



CITY AND COUNTY OF SAN FRANCISCO
LONDON N. BREED, MAYOR

OFFICE OF SMALL BUSINESS
REGINA DICK-ENDRIZZI, DIRECTOR

April 15, 2020

Honorable Supervisor Gordon Mar, Chair
Honorable Supervisor Aaron Peskin
Honorable Supervisor Matt Haney

RE: BOS File No. 200360 - Emergency Ordinance - Grocery Store, Drug Store, Restaurant, and On-Demand Delivery Service Employee Protections

Dear Honorable Chair Mar:

First, thank you to you and your colleagues for your significant leadership in responding to the needs of all San Franciscans during this crisis. And, thank you for being responsive to and mindful of small business needs. I am writing to you regarding BOS File No. 200360 - Emergency Ordinance - Grocery Store, Drug Store, Restaurant, and On-Demand Delivery Service Employee Protections which is scheduled to be heard at the Government Audit and Oversight Committee on Thursday April 16.

The Office of Small Business has received concerns from the small business community, primarily small and independent grocers, since last week's introduction of this emergency ordinance. While the Commission would normally have an opportunity to publicly opine on this matter, in lieu of that privilege we would like to submit the following for your consideration and discussion:

- **Section 3:**
 - Modify the definition of "Covered Employer" to: "Covered Employer" means any person, as defined in Section 18 of the California Labor Code, including corporate officers or executives, who directly or indirectly or through an agent or any other person, including through the services of a temporary services or staffing agency or similar entity, employs, suffers or permits to work, or exercises control over the wages, hours, or working conditions **of 350 employees or more** for any of the following: (a) a grocery store, supermarket, convenience store, restaurant, cafe, or other establishment primarily engaged in the retail sale of food; or (b) a drug store, pharmacy, or other establishment primarily engaged in the retail sale of medication, pharmaceuticals, or medical supplies;
 - Modify the definition of "Employee" to "in a particular week performs at the **eight** hours of work. It is very rare for small service sector business schedule for less than 8 hours in one week.



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- **Section 6 (a)(b)(c)(d)** applies only to businesses with 350+ employees. Section 6 prescribes how a Covered Business, as defined in the Ordinance, must notify their employees of the opportunity for additional hours. Section 6(c) requires that employees must accept the offer within 72 hours of it being made. Most small and independently owned grocers need their employees to respond to requests for additional work within 24 hours or less. This is particularly true due to the expanded eligible Paid Sick Leave uses necessary to contain the COVID-19 virus under the declaration of the Public Health Emergency.

Amending the covered employee definition by employee size allows Section 6 to be retained but only applies to business with 350+ employees.

Below is data gathered on San Francisco grocers and supermarkets. This data is presented to support the suggested amendment to the definition of a "Covered Employer" to an employer with 350+ employees:

1. San Francisco has 625 groceries
2. 76% are business with under 10 employees
3. 95% are business with less than 50 employees.
1. 12,251 employees are employed by 625 grocery stores and supermarkets.
4. 47% of the total employees are employed by businesses that have 350+ employees

While the data provided is intended to focus on local independent grocers, restaurants, corner stores and small independent pharmacies experience similar challenges in having to work with reduced staff during the COVID-19 crisis.

Amending the definition of covered employer retains the core components of the legislation and still provides the key supports for the employees it is intended to help, without impacting San Francisco's neighborhood serving local independent grocers and small business identified in the ordinance.

Thank you for your attention to this and for your thoughtful consideration.

Sincerely,

A handwritten signature in black ink that reads "Regina Dick-Endrizzi".

Regina Dick-Endrizzi
Executive Director, Office of Small Business and Small Business Commission

cc: Members of the Board of Supervisors
Andres Power, Policy Director, Office of Mayor London N. Breed
Lisa Pagan, Office of Economic and Workforce Development
John Carol, Clerk, Government Audits and Oversight Committee