

Legacy Business Assistance Program Rules and Regulations for Business Stabilization Grants

Version: ~~November 2, 2024~~ August 24, 2026

1. Scope

These rules and regulations apply to Business Stabilization Grants to Qualified Landlords and their Legacy Business tenants, as set forth at Administrative Code Section 2A.246 (“Legacy Business Assistance Program”). The Office of Small Business manages grants through the Legacy Business Assistance Program.

Subject to the budgetary and fiscal provisions of the City Charter, the Office of Small Business shall award an annual grant for a maximum of five total grants within five consecutive years to a landlord that enters into a new agreement with a Legacy Business that leases real property in San Francisco to the Legacy Business for a term of at least 10 years or extends the term of the Legacy Business's existing lease to at least 10 years, as calculated in Section 4 below (“Amount of Grant”). ~~The Business Stabilization Grant is eligible only to Qualified Landlords who lease property to a Registered Legacy Business in the City and County of San Francisco.~~

~~Qualified Landlords receiving the Business Stabilization Grant as of August 24, 2026, may continue to receive the grant for the remainder of the existing lease agreement with the Legacy Business tenant. Following the final grant award associated with the existing lease agreement, if they have received five total grants within five consecutive years, Qualified Landlords will be ineligible to reapply for a Business Stabilization Grant upon a new lease extension or renewal.~~

Qualifications for Grant

2.

The Business Stabilization Grant is eligible only to Qualified Landlords who lease property to a Registered Legacy Business in the City and County of San Francisco. For the purposes of Administrative Code Section 2A.246, a landlord is defined as a "Qualified Landlord" if all of the following conditions are met:

~~2. — Qualifications for Grant~~

~~Subject to the budgetary and fiscal provisions of the City Charter, the Office of Small Business shall award an annual grant within consecutive to a landlord that, on or after January 1, 2016, enters into a new agreement with a Legacy Business that leases real property in San Francisco to the Legacy Business for a term of at least 10 years or extends the term of the Legacy Business's existing lease to at least 10 years, for each year of a lease entered into on or after January 1, 2016, or each year that was added to an existing lease on or after January 1, 2016 (e.g., an existing five-year lease that is extended to 20 years on January 1, 2016 would entitle the landlord to 15 years of grants), as calculated in Section 4 below ("Amount of Grant"), provided that:~~

(A) ~~(A)~~ the landlord files an initial application for the grant with the Office of Small Business within one year after full execution of the qualifying lease, and annually files an application for the grant prior to the anniversary date of the landlord's first grant payment; and

(B) ~~(B)~~ the lease meets all other criteria required by these rules and regulations of the Small Business Commission, including any criteria tied to the amount of rent and other lease provisions that may impact the long-term stability of the Legacy Business tenant; and

(C) ~~(C)~~ the landlord holds a valid business registration with the City & County of San Francisco and has no amounts owed to the City as a result of fines, penalties, interest, assessments, taxes, fees, or any other financial obligations imposed by law, regulation, or contract that were delinquent as of the date of application; and

~~(D)~~ the landlord is not related by ownership, either directly or indirectly, to the Legacy Business tenant to which the landlord leases the property; ~~and~~ and ~~(E) the landlord files an initial application for the grant for a single Legacy Business address, inclusive of any contiguous space even if it is considered a separate address~~

(D)

(E) the landlord informs the Legacy Business tenant ~~agrees to~~ they must ~~receive~~ participate in ten hours of business technical assistance and business advising services within one year of the initial grant period; and

~~(A)~~ the landlord meets all other requirements for the grant established by Administrative Code Section [2A.246](#) and by these rules and regulations of the Small Business Commission; ~~A landlord qualifying under Section 2 shall be referred to as a "Qualified Landlord" for purposes of Administrative Code Section 2A.246; and~~

(F)

(G) ~~H)~~ the Legacy Business tenant holds a valid business registration with the City & County of San Francisco and has no amounts owed to the City as a result of fines, penalties, interest, assessments, taxes, fees, or any other financial obligations imposed by law, regulation, or contract that were delinquent as of the date of application.

Qualified Landlords receiving the Business Stabilization Grant as of August 24, 2026 may continue to receive the grant for the remainder of the existing lease agreement with the Legacy Business tenant. Following the final grant award associated with the existing lease agreement, if they have received five total grants within five consecutive years, Qualified Landlords will be ineligible to reapply for a Business Stabilization Grant upon full execution of a new lease or renewal.

~~3.~~ Grant Application

3.

A landlord seeking a [Business Stabilization Grant](#) ~~under Section 2~~ shall submit an application on a form prepared by the Office of Small Business, and shall include:

(A) a certification of the total square footage of the ~~improvements in San Francisco~~ [commercial space](#) leased to the Legacy Business [tenant](#) from which the Legacy Business [tenant](#) operates its business [within San Francisco](#); and

(B) a copy of the [executed](#) lease with the Legacy Business [tenant](#); and

(C) a certification that the landlord meets all of the requirements for the grant established by these Rules and Regulations by the Small Business Commission.

The landlord shall submit one application form per distinct San Francisco business location. If a Legacy Business tenant operates a location spanning two contiguous parcels and/or consisting of two addresses across contiguous parcels, the landlord shall submit one application form with the total square footage equal to the total combined square footage.

The Qualified Landlord shall submit any subsequent annual applications for ~~grants~~ Business Stabilization Grants under Section 2 by the anniversary date of their first grant payment ~~under Section 2~~ on a form prepared by the Office of Small Business, and shall include:

~~(A) a certification of the total square footage of the improvements~~ commercial space in San Francisco leased to the Legacy Business in San Francisco from which the Legacy Business operates its business;

~~(B)~~ (A) a certification that there have been no changes to the lease that would impact the Qualified Landlord's eligibility for the grant; and

~~(B)~~ (C) a certification that the Qualified Landlord continues to meet all of the requirements for the grant established by these Rules and Regulations of the Small Business Commission.

If the Qualified Landlord does not submit a timely reapplication for the Business Stabilization Grant, the grant for the year associated with the grant renewal is forfeited. A Qualified Landlord may submit a subsequent reapplication so long as the reapplication is within the five-year window. Example: If a Qualified Landlord fails to reapply for the Business Stabilization Grant in year four, the grant for that year is forfeited. They can reapply for a grant in their fifth year, but they are not eligible to reapply beyond five years for any grant they missed.

The Office of Small Business must comply with the California Public Records Act, the San Francisco Sunshine Ordinance, all other applicable federal, state, and local laws, as well as any applicable court orders.

If the Office of Small Business denies a landlord's application for a grant, the Office of Small Business shall, to the extent permitted by law, keep confidential any lease submitted by that landlord ~~under this Section 3~~ in connection with the application.

~~If the Office of Small Business approves a landlord's application for a grant, the Office of Small Business shall, to the extent permitted by law, keep confidential all provisions in any lease submitted by that landlord under this Section 3 in connection with the application to the extent that such provisions did not form some or all of the basis for the Office of Small Business's decision to award the grant to the landlord.~~

4. Amount of Grant.

Following a landlord's initial application and on the anniversary date of a Qualified Landlord's first grant payment thereafter, the Office of Small Business shall pay to a Qualified Landlord a grant ~~equal~~^{up} to \$4.50 per square foot, up to a maximum of 5,000 square feet per location, of the ~~improvements in commercial space San Francisco~~ leased to the Legacy Business ~~tenant~~ from which the Legacy Business ~~tenant~~ operates its business ~~in San Francisco~~. ~~except that t~~^{The total grants paid to all Qualified Landlords in a fiscal year shall not exceed the appropriations into the Legacy Business Assistance Program Fund that are allocated for the Business Stabilization Grant.} If a Legacy Business tenant operates a location spanning two contiguous parcels and/or consisting of two addresses across contiguous parcels, the grant amount will be calculated based on the total combined square footage. The Office of Small Business shall allocate funds from the Legacy Business Assistance Program Fund among Qualified Landlords as follows:

(A) The Office of Small Business shall first allocate amounts in the Legacy Business Assistance Program Fund (Business Stabilization Grant allocation) to cover all grants to be made during the fiscal year to Qualified Landlords from prior years that have years remaining on their leases with respect to which the Qualified Landlords are entitled to grants. If sufficient funds do not exist to cover all grants to be made during the fiscal year to these Qualified Landlords from prior years, the Office of Small Business shall allocate the amount in the Legacy Business Assistance Program Fund (Business Stabilization Grant allocation) to these Qualified Landlords from prior years proportionately based on the square footage of the ~~improvements in San Francisco commercial space~~ leased to the Legacy Businesses ~~tenants~~ from which the Legacy Businesses ~~es tenants~~ operate their businesses in San Francisco.

(B) If there are sufficient funds in the Legacy Business Assistance Program Fund (Business Stabilization Grant allocation) to pay all grants during the fiscal year to Qualified Landlords from prior years, grants to new Qualified Landlords will be made out of any amount remaining in the Legacy Business Assistance Program Fund (Business Stabilization Grant allocation), after subtracting amounts necessary to pay all grants during the fiscal year to Qualified Landlords from prior years, in the order that the Office of Small Business receives the Qualified Landlords' completed grant applications, beginning on July 1 of each fiscal year. If any Qualified Landlord from a prior year fails to apply for a grant in a subsequent year or fails to qualify in a subsequent year, the amount of funds that would have been paid to that previously Qualified Landlord shall be available to pay grants to new Qualified Landlords ~~under this Subsection 3(B)~~.

(C) The Office of Small Business shall allocate all Qualified Landlords annual grants from the Legacy Business Assistance Program Fund (Business Stabilization Grant Allocation) for a maximum of five years for each Legacy Business tenant location.

5. General Qualifications for Landlords

Qualified Landlords must satisfy all of the following criteria:

(A) No Amounts Owed to City

[Qualified](#) Landlords must certify that they do not owe any amounts to the City as a result of fines, penalties, interest, assessments, taxes, fees, or any other financial obligations imposed by law, regulation, or contract that were delinquent as of the date of the [Qualified](#) Landlord's application for a grant.

(B) Business Registration

[Qualified](#) Landlords must certify that they have complied with any requirement to register as a business with the Office of the Treasurer and Tax Collector ~~for the Legacy Business~~ [tenant location](#).

(C) Office of Labor Standards Enforcement ([OLSE](#)) Investigations

[Qualified](#) Landlords must certify that they are not the subject of an OLSE investigation or enforcement action.

(D) [Qualified](#) Landlord and Legacy Business [Tenant](#) Legal Relationship

The [Qualified](#) Landlord must not be related by ownership either directly or indirectly, to the Legacy Business [tenant](#) to which the [Qualified](#) Landlord leases [commercial](#) property. A [Qualified](#) Landlord is related by ownership to a Legacy Business [tenant](#) if any of the following criteria are satisfied:

1. The [Qualified](#) Landlord holds any ownership interest in the Legacy Business [tenant](#).
2. The Legacy Business [tenant](#) holds any ownership interest in the [Qualified](#) Landlord.
3. A third-party entity holds an ownership interest in both the Legacy Business [tenant](#) and the [Qualified](#) Landlord.

4. The [Qualified](#) 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 [tenant](#).
5. The Legacy Business [tenant](#) 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 [Qualified](#) Landlord.
6. The [Qualified](#) 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.

6. Categories of Ineligible Landlords

(A) A Qualified Landlord may not be a department, agency, commission, or other entity within the City and County of San Francisco (including, but not limited to, the Real Estate Division, the Port of San Francisco, or the San Francisco Municipal Transportation Agency).

(B) A Qualified Landlord may not be any other local, state, or federal government; any entity within any other local, state, or federal government; or any special district created by state law (including, but not limited to, the Bay Area Rapid Transit District).

(C) A Qualified Landlord may not have entered into a lease agreement with a Legacy Business [tenant](#) that had previously owned the real property that is the subject of that lease agreement.

7. Successors to Qualified Landlords

Whenever a new ~~Landlord~~ [landlord](#) assumes the obligations of a lease that previously qualified the prior ~~Landlord~~ [landlord](#) for a grant under Administrative Code Section [2A.246](#), and the new

~~Landlord-landlord~~ does not renegotiate or otherwise change the terms and conditions of that lease, the new ~~Landlord-landlord~~ shall be eligible to be a Qualified Landlord, and to receive a grant under Administrative Code Section [2A.246](#), without entering into a new lease or lease extension ~~of the kind described in Section 2~~. The new ~~Landlord-landlord~~ must still satisfy all other requirements to be a Qualified Landlord and to receive a grant, other than the requirement to enter into a new lease or lease extension.

8. Conditions for Leases

(A) Options to Renew

To qualify for a grant under Administrative Code Section [2A.246](#), a Landlord must (on or after January 1, 2016) enter into a lease agreement with a Legacy Business [tenant](#) “for a term of at least 10 years,” or “extend the term of the Legacy Business [tenant](#)’s existing lease to at least 10 years.” For this purpose, any number of years for which the Legacy Business [tenant](#) has an option to renew the lease shall count towards the term of the lease, provided that the option to renew can be exercised at the Legacy Business [Tenant](#)’s sole discretion.

For example, a five-year lease in which the Legacy Business [tenant](#) (at its sole discretion) may extend the lease for an additional five years would qualify a ~~Landlord-landlord~~ for a grant under Administrative Code Section [2A.246](#).

~~(B) Retroactivity~~

~~The grant shall be retroactive to the fiscal year (July through June) in which the Legacy Business was listed on the Legacy Business Registry.~~

~~For example, if a Legacy Business was listed on the Legacy Business Registry in November 2024, which is fiscal year 2024-25 (July through June), and the qualifying lease is a new 10-year lease that commenced July 1, 2023, and ends June 30, 2033, the Landlord would be eligible for 9 ? years’ of grants retroactive to July 1, 2024, the same fiscal year the Legacy Business was listed on the Legacy Business Registry.~~

~~(C)~~ Signing of the Lease

The ~~Landlord-landlord~~ and Legacy Business [tenant](#) must sign the lease and any required addenda before the ~~Landlord-landlord~~ applies for a grant under Administrative Code Section [2A.246](#), and the ~~Landlord-landlord~~ must submit the executed lease and any

required addenda with its grant application. [The lease must have been fully executed or renewed within one year of the grant application date submittal.](#)

~~(D)~~(C) Disclosure to Legacy Business tenant

Prior to applying for a Business Stabilization Grant, the ~~L~~landlord must inform the Legacy Business of the following in writing:

1. ~~(1) I that the Landlord~~landlord is applying for a Business Stabilization Grant; and;
2. ~~(2) That the~~the City and County of San Francisco does not guarantee it will have sufficient appropriations in the Legacy Business Assistance Program Fund to fully fund Business Stabilization Grants; and
3. ~~(3) and The that the~~the City does not guarantee that it will award any grant of any amount under Administrative Code Section 2A.24; and
4. The Legacy Business tenant must commit to receiving ten hours of business technical assistance and business advising within one year of the initial grant period –as a condition of the Business Stabilization Grant; and~~6.~~
5. The Legacy Business tenant must hold a valid business registration with the City & County of San Francisco.

~~(D)~~(E) Additional Application Certifications

In submitting an application for a grant under Administrative Code Section 2A.246, a ~~Landlord~~landlord must certify:

1. The ~~Landlord~~landlord is aware that the grant is an annual grant and that the ~~Landlord~~landlord must reapply to receive continued funding.
2. That any failure to reapply for an annual grant may deprive the ~~Landlord~~landlord of its status as a Qualified Landlord from “prior years” within the meaning of Section 4.
3. That both the ~~Landlord~~landlord and Legacy Business tenant understand that the amount of the grant could vary and might be less than \$4.50 per square foot due to funding constraints.
4. ~~That the Landlord~~landlord and Legacy Business tenant must meet all of the requirements for a grant in order to be awarded the grant.

4.

~~9.~~ Advance Payments

~~A lease or lease extension that satisfies the criteria for a grant under Administrative Code Section [2A.246](#) shall render a landlord eligible to receive a grant under Section [2A.246](#) as early as the fiscal year in which the lease or lease extension is executed, even if the lease or lease extension does not take effect until a later fiscal year. A Qualified Landlord need not wait for the qualifying lease or lease extension to take effect before applying for or receiving a grant. The maximum allowable time between the Qualified Landlord receiving a grant and the qualifying lease or lease extension taking effect shall be three years. If, however, the Qualified Landlord applies for a grant before the lease or lease extension has taken effect, the landlord must—as a condition of receiving a grant—agree to return the entire amount of the grant in the event that the qualifying lease or lease extension does not take effect, unless the Qualified Landlord shows, to the satisfaction of the Office of Small Business, that the Qualified Landlord is not responsible for the fact that the qualifying lease or lease extension does not take effect.~~

~~109.~~ Lease Cancellations

A Qualified Landlord must certify that they have not cancelled an existing lease or lease extension with a Legacy Business [tenant](#) that was not eligible for a Business Stabilization Grant and executed a new lease or lease extension that is eligible for a Business Stabilization Grant for the sole purpose of applying for and receiving a grant. If an existing lease or lease extension that was not eligible for a Business Stabilization Grant is replaced with a new lease or lease extension that is eligible for a Business Stabilization Grant, the Qualified Landlord must show, to the satisfaction of the Office of Small Business, that the replacement was not conducted for the sole purpose of applying for and receiving a grant.

~~110.~~ Authorized Use of Funds

A grant under Administrative Code Section [2A.246](#) is awarded directly to the Qualified Landlord. The Qualified Landlord must provide the Legacy Business [tenant](#) with at least 50 percent of the grant to offset the Legacy Business [tenant](#)'s rent, as a direct payment to the Legacy Business [tenant](#), or as some other method of payment [such as a rent credit](#) to the Legacy Business [tenant](#) that is acceptable to the Legacy Business [tenant](#).

~~121.~~ Confidentiality

The Office of Small Business must comply with the California Public Records Act, the San Francisco Sunshine Ordinance, all other applicable federal, state, and local laws, as well as any applicable court orders.

~~Whenever an application for a grant under Administrative Code Section [2A.246](#) is approved, the Office of Small Business shall, to the extent permitted by law, keep confidential all provisions in any lease submitted by a Landlord in connection with the application, except to the extent that the Office of Small Business relied on the content of any such provisions in deciding to award a grant to the applicant Landlord.~~

Whenever an application for a grant under Administrative Code Section [2A.246](#) is denied, or before such an application has been either approved or denied, the Office of Small Business shall, to the extent permitted by law, keep confidential the entirety of any lease submitted by the ~~Landlord~~ [landlord](#) in connection with the application.

[132](#). Notification of Funding Allocations to Prior Year Qualified Landlords

On or before August 1 of each fiscal year, the Office of Small Business shall notify all Qualified Landlords from the prior fiscal year of the annual grant the ~~Landlord~~ [Qualified Landlord](#) will receive for the current fiscal year when the Qualified Landlord reapplies. The Office of Small Business will also notify the Legacy Business [tenant](#) of the annual grant amount the [Qualified Landlord](#) will receive.

[143](#). Receipt of Grant Payment

To be paid, Grantees must become City Suppliers. ~~The Legacy Business Program Manager may assist Applicants in completing the registration requirements for becoming City Suppliers, as needed.~~

[154](#). Verification of Information

The Office of Small Business shall have the authority to verify all information provided by a ~~Landlord~~ [landlord](#) in connection with an application for a grant under Administrative Code Section [2A.246](#). Failure of a ~~Landlord~~ [landlord](#) to comply with information requests from the Office of Small Business, or the provision of false information in connection with an application or in response to such requests, shall result in the denial of a grant application.

[165](#). Sanctions for Willful or Material Misrepresentation

Whenever the Office of Small Business learns that a [Qualified](#) Landlord who has received a grant under Administrative Code Section [2A.246](#) materially or willfully misrepresented any information in any application for such a grant, the Office of Small Business may terminate any pending grant to that [Qualified](#) Landlord, order the [Qualified](#) Landlord to return any grants previously awarded, or prohibit the [Qualified](#) Landlord (conditionally or otherwise) from applying for future grants for any period of time.

~~176.~~ **Appeals**

~~Applicants for grants under Administrative Code Section [2A.246](#) may appeal any adverse decision by the Office of Small Business (including the decision to deny a grant application, the decision to terminate or revoke any grant previously approved, or the decision to prohibit a Landlord from applying for a future grant) to the Small Business Commission.~~

~~186~~**7. Changes to These Regulations**

The Small Business Commission may revise these regulations at any time, for any reason. The Commission may, but need not, provide that future revisions of these regulations shall be prospective only, and shall not apply to existing [Qualified](#) Landlords. Alternatively, the Commission may require that all ~~Landlords~~[landlords](#) (including existing [Qualified](#) Landlords) satisfy any new or revised regulations that the Commission chooses to adopt.