

**SMALL BUSINESS COMMISSION  
SPECIAL MEETING MINUTES**

Wednesday, May 27, 2020  
1:00 P.M.

**SMALL BUSINESS COMMISSIONERS**

Sharky Laguana;, President  
Miriam Zouzounis, Vice-President  
Stephen Adams Kathleen Dooley; Cynthia Huie;  
William Ortiz-Cartagena; Manny Yekutiel

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

The meeting was called to order at 1:01pm.

Commissioners: Adams\*, Dooley, Huie, Laguana, Ortiz-Cartagena, Yekutiel, and Zouzounis\* were present.

Commissioners Adams and Zouzounis left the meeting during Item 3.

Staff in attendance: Dominica Donovan (Senior Policy Analyst).

2. **Board of Supervisors File No. 200455. Emergency Ordinance – Temporary Right to Reemployment Following Layoff Due to COVID-19 Pandemic. (Discussion and Action Item)**

Mr. Edward Wright, legislative aide to Supervisor Gordon Mar, provided an overview of the legislation and anticipated amendments. He shared that this Ordinance was necessary for worker protections support due to the COVID-19 Pandemic.

The Commission engaged in a substantive discussion regarding the legislation with Mr. Wright and were provided with ample opportunity to ask important questions relative to the genesis of the legislation and its expected implementation. Mr. Wright also shared anticipated amendments to the legislation, which he noted, were not yet drafted. These include:

- An exemption for employers with less than 75 employees;
- An exemption for healthcare operators as defined in a local Health Order dated April 29, 2020, this would include public hospitals;
- Employers would not be required to make reemployment offers to eligible workers who made more than 120% of the local AMI;
- Employers would not be required to make reemployment offers to eligible workers who received a severance;
- Section 5(a)(4) which would require the development of a website by the Office of Labor Standards and Enforcement and 5(a)5 which would require that employers collect certain information on behalf of their employees with their consent, to be submitted to the City, would be struck; and,
- Employers would be able to call or send a text message to eligible workers to inform them of the offer for reemployment before sending mail by post.

Concerns expressed by the Commission were grounded in a lack of data to support the need for the Emergency Ordinance and the underlying presumption that businesses won't rehire those that they have been

compelled to layoff due to the Public Health Emergency. While Mr. Wright shared that ~100,000 workers in San Francisco had applied for unemployment, he could not share how many of those workers could potentially benefit from this legislation, with or without the amendments. Moreover, he could not share the approximate number of businesses that would be required to comply with the legislation, with or without amendments. Despite these unknowns, the sponsor's office shared that they were confident that thousands of workers would benefit from the legislation.

Relative to the proposed administration of the Emergency Ordinance, the Commission had myriad concerns. Specifically, Mr. Wright could not definitively articulate how misconduct and severance would be defined. Both definitions would directly impact whether an employer would be required to rehire a possibly eligible employee. When asked how much it would cost the City to administer the program, Mr. Wright could not provide an estimate and cited that a Budget and Legislative Analyst's estimate was not yet available.

The SBC also asked whether the legislative sponsor had considered the time burden that small businesses would have to bear in order to successfully comply with this Ordinance. Mr. Wright affirmed that that was not a consideration. Mr. Wright also shared that the possible legal defense costs that a small business might be liable for were also not considered as a possible challenge. The Commission also asked how out of state workers may be treated under this Emergency Ordinance. Mr. Wright could not provide a definitive answer at the time of the meeting. Additionally, the Commission expressed that should this legislation pass, it would only exacerbate regulatory challenges already driving many small businesses past the point of closure, including those employing 75-100 employees

No members of the public requested to speak. Please refer to the attached written public comment.

Motion: Commissioner Adams motioned to oppose the legislation.

2nd: Commissioner Huie

Aye: 6

Nay: 1

Motion passed: 6-1.

3. **Continued Discussion on Small Business Recovery and Rebuilding. (Discussion Item).**

Commissioner Laguana affirmed that the Commission sent a formal list of recommendations to the Economic Recovery Task Force on May 13. He also shared that the memo was well-received by the Task Force, particularly the section on Land Use. The Mayor's Office also shared that the Shared Spaces Program was also supported and informed by the Memo.

With respect to the Task Force, two meetings have been held so far and primarily administered in small groups. Commissioner Huie offered that she has been working on assistance and guidance relative to the reopening of dental practices. This has been particularly challenging as deferring preventive care and treatment has resulted in more challenging issues for dental patients. Commissioner Huie asserted that more transparent and clear paths for reopening need to be established.

Commissioner Ortiz-Cartagena shared that throughout the process he is ensuring that ideas and proposals are viewed through an equitable lens. Particularly for non-native English speakers and worker/business owners that are undocumented. His priority is to ensure that the Task Force's proposals don't further gentrify neighborhoods.

Commissioner Adams commended the Commissioners' work on the Task Force.

Commissioner Laguana commended everyone's work relative to recovery and rebuilding.

Commissioner Yekutieli thanked Laguana, Ortiz-Cartagena, and Huie for representing the Commission on the Task Force. He also followed up on the 42 proposals included in the Memo sent to the Task Force and asked for a status on the proposals and emphasized the urgency for action.

Commissioner Laguana supported Commissioner Yekutiel's call for urgency. He asked Director Dick-Endrizzi for an update on invitations for presentations to the Commission. Director Dick-Endrizzi shared that the Department Heads she determined were relevant to the memo, received it. She was not able to have a discussion with them regarding the memo in order to invite them to today's meeting. However, she expressed her appreciation for the Commission's disappointment and urgency. She also highlighted that there are many competing priorities for the Office which adds to the challenge of scheduling and emphasized the challenge of tracking them all.

Commissioner Laguana asked which Department Heads the Director determined were relevant. Director Dick-Endrizzi shared that they could be the Tax and Treasurers Office, the Office of Economic and Workforce Development, the Planning Department, Public Works, and possible the Assessor's Office. Commissioner Yekutiel asked for affirmation that it would be worth the Commission's time to have Department Heads come and speak. Both Commissioner Adams and Laguana supported this. The Director shared that part of the challenge is that the Commission does not have set meeting times, and that she needs to understand what additional background materials the Commission may need ahead of having the Departments present. She asked the Commission to prioritize who they'd like to present and what they should present on. Commissioner Laguana agreed to narrow the scope.

Commissioner Dooley shared that North Beach has long been working with Supervisor Peskin's office on Shared Spaces proposals and highlighted the challenges of the program. She advised that businesses work directly with their Supervisors if they are interested as soon as possible. Commissioner Laguana agreed.

Commissioner Huie asked whether it would be helpful to provide status updates of the proposals. The Commission affirmed that this would be helpful.

Director Dick-Endrizzi asked the Commission for prioritization relative to the proposals. Commissioner Laguana offered that the Commission does need to establish regularity for the Commission's schedule which should help with this. He then asked the Director what she needs from the Commission in order to start working on the proposals. Commissioner Yekutiel interjected and highlighted, that at the last meeting, the Commission discussed that the Director has the expertise to determine where the Commission should start relative to the proposals and which agencies would be responsible for addressing that proposal.

Commissioner Adams, Dooley, Yekutiel, and Laguana offered their priority interests. Director Dick-Endrizz, again, requested more specificity regarding the requests. Commissioner Laguana shared that reopening and pivoting would be a first priority. Commissioner Yekutiel offered that a blanket proposal and invitation be submitted to the enforcement agencies. Commissioner Laguana then concurred. Commissioner Dooley asked that at the very least, reopening guidance and how to prepare be provided and discussed.

Director Dick-Endrizzi accepted Commissioner Yekutiel's proposal. Commissioner Laguana asked that a document be drafted that indicates the corresponding email to the proposal. Commissioner Yekutiel, again, emphasized time and the urgency of the need to have Departments be present for a meeting.

No members of the public requested to speak.

4. **Update on the City Budget and Budget Adjustments required of the Office of Small Business FY 20/21 and 21/22 Department Budget. (Discussion Item)**

Director Dick-Endrizzi presented on the Office of Small Business's budget and anticipated budget reductions.

Commissioner Dooley suggested to discuss the budget in concert with the Office of Economic and Workforce Development. Commissioner Laguana concurred.

Commissioner Laguana affirmed that the Office's activities address the needs of more vulnerable populations. And, emphasized the significantly increases workload assessed to the Office's staff- a budget cut would be to the detriment of the Office and small businesses at this time.

No members of the public requested to speak.

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

Director Dick-Endrizzi shared updates related to the Office of Small Business (OSB) COVID19 Hotline (2,230 businesses served since March 16); staff developed and published a list for business to business PPE purchasing; estimated number of businesses closed is 385; and, OSB staff is working on Return to Work Guidance for the following areas: Personal Services (Hair Salon, Barber Shops, Body Arts, Acupuncturist, Chiropractors, Massage Therapist, Days Spas).

Staff is tracking the following legislative matters: a resolution Urging the Governor to Waive California Redemption Value Fines for Small Businesses; BOS File No. 190695, a motion which would authorize a tax which would fund Mental Health SF; BOS File No. 200214, which is an Order that would codify the Community Business Priority Processing Program; and, BOS File No. 200398, which would regulate third party delivery services. Staff is also following State Bill 939 which would Require or incentivize commercial property owners to relieve small business owners of outstanding lease obligations if they have permanently closed due to COVID-19.

The Director is also working on reopening plans for Office staff.

No members of the public requested to speak.

6. **Commissioners' Reports. (Discussion Item)**

Commissioner Ortiz-Cartagena praised the businesses he's worked with during the Public Emergency, including.

Commissioner Laguana also praised small businesses in San Francisco writ large for their help during the Pandemic.

Commissioner Yekutiel highlighted that the Valencia Street Merchants is making strides towards beautifying the corridor, 94.6% of the merchants were supportive.

Commissioner Laguana also highlighted attending the SFCDMA meeting.

No members of the public requested to speak.

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

No members of the Commissioner shared New Business.

No members of the public requested to speak.

8. **Adjournment. (Action Item)**

Motion: Commissioner Laguana motioned to adjourn the meeting.

2nd: Commissioner Ortiz-Cartagena.

Aye: 5

Nay: 0

Absent: 2

Motion passed: 5-0.

Meeting was adjourned at 4:03pm