated based on 65 applications at $50 per application.

PROGRAM CHALLENGES

The Office of Small Business has been busy since spring 2020 assisting businesses with the disastrous effects of the coronavirus pandemic. Helping business recover from the pandemic and better preparing businesses for similar events in the future are challenges the Office of Small Business has undertaken this fiscal year. The Office of Small Business has also been challenged with escalating staff obligations for the Legacy Business Program and escalating budget obligations for the Legacy grants.

Recovering from the Coronavirus Pandemic

Starting February 2020, local and state leaders prudently issued health emergency declarations and orders to stay at home and shelter in place to slow the spread of coronavirus infections. While these extremely important declarations and orders have significantly reduced the spread of COVID-19, it has meant that most if not all of the Legacy Businesses in San Francisco, and the workers they employ, have experienced irrecoverable losses. Some of these losses have been so immediate and severe that some small businesses have been forced into permanent closure.

Responsive to evident economic disruption, local and state officials acted swiftly to implement emergency programs, policies, and orders to support small businesses and those they employ. The Office of Small Business and the Small Business Commission have been working together and expeditiously with the Mayor's Office, the Board of Supervisors, City agencies, merchant groups, business organizations, and technical assistance providers to develop and administer economic mitigation measures in support of San Francisco small businesses who have been, and continue to be, impacted by COVID-19.

One such measure administered by the Office of Small Business is the San Francisco Music and Entertainment Venue Recovery Fund ("Venue Fund"), which was established in March 2021. The Venue Fund provides financial support to San Francisco-based live music and entertainment venues in order to prevent their permanent closure due to the pressures of the COVID-19 pandemic.

The Office of Small Business will continue helping Legacy Businesses improve their operations and adapt their business models as needed in an effort to help them recover from the effects of the coronavirus pandemic. The new Legacy Business Registry website at www.legacybusiness.org and enhanced marketing, branding, and promotion occurring this fiscal year and in fiscal year 2021-22 will be beneficial for Legacy Businesses.

Escalating Staff Obligations

The Office of Small Business has experienced escalating staff obligations every year since the Legacy Business Program was established in 2015.

An average of 5 businesses have been added to the Legacy Business Registry every month, averaging 60 businesses per fiscal year, since the first 19 businesses were added to the Registry in August 2016. Each application requires significant staff time to review and process, resulting in a consistent queue of new applications despite the Office of Small Business conducting minimal outreach to potential applicants.

As more Legacy Businesses are added to the Registry, the overall need for business assistance services through the San Francisco Small Business Development Center has increased. The number of Legacy Business clients has more than tripled in just four years, from 25 in fiscal year 2016-17 to 81 in fiscal year 2019-20, with 77 clients projected for fiscal year 2020-21. The number of hours of technical assistance provided to Legacy Business clients increased 64% between 2016-17 and 2019-20.

Due to limited staff at the Office of Small Business, administration of the Venue Fund was assigned to the Legacy Business Program Manager in March 2021. This assignment is expected to temporarily shift hundreds of hours of staff time from the Legacy Business Program to the Venue Fund in fiscal years 2020-21 and 2021-22.

The Office of Small Business will continue to seek funding and opportunities to increase staff who can assist with the Legacy Business Program.

Escalating Budget Obligations

There has been a steady demand from landlords for the Rent Stabilization Grant. Because the grant is paid over multiple years through annual applications, each new application compounds the number of applications received in successive years. Requested grants are expected to exceed the $1 million annual grant allocation by fiscal year 2023-24. The Rent Stabilization Grant also adds to the escalating staff obligations.

Photo: American Conservatory Theater, Andrew D., Yelp

"Thank you to our City's leadership for naming American Conservatory Theater as a Legacy Business. We are appreciative of the recognition and will continue to play our part in building a stronger community through fostering empathy and connection through our artistic work." - Jennifer Bielstein, Executive Director of the American Conservatory Theatre Foundation

MAJOR UPCOMING ACTIVITIES

Following are major upcoming activities for the Legacy Business Program for the fourth quarter of fiscal year 2020-21 and for fiscal year 2021-22:

- Work with the contractor Priority Architectural Graphics to manufacture and install bronze plaques recognizing Legacy Businesses.
- Work with Priority Architectural Graphics to design virtual plaques, as well as etched plaques that are similar in design to the bronze plaques but are thinner and can be mounted to glass surfaces.
- Work with the contractor Design Media to conduct an online survey of all Legacy Businesses and one-on-one interviews of several Legacy Businesses that participated in the online survey.
- Work with Design Media to finalize the strategic marketing plan for Legacy Businesses and the Legacy Business Program. Implement short-term goals identified in the strategic marketing plan, and begin working on long-term goals.
- Work closely with the new Neighborhood Anchor Business program manager, who will be hired in the San Francisco Office of Small Business, to ensure that program is well-integrated with the Legacy Business Program.
- Continue working with the San Francisco Small Business Development Center to help Legacy Businesses in need of various types of assistance.
- Continue working with the Planning Department and other City departments to provide additional benefits to Legacy Businesses.
- Continue processing Rent Stabilization Grant applications for landlords that provide long-term leases to Legacy Businesses.
- Create an internal database for the Rent Stabilization Grant to more efficiently manage the grant applications and payments.
- Explore the development of a property ownership program that would enable Legacy Businesses to purchase buildings or spaces to house their businesses or organizations.
- Explore the concept of a business interruption insurance program that would provide coverage for Legacy Businesses during local emergencies in instances that are not covered by their regular business interruption insurance policies.
- Publicize the Controller's Office's first quinquennial assessment and review of the effect of the Legacy Business Historic Preservation Fund on the stability of Legacy Businesses for the prior five fiscal years.

CONTACT INFORMATION

SMALL BUSINESS COMMISSION

Present Commissioners
Sharky Laguana, President
Miriam Zouzounis, Vice-President
Stephen Adams, Commissioner
Lawanda Dickerson, Commissioner
Kathleen Dooley, Commissioner
Cynthia Huie, Commissioner
William Ortiz-Cartagena, Commissioner

OFFICE OF SMALL BUSINESS

Regina Dick-Endrizzi, Director

LEGACY BUSINESS PROGRAM

Richard Kurylo, Program Manager
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