



**SMALL BUSINESS COMMISSION**  
**DRAFT MEETING MINUTES**



Monday, March 23, 2015  
2:00 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 2:02 PM. Commissioners Adams, Dooley (arrived at 2:42 PM), Dwight, Ortiz-Cartagena, Tour-Sarkissian, Yee Riley, and White (left at 4:34 PM) were present. Staff in Attendance: Regina Dick-Endrizzi (Executive Director).

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

No members of the public requested to speak.

3. **Presentation on Google's Small Business Engagement (Discussion Item)**

*Presenter(s): Rebecca Prozan, Public Policy and Government Affairs Manager, Google*  
*Joe DeMike, Global Business, Google*  
*Adrianna Samaniego, Diversity Markets, Google*  
*Allison Bernstein, Diversity Markets, Google*

Presenters discussed Google's programs to aid small business, including the following: Google Small Business Community, Google for Entrepreneurs, Google Small Business Supplier Diversity, Community Partners, and Accelerate with Google Academy. These programs offer a range of services, such as video education programs, free domains and hosting, classes to help business owners that are creating a website for the first time, and search engine optimization technique training.

Commissioner Adams thanked Google staff for their presentation and outreach to minority markets; he also highlighted their involvement with San Francisco Small Business Week. Commissioner White asked about Google's outreach practices to cultivate its network of small businesses, and if Google plans to have additional language offerings. Commissioner Ortiz-Cartagena thanked Google staff for their presentation and the company's outreach in the Mission neighborhood.

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Note: Items #4 and #5 were called together.

4. **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 Item)**

*Presenter(s): Cyndy Comerford, Manager of Policy and Planning, Department of Public Health*

5. **Discussion on BOS File No. 141303 [Planning Code – Massage Establishments] Ordinance**

*Presenter(s): Supervisor Katy Tang  
Diego Sanchez, Planning Department*

Ms. Comerford provided a legislative history of massage industry regulation at the state and local levels, illustrating key moments when regulation shifted and created loopholes for exploitation. She claimed that those shifts led to the current situation in which an estimated 30-50% of massage businesses in San Francisco are illicit and potential hubs for human trafficking. Furthermore, Ms. Comerford noted a lack of public process or community planning when these businesses entered a community. The purpose of the proposed legislation is threefold: 1) codify state law into local law, 2) improve regulation of massage establishments by adding additional requirements and heightening business transparency, and 3) increase cultural competency to support healthy communities. An amnesty program is being developed for existing businesses to be incorporated with the new legislation. She also discussed enforcement efforts.

Supervisor Tang reported that she had met with stakeholder groups about the proposed legislation and acknowledged the positive role these establishments play in society. She noted that the legislation would extend the timeframe (from one to three years) in which a new massage establishment may open in a location where a massage establishment had been shut down (due to violations), and that they were looking at ways to avoid a full conditional use process for those in the amnesty program. Supervisor Tang's office had sent out 200 letters to massage establishments and practitioners highlighting changes to the existing law and soliciting feedback.

Mr. Sanchez went over permit requirements and exceptions to the conditional use requirement under the existing code, as well as which particular parts of the code would be amended; he noted that the changes would not consider a massage establishment to be a Medical Service Use. The Planning Department supports the legislation as drafted because it reinstates local land use control, standardizes the definition, and puts operators on notice regarding regulations; it supports the Conditional Use requirement because it allows for a public analysis of the concentration in certain neighborhoods, serves to filter out less qualified or scrupulous proposals, and assists in the Planning Department's enforcement efforts. He closed by delineating support for each of the amendments and recommending that the amnesty program have a sunset of 18 months.

Commissioner Dooley asked about costs to start a massage establishment, how this legislation would reduce illicit activity, how enforcement would work, who would bear the burden of applying for Conditional Use (practitioner or landlord), and the future role of the California Massage Therapy Council (CAMTC). Commissioner Dwight inquired about how massage establishment fees compare to other health and wellness professions, which other health care professions require Conditional Use permits, outreach to small businesses, whether outreach had uncovered particular objections, what constitutes a "closed" establishment, requirements for hotel spas, and whether use

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concentrations were defined. Commissioner Tour-Sarkissian asked about educational requirements and current efforts to reduce illicit activity. Commissioner Ortiz-Cartagena asked what other counties are doing, if there are plans to change fees once illicit activity is reduced, and what role the Police Department would play. Commissioner White asked how other cities and counties are responding to changes in legislation and regulation. Commissioners Dwight and Tour-Sarkissian requested clarification regarding violations, what portion are illicit operations, and the process for establishments that have previously filed an affidavit. Commissioners Ortiz-Cartagena and Yee Riley requested clarification regarding outcall practitioners. Commissioner Yee Riley asked whether the new legislation requires practitioners to have dual licenses/certifications from CAMTC and the Department of Public Health.

Commissioner Dwight recommended that massage practitioners be classified and treated as health care professionals, and that the legislation be amended to remove the Conditional Use portion (or at least provide for an expedited process). Commissioners Adams and Dwight called for greater dialogue between the Planning Department and the massage business community, as public comments suggested that legitimate massage therapists feel targeted with requirements that other businesses are not subjected to. Commissioner Dooley suggested that 500 hours be required, and brought up the issue of existing massage establishment locations. Commissioner Adams commented that while he appreciates the efforts of Supervisor Tang, he feels that the legislation further increases bureaucracy, fees, and hurdles for small businesses. He described how difficult it is for small businesses to survive while going through the Conditional Use process and stated that he could not support that part of the legislation. Commissioner Ortiz-Cartagena noted that he appreciated the massage therapy community for their participation and Supervisor Katy Tang for her legislative efforts. He noted, however, that the legislation still seems problematic and that a new approach needs to be considered.

Public Comment:

Beverly May stated that the 2003 legislation was effective and expressed concern that these proposals would take the City backwards.

Adam Gordon stated that Conditional Use is ineffective and takes a long time to go through, and commented on the proliferation concern as it pertains to this specific industry.

Amanda Leitner discussed present cost and requirements, and expressed opposition to Conditional Use requirements for legitimate operators.

Carolyn Tague indicated support for regulation, but noted the cumbersome nature of Conditional Use.

Dexter Lee discussed his challenges with finding a location and establishing his practice and expressed hope that the legislation would be revised to avoid such high barriers to entry.

London Elise discussed the challenges she would face if forced to go through the Conditional Use process.

Damien Souza discussed challenges of opening a small business in San Francisco and highlighted language in the state law that demonstrates intent to protect existing massage practitioners.

Jennifer Lightstone described the process she went through to comply with requirements since she started her business; she supported a 500-hour requirement and being separated from illicit activities.

Gary Witt offered a massage therapy school's perspective, expressing concern about effects of the proposed legislation, especially the conditional use requirement, on graduates. He stated that illicit businesses would have an easier time getting through the process than legitimate ones. He also requested that the City raise the requirement to 500 hours.

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Motion: Commissioner Adams made a motion to move Item #4 to the April 13 Small Business Commission Meeting, for further discussion and possible final action.

2nd: Commissioner Dooley.

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

Nay: None.

Motion passed, 7-0.

Motion: Commissioner Dwight made a motion to recommend that the Board of Supervisors not approve BOS File No. 141303. The SBC did recommend that Supervisor Tang and the Planning Department:

1. Develop a definition for legitimate massage establishment and therapist that is aligned to other medical professions, such as psychotherapist and occupational therapist, and to follow these medical uses' current land use controls.
2. The Planning Department create a means to grandfather existing non-conforming legitimate massage establishments.

2nd: Commissioner Adams.

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

Nay: None.

Motion passed, 7-0.

6. **Update and discussion for the development and implementation of the Legacy Business Program. (Discussion and Possible Action Item)**

Director Dick-Endrizzi highlighted changes made to the Legacy Business Program by the Board of Supervisors; discussion of implementation would be delayed to the next Commission meeting.

Public Comment: Shelley Caltagirone discussed the Cultural Heritage Assets Committee, the development of new programs, and collaboration around the Legacy Business Program.

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

Director Dick-Endrizzi reported a personnel change and outreach from the Sheriff's Department for assistance in starting a social-entrepreneurial coffee cart related to recidivism in women.

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

None.

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

None.

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

None.

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

None.

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12. **Adjournment (Action Item)**

Motion: Commissioner Adams made a motion to adjourn the meeting.

2nd: Commissioner Yee Riley.

Aye: All in favor.

Nay: None.

Absent: Commissioner White.

Motion passed, 6-0, 1 absent.

The meeting was adjourned at 4:48 PM.

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