



SMALL BUSINESS COMMISSION
DRAFT MEETING MINUTES



Monday, July 25, 2016
2:00 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

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

1. Call to order and roll call.

The meeting was called to order at 2:05 PM. Commissioners Adams, Dooley, Dwight, Ortiz-Cartagena, Yee Riley, and Tour-Sarkissian were present. Commissioner Zouzounis was absent. Staff in Attendance: Regina Dick-Endrizzi (Executive Director), Menaka Mahajan (Senior Policy Analyst & Commission Secretary), and Alexander Fong (Summer Policy Intern).

2. Presentation and Possible Action on Board of Supervisors File No. 160656 - Planning Code - Medical Service Use - Sacramento Street Neighborhood Commercial District. (Discussion and Possible Action Item)

Presenter(s): Kanishka Karunaratne, Legislative Aide, Office of Supervisor Mark Farrell

Ms. Karunaratne discussed closing a loophole that allows for a space to be converted to business and professional use, then immediately converted to medical use. This goes against the intention of the legislation that allowed medical services use conversion in the first place, as it takes away storefronts and decreases foot traffic. Ms. Karunaratne stated that there is strong neighborhood support from both businesses and residents. This legislation would ban the conversion of any space in the Sacramento Street Neighborhood Commercial District to medical services use.

Public Comment: Traci Teraoka voiced her support of this legislation and asked for the support of the Commission. She discussed the need for this legislation as it would help increase foot traffic, draw in customers, and enliven the area. Ace Washington voiced opposition to the actions of the Commission.

Motion: Commissioner Yee Riley made a motion to support this legislation.

2nd: Commission Dooley.

Aye: All in favor.

Nay: None.

Absent: Commissioner Zouzounis.

Motion passed, 6-0, 1 absent.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110
SAN FRANCISCO, CA 94102
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR
MENAKA MAHAJAN, SENIOR POLICY ANALYST & COMMISSION SECRETARY

3. **Presentation and Possible Action on Board of Supervisors File No. 160760 - Initiative Ordinance - Business and Tax Regulations and Administrative Codes - Tax on Technology Companies to Fund Affordable Housing and Homeless Services; Business Registration Fee Reduction. (Discussion and Possible Action Item)**

Presenter(s): Nickolas Pagoulatos, Legislative Aide, Office of Supervisor Eric Mar

Mr. Pagoulatos was unable to attend.

Commissioner Dwight said that although it is unclear if this measure will be on the ballot, it is worthwhile to have a discussion. Commissioner Adams voiced opposition to this legislation.

Public Comment: Ace Washington requested that Commissioners visit the Western Addition.

Motion: Commissioner Adams made a motion to make the following policy statement:

The Small Business Commission opposes levying a selective payroll tax on any businesses in the City and County of San Francisco. In 2012, San Francisco voters approved the replacement of payroll taxes with gross receipts taxes for all businesses, and that five-year transition plan is now in process. Implementation of a selective payroll tax is inconsistent with the legislation approved in 2012.

2nd: Commissioner Yee Riley.

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

Nay: Commissioners Dooley and Ortiz-Cartagena.

Absent: Commissioner Zouzounis.

Motion passed, 4-2, 1 absent.

4. **Discussion and Possible Action on Letter of Support regarding Preservation of Median Parking in Valencia and Guerrero Corridors. (Discussion and Possible Action Item)**

Presenter(s): William Ortiz-Cartagena, Vice President, Mission Economic Development Agency (MEDA)

Commissioner Ortiz-Cartagena requested to recuse himself in order to present on this matter. John Knox White (Transportation Planner, San Francisco Municipal Transportation Agency) was present to answer questions.

Motion: Commissioner Adams motioned to recuse Commissioner Ortiz-Cartagena from voting on this item.

2nd: Commissioner Dooley.

Aye: All in favor.

Nay: None.

Absent: Commissioner Zouzounis.

Motion passed, 6-0, 1 absent.

Mr. Ortiz-Cartagena spoke as a representative of the small business owners and residents of the Mission District. He discussed the long standing practice of median parking in certain areas in the

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110
SAN FRANCISCO, CA 94102
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR
MENAKA MAHAJAN, SENIOR POLICY ANALYST & COMMISSION SECRETARY

Mission. It is the only viable option given the scarcity of parking in the area. Mr. Ortiz-Cartagena noted that regional customers drawn into the Mission rely heavily on median parking and ease of parking is a primary reason for their patronage. Mr. Ortiz-Cartagena discussed how an agreement was reached on this matter, but on the day of the vote, those in opposition voted against the prior agreement. Mr. Knox White discussed the efforts of the SFMTA in this process, mentioned that this practice has gone on for decades, and that despite some complaints, enforcement was deprioritized regarding this matter. He mentioned that the vote was 4-3 (1 absent), that no recommendation can be made without 5, and that there is no scheduled time to vote again on this matter. He also discussed some potential safety issues, for which input from the San Francisco Fire Department was considered.

Commissioner Dwight inquired regarding SFMTA support for and the legality of median parking and its policies and procedures. He also asked if new residents are the ones calling for enforcement. Commissioner Adams commented that this practice has long existed and always worked. He also noted support and commendation for the formalization of this practice. Commissioner Tour-Sarkissian asked if this practice had stopped and when and where median parking is used. He also asked if this would benefit businesses and what the next steps would be. Commissioners Tour-Sarkissian and Dooley asked about safety. Commissioners Dooley asked about the main reasons given in support, and she asked if the churches were consulted, as two hours may be too short a time. Commissioner Yee Riley asked about the impact on traffic and if median parking is formalized, if there would be time limits set for greater turnover of spaces to benefit businesses.

Public Comment: Kyung Kim voiced his support and discussed the efforts his church makes to enforce the general guidelines of informal median parking. He noted that they had been working other religious groups in the area in developing this. Ace Washington commented that he would speak during General Public Comment.

Motion: Commissioner Adams made a motion to support the letter.

2nd: Commissioner Tour-Sarkissian.

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

Nay: None.

Absent: Commissioner Zouzounis.

Recused: Commissioner Ortiz-Cartagena.

Motion passed, 5-0, 1 absent, 1 recused.

Commissioner Ortiz-Cartagena left at 2:51 PM.

5. **Update on the Legacy Business Program (Discussion Item)**

Presenter(s): Richard Kurylo, Legacy Business Program Manager

Mr. Kurylo informed the Commission that there have been 76 nominations to the registry, 26 applications, and 9 have been reviewed by the Historic Preservation Commission with 10 more awaiting their review. He reported on the rent stabilization program, tenant grants program, and the updated website. Mr. Kurylo discussed various federal sources of funding and the general layout of future reports once the program is fully up and running.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110
SAN FRANCISCO, CA 94102
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR
MENAKA MAHAJAN, SENIOR POLICY ANALYST & COMMISSION SECRETARY

Commissioner Dwight requested the language be clarified in the first bullet on slide 7. He made several points of clarification by calculating the annual dollar amounts into hourly figures. He wanted to put it in perspective to allow the public to manage their expectations of the grant, pointing out that the grant is not a silver bullet. Commissioner Dwight requested that a best case scenario be made to demonstrate to businesses the best and worst case of funding from the grant to enable the businesses to plan. He pointed out the Commission's fiduciary duty; they cannot grant funds to a business that would fail regardless. Commissioner Ortiz-Cartagena agreed, noting this is not an unlimited resource. Commissioner Tour-Sarkissian asked to clarify that the grant is awarded annually. Commissioner Yee Riley suggested noting in the title that all grants and funding are annual.

Director Dick-Endrizzi discussed examining the budget and looking into which business are interested in 10 year leases. She noted that rent stabilization is a rolling deadline. Director Dick-Endrizzi also clarified the differences between the grant and the rent stabilization funds. She further clarified that the Commission will only hear applications to the Legacy Business Registry, and that grant qualification guidelines will be developed during an upcoming meeting.

Public Comment: Ace Washington commented on this item.

Commissioner Ortiz-Cartagena returned at 2:58 PM.

6. **Discussion and possible action to make final recommendation for the Legacy Business Registry rules and regulations to administer Administrative Code Section 2A.242, The Legacy Business Registry. (Discussion and Possible Action)**

Presenter(s): Regina Dick-Endrizzi, Executive Director, Office of Small Business

Director Dick-Endrizzi requested a walkthrough of the application process to help with clarity and identify any nuances. She also suggested a discussion of non-profits and their standing in the Legacy Business Registry. Mr. Kurylo showed the Legacy Business website and went through the steps for nomination and application. Director Dick-Endrizzi reviewed guidelines and various sections of the application, noted key steps in the process, pointed out that the disclosure of financial statements is part of the process to ensure the business is in overall good standing, noted the possibility of businesses being removed from the Registry if they drastically change key aspects of the business. For example, moving outside the City of San Francisco would be a clear cut disqualification. Director Dick-Endrizzi also clarified that the recommendation from the Historic Preservation Committee is only a recommendation, and the final decision is entirely up to the Commission.

Commissioner Yee Riley asked if all the forms and information were available online. Commissioner Tour-Sarkissian suggested adding reference on the website for assistance to minority businesses, such as language assistance. Commissioner Tour-Sarkissian requested clarification that placement on the registry is a one-time application. Commissioners Tour-Sarkissian and Dwight noted that disqualification can be highly subjective and standards should be set for removal from the Registry. Commissioner Dwight recommended preparation of a list of the obvious disqualification triggers, but had reservations on other more nuanced changes being grounds for disqualification. He requested an estimate of the potential population of the Registry. Commissioner Dwight noted the disconnect between the public's own expectations of the grant and the reality of it. Commissioners

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110
SAN FRANCISCO, CA 94102
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR
MENAKA MAHAJAN, SENIOR POLICY ANALYST & COMMISSION SECRETARY

Dwight and Ortiz-Cartagena noted that the primary component is the Registry and the grant is secondary. Commissioner Ortiz-Cartagena noted the grant money has led the public to create certain false expectations. Commissioner Dwight also made note of non-profit organizations being nominated to the Legacy Business Registry. He recommended clarification that it is a business registry to prevent any further confusion or conflict. Commissioner Dwight noted two action items from the discussion:

1. Specific criteria for disqualification and removal from the Registry
2. A determination on the standing of non-profits in the Registry.

Public Comment: Ace Washington commented on this item.

Commissioner Dooley left at 4:07 PM.

7. **Discussion and possible action to make recommendations for proposed rules and regulations to administer Administrative Code Section 2A.243, The Legacy Business Assistance Account. (Discussion and Possible Action)**

Presenter(s): Regina Dick-Endrizzi, Executive Director, Office of Small Business

Public Comment: Ace Washington discussed oversight of the Office of Economic and Workforce Development.

Motion: Commissioner Adams made a motion to postpone items 7 and 8 to the meeting on August 8, 2016.

2nd: Commissioner Tour-Sarkissian.

Aye: All in favor.

Nay: None.

Absent: Commissioners Dooley and Zouzounis.

Motion passed, 5-0, 2 absent.

8. **Discussion and possible action to make recommendations for proposed rules and regulations to administer Administrative Code 2A.243, The Rent Stabilization Account. (Discussion and Possible Action)**

Presenter(s): Regina Dick-Endrizzi, Executive Director, Office of Small Business

9. **Approval of regular meeting minutes (Action Item)**

Explanatory Documents:

- [July 11, 2016 draft regular meeting minutes](#)
- [June 23, 2014 draft Legislation and Policy Committee meeting minutes](#)
- [April 28, 2014 draft Legislation and Policy Committee meeting minutes](#)

Public Comment: Ace Washington commented on this item.

Motion: Commissioner Yee Riley made a motion to approve the minutes.

2nd: Commissioner Adams.

Aye: All in favor.

Nay: None.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110
SAN FRANCISCO, CA 94102
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR
MENAKA MAHAJAN, SENIOR POLICY ANALYST & COMMISSION SECRETARY

Absent: Commissioners Dooley and Zouzounis.
Motion passed, 5-0, 2 absent.

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

Ace Washington voiced his readiness to get back in with City Hall. He discussed the inability of the Commission to produce meeting minutes. Mr. Washington commended Commissioner Ortiz-Cartagena for recusing himself during item 4.

11. **Director's Report: (Discussion Item)**

Director Dick-Endrizzi discussed the status of various legislative items, reported on meeting the company that is developing the Office of Small Business's new logo, and estimated that the new logo would be ready for the Commission within a couple months. The Office of Small Business's summer intern, Alexander Fong, introduced himself to the Commission.

Public comment: No members of the public requested to speak.

12. **Commissioners' Reports: (Discussion Item)**

None.

Public comment: No members of the public requested to speak.

13. **New Business: (Discussion Item)**

Commissioner Adams thanked Commissioner Ortiz-Cartagena for his presentation, noting that this is the sort of thing that is important to small businesses. Commissioner Ortiz-Cartagena thanked Menaka Mahajan for helping to draft his letter.

Public comment: No members of the public requested to speak.

14. **Adjournment (Action Item)**

The meeting was adjourned at 4:43 PM in honor of Pat Christensen, long-time small business advocate.

SMALL BUSINESS COMMISSION
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110
SAN FRANCISCO, CA 94102
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR
MENAKA MAHAJAN, SENIOR POLICY ANALYST & COMMISSION SECRETARY