



LEGACY BUSINESS PROGRAM

Annual Report on the Legacy Business Historic Preservation Fund, Fiscal Year 2023-24

Submitted May 30, 2024



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ABOUT THE LEGACY BUSINESS PROGRAM

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. For more information about the Legacy Business Program, visit <https://sf.gov/legacybusiness>.

APPLYING FOR THE LEGACY BUSINESS REGISTRY

Businesses that wish to be included on the Legacy Business Registry must be nominated by the mayor or a member of the Board of Supervisors and complete an application, including an application form and written historical narrative. Nominations for the Registry are made on an ongoing basis and are limited to a total of 300 businesses per fiscal year (July 1 through June 30). Completed applications are reviewed by the Historic Preservation Commission, which makes a recommendation, followed by the Small Business Commission, which makes the final determination. For more information on how to apply for the Legacy Business Registry, visit <sf.gov/legacybusiness> and click the link “[Apply to join the Legacy Business Registry](#).”



Representatives of businesses added to the Legacy Business Registry, July 24, 2023

DISCOVER SAN FRANCISCO'S LEGACY BUSINESSES

Explore San Francisco's 350+ iconic Legacy Businesses at legacybusiness.org. Search for Legacy Businesses by business type, neighborhood, or business name.

LEGACY BUSINESS HISTORIC PRESERVATION FUND

HISTORIC PRESERVATION FUND IN THE ADMINISTRATIVE CODE

The Legacy Business Historic Preservation Fund was added to the Administrative Code ([Section 2A.243](#)) by San Francisco voters through Proposition J in November 2015. It included the Rent Stabilization Grant for landlords of Legacy Businesses.

The Administrative Code requires that the Office of Small Business report annually to the Board of Supervisors regarding the Legacy Business Historic Preservation Fund:

“By the first business day of June of each year commencing with June 2017, the Executive Director of the Office of Small Business shall file a written report with the Board of Supervisors on the implementation of this Section 2A.243. The report shall include a list of: (A) each Qualified Legacy Business and the amount of the grant paid to each Qualified Legacy Business for the prior fiscal year; and (B) each Qualified Landlord, the Legacy Business to which the Qualified Landlord leased the real property, and the amount of the grant paid to each Qualified Landlord for the prior fiscal year. The report may include other information relevant to implementation of this Section 2A.243, at the discretion of the Executive Director of the Office of Small Business.”

The Office of Small Business is pleased to present this annual report to the Board of Supervisors to satisfy the Administrative Code requirement.

RENT STABILIZATION GRANT

The purpose of the Rent Stabilization Grant (sf.gov/information/rent-stabilization-grant) is to provide an incentive for landlords to enter into long-term leases with Legacy Businesses. The 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 COVID-19 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.

Through the Rent Stabilization Grant, landlords who provide new leases of at least 10 years to Legacy Businesses, or extend existing leases with Legacy Businesses to 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 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 for four fiscal years, from 2016-17 through 2019-20.

In fiscal year 2023-24, the budget allocation for the Legacy Business Historic Preservation Fund was decreased from \$1 million to \$771,776 due to citywide budget cuts. Because the City and County of San Francisco was facing a major budget deficit, the Mayor’s Budget Office directed City departments to reduce their spending. For the Office of Small Business to meet these targets, some budget cuts were made to the Legacy Business Program. However, since unspent grant funds in the Legacy Business Historic Preservation Fund carry forward to future fiscal years, previous year savings from the Rent Stabilization Grant enabled the Office of Small Business to award Rent Stabilization Grants at their maximum level in fiscal year 2023-24 (\$4.50 per square foot up to 5,000 square feet).

RENT STABILIZATION GRANTS, PREVIOUS FISCAL YEARS

All Rent Stabilization Grant consist of multiple annual grant payments, usually for 10 or more years. In fiscal years 2016-17 through 2022-23, there were 225 Rent Stabilization Grants paid totaling over \$3.5 million, with the average grant being \$15,582.

For the first three fiscal years, the Office of Small Business received an average of one new Rent Stabilization Grant application per month, but OSB received fewer applications once the grant was established and numerous landlords had already submitted initial applications.

Rent Stabilization Grants, Fiscal Years 2016-17 through 2022-23

Fiscal Year	Number of Grants	Total of All Grants	Average Grant Payment
2016-17	3	\$46,620.00	\$15,540.00
2017-18	19	\$251,403.77	\$13,231.78
2018-19	30	\$415,512.72	\$13,850.42
2019-20	39	\$605,702.52	\$15,530.83
2020-21	43	\$695,353.76	\$16,171.02
2021-22	44	\$724,863.70	\$16,474.18
2022-23	47	\$766,512.64	\$16,308.78
TOTAL GRANTS THROUGH 2022-23	225	\$3,505,969.11	\$15,582.08

RENT STABILIZATION GRANTS, FISCAL YEAR 2023-24

The following three tables indicate the following: (1) Rent Stabilization Grant applications paid in fiscal year 2023-24 through May 31, 2024; (2) Rent Stabilization Grant applications in progress in fiscal year 2023-24 but not yet paid; and (3) Rent Stabilization Grants expected to be paid in 2023-24 if the landlords re-apply this fiscal year. Grants are listed in alphabetical order by business name.

Rent Stabilization Grants Paid, Fiscal Year 2023-24

Legacy Business (and Landlord)	Address of Legacy Business (and District)	Date Paid	Grant Amount
Adobe Books and Arts Cooperative (716-M LLC on behalf of Purewal Marital Qtip Trust)	3130 24th St. (District 9)	December 26, 2023	\$9,155.68
AIDS Legal Referral Panel (Speyer and Schwartz Inc.)	1663 Mission St., Suite 500 (District 6)	May 28, 2024	\$14,700.67
Avedano's Holly Park Market (235 Cortland Ave, LLC)	235 Cortland St. (District 9)	October 31, 2023	\$7,685.61
Avedano's Holly Park Market (237 Cortland Avenue, LLC)	237 Cortland St. (District 9)	December 26, 2023	\$8,665.66
Biordi Art Imports (Capurro Properties Series A)	412 Columbus Ave. (District 3)	April 9, 2024	\$16,815.50
Black and Blue Tattoo (Cutler Properties, LLC)	3290 22nd St. (District 9)	December 26, 2023	\$3,672.59
Books Inc. (Bi-Skan, Ltd)	3515 California St. (District 2)	October 31, 2023	\$13,926.95
Books Inc. (Opera Plaza, LP)	601 Van Ness Ave., Suite B/C (District 2)	November 29, 2023	\$25,790.64
Café International (2B Living, Inc.)	508 Haight St. (District 5)	October 17, 2023	\$10,316.26
Cartoon Art Museum of California (781 Beach Street Property, LP)	781 Beach St., 1st Floor (District 2)	February 6, 2024	\$25,790.64
Community Boards (Opera Plaza, LP)	601 Van Ness Ave., Suite 2070 (District 2)	January 18, 2024	\$8,763.66
Creativity Explored (Nibbi Investments)	1 Arkansas St., Studio E (District 10)	April 9, 2024	\$17,811.02
DNA Lounge (Gold Revocable Trust)	371 11th St. (District 6)	April 9, 2024	\$25,790.64
DNA Lounge (Gold Revocable Trust)	375 11th St. (District 6)	April 9, 2024	\$25,790.64

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Legacy Business (and Landlord)	Address of Legacy Business	Date Paid	Grant Amount
Dog Eared Books (3605 20th I1, LP)	900 Valencia St. (District 8)	October 31, 2023	\$13,153.23
Eddie's Café (Granger Hospitality Management, LLC)	800 Divisadero St. (District 5)	February 20, 2024	\$4,126.50
EHS Pilates (P C Kameny Trust 1995)	1452 Valencia St. (District 8)	April 9, 2024	\$17,197.20
El Rio, Your Dive (Mission Economic Development Agency)	3158 Mission St. (District 9)	April 8, 2024	\$25,790.64
Fanta Cleaners Inc. (Har Kwan Luk)	2943 Baker St. (District 2)	October 31, 2023	\$16,248.11
Gilmans Kitchens and Baths (Tanko Streetlighting, Inc.)	228 Bayshore Blvd. (District 9)	April 9, 2024	\$25,790.64
GLBT Historical Society (ASB 989 Market, LLC)	989 Market St., Suite B1 (District 6)	April 23, 2024	\$25,790.64
Golden Gate Fortune Cookies (Yee Fung Toy Family Association)	56 Ross Alley (District 3)	December 26, 2023	\$15,216.48
Good Vibrations (Gaetani Real Estate on behalf of Polk Street Trust)	1620 Polk St. (District 3)	May 7, 2024	\$18,053.45
Great American Music Hall (Moose Club LLC)	859 O'Farrell St. (District 5)	September 12, 2023	\$25,790.64
Green Apple Books (Clement Bokhandel LLC)	506 Clement St. (District 1)	December 5, 2023	\$25,790.64
Harris' Restaurant (Leonard J. Levy)	2100 Van Ness Ave. (District 3)	October 3, 2023	\$25,790.64
Horizons Unlimited of San Francisco (Seventeenth Properties, LP)	440 Potrero Ave. (District 9)	September 11, 2023	\$25,790.64
Hotel Bohème (Capurro Properties Series A)	444 Columbus Ave. (District 3)	December 5, 2023	\$24,759.02
Joe's Ice Cream (Woods Family Investments LP)	5420 Geary Blvd. (District 1)	January 16, 2024	\$10,316.26
Legal Assistance to the Elderly (Speyer and Schwartz Inc.)	1663 Mission St., Suite 225 (District 6)	May 14, 2024	\$25,656.53
Navarro's Kenpo Karate Studio (Siu Yee Tsang)	960 Geneva Ave. (District 11)	April 23, 2024	\$13,411.13

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Legacy Business (and Landlord)	Address of Legacy Business	Date Paid	Grant Amount
Ocean Cyclery (Hanna Leung Professional Law Corporation)	1935 Ocean Ave. (District 7)	May 7, 2024	\$5,673.94
Papenhausen Hardware (Papenhausen Partners)	32 West Portal Ave. (District 7)	February 20, 2023	\$18,858.12
Phoenix Arts Assoc. Theatre (Hall Association NSGW)	414 Mason St., 601 (District 3)	May 14, 2024	\$9,284.63
Phoenix Arts Assoc. Theatre (Hall Association NSGW)	414 Mason St., 604 (District 3)	May 14, 2024	\$6,447.66
Ruby's Clay Studio and Gallery (Hudson and Terry Lanier)	552 Noe St. (District 8)	December 5, 2023	\$25,790.64
Russian Hill Bookstore (Dorothy Durney)	2162 Polk St. (District 3)	September 12, 2023	\$15,216.48
Sam's Grill & Seafood Restaurant (SBUS Bush Street LLC)	374 Bush St. (District 3)	April 9, 2024	\$25,790.64
St. Francis Fountain (Ramon A. Madrigal)	2801 24th St. (District 9)	May 7, 2024	\$14,236.44
The Stud (Golden Properties, LLC)	1123, 1125-1127 Folsom St. (District 6)	December 26, 2023	\$25,790.64
Tin Wah Noodle Company (Harney Properties)	1615 Innes Ave., Unit C (District 10)	December 28, 2023	\$14,958.57
Tú Lan Vietnamese Restaurant (SFOL Inc.)	8 6th St. (District 6)	December 26, 2023	\$7,272.96
Subtotal Rent Stabilization Grants Paid, Fiscal Year 2023-24			\$722,669.27

Rent Stabilization Grants in Progress, Fiscal Year 2023-24 (To be paid by June 30, 2024)

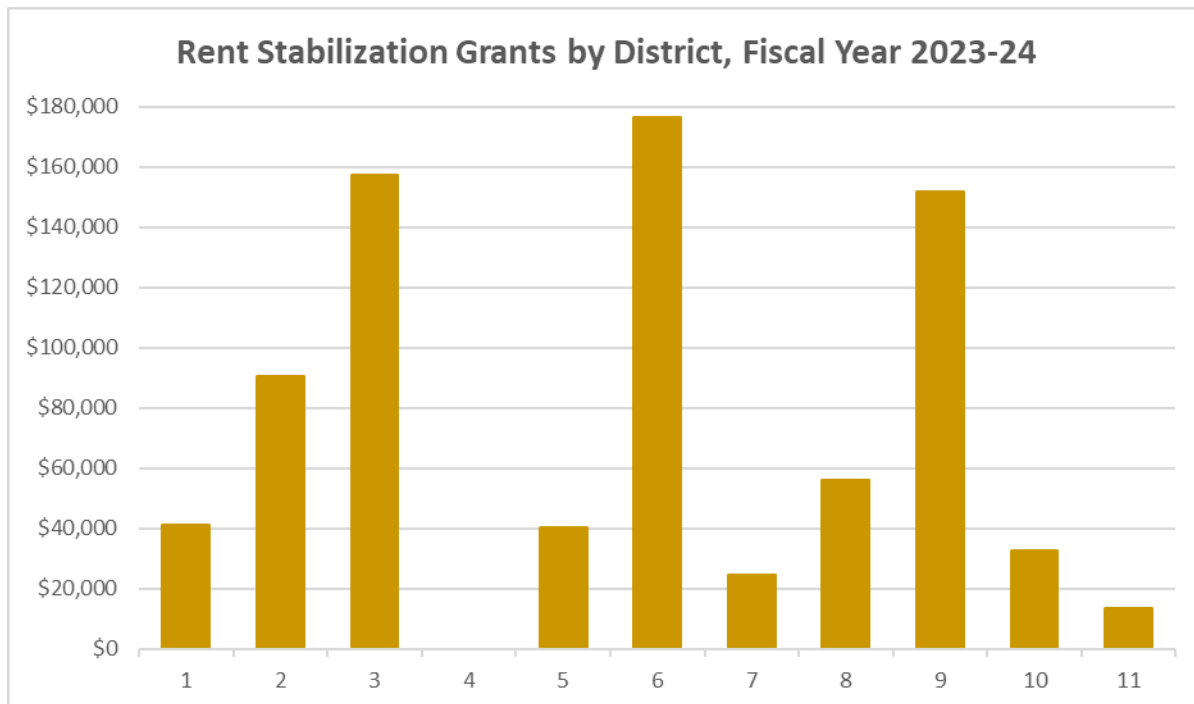
Legacy Business (and Landlord)	Address of Legacy Business	Date Paid	Grant Amount
Paxton Gate (Colbert Dare)	824 Valencia St. (District 9)	To be paid by June 30, 2024	\$15,742.61
Toy Boat Dessert Café (Christopher Junkin on behalf of Soo Hoo Junkin Partnership)	401 Clement St. (District 1)	To be paid by June 30, 2024	\$5,245.82
Subtotal Rent Stabilization Grants in Progress, Fiscal Year 2023-24			\$20,988.43

Rent Stabilization Grants Expected, Fiscal Year 2023-24 (Applicant has not yet re-applied)

Legacy Business (and Landlord)	Address of Legacy Business	Date Paid	Grant Amount
Elite Sport Soccer (Maven Retail)	2637 Mission St. (District 9)	TBD	\$15,474.39
Lone Star Saloon (Murotsune Holdings, LLC)	1352 Harrison St. (District 6)	TBD	\$25,790.64
Subtotal Rent Stabilization Grants Expected, Fiscal Year 2023-24			\$41,265.03
Total Potential Rent Stabilization Grants, Fiscal Year 2023-24			\$784,922.73
Grand Total Rent Stabilization Grants, All Years			\$4,290,891.84

RENT STABILIZATION GRANTS BY DISTRICT

The following chart shows the geographic distribution of all potential Rent Stabilization Grants by district for fiscal year 2023-24. No landlords from District 4 have applied for a grant.



CONTACT INFORMATION

SMALL BUSINESS COMMISSION

Present Commissioners

Cynthia Huie, President
Miriam Zouzounis, Vice-President
Ron Benitez, Commissioner
Lawanda Dickerson, Commissioner
Rachel Herbert, Commissioner
Dimitri Thierry Cornet, Commissioner
William Ortiz-Cartagena, Commissioner

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