



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

OFFICE OF SMALL BUSINESS
KATY TANG, DIRECTOR

**SMALL BUSINESS COMMISSION
MEETING MINUTES**

Monday, December 11, 2023, 4:30 P.M.
City Hall, Room 408, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Cynthia Huie, President;
Miriam Zouzounis, Vice-President;
Rob Benitez, Lawanda Dickerson; Rachel Herbert; William Ortiz-Cartagena;

1. Call to order and roll call

Meeting called to order at 4:31pm

Present: Benitez, Dickerson, Huie, Herbert, Ortiz-Cartagena, Zouzounis

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

Richard Kurylo, Legacy Business Program Manager, Office of Small Business presented on Legacy Business Registry applications.

Public comment:

Adam Thongsavat, Sup. Mandelman's office – spoke in support of Thai House and Firefly

Merritt Richmond, Board of Directors, SCRAP

Mary Lou Larkin, VP of SF Women Artists

Ari Singer, VP of Lamplighter Theater

Alex Viafara, Owner, Poly Ann Ice Cream

Jim Mckee, Earwax Productions

Angelina Yu, Sup. Chan's office – spoke in support of Hero's Club

Shane, General Manager of Elixir Saloon

Robin Bordeaux, City Art Gallery

Son of business owners of Thai House

Commissioner comments:

Dickerson, Zouzounis, Huie gave praise and thanks to businesses.

Motion to approve the Resolutions: Dickerson

2nd: Herbert

Aye: Benitez, Dickerson, Huie, Herbert, Ortiz-Cartagena, Zouzounis

Motion passes 6-0

3. San Francisco Municipal Transportation Authority (SFMTA) Briefing (Discussion Item)

Item was continued to the next meeting without objection

4. San Francisco Business Tax Reform (Discussion Item)

Amanda Fried, Office of the Treasurer and Tax Collector an update on the City's ongoing efforts to review the City's current business tax structure and develop recommendations for needed reforms.

- The city wants to reduce risk of tax loss due to an overreliance on commercial property and concentration of revenue coming from top earners.
- The small business exemption would increase to \$2.5 million + CPI
- Eliminate \$10 million in regulatory permits and licenses that disproportionately impact small businesses
- Reducing payroll apportionment helps with companies who have in-person work

Public comment: no members of the public requested to speak

Commissioner comments:

Herbert – how do we treat remote work? Amanda noted that there are company-specific ways of showing who is working here in SF. If a business sells more than \$500k into SF, they have to pay SF taxes.

Zouzounis – Which license/permit fees? Amanda notes that they are still determining which ones.

Ortiz-Cartagena – What about businesses with passthroughs? Amanda explained they still need to give all info.

Tang: We're encouraged by the effort to make more tax information available up front to make filing less confusing.

5. **BOS File 230768 Authorizing and Permitting Neighborhood Amenities (Discussion Item)**

Beth Rubenstein, Department of Public Works, reviewed an ordinance that passed BOS amending the Public Works Code to streamline and authorize the approval of certain neighborhood amenities in sidewalks and other public right-of-ways within the Department of Public Works' jurisdiction, to reduce the fees for certain minor encroachments, and to clarify the permitting, revocation, and restoration requirements for all minor encroachment permits.

Jen Low, from Sup. Melgar's office, introduced Beth and noted the overall goal of this program is to make it easier to permit a Love Our Neighborhoods projects like little libraries, murals, planter boxes, etc. There are three tiers of projects.

Public comment: no members of the public requested to speak

Commissioner comments:

Zouzounis – how does this impact small businesses? Beth explained some of these like sidewalk lighting may be of interest to small businesses.

Herbert – These projects are so important – good to do this

Benitez – What's the current timeline for tiling a public staircase? 12-18 months, hopefully this would reduce that by half.

Tang – What about a single business who wants to do this? That wouldn't be part of this If they are a tenant- this is for property owners.

Huie – string lights tend to grow and expand – would the fee cover a certain number of blocks?

6. **Legacy Business Program Fund Conceptual Framework (Discussion Item)**

Richard Kurylo, Legacy Business Program Manager, Office of Small Business reviewed the current Legacy Business Program grant structure and discuss a strategy to make improvements to the existing Rent Stabilization Grant.

This proposal would create a new fund in the administrative code that would enable the rent stabilization grant to go to small business tenants, not just landlords. Because the initial Prop J language included a grant for both businesses and landlords, this would follow voter wishes.

Commissioner comments:

Tang - Thanks to Rick for this creative solution

Herbert - Would Legacy businesses still be defined as 30+ years? Yes. This would not change eligibility.

Ortiz-Cartagena – Is this still consistent with voter wishes? Yes. City Attorney has indicated it is. It still needs to go through the Board of Supervisors etc.

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

Motion to approve the September 11, 2023 draft meeting minutes: Dickerson

2nd: Herbert

Aye: Benitez, Dickerson, Huie, Herbert, Ortiz-Cartagena, Zouzounis

Motion passes 6-0

8. General Public Comment (Discussion Item)

No members of the public requested to speak.

9. Director's Report (Discussion Item)

- Director Tang welcomed Commissioner Benitez and recognized the work of former Commissioners Carter and Gregory.
- Mid-year budget update: the OSB made cuts from the Legacy Business Program but used funding that was leftover from previous years.
- Leg update: the small business permitting legislation 230701 is up for final Board vote tomorrow.
- Sup. Preston has introduced an ordinance to waive permit fees for banners through 2026 if they are sponsored by a nonprofit organization.
- APEC recap – positive feedback from media and visitors about SF. Unfortunately, some small businesses were negatively impacted by security fencing, etc.
- Heritage Happy Hour: At Li Po Lounge Dec. 14th, then Pops Bar Jan 11th, then Irish Bank Bar Feb. 8th.

Commissioner comments:

Ortiz-Cartagena – thanks for all your work

Zouzounis: Is there funding to support impacted businesses during APEC? At this time, no grant is available.

Huie – acknowledged that businesses don't have big financial buffers so everything counts.

10. Commissioner Discussion and New Business (Discussion Item)

Ortiz-Cartagena – Street vendor ban went into effect – the merchants and residents are really happy to see quality of life improvements. He worked with several groups to move vendors into marketplaces temporarily and helped advertise.

Benitez- noted his excitement to be part of the Commission, talked about visiting VP Harris' holiday party at the White House last weekend.

Huie – discussed a potential small business survey to understand how businesses are experiencing year to year changes.

Zouzounis and Director Tang suggested connecting with City non-profit service providers who work with businesses to see if they have any data on this.

11. Adjournment

Meeting adjourned at 7:30pm