



LEGACY BUSINESS PROGRAM

Legacy Business Grant Grant Rules, Fiscal Year 2021-22



Legacy Business Grant Application Rules

Version: November 8, 2021

1. Scope

These rules apply to the Legacy Business Grant for Legacy Businesses.

The San Francisco Office of Small Business (“OSB”), which administers the Legacy Business Program, has created a new grant for Legacy Businesses based on business type and property ownership. The new Legacy Business Grant is not dependent on the number of full-time equivalent employees (“FTEs”) because FTEs have decreased during the coronavirus pandemic for many of the businesses that are most in need of financial assistance.

2. Application Timeline and Submittal

For fiscal year 2021-22, the Legacy Business Grant application will be issued on Monday, November 15, 2021. Applications are **due by 5:00 p.m. on Friday, January 14, 2022**. Applicants can submit their applications online, or they can email, hand-deliver, or mail completed Legacy Business Grant applications.

Online Applications

Applicants may submit Legacy Business Grant applications online at <https://tinyurl.com/legacygrant2021-22>.

Emailed Applications

Applicants may email completed Legacy Business Grant applications to legacybusiness@sfgov.org

Mailed or Hand-Delivered Applications

Applicants may hand-deliver or mail completed Legacy Business Grant applications to:

Legacy Business Program

Office of Small Business

1 Dr. Carlton B. Goodlett Place

City Hall, Room 140

San Francisco, CA 94102

Mailed applications must be clearly postmarked by Friday, January 14, 2022, and received by OSB no later than Friday, January 21, 2022.

3. Eligible Businesses

All active Legacy Businesses are eligible to apply for and receive funding through the Legacy Business Grant. Inactive Legacy Businesses are not eligible to receive funding through the Legacy Business Grant.

Active Legacy Businesses are defined as those businesses that meet one of the following criteria:

- The Legacy Business currently has one or more physical locations in the City and County of San Francisco (the “City”) and is presently conducting business in the City.
- The Legacy Business normally operates without a physical office or storefront and is currently conducting business in the City.
- The Legacy Business is temporarily without a location in the City but is still conducting business in the City.

Inactive Legacy Businesses are defined as those businesses that meet one of the following criteria:

- The Legacy Business has closed with no plans to reopen.
- The Legacy Business has moved out of the City, meaning there are presently no business locations in the City.
- The Legacy Business has a location(s) in the City but is not presently conducting business from that location(s).
- The Legacy Business is temporarily without a location in the City and is not conducting business in the City.

In determining whether a Legacy Business is active or inactive for purposes of the Legacy Business Grant, the review period of business activity shall be November 1, 2021, through January 14, 2022.

OSB will make the final determination of which Legacy Business applicants are Eligible Businesses – those eligible to receive funding through the Legacy Business Grant – based on the Legacy Business’ responses in the grant application, as well as through City records, in-person observations, and/or review of information obtained online, as needed.

4. Business Type

The Legacy Business Grant applicant shall indicate whether the Legacy Business is a for-profit business or nonprofit organization. The business type listed in the Legacy Business Grant application must match the business type listed on the Legacy Business Registry (see Administrative Code section 2A.242). For example, a nonprofit Legacy Business that conducts some business through a for-profit arm shall be considered a nonprofit organization for purposes of the Legacy Business Grant.

Nonprofit organizations shall include both tax-exempt and taxable nonprofits.

OSB will make the final determination of which Legacy Business applicants are for-profit businesses and nonprofit organizations based on the Legacy Business' responses in the grant application, as well as through city, state, and federal records, including but not limited to Secretary of State filings and Franchise Tax Board records.

5. Property Ownership

The Legacy Business Grant applicant shall indicate whether the Legacy Business owns any of the properties in which the business operates within the City.

The Legacy Business is considered a property owner if the landlord is related by ownership, either directly or indirectly, to the Legacy Business to which the landlord leases the property. The landlord is related by ownership to the Legacy Business if any of the following criteria are satisfied:

- The landlord holds any ownership interest in the Legacy Business; or
- The Legacy Business holds any ownership interest in the landlord; or
- A third-party entity holds an ownership interest in both the Legacy Business and the landlord; or
- The landlord holds any beneficial interest in any entity (including, but not limited to, a beneficial interest in a trust) that holds an ownership interest in the Legacy Business; or
- The Legacy Business holds any beneficial interest in any entity (including, but not limited to, a beneficial interest in a trust) that holds an ownership interest in the landlord; or

- The landlord, or any person who holds an ownership or beneficial interest in the landlord, is in an immediate family relationship with any person who holds an ownership or beneficial interest in the Legacy Business. The phrase “immediate family relationship” includes the relationships between spouses, domestic partners, parents or guardians and children (including step-parents and step-children, or adoptive parents and adoptive children), grandparents and grandchildren, siblings (including step-siblings or adoptive siblings), aunts or uncles and nieces or nephews, great-aunts or great-uncles and grand-nieces or grand-nephews, and first or second cousins. The phrase also includes the relationship with the parent, grandparent, or sibling of one’s spouse or domestic partner, or the spouse or domestic partner of one’s child, grandchild, or sibling.

For purposes of the Legacy Business Grant, an Eligible Business shall be considered a property owner if the Eligible Business meets the property ownership criteria for any one of the business’ locations in the City.

For purposes of the Legacy Business Grant, an Eligible Business shall be considered a property owner if the Eligible Business normally operates without a physical office or storefront and is currently conducting business in the City. In addition, an Eligible Business shall be considered a property owner if the Eligible Business is temporarily without a location in San Francisco but is still conducting business in the City. The reason for these categorizations is because Eligible Businesses that normally operate without physical offices or storefronts or are doing business in the City while temporarily without a location in the City are at less risk of displacement than renters. Long-operating businesses that are renters of commercial spaces that they do not own are particularly vulnerable to displacement because of increased rents or lease terminations.

OSB will make the final determination of which Legacy Business applicants are property owners or renters based on the Legacy Businesses’ responses in the grant application, as well as through city, state, federal, and/or other records.

6. Grant Allocation

The Legacy Business Grant shall have an allocation based on business type and property ownership, as follows:

- A. For-Profit Renters
- B. For-Profit Property Owners
- C. Nonprofit Renters
- D. Nonprofit Property Owners

The Legacy Business Grant differentiates between renters and owners because renters are susceptible to rent increases.

The Legacy Business Grant also differentiates between for-profit businesses and nonprofit organizations for the following reasons:

- For-profit businesses are charged differently than nonprofit organizations for some City services such as the Business Registration Certificate and the Health Care Security Ordinance.
- For-profit businesses cannot receive tax-deductible donations.
- The City frequently provides funding specifically for nonprofit organizations.

7. Grant Formula and Grant Amounts

The grant formula and grant amounts for the Legacy Business Grant shall be calculated as follows:

Grant Formula

4X times the number of Eligible Businesses that are For-Profit Renters
plus 3X times the number of Eligible Businesses that are For-Profit Property Owners
plus 2X times the number Eligible Businesses that are Nonprofit Renters
plus X times the number of Eligible Businesses that are Nonprofit Property Owners
equals the amount of funding available for the Legacy Business Grant,
then solve for X

Grant Amounts

Eligible Businesses that are For-Profit Renters shall each receive 4X
Eligible Businesses that are For-Profit Property Owners shall each receive 3X
Eligible Businesses that are Nonprofit Renters shall each receive 2X
Eligible Businesses that are Nonprofit Property Owners shall each receive 1X

8. Grant Fund Use

Legacy Business Grant funds shall be used only to promote the long-term stability of Legacy Businesses and to help Legacy Businesses remain in the City. Authorized uses could include tenant improvements, capital improvements, rent, relocation within the City, marketing, professional services, and other activities necessary to support the continuation of the business as a Legacy Business.

Each Legacy Business Grant application shall include a detailed description showing the applicant's intended uses of the grant funds. Failure to demonstrate that grant funds will be

used for an authorized use, or failure to demonstrate that grant funds from prior years were used for an authorized use, may result in a denial of a grant application.

9. Acknowledgments and Declaration

Eligible Businesses must acknowledge they have read and understand all of the following acknowledgements in order to receive a Legacy Business Grant:

- I am authorized to submit this application on behalf of the Legacy Business.
- I have reviewed the Rules for the Legacy Business Grant.
- I attest that the Legacy Business's business registration and any applicable regulatory license(s) are current.
- I attest that the Legacy Business is current on all of its City tax obligations. Any outstanding City tax obligations that may arise or become evident during the Legacy Business Grant review process must be paid by June 30, 2022, for the Legacy Business to be awarded a Legacy Business Grant.
- I attest that the Office of Labor Standards and Enforcement ("OLSE") has not determined that the Legacy Business is currently in violation of any of the City's labor laws, and that the Legacy Business does not owe any outstanding penalties or payments ordered by OLSE. Any outstanding OLSE violations, penalties, or payments that may arise or become evident during the Legacy Business Grant review process must be resolved by June 30, 2022, to the satisfaction of OLSE for the Legacy Business to be awarded a Legacy Business Grant.
- I understand that all information provided in this application may be subject to disclosure under the California Public Records Act and/or the San Francisco Sunshine Ordinance.
- I understand that any willful or material misrepresentation in this application form may be cause for:
 - The termination of any pending Legacy Business Grant;
 - An order to repay any Legacy Business Grant previously awarded; and,
 - A prohibition on applying for, or receiving, future Legacy Business Grants.
- I will use the Legacy Business Grant to promote the long-term stability of the Legacy Business.

The signatory of the Legacy Business Grant application must declare that they are the owner, manager, or authorized representative of the Legacy Business applying for a Legacy Business Grant and certify under penalty of perjury that the statements in the application are true and correct to the best of their knowledge.

10. Suppliers with the City and County of San Francisco

To receive a Legacy Business Grant, Eligible Businesses must register as Suppliers with the City. There is no cost to get set up as a Supplier.

[Click here for guidelines regarding the Supplier set-up process.](#) Step 5 in the Supplier set-up process is NOT REQUIRED for the Legacy Business Grant: Eligible Businesses will not be required to demonstrate compliance with the Equal Benefits Ordinance.

Businesses that are unable to get set up as Suppliers will be paid through a third-party vendor. Eligible Venues must provide the third-party vendor with whatever documents are requested by the vendor (e.g., completed IRS form W-9). Any third-party vendor fees will be subtracted from individual grant awards.