Annual Report
FY2022-23
Our mission

The Office of Small Business is the city’s central point of information for small businesses located in San Francisco.

Our mission is to equitably support, preserve, and protect small businesses in San Francisco. We provide high quality direct services and programs, drive practical policy solutions, and serve as a champion for San Francisco’s diverse small business community.
Created a chartered Small Business Commission that oversees the Office of Small Business (OSB).

Required OSB to operate a small business assistance center to help San Francisco businesses with fewer than 100 employees.

Created the Legacy Business Historic Preservation Fund. The Board of Supervisors adopted legislation in 2015 to create the Legacy Business Program.
We have a team of Small Business Permit Specialists to help entrepreneurs navigate the multi-agency permitting journey.

Counseling
We assist with business registration, connect entrepreneurs to available resources, and provide general guidance for any small business needs.

Permit support
We have a team of Small Business Permit Specialists to help entrepreneurs navigate the multi-agency permitting journey.

Policy development & advocacy
We collaborate with the Small Business Commission, small business owners, and policymakers on changes to make it easier to start, run, and grow a business.

Commercial leasing & activation support
We help entrepreneurs looking for spaces to start a new business or expand, and provide advisement on lease negotiations.

Legacy Business assistance
We support long-standing businesses in San Francisco through marketing, grants, and technical assistance.

Ampersand
A flower shop, design studio, and private event space near Duboce Triangle at 2190 Market St. ampersandsf.com
The Office of Small Business is a division within the Office of Economic & Workforce Development (OEWD), which manages additional funding for small business support.

$3.7 million
FY2022-2023 budget

- Salaries/benefits: 45.3%
- Legacy Business Program: 29%
- Small Business Development Center (SBDC): 9.9%
- Disability Access & Education: 9.3%
- Administrative costs: 5.8%
- Small business marketing (ShopDineSF): 0.8%
“San Francisco would not be the dynamic, engaging, and innovative city that it is without small businesses. We owe it to this bold and hardworking community to continue advancing improvements that make running a small business a worthwhile investment.”

Mayor London Breed

Small businesses are the lifeblood of the U.S. economy, generating 44% of U.S. economic activity and creating 2/3 of net new jobs.


“There’s a person, a story, and a community behind every small business. Everything we do to support and celebrate small businesses ensures that San Francisco will continue its legacy as a home for innovators, creators, and leaders.”

Cynthia Huie, Small Business Commission President and owner of On Waverly at 162 Waverly Place in Chinatown
www.onwaverly.com
In addition...

The San Francisco Small Business Development Center (SBDC), a program of the U.S. Small Business Administration (SBA), which is hosted by OSB/OEWD, and provides specialized training and counseling to small businesses, served:

1,124

# of SBDC clients in FY2022-23

- Pre-ventures: 31%
- Start-ups: 18%
- Existing businesses: 51%

During FY2022-23, the Office of Small Business (OSB) added four positions to increase our range of services, including a team of two Small Business Permit Specialists, a Commercial Vacancy Manager, and a Business Case Manager. These new positions enabled OSB to increase service by 18% compared to FY2021-22, and by 25% compared to FY2018-19 (pre-pandemic).
Outta Sight Pizza started in 2020 during the height of the pandemic. Buddies Eric Ehler and Peter Dorrance decided to start the business with a few core values in mind: always feeding people the best pizza ever, making sure the people who make the pizza are properly paid, working with a team of people that love, care and respect each other and last but not least, always doing the right thing through pizza. Their pizza combines the love of crispy NY slices and the technique of Neapolitan pies.

Eric and Peter started the business as popups using kitchen space from restaurants and bars. Their pizza became so popular that they decided to open a brick-and-mortar store in 2022. Following a referral from the Office of Small Business for one-on-one business advising from the Small Business Development Center (SBDC), they signed up immediately to get assistance.

An advisor with the SBDC helped the business explore funding opportunities, taught the owners about financial analysis and projections, and supported the strategic planning for the business. Outta Sight Pizza is currently thriving in the Tenderloin.
New businesses in SF
There are nearly 200 new businesses registered in San Francisco on a weekly basis.

(based on a rolling 12-month average as of January 2024; source: DataSF)
The addition of a Commercial Vacancy Manager in January 2023 enabled our office to provide new services to support small business entrepreneurs with leases, as well as gain a deeper understanding of commercial leasing.

New resources to address common needs:

- Letter of Intent (LOI) templates for business owners to use and for educational purposes
- Outlined steps and checklists to help prepare entrepreneurs for the commercial leasing process
- OSB participation in and advisement on site tours of commercial spaces with entrepreneurs
Top 5 industries that seek services from the Office of Small Business. The top 5 industries have remained the same in the last three fiscal years. Industries are classified by the North American Industry Classification System (NAICS).

- **Food services**: Full service and limited service restaurants; mobile food facilities; caterers; bars
- **Retail trade**: Web retailers; street vendors, markets and grocery stores; art dealers; clothing stores; florists; jewelry stores; bakeries; bookstores; hardware stores; etc.
- **Certain services**: Beauty, hair, and nail salons; pet care services; dry-cleaning and laundry services; non-profits; automotive repairs; etc.
- **Admin & Support services**: Janitorial; landscaping; event planning; locksmiths; security and patrols; tour operators; travel agencies; carpet and upholstery cleaning; etc.
- **Private Education & Health Services**: Health practitioners, massage therapists, acupuncturists, home health care; childcare services, technical & trade schools and instructions; tutoring; sports & rec instructions; etc.
The Office of Small Business understands the importance of providing service in-language when possible. We have staff who can provide service in Spanish and Chinese, and we seek language support resources for other languages when requested.
Creative Ideas Catering was founded by Lina Mills and is a full-service catering company that uses sustainable practices and a customer-driven team to provide a global fusion of Latin flavors.

With 25 years of catering experience, Lina and her husband Alvaro Luna opened a cafe, called Creative Ideas Cafe, a Colombian Mexican Eats Cafe, in Visitacion Valley at 58 Leland Ave in the summer of 2022.

The Office of Small Business assisted Lina with critical steps needed for final permit approvals, including compliance with accessibility requirements. Since opening, the cafe has been a welcome addition to the community!
This shows a breakdown of businesses that seek services from the Office of Small Business, based on the business location by Board of Supervisor districts. Many entrepreneurs contact our office while in the Pre-start up or Start up phase and do not yet know where they will locate their business.
In an effort to hear directly from small business owners, better understand the issues that businesses face, assess commercial corridor needs, and share information about small business resources, our team explores different neighborhoods in the city on a near-weekly basis.
The Legacy Business Program recognizes longstanding (30 years or longer), community-serving businesses that are valuable cultural assets to the city.

# of Legacy Businesses on the registry as of January 1, 2024

382

# of Legacy Businesses added to the registry in FY2022-23

49

$766,512

awarded through 47 grants supporting 44 Legacy Businesses in FY2022-23 through the Rent Stabilization Grant Program, an incentive for landlords to enter into long-term leases with Legacy Businesses. Landlords who provide leases to Legacy Businesses for 10 or more years may receive grants of up to $4.50 per square foot of space leased per year, with some limitations.

Alicia Vanden Heuvel, owner of La Méditerranée at 288 Noe Street, with their Legacy Business plaque. lamednoe.com
Program improvements

Application fee eliminated
Following our recommendation, the Board of Supervisors passed legislation in September 2022 to eliminate the requirement to charge Legacy Business applicants a $50 administrative fee to get on the registry (BOS File 220877). The goal behind this effort was to remove fees and regulatory barriers that negatively affect small businesses.

Application form simplified
In July 2022, we revised the Legacy Business Registry application form to make it easier for businesses to apply for the Registry and to improve the look of the final application. We also simplified the template for the written historical narrative, which is a critical component of the Registry application.

“San Francisco understands the hardships facing small businesses. Through its Rent Stabilization Grant for Legacy Businesses, our 80+ year old noodle factory was able to relocate down the street and maintain our operations in San Francisco. Having that stability, we can focus on business and support community passion projects.”
Connie Kong
Owner, Tin Wah Noodle Co.
tinwahnoodlecompany.wordpress.com
There are a total of 412 businesses in San Francisco that are registered as Neighborhood Anchor Businesses (15 years or more in SF). Note that Legacy Businesses, which have been in San Francisco for 30 years or longer, are automatically part of the Neighborhood Anchor Business Registry.
Land use restrictions have posed long-standing challenges for small businesses in San Francisco. Through merchant walks, experience working with small business entrepreneurs seeking to establish a storefront, community engagement, and review of the City’s Planning Code, the Office of Small Business identified ways to remove barriers that make opening certain businesses time consuming, expensive, or not even possible in some locations.

As part of Mayor London Breed’s Roadmap to San Francisco’s Future, the Office of Small Business collaborated with the Mayor’s Office to introduce a package of over 100 changes to the Planning Code changes in June 2023 to streamline small business permitting and allow for greater business flexibility.

The legislation (BOS File 230701) was approved by the Board of Supervisors and takes effect January 13, 2024.
Our Small Business Permitting team found that many small business owners had to spend additional time and money on requirements that did not make sense. For example, a business owner who does not plan to make any physical changes to their storefront would be required to hire an architect to produce professional drawings.

We initiated the creation of an alternative path for these types of cases to help small business owners save time and money while helping to get more commercial vacancies filled in the city. This change took effect in October 2022.

More on permitting reforms

Pasta Supply Co in the Inner Richmond at 236 Clement St. was the first business to test out the new process, saving time and money.

Pictured: Mayor Breed (center) signing permitting reform legislation at Pasta Supply Co, with owner Anthony Strong (far right).

www.pastasupplyco.com
The City’s First Year Free program, initiated by Mayor Breed and Supervisor Ronen, waives certain license and permit fees for new and expanding businesses. First Year Free, which began in 2021, was initially meant to sunset on June 30, 2022. Recognizing the ongoing needs of small businesses as they recover from the pandemic, we advocated for an extension of the program to at least June 30, 2024.

New businesses experience significant startup costs before they are revenue generating. The First Year Free program recognizes that challenge and provides financial relief as businesses open.

Since the program started in 2021, over 5,700 businesses have enrolled in the program, and more than $2.38 million in fees have been waived by the City.
In the past fiscal year, the City received approximately 200 anonymous complaints against small businesses with unpermitted awnings, triggering enforcement.

Our office worked with the Mayor’s Office, Board of Supervisors, Department of Building Inspection, and San Francisco Fire Department to establish a one-year amnesty program (until June 1, 2024) for small business owners that includes a simplified application and waived permit fees for compliant awnings.

We conducted and will continue door-to-door outreach and workshops to inform businesses about the amnesty program, which makes it easier and cheaper to come into compliance.

Process improvements and cost savings

Awnings: Turning a challenge into an opportunity

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In addition...

Every May, as part of Small Business Month, the City waives fees associated with replacement signs and awnings for small businesses. In 2023, we collaborated with Supervisor Engardio to sponsor legislation to expand the waiver to include installation of new signs and awnings, in addition to replacement signs and awnings, through May 2024.
Small business survey

In winter of 2022, the Small Business Commission conducted a citywide survey of small businesses to better understand their economic recovery. Over 800 small businesses participated in the survey, which was made available in eight languages.

Key findings from the survey showed that the top three challenges small businesses faced were: an increase in the costs of goods sold, street cleanliness, and lack of customers.

Public safety was also an ongoing concern among business owners. One-third of businesses surveyed were victims of crime between 2-10 times in the past year. Survey findings help to inform the policy and advocacy priorities of the Small Business Commission and the Office of Small Business.

Top 3 challenges by sector

- **Accommodation & food service**
  - Supply chain disruptions
  - Staffing challenges
  - Increase in cost of goods sold

- **Retail**
  - Lack of parking
  - Supply chain disruptions
  - Increase in cost of goods sold

- **Arts & entertainment**
  - Staffing challenges
  - Not enough customers
  - Dirty and smelly streets

- **Health, education, other**
  - Lack of parking
  - Hiring new employees
  - Dirty and smelly streets

The survey findings are available at sf.gov/SBC
Accessibility improvements

The Office of Small Business manages the Barrier Removal Grant Program, which helps business owners make improvements so their business is more accessible to the general public. This is one of two year-round grant programs offered by our office, and funding comes from the California Disability Access and Education Fund fee.

In FY2022-23, we awarded $184,923 to 34 small business owners to help them improve the accessibility of their shops and restaurants.

Emergency disaster relief

2023 started out with a splash, but not the way businesses anticipated. The winter storms caused flooding in many businesses. With one-time funding from OEWD, our office launched an Emergency Flood Disaster Relief Grant Program, providing $300,000 in support to 100 small businesses.
In 2022, our office took over management of what was known as “Shop and Dine in the 49,” a shop-local marketing initiative run by OEWD since 2014. We launched a brand refresh in December 2022, which included renaming it ShopDineSF, creating a new logo, and rolling out an updated webpage at sf.gov/ShopDineSF.

In FY2022-23, ShopDineSF featured several events and marketing campaigns centered around major cultural celebrations in partnership with community organizations. This included Lunar New Year, Carnaval, and Juneteenth. These efforts to encourage residents and visitors to support local businesses are ongoing.

@ShopDineSF on Instagram also regularly highlights upcoming events and activities centered around small businesses.
FY2022-23 Strategic Goals and Priorities

| Support small business retention and growth | Attract new small businesses by making it easier and faster to open in San Francisco | Restore economic vibrancy in neighborhood commercial corridors and economic core |

Small Business Commission priorities

- Promote policy and legislative solutions to mitigate challenges and support the economic health for San Francisco small businesses.
- Provide a venue for stakeholder engagement through collaboration with a wide range of stakeholders to ensure that small businesses are heard and well supported, especially those from historically marginalized communities.
- Proactively address policy and regulatory issues that directly impact the smallest, most vulnerable businesses.
- Better understand challenges for long-standing businesses.
- Simplify small business applications, permitting, and billing processes across departments.
- Serve as a voice in addressing public safety.
- Improve collaboration and relationship-building between merchants and property owners in addressing commercial vacancies.
## Small Business Commissioners

**Current**
- Cynthia Huie President
- Miriam Zouzounis Vice President
- Ron Benitez
- Lawanda Dickerson
- Rachel Herbert
- William Ortiz-Cartagena

**2023**
- Cynthia Huie President
- Miriam Zouzounis Vice President
- Tiffany Carter
- Lawanda Dickerson
- Tricia Gregory
- Rachel Herbert
- William Ortiz-Cartagena

**2022**
- Sharky Laguana President
- Miriam Zouzounis Vice President
- Tiffany Carter
- Lawanda Dickerson
- Rachel Herbert
- Cynthia Huie
- William Ortiz-Cartagena

## Office of Small Business staff

- **Katy Tang** Executive Director
- **Kerry Birnbach** Senior Policy Analyst/Commission Secretary
- **Carol Cheng** Business Case Manager
- **Morgan Heller** Small Business Permit Specialist
- **Richard Kurylo** Legacy Business Program Manager
- **Iris Lee** Commercial Vacancy Manager
- **Rachel Leong** Small Business Permit Specialist
- **Walter Monge** Business Case Manager & Neighborhood Anchor Business Manager
- **Michelle Reynolds** Small Business Programs & Communications Manager
- **Marianne Thompson** Small Business Engagement Specialist
- **Martha Yañez** Business Case Manager
- **Regina Dick-Endrizzi** Strategic Initiatives

- **Small Business Development Center**
  - **Jossiel Cruseta** Executive Director in FY22-23
  - **Jessica Wan** Client Success Specialist in FY22-23, current Executive Director
  - **Lawrence Liu** Client Success Specialist
contact

E-mail  sfosb@sfgov.org
Website  sf.gov/OSB
Phone   415-554-6134

General assistance
City Hall
I Dr. Carlton B. Goodlett Place, Room 140

Permitting support
Permit Center
49 South Van Ness, 2nd floor