



CITY AND COUNTY OF SAN FRANCISCO  
LONDON BREED, MAYOR  
OFFICE OF SMALL BUSINESS  
DIRECTOR KATY TANG

September 24, 2024

Ms. Angela Calvillo, Clerk of the Board  
City Hall Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**RE: BOS File No. 240909 – Interim Zoning Controls - Legacy Businesses in Neighborhood Commercial Districts - Support with Recommendations**

Dear Ms. Calvillo,

On September 23, 2024 the Small Business Commission (the Commission) heard BOS File No. 240909 – Interim Zoning Controls - Legacy Businesses in Neighborhood Commercial Districts. Nate Horell, Legislative Aide to President Peskin, presented the legislation.

The legislation requires a Conditional Use Authorization in order to replace a space formerly occupied by a Legacy Business in most neighborhood commercial districts citywide. A Conditional Use Authorization requires public noticing and a public hearing at the Planning Commission, along with higher permit fees.

The Commission had a robust conversation about the importance of preserving Legacy Businesses and the best strategies to do so. Commissioners noted that while this proposal may deter property owners from evicting Legacy Business tenants, it may also have unintended consequences. A Conditional Use Authorization may deter new businesses from opening in spaces that were formerly occupied by Legacy Businesses, which may result in lengthier commercial vacancies. Additionally, the burden of going through a Conditional Use Authorization process would be placed on the business trying to open in such a space. Given that the legislation authorizes interim zoning controls, the Commission encourages the Sponsor and Planning Department to assess its impact when the interim period closes and to collaborate on alternative solutions to better support Legacy Businesses.

The Commission made two suggestions to the Legislative Sponsor:

- Allow a Legacy Business to take over a space that was formerly occupied by a different Legacy Business without requiring a Conditional Use Authorization
- Explore the idea of requiring property owners to offer Legacy Business tenants the first right of refusal to return to their building if the business faces displacement.

Thank you for considering the Commission's recommendations. Please feel free to contact me should you have any questions.



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Sincerely,

A handwritten signature in blue ink that reads "Katy Tang".

Katy Tang  
Director, Office of Small Business