



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

OFFICE OF SMALL BUSINESS
KATY TANG, DIRECTOR

**SMALL BUSINESS COMMISSION
MEETING MINUTES**

Monday, August 28, 2023, 4:30 P.M.
City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Cynthia Huie, President;
Miriam Zouzounis, Vice-President;
Tiffany Carter, Lawanda Dickerson; Tricia Gregory; Rachel Herbert; William Ortiz-Cartagena;

1. Call to order and roll call

Present: Dickerson, Gregory, Herbert, Huie, Ortiz-Cartagena
Absent: Carter, Zouzounis

2. Approval of Legacy Business Registry Applications and Resolutions (Discussion and Action Item)

Richard Kurylo, Legacy Business Program Manager presented Legacy Business Registry applications:

- a. The Irish Bank Bar and Restaurant (Application No.: [LBR-2022-23-040](#))
- b. Mario's Bohemian Cigar Store Cafe (Application No.: [LBR-2015-16-052](#))
- c. Mitchell's Ice Cream, Inc. (Application No.: [LBR-2022-23-043](#))
- d. San Francisco Go Club (Application No.: [LBR-2023-24-002](#))

Public comment:

Ronan O'Neill, owner - Irish Bank Bar and Restaurant
Matthew Barcas- owner, SF Go Club
Speaker in support of SF Go Club (no name given)

All Commissioners gave congratulations.

Motion to approve Legacy Business Applications: Herbert

2nd: Dickerson

Aye: Dickerson, Gregory, Herbert, Huie, Ortiz-Cartagena

Absent: Carter, Zouzounis

Motion passes

3. Presentation on Business Tax Implications of Remote Work (Discussion Item)

Sarah Dennis Phillips, Executive Director, Office of Economic and Workforce Development, introduced the City's long term thinking around taxation policies and the City's recovery strategy in general. Ted Egan, Chief Economist, reviewed recent trends towards remote work and the impacts they have on the City's tax base. He reviewed several taxes that the City imposes on businesses, including the Gross Receipts Tax, the Homelessness Gross Receipts Tax, the Commercial Rents Tax, and the Overpaid Executives Tax, comprise the City's second-largest source of tax revenue, after Property Tax.

- Remote work has resulted in 45-55% of pre-pandemic foot traffic.
- Info, professional services, and financial services make up a large percentage of our tax revenue and were hard hit during pandemic because of work from home.
- Volatility – the City is more reliant on the largest few companies for tax revenue than we have been historically.

Commissioner comments:

Gregory: Discussed the different tax rates for a local construction company compared to an outside business. She flagged that in neighborhood corridors, she's heard that landlords are not wanting to lower rent prices. She asked how much of the City's gross receipts from small business contribute to total tax base. Ted Egan responded it was likely a small percentage of the total given the tax structure.

Ortiz-Cartagena: Would SF have experienced a similar loss in revenue if we still had payroll taxes? Most likely. Egan: pointed out that office vacancies are high for the fourth year in a row, so property tax and commercial tax revenues will continue to get worse. Business tax is felt most immediately, then after it adjusts the property tax will decline and commercial rents will decline.

Herbert: It seems like SF put all of our eggs in one basket in terms of reliance on tech. Egan: maybe, but small business sector has been weak over the last 25 years. Nothing looks to be replacing tech any time soon.

Huie: How is this report/data going to impact planning? Dennis-Phillips: if we right size office space and build some housing, other uses are healthy too. It's a matter of balance.

No members of the public requested to speak.

4. **Shared Spaces Program Update (Discussion Item)**

The Commission heard an update from the Shared Spaces Program, including an overview of applications and upcoming permitting deadlines, and discussed how the Commission can support the program and amplify communications. Anne Yalon, Public Relations and Communications Manager, Planning Department and Monica Munowitch, Shared Spaces Program Manager and Gregory Slocum, Department of Public Works, presented.

- 3 legislated permits have been issued
- 179 permit applications made it through approval but need to make final modifications/pass final inspection.
- 144 incomplete applications that have not gone through SFMTA
- 313 applications have not gone through SFPDW

Herbert: People went to great expense to make their parklets and now those investments don't seem compliant. Weather is crucial to business - could we wait until end of October to take them down?

Are there resources to help with removal? The equity grant can support parklet removal.

Ortiz-Cartagena: Is there a public bench requirement? What's the enforcement plan? Yes, public bench is required. We're starting enforcement with businesses who need to take down their parklets. DPW doesn't have bandwidth to get to everyone immediately.

Huie: We can help get the word out about the 9/27 deadline.

5. **Amendments to Small Business Commission Bylaws (Discussion and Action Item)**

The Commission reviewed proposed amendments to the Commission's Bylaws.

Motion to approve draft bylaws: Ortiz-Cartagena

2nd: Dickerson

Aye: Dickerson, Gregory, Herbert, Huie, Ortiz-Cartagena

Absent: Carter, Zouzounis

Motion passes

6. **Approval of Draft Meeting Minutes (Discussion and Action Item)**

The Commission will discuss and possibly take action to approve the July 24, 2023 draft meeting minutes.

Motion to approve draft minutes: Dickerson

2nd: Herbert

Aye: Dickerson, Gregory, Herbert, Huie, Ortiz-Cartagena

Absent: Carter, Zouzounis

Motion passes

7. General Public Comment (Discussion Item)

No members of the public requested to speak.

8. Director's Report (Discussion Item)

Awning amnesty program update – streamlined process is now live through June 1st 2024. No fees or formal plans required unless you need to make improvements. OSB staff went to each business that received an NOV to give out info.

Small business permitting legislative update – Sept. 7th at Planning Commission

APEC – OSB is working to highlight and spotlight events in neighborhood corridors

Commissioner comments:

Ortiz-Cartagena: thanks for doing the merchant walks

9. Commissioner Discussion and New Business (Discussion Item)

Ortiz-Cartagena: Would like follow-up on SF Shines to ensure there is enough funding so people should keep applying. We should have commercial vacancy tax on class A assets after they get transferred. Consider taxing buildings that are asking for reassessment.

Huie: Had ongoing conversations with SFMTA about construction. Wants to build a relationship and get them on SBC agenda more regularly.

Gregory: SFMTA has a huge project at Potrero Yards and we're trying to figure out what their LBE plan is for construction.

10. Adjournment