



OFFICE OF SMALL BUSINESS  
SMALL BUSINESS COMMISSION



CITY AND COUNTY OF SAN FRANCISCO  
EDWIN M. LEE, MAYOR

## Memorandum

DATE: August 5, 2016  
TO: Small Business Commission  
FROM: Regina Dick-Endrizzi, Executive Director, Office of Small Business  
RE: Clarification On Nonprofit Eligibility for the Legacy Business Registry

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The Small Business Commission asked staff to provide clarification on the eligibility of nonprofits for the Legacy Business Registry.

The Office of Small Business staff took a look at the legislative history and intent of the Board of Supervisors when enacting Board of Supervisors File 141038, and ordinance amending the Administrative Code - Establishing Legacy Business Registry. It is clear from the legislative history, the intent of the Board of Supervisors is the inclusion of nonprofits under the definition of “business” in Section 2A.242 (b).

Considering the legislative history, it is clear that the intention of the full Board of Supervisors is to include both for-profit and nonprofit enterprises in the Legacy Business Registry. In review of discussion of this legislation, the Board of Supervisors never discussed limits on the types of nonprofits.

**Below is the chronology of BOS File #141038 which documents the Board of Supervisors intent for Section 2A.242 (b).**

### [Legislation Version 1](#)

*(b) For purposes of this Section 2A.242, “Legacy Business” means a business meeting the following criteria:*

*(1) The business is a bar, restaurant, retail store, arts space, performance venue, or a business primarily engaged in Production, Distribution, and Repair activities, as described in Article 2 of the Planning Code.*

10/7/2014 – Legislation introduced.

10/27/2014 – The Small Business Commission heard Version 1 of the legislation.

### [Legislation Version 2](#)

2/11/15 – BOS: Budget and Finance Committee Meeting. Version 1 of the legislation was amended in committee to include nonprofits. This amendment created version 2 of the legislation. The amendment passed out of Committee by Supervisors Farrell, Tang and Mar.



Language added:

*(b) For purposes of this Section 2A.242, “Legacy Business” means a business that the Small Business Commission, after a noticed hearing, determines meets the following criteria:*

*(1) The business is a bar, restaurant, retail store, arts space, performance venue, non-profit entity directly serving the community, or a business primarily engaged in Production, Distribution, and Repair activities, as described in Article 2 of the Planning Code.*

2/24/15 – Full Board of Supervisors Meeting. The board packet had version 2 with the definition of nonprofit included). Passed on first reading with 11 Supervisors voting in support.

### Legislation Version 3

3/3/15 – Full Board of Supervisors Meeting. The board packet had version 2 with the definition of nonprofit included. The legislation was amended as a body of the whole which created version 3 of the legislation. The amendment and version 3 of the legislation passed on first reading with 11 Supervisors voting in support.

Changes to Version 2:

- Removed list of acceptable business types entirely. This is the stricken definition below.
- Added broader language “business.” The change did not remove nonprofits from consideration for the registry.
- The nomination process was added this time as well.

*(b) For purposes of this Section 2A.242, “Legacy Business” means a business that has been nominated by a member of the Board of Supervisors or the Mayor, and that the Small Business Commission, after a noticed hearing, determines meets the following criteria:*

*~~(1) The business is a bar, restaurant, retail store, arts space, performance venue, non-profit entity directly serving the community, or a business primarily engaged in Production, Distribution, and Repair activities, as described in Article 2 of the Planning Code.~~*

*(12) The business has operated in San Francisco for 30 or more years, with no break in San Francisco operations exceeding two years. The business may have operated in more than one location or jurisdiction, but must have been founded or established and currently be headquartered based in San Francisco.*

3/19/216 – Mayor Lee signed the legislation into law.

### Conclusion:

The Board of Supervisors clearly intended for nonprofits serving the community be an eligible entity to nominate for the registry. As with all nominations, the nominator, whether the Mayor or a member of the Board of Supervisors, must indicate in their statement of nomination how the entity has contributed to the neighborhood's history and/or the identity of a particular neighborhood or community. The Small Business Commission can look to the statement of nomination for direction to Criteria Two, which is the entity's connection to the community.