

LEGACY BUSINESS PROGRAM
BUDGET FOR GRANTS, FY 2016-17 THROUGH FY 2022-23
Explanatory Document
November 26, 2018

1. Budget Assumptions

- A total of \$1 million will be committed annually by the Mayor's Office in the Annual Appropriation Ordinance (i.e., City budget) without seeking additional funding.
- There will be 17 new Rent Stabilization Grant applications for landlords of Legacy Businesses received annually based on the historical average.
- Each new Rent Stabilization Grant application will be for a storefront of 2,873.44 square feet based on the historical average.
- The Consumer Price Index (CPI) adjustment will be 3.0% for fiscal years 2019-21 and 2021-23.
- The Rent Stabilization Grant will be prioritized over other grants paid through the Legacy Business Historic Preservation Fund by direction of the Small Business Commission.

2. Budget Explanations

- If the Rent Stabilization Grant is prioritized over other grants, funds available for other grants will be \$700,841 this fiscal year (2018-19), \$258,512 next fiscal year (2019-20) and \$25,080 in fiscal year 2020-21.
- In fiscal year 2018-19, there is a one-time amount of \$150,000 available through the release of a 2015-16 reserve for Rent Stabilization Accessibility Grants to help Legacy Businesses pay for disability access inspections, reports and improvements.
- Funding for the Business Assistance Grant for Legacy Businesses will decrease through fiscal year 2020-21, after which there would be no available funding for the grant.
- Per the administrative code section 2A.243, specific procedures are in place for handling grant shortfalls. Essentially, grants are decreased proportionately and shall not exceed available funds.

3. Policy Recommendations

- This meeting suggested motion:
"The Small Business Commission directs the Office of Small Business to prioritize the funding of Rent Stabilization Grants to Qualified Landlords over other grant(s) paid through the Legacy Business Historic Preservation Fund.
- January or February 2019: Policy recommendation regarding the Business Assistance Grant.
- Late 2019: Policy recommendation regarding the Rent Stabilization Grant.



Landlord of Legacy Business	Square Feet	Number of Grants Annually	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
ArtHaus Gallery	2,900.00	N/A	N/A	\$13,050.00	\$13,050.00	\$13,050.00	\$13,050.00	\$13,050.00	\$13,050.00
Dog Eared Books	2,550.00	N/A	N/A	N/A	\$11,475.00	\$11,475.00	\$11,475.00	\$11,475.00	\$11,475.00
Toy Boat Dessert Café	1,017.00	N/A	N/A	N/A	\$4,576.50	\$4,576.50	\$4,576.50	\$4,576.50	\$4,576.50
Russian Hill Bookstore	2,950.00	N/A	N/A	N/A	\$13,275.00	\$13,275.00	\$13,275.00	\$13,275.00	\$13,275.00
Cal's Automotive Center	3,700.00	N/A	N/A	N/A	\$16,650.00	\$16,650.00	\$16,650.00	\$16,650.00	\$16,650.00
Café International	2,000.00	N/A	N/A	N/A	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00
Books Inc.	2,700.00	N/A	N/A	N/A	\$12,150.00	\$12,150.00	\$12,150.00	\$12,150.00	\$12,150.00
Doc's Clock	1,680.00	N/A	N/A	N/A	\$7,560.00	\$7,560.00	\$7,560.00	\$7,560.00	\$7,560.00
Green Apple Books (#506)	5,000.00	N/A	N/A	N/A	\$22,500.00	\$22,500.00	\$22,500.00	\$22,500.00	\$22,500.00
Green Apple Books (#520)	4,354.00	N/A	N/A	N/A	\$19,593.00	\$19,593.00	\$19,593.00	\$19,593.00	\$19,593.00
Additional RSGs 2018-19	2,873.44	8	N/A	N/A	\$103,443.84	\$103,443.84	\$103,443.84	\$103,443.84	\$103,443.84
New RSGs 2019-20	2,873.44	17	N/A	N/A	N/A	\$219,818.16	\$219,818.16	\$219,818.16	\$219,818.16
New RSGs 2020-21	2,873.44	17	N/A	N/A	N/A	N/A	\$219,818.16	\$219,818.16	\$219,818.16
New RSGs 2021-22	2,873.44	17	N/A	N/A	N/A	N/A	N/A	\$219,818.16	\$219,818.16
New RSGs 2022-23	2,873.44	17	N/A	N/A	N/A	N/A	N/A	N/A	\$219,818.16
SUBTOTAL RSG APPLICATIONS			\$46,620	\$258,205	\$478,428	\$698,246	\$918,064	\$1,137,882	\$1,357,701
Consumer Price Index Adjustment, 2017-19			0.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Consumer Price Index Adjustment, 2019-21			0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%
Consumer Price Index Adjustment, 2021-23			0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%
TOTAL RSG APPLICATIONS			\$46,620	\$266,209	\$493,259	\$741,488	\$974,920	\$1,244,602	\$1,485,036
TOTAL AVAILABLE FOR RSAG AND BAG GRANTS OR (SHORTFALL)			\$953,380	\$819,421	\$700,841	\$258,512	\$25,080	(\$244,602)	(\$485,036)

RENT STABILIZATION ACCESSIBILITY GRANT ("RSAG")

TOTAL RSAG APPLICATIONS			\$0	\$0	\$150,000	\$0	\$0	\$0	\$0
TOTAL AVAILABLE FOR BAG GRANT OR (SHORTFALL)			\$953,380	\$819,421	\$550,841	\$258,512	\$25,080	(\$244,602)	(\$485,036)

BUSINESS ASSISTANCE GRANT ("BAG")

TOTAL BAG APPLICATIONS			\$399,000	\$625,321	TBD	TBD	TBD	TBD	TBD
TOTAL PAID OR AVAILABLE FOR PAYMENT			\$399,000	\$625,321	\$550,841	\$258,512	\$25,080	\$0	\$0
CARRYFORWARD TO NEXT FISCAL YEAR			\$554,380	\$194,100	\$0	\$0	\$0	\$0	\$0