

# The San Francisco Nightlife Business Handbook

Last Updated: November 10, 2016

The web-based version of this handbook is located at <http://nightlifesf.org/>

## I. The Importance of Nightlife Businesses in San Francisco

San Francisco's nightlife and entertainment sector – which includes restaurants, bars, nightclubs, live music venues, and other performance spaces – is an integral part of the City's fabric. Nightlife and entertainment businesses attract residents and visitors to our diverse neighborhoods and provide social spaces that are critical to the development of our unique and vibrant cultural life.

Nightlife isn't just a cultural benefit for the City; it's also a major economic driver. The nightlife industry includes over 3,500 businesses that create 60,000 jobs citywide. According to [a 2016 economic impact study update](#), the sector accounts for \$6.0 billion in consumer spending annually.

According to the Controller's analysis, slightly over half of local nightlife spending, an estimated \$2.2 billion, is done by out-of-town visitors. Residents of other Bay Area counties account for 36% of nightlife visitors daily, and 94% of Bay Area residents visit the City at night to patronize a nightlife business.

San Francisco nightlife businesses also contribute to the local economy by supporting other local businesses. In 2010, the nightlife sector spent approximately \$1.6 billion in local supplies and services, including \$670 million on local food manufacturers and wholesalers, \$580 million on local beverage distributors, \$110 million on musicians and other performers, and \$260 million on other local service providers.

The nightlife sector also provides significant revenue to the City's General Fund. Nightlife businesses paid approximately \$80 million in local taxes in 2015, including \$60 million (75%) in sales tax and \$20 million (25%) in payroll and gross receipts taxes.

## II. How to Use This Manual

In order to successfully operate a nightlife business in San Francisco, you'll need to develop a sound business plan, find an appropriate location and acquire permits from a number of government agencies. This handbook was developed by the Office of Economic and Workforce Development to assist you as you navigate this complicated process. To find out more about OEWD's services to support nightlife and entertainment businesses, contact:

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While OEWD is trying to keep all of the information in this manual current, you should contact any relevant department or agency to confirm the specific requirements that apply to your business. To find contact information for every department discussed in this handbook, please see the [Contacts & Resources](#) section.

### **III. Starting a Nightlife Business in SF**

If you’re interested in starting a nightlife business, be sure to visit the [San Francisco Business Portal](#), the ultimate resource for starting, running, and growing a business in the City. With comprehensive information and tailored tools, the portal helps you navigate the steps to start a business, quickly learn what it takes to be compliant, and obtain resources along the way.

#### **A. Developing a Business Plan**

As you begin the process of starting your nightlife business, you’ll need to have a clear understanding of the type of business you want to operate. Different considerations – and different regulatory constraints – will apply depending on whether your business will be considered a restaurant, a bar, a nightclub, or a live music venue. Having a well-defined idea of your business, and understanding how relevant regulatory agencies will view your type of business, will help you identify what steps you will need to take to get your establishment started.

The [Small Business Assistance Center](#) can help you understand the challenges you will face in starting your type of business. Getting a good sense of these considerations will help you create an effective business plan and a budget that includes sufficient financial support until you are able to meet your ongoing expenses. As you launch your business, you will want to make sure that you also have enough financing to cover your operational costs, including rent, payroll, supplies, and marketing. Consider that you may need to pay rent for a number of months as you wait to secure the permits required to open your business.

As you proceed, you should also have a clear idea of the type of business structure you will be using to operate your business. [This page](#) from the Small Business Assistance Center outlines different business structures that you may consider. You will be required to indicate the ownership structure of your business on a number of permit applications.

The Small Business Assistance Center can also connect you to [local economic development organizations](#) to provide technical assistance, training and loan packaging services for small businesses. Through these organizations, you can access classes and one-on-one assistance on a variety of topics, including business planning, financial management, marketing, human resources, and legal services.

Some nonprofit economic development organizations have program offerings that may be of particular interest to individuals seeking to start nightlife businesses. For example, the [Small Business Development Center](#) has developed a [Restaurant Program](#) that includes one-on-one consulting and a variety of affordable workshops for San Francisco restaurant owners. Additionally, [La Cocina](#) offers affordable commercial kitchen space, technical assistance and access to market opportunities to help women from communities of color and immigrant communities develop their food businesses. Finally, the [Renaissance Entrepreneurship Center](#) also offers a variety of classes in business planning.

## **B. Finding the Right Location**

One of the most challenging and critically important aspects of launching a successful nightlife business is finding the right location. At a minimum, a property must be appropriately zoned to have the type of nightlife business you want to occupy the premises. In addition to zoning, though, you'll also want to take into account the property's unique characteristics, and how they might impact the ability to successfully run a nightlife establishment. Finally, you should gather feedback from key neighborhood stakeholders and other nightlife business owners. This section discusses some of these important considerations.

### **Before You Sign a Lease**

When you think you've found the right property, the Small Business Assistance Center has developed [these tips on negotiating a commercial lease](#). Among other things, be sure to carefully review the terms of any proposed lease and make sure that you understand all of its clauses. You should also structure any lease agreement to make the agreement contingent upon obtaining all necessary permits and approvals – including, if required, conditional use approval – as well as a liquor license. These contingencies will protect you in the event that you are unable to secure all of the approvals needed to start your nightlife business. Additionally, consider negotiating for reduced or free rent until all necessary permits and approvals have been acquired. Finally, in order to protect your investment in your business against fire or other unexpected damage, you should get a quote for business insurance.

### **1. Zoning**

Depending on a neighborhood's zoning rules, nightlife and entertainment uses may be permitted as of right, they may be conditionally permitted, or they may not be permitted. If your prospective use of a property is conditionally permitted, you will need to have a valid Conditional Use Authorization. The property you are moving into may already have a valid authorization for the use you are intending, although a valid conditional use expires after three years of inactivity.

If you do not have a valid Conditional Use Authorization, and your zoning requires conditional use approval, you will need to receive approval by the Planning Commission during a public hearing. To avoid the delays, challenges and potential costs that may be associated with this process, it is advisable to consider moving into a property that was previously occupied by a similar nightlife business. For more information on this process, consult the staff at the Planning Information Center and review the [application packet for a Conditional Use Authorization](#). Business owners seeking conditional use approval for restaurants may be eligible for expedited review under the [Small Business Priority Processing Pilot Program](#).

Even if your proposed use of a property is principally permitted, you may be required to [conduct neighborhood notification](#) – which is required for changes of use to bars, restaurants and entertainment venues in certain zoning districts. As discussed below, during the neighborhood notification process, a neighbor may file to require review of the project by the Planning Commission, which may delay your proposed project.

To answer your zoning questions, planners at the Planning Department’s [Planning Information Center](#), located at 1660 Mission Street, are available for in-person meetings and via the telephone at 415-558-6377. The [Small Business Assistance Center](#) can also help you understand the City’s zoning restrictions and identify areas that are best suited for your business.

This [zoning map](#) shows the zoning districts across San Francisco. To access summaries of the use restrictions that apply in different districts, you may review these [zoning use district summaries](#). The use summaries indicate whether a type of use is permitted (P), conditionally permitted (C), or not permitted (NP or blank).

If you’re interested in detailed information about a specific property, the [San Francisco Property Information Map](#) can provide you with the zoning of the property and the history of permits and complaints at a specific location.

## **2. Understand the Property**

Finding the right location isn’t just about zoning, though. In order to evaluate the likely impact that your business will have on nearby residences, as well as the impact that those neighbors’ needs might have on your business, you will need to understand the locations of any nearby residences, as well as any plans to build new residences near your prospective premises. A good understanding of where these residences (or residential development projects) are located is critical to understanding whether your potential business operations might be adversely impacted by them.

In determining whether a property is the right fit for you, you should evaluate the amount of noise your business and your patrons may generate. Consider what the noise level generated by patrons will be while they are inside your premises, but also as they enter and leave the establishment, smoke outside the premises, or arrive or leave from any parking lot connected to the premises. In the operation of your business, consider the noise impact of kitchen fans and trash and recycling removal as well as music,

machinery or other noise that might be generated inside or as a result of your business. To the extent possible, determine what steps might be taken to mitigate this noise.

In addition to noise, consider any other impact that your use might have on the property's neighbors. If you are going to be serving food, is it likely that food or garbage odors would reach any neighbors' property? If you anticipate having patrons line up in front of your property, would those lines interfere with your neighbors' ability to access or enjoy their property? How would the introduction of your business impact parking near the premises?

You should also consider how well a particular property's design may accommodate the use you are envisioning. If you will need a hood system for your kitchen, find out whether the building you are looking at allows for venting. Determine whether the property has sufficient utilities hook-ups and gas lines for your business, or whether additional hook-ups will need to be installed (and the cost of such a project).

In considering the impact of the property's design on your business, you should consult with the Fire Department regarding the maximum occupancy capacity for the property in the use that you envision. Additionally, you should also consult the Department of Alcoholic Beverage Control and the Planning Department regarding whether the location you pick might impact your ability to acquire a liquor license and the conditions imposed upon your use of that license.

Finally, you will need to make sure you understand federal and state accessibility requirements, including the requirements of the Americans with Disabilities Act (ADA). If you are out of compliance with these laws, you are at risk of being sued. The Small Business Assistance Center has developed a very informative page on [federal and state accessibility requirements and small businesses](#). The U.S. Department of Justice has developed [a primer for small businesses on ADA compliance](#). The state Department of Rehabilitation also maintains [information on compliance](#) with state and federal disability access laws. The Department of Building Inspection's [What You Should Know About Disabled Access Requirements](#) provides more information about these requirements and their impact on construction projects.

In response to the City's small businesses facing ADA compliance lawsuits, the Office of Economic and Workforce Development launched the [ADA CASp Small Business Assessment Program](#). Through this program, eligible businesses may receive a free ADA assessment from a Certified Access Specialist, who can survey your premises and identify barriers to access. Your insurance policy may also cover the hiring of a Certified Access Specialist or may cover legal fees connected to an accessibility-related lawsuit; if you are looking to purchase insurance, consider including this coverage in your policy.

### **3. Understand the Neighborhood**

Even if you think you've found the right property for your nightlife business, you should engage with the community in order to understand how your business will be received in the neighborhood. Depending on your prospective business and the zoning of your property, engagement with potential neighbors

may be [required by the Planning Code](#). The Entertainment Commission now requires applicants for entertainment permits to [reach out to neighborhood groups](#) as well.

Even if outreach isn't required, reaching out to your potential neighbors is strongly recommended. Proactive neighborhood outreach will demonstrate your interest in working with neighborhood stakeholders to avoid or address any challenges that might otherwise emerge during the permitting process or the eventual operation of your business.

Outreach will help you understand challenges that previous or existing nightlife businesses in the neighborhood have faced. It can also provide an opportunity for you to educate members of the community about your goals with your business and to learn about the needs of community stakeholders that you may be able to help address through your business.

In addition to reaching out to neighboring businesses and residences individually, you should consider contacting any local neighborhood association and merchants' association, as well as the Police Department's [local district station](#). To find relevant neighborhood and merchant associations, consult [your district supervisor](#), the [Small Business Assistance Center](#), or this [map of neighborhood organizations](#) created by the Planning Department. It should also be useful to consult with existing nightlife business owners in the neighborhood you are considering.

Your property may be located in a [Community Benefit District](#) (CBD). A CBD is a partnership between the City and a local community to fund neighborhood improvements through a special assessment on local property owners. The funds are administered by a non-profit organization established by the neighborhood.

Additionally, the [Invest in Neighborhoods Initiative](#) provides focused, customized assistance in 25 neighborhood commercial districts. If you are looking to start your business in an [Invest in Neighborhoods corridor](#), you should contact staff in the Office of Economic and Workforce Development.

#### **IV. Getting Your Permits**

##### **Before You Apply for Permits**

It's a good idea to meet with any relevant permitting agencies well before you actually submit any permit applications. Meeting with the relevant agencies before submitting your permits can answer questions you might have and help you understand the potential roadblocks you might face in acquiring the approvals needed to launch your business. When you meet with a permitting agency, be sure to be provide as much specific, detailed information about your business as possible. Ultimately, you may decide to adjust your business model based on this information; at the very least, you will gain a better understanding of the length of time and potential costs you may face in the process.

In order to start a nightlife business in San Francisco, you'll need to have permits from a variety of City and state agencies. This section provides a broad overview of some of the different permits you may need to acquire and identifies some of the considerations you will want to be aware of as you navigate the permit process.

As you get started, be sure to visit the [San Francisco Business Portal](#), the ultimate resource for starting, running, and growing a business in the City. With comprehensive information and tailored tools, the portal helps you navigate the permitting process and quickly learn what it takes to be compliant.

Throughout the permitting process, the [Small Business Assistance Center](#) is a valuable resource, capable of offering one-on-one assistance to small businesses. The SBAC is located in Room 110 at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, and can be reached at (415) 554-6134 and [sbac@sfgov.org](mailto:sbac@sfgov.org).

Additionally, your district supervisor's office can be an important resource. [This map](#) can help you identify your supervisor and can provide you with contact information for his or her office.

#### **A. Building Permits & Zoning**

##### **Before You Apply**

Early in the planning of your business, you should visit the Planning Department's [Planning Information Center \(PIC\)](#) and discuss your project and your proposed site with the planning staff there. The PIC is located at 1660 Mission Street, First Floor, and may also be reached at (415) 558-6377 and [pic@sfgov.org](mailto:pic@sfgov.org).

You should also direct questions about building permits and the scope of your project to [Department of Building Inspection](#) (DBI) staff at 1660 Mission Street, First Floor, San Francisco CA 94103, or at (415) 558-6088. For more complex projects, or to get DBI staff interpretations of specific code provisions, you may also seek a pre-application meeting for your project with DBI staff. For more information on the pre-application review process, see [this pre-application packet](#).

Building permits, which are required for any change of use to a property or and significant construction, are issued by the [Department of Building Inspection](#) (DBI). To acquire a building permit, you will need to submit an application to DBI, which will confirm that the property meets minimum building standards. The application will then be routed to the [Planning Department](#) for a review to ensure that your proposed use is consistent with the General Plan and the Planning Code. DBI staff will also identify other departments that you will need approval from in order to complete the permitting process.

Depending on the scope of any construction work you are envisioning, you may need to submit plans along with your permit application. You may also need to acquire a separate [electrical](#), [plumbing](#) or [sign](#) permit through DBI.

New commercial buildings and remodeling projects must meet certain accessibility requirements. DBI's [What You Should Know About Disabled Access Requirements](#) provides more information about these

requirements and their impact on construction projects; the department has also developed [a number of information sheets](#) related to ADA access. As described in [Starting a Nightlife Business in San Francisco](#), additional accessibility resources are available from the [Small Business Assistance Center](#), the [U.S. Department of Justice](#), and the [California Department of Rehabilitation](#).

If you are interested in having [outdoor tables and chairs](#) or in creating a [parklet](#) (using parking spaces for public space and seating) at your business, you will need to contact the [Department of Public Works](#). The [Merchant’s Corner at SF Better Streets](#) provides information for business owners about the City processes for these and other street improvements.

If your prospective use of a property is conditionally permitted, you will need to have a valid Conditional Use Authorization. The property you are moving into may already have a valid authorization for the use you are intending, although even a valid conditional use expires after three years of inactivity. If you do not have a valid Conditional Use Authorization, you will need to receive approval by the Planning Commission during a public hearing, a process that can add significant time and expenses to your project. For more information on this process, consult the staff at the Planning Department and review the [application packet for a Conditional Use Authorization](#).

If your property [requires neighborhood notification](#) – which is required for changes of use to bars, restaurants and entertainment venues in certain zoning districts – you will be required to submit certain additional materials to DBI in conjunction with your Building Permit Application. After it is determined that the application is complete, you will be required to post a notice (designed by the Planning Department) on the site of your business for thirty days. During that period, if a neighbor files for Discretionary Review of the project, the Planning Commission is obligated to review the application at a hearing. If no Discretionary Review application is filed before the end of the thirty day period, the Building Permit Application will be routed to DBI for continued review.

Development projects in San Francisco will also trigger development impact fees. The Planning Department maintains a helpful web page collecting a [wide range of information about impact fees](#).

## **B. Food & Beverage Permits**

### **Before You Apply**

For questions about the health permit process, consult with your district health inspector at 415-252-3804, or speak with the [Department of Public Health’s](#) plan check staff at 415-252-3800. You may also contact the Environmental Health office at 1390 Market Street, Suite 210, San Francisco, CA 94102, or via phone at (415) 252-3800 or email at [EnvHealth.DPH@sfdph.org](mailto:EnvHealth.DPH@sfdph.org).

### **1. Plan Check**

If you are planning to do any new construction or remodeling on the food or beverage preparation areas or restrooms in your facility, including changing the premises’ kitchen equipment or seating configuration, your plans will need to be reviewed by the Department of Public Health. The Department will review these plans and inspect your construction. For more information on this process, review the



department's information on [plan check procedures](#). You will need to pay a deposit in order for the completion of the plan check.

## 2. Food Permit to Operate/Food Safety Certification

Every establishment seeking to sell food or beverages must acquire a Permit to Operate through the [Department of Public Health's](#) Food Safety Program. Find out more about [the application process](#) on the Department's web site. There is a one-time application fee for a Permit to Operate as well as an annual renewal fee.

To acquire a Permit, you will also be required to sign a declaration that you will comply with all laws relating to healthy and safe working conditions, confirm that you have any required workers' compensation insurance, and demonstrate that at least one employee has been [certified in food safety](#).

## 3. Food Handler Cards

Additionally, under state law, any employee handling food in your establishment must possess a valid Food Handler Card, issued after the completion of a training course and passing an exam. The Department's web site maintains [information about this requirement and a list of card providers](#).

## 4. Point of Sale Registration

Additionally, businesses using point of sale (POS) systems must register those systems with the Department of Public Health's [Weights & Measures Program](#) annually and pay a fee.

## C. Fire Permits

### **Before You Apply**

You may contact the [Fire Department's](#) Bureau of Fire Prevention Permit Section staff at 698 2nd Street, Room 109, San Francisco, CA 94107, and at (415) 558-3303 and [Fire.Permits@sfgov.org](mailto:Fire.Permits@sfgov.org). For more complicated construction projects, you may also seek a pre-application meeting with the Fire Department's Plan Check staff. [This form](#) identifies the background information required in order to schedule a pre-application meeting.

Any nightlife business with a maximum capacity above 49 occupants is required to have a place of assembly permit issued by the [Fire Department](#). A nightlife business will typically need an "A-2" assembly permit, which allows for the sale of food or beverages.

The Fire Department can help you understand the maximum approved occupant load connected to your place of assembly permit, as well as the requirements associated with the permit. [This checklist](#) offers helpful guidance about the fire prevention laws your establishment must comply with. The Fire Department has also published these [guidelines on the use of candles and open-flame decorative lighting](#) in places of assembly.

**D. Liquor License**

**Before You Apply**

As you begin, you should connect with the [San Francisco Police Department](#)'s ABC Liaison Unit ("ALU"). The ALU oversees all premises with permanent liquor licenses, and may be reached at 415-575-6067.

As part of your pre-application process, you should visit the [California Department of Alcoholic Beverage Control](#) ("ABC") to find out more about the process of applying for or transferring a liquor license to your business. The ABC's San Francisco office is located at 33 New Montgomery St., Suite 1230, San Francisco, CA 94105, and may be reached at (415) 356-6500 and [SFO.Direct@abc.ca.gov](mailto:SFO.Direct@abc.ca.gov).

In order to sell beer, wine, or spirits, at your premises, you'll need to have a license issued by the [California Department of Alcoholic Beverage Control](#) ("ABC") that is consistent with the premises you are operating. To understand the differences between license types, the ABC offers a summary of [common license types and their basic privileges](#). The ABC also maintains [this list of answers to frequently asked questions](#).

In brief, the most common license types a nightlife business might seek out are:

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|--|--|
| <p>Type 41 ("On Sale Beer &amp; Wine – Eating Place")</p>    | <p>The business may sell beer and wine but not spirits.</p> <p>The business must operate as a "bona fide eating place," meaning that the business must make actual and substantial sales of meals during the normal meal hours that they are open. The premises must have suitable kitchen facilities and supply an assortment of foods commonly ordered at various hours of the day.</p> <p>Minors are allowed on the premises.</p> |
| <p>Type 42 ("On Sale Beer &amp; Wine – Public Premises")</p> | <p>The business may sell beer and wine but not spirits.</p> <p>Food service is not required.</p> <p>Minors are not allowed on the premises.</p>  |
| <p>Type 47 ("On Sale General – Eating Place")</p>            | <p>The business may sell beer, wine and spirits.</p> <p>The business must operate as a "bona fide eating place," meaning that the business must make actual and substantial sales of meals during the normal meal hours that they are open. The premises must have suitable kitchen facilities and supply an assortment of foods commonly ordered at various hours of the day.</p> <p>Minors are allowed on the premises.</p>        |
| <p>Type 48 ("On Sale General – Public Premises")</p>         | <p>The business may sell beer, wine and spirits.</p> <p>Food service is not required.</p>  |

|  |   |
|--|---|
|  | Minors are not allowed on the premises. |
|--|---|

[This flowchart](#) outlines the application process for a liquor license. A business seeking to acquire a license to sell beer and wine (i.e., a Type 41 or Type 42 license) may purchase such a license from an existing license holder or may apply directly to the ABC, which may issue a new license. By contrast, the number of licenses to sell spirits in addition to beer and wine (Type 47 and Type 48 licenses) is determined by a county’s population under state law. Based on the existing formula, no new general licenses may be issued to businesses in San Francisco, so any business seeking a Type 47 or 48 license will need to purchase one from an existing license holder.

Your ability to acquire a license may be impacted by your choice of location. Depending on the zoning district of the property you are seeking to use, there may be restrictions imposed on your ability to acquire a liquor license. For example, at present, general liquor licenses for use in businesses in the Mission Alcoholic Beverage Special Use District ([see map here](#)) must be acquired from businesses within the district.

Depending on the location you’ve selected, it is likely that you will need to demonstrate that your proposed business will serve the “public convenience or necessity” (PCN) in order to receive your license. For Type 41 and 47 (i.e., restaurant) licenses, the PCN decision is made by the ABC. For Type 42 and 48 (i.e., bars and nightclubs) licenses, the Board of Supervisors may, within 90 days, determine that the license will serve the public convenience or necessity, satisfying this requirement.

Additionally, if your business involves the production of alcohol (i.e., distilleries, breweries or wineries), or the importation of alcohol from outside the United States, you will need a permit from the U.S. Department of the Treasury’s [Alcohol and Tobacco Tax and Trade Bureau](#).

**E. Entertainment Permits**

**Before You Apply**

Contact the [Entertainment Commission](#) to discuss your business concept and the requirements for an entertainment permit. The Commission may be reached at (415) 554-7793 and is located in Room 453 of City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Permits to host live performances – including musicians, DJs, comedy, poetry readings, and more – are issued by the [Entertainment Commission](#). Unlike liquor licenses, entertainment permits are not transferable between parties, so you will need to apply for your own entertainment permit even if you acquire a preexisting entertainment venue.

The Entertainment Commission offers several different types of permits, including:

- Place of Entertainment permits for entertainment venues;

- Limited Live Performance permits, which allow businesses that are not entertainment venues – including cafes, bars, restaurants, and art galleries – to incorporate live performances as an accessory use on their premises; and
- Extended Hours permits, for any business seeking to operate between 2:00am and 6:00am, regardless of whether it provides entertainment or not.

After you submit your application for an entertainment permit, the Entertainment Commission will circulate your application to relevant City departments. The departments must complete all necessary inspections and report their determinations to the Entertainment Commission within twenty business days. Ultimately, the Entertainment Commission will review your application at a hearing, where it may apply conditions, including conditions recommended by the Police Department, to your permit.

If you are applying for a Place of Entertainment permit or an Extended Hours permit, you are required to submit a security plan along with your permit application. You should proactively engage with the Police Department and the Entertainment Commission in the development of your security plan. Additionally, you should review the Entertainment Commission’s publication, [Safety and Security Best Practices for Nightlife Establishments](#), which offers guidelines on best practices in maintaining safe nightlife businesses.

Applicants for entertainment permits are required to conduct neighborhood outreach as part of the permit application process. Review these [Guidelines for Meaningful Neighborhood Outreach](#) for more information about the types of outreach that meet this requirement.

#### **F. Business Registration & Seller’s Permit**

To conduct business in San Francisco, you must possess a Business Registration Certificate issued by the [Office of the Treasurer & Tax Collector](#). An application for a certificate must be submitted within fifteen days of starting business in San Francisco, and the registration must be renewed annually. For more information about [business registration](#) and [fictitious business names](#), see these resources produced by the [Small Business Assistance Center](#). For information about property taxes, contact the [Office of the Assessor-Recorder](#).

Additionally, you will need to obtain a seller’s permit from the California State Board of Equalization. You may apply for a seller’s permit using the state’s [online eReg system](#). The permit is free and valid for the duration of your business.

### **V. Running a Successful Nightlife Business in SF**

#### **A. Strengthening Your Nightlife Business**

A variety of resources and programs exist to support the growth of businesses like yours within San Francisco. The [San Francisco Business Portal](#) is the ultimate resource for starting, running, and growing a business in the City, and the Portal includes comprehensive information and tailored tools to help you

manage and grow your nightlife business. The Office of Small Business' [Small Business Assistance Center](#) is also a valuable resource, capable of offering one-on-one assistance to small businesses. Additionally, the [Office of Economic and Workforce Development](#) offers grants and loan financing programs that may be available to help your business grow.

## 1. Business Development Programs

The [Small Business Assistance Center](#) can connect you to [local economic development organizations](#) that provide technical assistance, training and loan packaging services for small businesses. Through these organizations, you can access classes and one-on-one assistance on a variety of topics, including business planning, financial management, marketing, human resources, and legal services.

Additionally, the [Invest in Neighborhoods Initiative](#) provides focused, customized assistance in 25 neighborhood commercial districts. If you are looking to start your business in [an Invest in Neighborhoods corridor](#), you should contact staff in the Office of Economic and Workforce Development. Find out more at [InvestSF.org](#).

Some nonprofit economic development organizations have program offerings that may be of particular interest to individuals seeking to start nightlife businesses. For example, the [Small Business Development Center](#) has developed a [Restaurant Program](#) that includes one-on-one consulting and a variety of affordable workshops for San Francisco restaurant owners. Additionally, [La Cocina](#) offers affordable commercial kitchen space, technical assistance and access to market opportunities to help women from communities of color and immigrant communities develop their food businesses.

## 2. Accessing Loans, Grants, and Tax Incentives

The Office of Economic and Workforce Development offers a number of different City loan, grant and tax incentive programs that may assist the development of your business:

- The [Emerging Business Loan Fund](#), operated by [Main Street Launch](#), offers loans ranging from \$50,000 to \$1,000,000 to qualifying commercial projects to support high impact businesses and projects with the potential to increase economic activity in San Francisco and to create jobs for low to moderate income individuals.
- The [Revolving Loan Fund](#), operated by [Working Solutions](#), offers microloans ranging from \$5,000 to \$25,000, as well as loans from \$25,000 to \$50,000 available for established businesses that have been operating for two or more years.
- The Office of Small Business is a trustee for the local non-profit [Kiva](#). Kiva connects Bay Area entrepreneurs with 0% interest loans up to \$10,000 to help start or grow businesses.
- [SF Shines](#) provides grants and design assistance to property owners and merchants in qualifying neighborhoods for façade improvements and tenant improvements.
- The [Americans with Disabilities Act \(ADA\) Certified Access Specialist \(CASP\) Small Business Assessment Program](#) provides eligible businesses in qualifying neighborhoods with a free ADA assessment report and plan for compliance with ADA law.

- The [Central Market/Tenderloin Payroll Expense Tax Exclusion](#) exempts businesses located within a defined Central Market/Tenderloin area from additional payroll taxes as they add jobs during any six years in an eight-year period.

Federal and state tax incentives may also be able to assist your business. Visit [OEWD's page on tax credits and incentives](#) for more information about these programs.

## **B. Complying with State Laws**

To succeed with your business, it's critical that you comply with California liquor laws and the conditions attached to your liquor license. The Department of Alcoholic Beverage Control (ABC) offers a helpful [summary of some of the state laws and rules](#) that liquor licensees must be comply with. Among others:

- Restaurants with Type 41 or Type 47 liquor licenses must operate as “bona fide eating places,” meaning that they must make actual and substantial sales of meals, during the normal meal hours that they are open. The premises must have suitable kitchen facilities and supply an assortment of foods commonly ordered at various hours of the day.
- Bars, taverns, and nightclubs with Type 42 or Type 48 liquor licenses must adhere to certain operating standards, including requirements regarding providing adequate lighting on adjacent public sidewalks and parking lots under the licensee's control, and removing litter daily from the premises, adjacent sidewalks and parking lots under licensee's control.

Additional state laws regulate the employment of minors, signage requirements, and other requirements. The ABC may impose additional conditions upon the use of your liquor license that go beyond the state law requirements discussed in the summary.

The ABC offers free education courses for liquor licensees, their employees and license applicants. The [Licensee Education on Alcohol and Drugs \(LEAD\) Program](#) “provides the licensee and applicant with practical information on serving alcoholic beverages safely, responsibly, and legally, and preventing illicit drug activity at the licensed establishment.”

Additionally, businesses should be aware of the Unruh Civil Rights Act (“Unruh Act”), which prohibits sex-based discrimination, and its implications for nightlife businesses. As [described in this handout](#) about the Unruh Act produced by the [California Department of Fair Employment and Housing](#), promotions like “ladies nights” that offer discounted admission or services to only one sex have been found to violate the Unruh Act and should be avoided.

Finally, a state law adopted in 2012 requires all nightlife businesses with Type 48 liquor licenses to conspicuously post a notice informing patrons about human trafficking. In San Francisco, the notice must be posted in English, Spanish, and Chinese, and must contain required text as well as a list of telephone hotline numbers for victims of human trafficking. Find out more about this requirement on [this page created by the California Department of Justice](#); the Department has also developed model notices that comply with the state requirements, available in [English](#), [Spanish](#), [Traditional Chinese](#), and [Simplified Chinese](#).

### **C. Being a Good Neighbor**

Maintaining a positive relationship with your neighbors is critical to the longevity of your business. While it is only required for entertainment venues, the Entertainment Commission's [Good Neighbor Policy](#) offers useful strategies for all nightlife business owners about being good neighbors, including:

- Providing adequate outside lighting to illuminate adjacent streets and sidewalks;
- Assigning employees to walk a 100-foot radius around the premises after closing time to pick up any discarded trash left by patrons;
- Posting an employee at the entrance of the establishment to insure that patrons are urged to respect the quiet and cleanliness of the neighborhood as they wait to enter or are exiting the premises; and
- Taking reasonable measures to ensure that sidewalks adjacent to the premises are not blocked during the business' operation.

### **D. Safety & Security**

The Entertainment Commission's publication, [Safety and Security Best Practices for Nightlife Establishments](#), offers guidelines developed by the Entertainment Commission and the Police Department to maintain safe nightlife businesses. Among other concepts discussed in the publication are:

- The value of open communication with the Police Department and the community;
- The importance of an evacuation plan;
- Age verification technologies;
- Appropriate precautions when dealing with promoters;
- Strategies regarding party buses;
- Maintaining security on your premises; and
- How to effectively and appropriately respond to criminal incidents.

## **VI. Addressing Noise**

It is vital that you take every reasonable step to mitigate the level of noise generated from your business. In addition to noise generated by any live entertainment on your premises, you should try to reduce the noise created by individuals who are waiting to enter or leave your premises or congregating in any outdoor patio, smoking area, or parking lot attached to your premises.

Noise limits are enforced by a number of City departments, including the Department of Public Health, the Police Department, the Entertainment Commission (where the noise is generated by entertainment venues), the Planning Department (where the noise violates a business's conditional use approval), and the Department of Building Inspection (regulating construction noise and noise related to the improper

installation of mechanical equipment). Noise limits different from the statutory limits discussed below may be established in permits issued by City agencies.

#### **A. Noise Limits for Nightlife Businesses Generally**

A number of ordinances regulate the generation of noise inside the City. [Section 49 of the Police Code](#) prohibits the use of musical instruments or amplified sound:

in such manner as to produce raucous noises or in such manner so as to disturb the peace, quiet and comfort of persons in the neighborhood or with volume louder than is necessary for convenient hearing for the person or persons for whom said machine, instrument or device is operated.

The section further states that, “The operation of any such set, instrument, phonograph, juke box, broadcasting equipment, machine or device between the hours of 10:00 p.m. and 7:00 a.m., in such a manner as to be plainly audible at a distance of 50 feet from the property line of the property from whence the sound is emitted, shall be prima facie evidence of a violation of this Section.”

[Article 29 of the Police Code](#) establishes additional limits on noise. The general rule for [noise emanating from commercial property](#) is:

No person shall produce or allow to be produced by any machine, or device, music or entertainment or any combination of same, on commercial or industrial property over which the person has ownership or control, a noise level more than eight dBA above the local ambient at any point outside of the property plane.

Additionally, specific limits are established relating to [the impact of fixed noise sources](#) on adjacent residential property:

[N]o fixed noise source may cause the noise level measured inside any sleeping or living room in any dwelling unit located on residential property to exceed 45 dBA between the hours of 10:00 p.m. to 7:00 a.m. or 55 dBA between the hours of 7:00 a.m. to 10:00p.m. with windows open except where building ventilation is achieved through mechanical systems that allow windows to remain closed.

Noise limits also apply to the [disposal of garbage and recycling from your property](#):

It shall be unlawful for any person authorized to engage in waste removal, collection, or disposal services or recycling removal or collection services to provide such services so as to create an unnecessary amount of noise...

#### **B. Noise Limits for Entertainment Venues**

Businesses with entertainment permits are also subject to [a low frequency dBC limit](#):



No noise or music associated with a licensed Place of Entertainment, licensed Limited Live Performance Locale, or other location subject to regulation by the Entertainment Commission or its Director, shall exceed the low frequency ambient noise level defined in Section 2901(f) by more than 8 dBC.

The code [defines the low frequency ambient noise level](#) used to evaluate the dBC limit for entertainment venues as:

[T]he lowest sound level repeating itself during a ten-minute period...The minimum sound level shall be determined with the music or entertainment noise source at issue silent, and in the same location as the measurement of the noise level of the source or sources at issue. However, for purposes of this chapter, in no case shall the local ambient be considered or determined to be less than: (1) Forty-five dBC for interior residential noise, and (2) Fifty-five dBC in all other locations.

### **C. Strategies to Reduce Noise**

Limiting the volume of sound escaping from your property is critical to maintaining positive relationships with your neighbors and ensuring the long-term sustainability of your business. A number of strategies may be employed to reduce sound leakage from your establishment, including installing double entry doors or buffering walls or ceilings. Be sure that your establishment has adequate ventilation so that no doors or windows are left open for ventilation purposes. Finally, consider engaging a sound consultant to evaluate your premises and work with you on ways to mitigate noise, including using volume-limiting devices and adjusting the placement of your speakers.

It's important to remember that noise outside your establishment – generated by patrons as they enter or exit, or while they are smoking outside your venue – can be just as significant an impediment to neighbors as sound inside your business is. As noted below, the Entertainment Commission's [Good Neighbor Policy](#) offers useful strategies to reduce noise outside your premises, including posting an employee at the entrance of the establishment to urge patrons outside the premises to respect the quiet and cleanliness of the neighborhood.

To help you understand the volume of sound generated by your premises, you should consider purchasing a sound meter. Sound meter applications are also available for mobile phones. The federal [Occupational Safety & Health Administration](#) (OSHA) uses sound level meters that meet the standards set by the American National Standards Institute (ANSI). According to OSHA:

For compliance purposes, readings with an ANSI Type 2 sound level meter and dosimeter are considered to have an accuracy of  $\pm 2$  dBA, while a Type 1 instrument has an accuracy of  $\pm 1$  dBA.

A Type 2 meter is the minimum requirement by OSHA for noise measurements, and is usually sufficient for general purpose noise surveys.

The Type 1 meter is preferred for the design of cost-effective noise controls.

## D. Noise Abatement for Entertainment Venues

If you are operating an entertainment business and the noise from your business is interfering with your neighbors' peaceful and quiet use and enjoyment of their property, the Entertainment Commission may require your premises to be soundproofed in order to eliminate the noise or reduce it to a reasonable level. Failure to comply with an order to reduce noise within a reasonable time may result in the suspension of your entertainment permit until you satisfactorily comply with the commission's order.

## VII. Contacts & Resources

### City and State Agencies

#### Office of Economic and Workforce Development

City Hall, Room 448  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Phone: (415) 554-6969  
[ben.vanhouten@sfgov.org](mailto:ben.vanhouten@sfgov.org)  
<http://www.oewd.org>

#### Planning Department

1650 Mission Street, Suite 400  
San Francisco, CA 94103-2479  
Phone: (415) 558-6378  
<http://www.sf-planning.org/>

#### *Planning Information Center*

1660 Mission Street, First Floor  
San Francisco, CA 94103-2479  
Phone: (415) 558-6377  
[pic@sfgov.org](mailto:pic@sfgov.org)

#### Police Department

ABC Liaison Unit  
Police Headquarters, 6th Floor  
1245 3rd Street  
San Francisco, CA 94158  
Phone: 415-575-6067  
<http://sanfranciscopolice.org/>

#### Department of Public Health

Environmental Health Section  
1390 Market Street, Suite 210  
San Francisco, CA 94102  
Phone: (415) 252-3800

#### Office of Small Business

Small Business Assistance Center  
City Hall, Room 110  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Phone: (415) 554-6134  
[sbac@sfgov.org](mailto:sbac@sfgov.org)  
<http://sfgsa.org/index.aspx?page=4206>

#### Department of Building Inspection

1660 Mission Street  
San Francisco, CA 94103  
Phone: (415) 558-6088  
<http://www.sfdbi.org/>

#### Initial Permit Review

Phone: (415) 558-6641  
Permit Processing Center  
Phone: (415) 558-6644

#### Fire Department

Bureau of Fire Prevention, Permit Section  
698 2nd Street, Room 109  
San Francisco, CA 94107  
Phone: (415) 558-3303  
[Fire.Permits@sfgov.org](mailto:Fire.Permits@sfgov.org)  
<http://www.sf-fire.org/>

#### Department of Public Works

Bureau of Street-Use & Mapping  
1155 Market Street, 3rd Floor  
San Francisco, CA 94103  
Phone: (415) 554-5810

[EnvHealth.DPH@sfdph.org](mailto:EnvHealth.DPH@sfdph.org)  
<http://www.sfdph.org/dph/EH/>

**Entertainment Commission**

City Hall, Room 453  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102  
Phone: (415) 554-6678  
<http://www.sfgov.org/entertainment>

[dpw@sfdpw.org](mailto:dpw@sfdpw.org)  
<http://www.sfdpw.org/>

**Department of Alcoholic Beverage Control**

San Francisco District Office  
33 New Montgomery St., Suite 1230  
San Francisco, CA 94105  
Phone: (415) 356-6500  
[SFO.Direct@abc.ca.gov](mailto:SFO.Direct@abc.ca.gov)  
<http://abc.ca.gov/>

**Business Associations**

**California Music and Culture Association**

PO Box 77406  
San Francisco, CA 94107  
Phone: (415) 863-1565  
[info@cmacsf.org](mailto:info@cmacsf.org)  
<http://cmacsf.org/>

**Golden Gate Restaurant Association**

100 Montgomery Street, Suite 1280  
San Francisco, CA 94104  
Phone: (415) 781-5348  
[ggra@ggra.org](mailto:ggra@ggra.org)  
<http://ggra.org>

**The Recording Academy – San Francisco Chapter**

77 Van Ness Ave., Suite 101, Box #1214  
San Francisco, CA 94102  
Phone: 415.749.0779  
[sanfrancisco@grammy.com](mailto:sanfrancisco@grammy.com)  
<http://www.grammy365.com/chapters/san-francisco-chapter>

**San Francisco Brewers Guild**

[info@sfbrewersguild.org](mailto:info@sfbrewersguild.org)  
<http://www.sfbrewersguild.org>

**SFMade**

The Tech Shop Building  
926 Howard Street  
San Francisco, CA 94103  
Phone: 415-408-5605  
[info@sfmade.org](mailto:info@sfmade.org)  
<http://www.sfmade.org/>

**San Francisco Travel Association**

201 Third Street, Suite 900  
San Francisco, CA 94103  
Phone: (415) 974-6900  
<http://www.sanfrancisco.travel/>

**San Francisco Chamber of Commerce**

235 Montgomery Street, Suite 760  
San Francisco, CA 94104-2803  
Phone: (415) 392-4520  
<http://www.sfchamber.com/>

**Community Associations and Neighborhood Merchants' Associations**

To find relevant neighborhood and merchant associations, consult [your district supervisor](#), the [Small Business Assistance Center](#), or this [map of neighborhood organizations](#) created by the Planning

Department. The Small Business Assistance Center has developed this list of [local economic development organizations](#).