



SMALL BUSINESS COMMISSION MEETING MINUTES



Monday, April 13, 2015
5:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Mark Dwight, President
Monetta White, Vice President
Stephen Adams, Kathleen Dooley, William Ortiz-Cartagena
Irene Yee Riley, Paul Tour-Sarkissian

1. **Call to order and roll call.**

The meeting was called to order at 5:34 PM. Commissioners Adams, Dooley, Dwight, Ortiz-Cartagena, Tour-Sarkissian, White, and Yee Riley were present.
Staff in Attendance: Regina Dick-Endrizzi (Executive Director)

2. **General Public Comment (Discussion Item)**

No members of the public requested to speak.

Note: Items #3 and #4 were called together.

3. **Discussion and possible action to make recommendations to the Board of Supervisors (BOS) on BOS File No. 141302 [Health Code - Massage Practitioners, Establishments, and Associated Fees] (Discussion and Possible Action Item)**

Presentation by: Supervisor Katy Tang

4. **Discussion and possible action to make recommendations to the Board of Supervisors (BOS) on BOS File No. 141303 [Planning Code – Massage Establishments] (Discussion and Possible Action Item)**

Presentation by: Supervisor Katy Tang

Supervisor Tang discussed the various changes made to the Health and Planning Codes. She discussed several different scenarios based on the business structure of the massage establishment, the amnesty program in which existing massage establishments have a path to legalization, the different regulations for massage as an accessory use, and increasing the required educational hours to 500, which is in line with California State requirements for a general massage establishment permit. However she noted that she did not want to create more barriers to entry. Cindy Canoford from the San Francisco Department of Public Health (DPH) discussed other changes to the Health

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Code. She noted the increase from 1 year to 3 years for reevaluating a general massage establishment permit. She also discussed the inspection process for massage establishments.

Commissioner Dwight asked how principal and accessory use are determined. He also inquired as to the outright prohibition of massage establishments in certain areas. [Response: Ms. Canoford clarified how principal and accessory use is determined, noting that Planning determines use based on bulk, size, and density of a business's operations.] Commissioner Dwight commended Supervisor Tang on her efforts and on creating an amnesty program. He also asked about locking the exterior doors for sole practitioners. [Response: Ms. Canoford clarified that a sole practitioner may lock the exterior doors when with a client.] Commissioner Adams asked about the permit process in large medical services/office buildings, and thanked Supervisor Tang for the list of scenarios and strong community outreach.

Public Comment: Sasha Cardenas expressed her frustration with the permitting process. Cory House and London Elise expressed opposition. Amanda Lightener expressed appreciation for Supervisor Tang's efforts and outreach, but opposition to the burdensome conditional use requirements. Beverly May expressed her opposition to conditional use and noted these pieces of legislation need to better account for certified professionals. Stacey DeGooyer expressed appreciation for raising the standard of massage therapists in the city and opposition towards conditional use.

Commissioner Dwight thanked the members of the public for voicing their concerns. He asked if the City could increase the State's Division 2 definition to include massage therapists. [Response: They could not, as it is a State regulation. Though the California Massage Therapy Council (CAMTC) was created by the same bill that created Division 2, it did not ordain message therapists as healthcare workers.]

Commissioner Yee Riley asked how the process works and if sole practitioners could share a conditional use permit. [Response: This process has been the same since DPH took over massage permits, and that massage establishments, like other businesses, must go through business licensing, planning, building inspection, and fire inspection. The only difference being that massage establishment owners require a police background check.] Commissioner Yee Riley also asked about the authority DPH has over massage establishments and if they have the power to shut them down. [Response: Currently DPH can only shut down massage establishments without CAMTC certifications, but under this legislation DPH can revoke permits of any massage establishment in violation.] Commissioner Dwight asked how the revocation process works. [Response: Revocation is subject to investigation and review, and that there is an appeal process.] Commissioner White asked about a massage establishment being shut down but still having a lease for the space. [Response: Legislation cannot address private contractual agreements, but Supervisor Tang hopes to make sure businesses can continue to operate.]

Commissioner Tour-Sarkissian asked if business could still operate while in the process of applying for amnesty and how the contact list of licensed practitioners was created. [Response: Businesses applying for amnesty must do so within 90 days and may continue operations as long as they have met the filing deadline. A combination of the City and State business registries were used to create the list.]

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Commissioner Ortiz-Cartagena asked if there is any police involvement in this legislation in terms of enforcement. Commissioner Dwight echoed this sentiment and asked how human trafficking could be addressed in this legislation without the police. [Response: There is no direct involvement; however, the joint task force sent to investigate does include members of the police department. The police can use information from inspections to build larger cases against human traffickers.] Commissioner Ortiz-Cartagena noted that he is okay with this permitting process as long as other businesses must also go through a similar process. He suggested more outreach regarding conditional use and exploring conditional use further, as it is not good for small businesses.

Commissioner Dooley expressed appreciation for increasing educational hours, asked for clarification about the permit and business operations, and said she was concerned about lumping so many different groups together. [Response: The practitioner is the only one who needs the DPH general massage permit, not the business owner.]

Commissioner Dooley asked how long a massage establishment may remain open once applying for conditional use and/or amnesty. [Response: As long as the application is submitted on time, the business can continue to operate for as long as the application is being processed.] Commissioner Dwight noted that it is often difficult for legislators to contact all relevant parties and that community leader must also reach out into their communities. He noted that this is a work in progress, and it is difficult legislation due to the various departments involved. He clarified that this is not law until it is finalized, but it is good to see these changes as it shows the Commission is being heard and its recommendations are being taken into account.

Commissioner Dwight asked what the next steps were moving forward. [Response: Supervisor Tang noted that she is looking for more recommendations and she has been exploring many options in drafting these legislation. She noted these two pieces of legislation will go to Land Use in May and then back to the full Board of Supervisors for two more readings. She noted difficulty in exempting all CAMTC establishments from this as there are many CAMTC with violations.]

Director Dick-Endrizzi discussed the proposed amendments and explained the different courses of actions the Commission could take regarding these two pieces of legislation.

Commissioner Dooley suggested voting on the two pieces of legislation separately and expressed her reservations about the Planning Code, especially the conditional use components. Commissioner Dwight noted the burden that conditional use creates for any business and that the Commission would never advocate to increase the burdens on small businesses. He also noted that conditional use exists for a reason, and the general consensus is that it can be much improved. Commissioner Dwight commended the efforts made thus far.

Motion: Commissioner Dooley motioned to recommend approval of BOS File No. 141302, with proposed amendments.

2nd: Commissioner Adams.

Aye: Commissioners Adams, Dooley, Dwight, Ortiz-Cartagena, Yee Riley, Tour-Sarkissian and White.

Nay: None.

Motion passed, 7-0.

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Director Dick-Endrizzi noted that it would be good to show support for Supervisor Tang's efforts. Commissioner Yee Riley requested to see these two pieces of legislation again in their final version. Motion: Commissioner Adams motioned to recommend support for the direction of this legislation (BOS File No. 141303) and requested to see a final draft at a later date.

2nd: Commissioner Tour-Sarkissian.

Aye: Commissioners Adams, Dwight, Yee Riley, Tour-Sarkissian, and White.

Nay: Commissioners Dooley and Ortiz Cartagena.

Motion passed, 5-2.

5. **Director's Report (Discussion Item)**

Director Dick-Endrizzi discussed the calendar of events for Small Business Week. The Director noted that the Commission will hear more on the Legacy Business Program in a later meeting. She also reported on new staff in the Office.

Commissioner Adams inquired as to the sidewalk sales on both weekends and the status of filling the Commission Secretary position.

6. **President's Report (Discussion Item)**

None.

7. **Vice President's Report (Discussion Item)**

None.

8. **Commissioner Reports (Discussion Item)**

Commissioner Adams reported on the payroll tax to gross receipt seminar hosted by the Treasurer and commended the Treasurer for the event.

9. **New Business (Discussion Item)**

None.

10. **Adjournment (Action Item)**

Motion: Commissioner Adams motioned to adjourn the meeting.

2nd: Commissioner Dooley.

Aye: All in favor.

Nay: None.

Motion passed, 7-0.

The meeting was adjourned at 7:20 PM.

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