

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

Monday, April 10, 2017  
5:30 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 5:31 PM.  
Commissioners Adams, Dooley, Ortiz-Cartagena, Tour-Sarkissian, Yee Riley, and Zouzounis were present.  
Commissioner Dwight was absent.  
Staff in attendance: Regina Dick-Endrizzi (Executive Director), Menaka Mahajan (Senior Policy Analyst), and Richard Kurylo (Program Manager, Legacy Business Program).

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

No members of the public requested to speak.

3. **Approval of Legacy Business Registry Applications and Resolutions. (Discussion and Action Item)**

Richard Kurylo, Legacy Business Program Manager, presented 2 applications for inclusion on the Legacy Business Registry:

- a. Red and White Fleet (Application No.: [LBR-2016-17-070](#))
- b. Ruby Sailing (Application No.: [LBR-2016-17-068](#))

Mr. Kurylo informed the Commission that both of the applications met the criteria for the Legacy Business Registry, and both of the applications received positive recommendations from the Historic Preservation Commission. Mr. Kurylo recommended that the Small Business Commission adopt 2 resolutions to include the 2 applicants in the Legacy Business Registry as Legacy Businesses under Administrative Code Section 2A.242.

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

Commissioner Adams spoke in support of Red and White Fleet.

Motion: Commissioner Ortiz-Cartagena motioned to adopt 2 resolutions to include the following 2 applicants in the Legacy Business Registry as Legacy Businesses under Administrative Code Section 2A.242: Red and White Fleet; Ruby Sailing.

2<sup>nd</sup>: Commissioner Yee Riley.

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

Nay: None.

Absent: Commissioner Dwight.

Motion passed 6-0, 1 absent.

4. **Board of Supervisors File No. 170240 - Police, Building Codes - Lactation in the Workplace. (Discussion and Possible Action Item)**

Ashley Summers (Legislative Aide, Office of Supervisor Katy Tang) provided an overview of the legislation's requirements, rationale, and state and federal law. She discussed examples of lactation spaces and explained that the purpose of the legislation is to ensure that working mothers are properly accommodated and that the legislation is not meant to be punitive.

Grace Yee (International Board Certified Lactation Consultant, Department of Public Health) was present to answer questions.

At the request of Commissioner Tour-Sarkissian, Ms. Summers provided more details regarding a planned outreach program that would inform businesses of the new law. Ms. Summers stated that this item will go to the Land Use Committee in May.

Grace Yee gave further information on behalf of the Department of Public Health (DPH). She noted the DPH website as a resource with examples of creative lactation spaces that small businesses could follow to comply with the law. Commissioner Tour-Sarkissian inquired about employee breaks and resources for businesses.

Commissioner Ortiz-Cartagena asked about the penalty process if a complaint is filed against a small business for noncompliance. Commissioner Yee Riley asked if the requirement is only upon employee request, which Ms. Summers confirmed, adding that existing businesses need only provide temporary lactation structures. Commissioner Zouzounis asked about the enforcing agency and about specific language of the item. Commissioners Zouzounis, Dooley, and Tour-Sarkissian inquired about remaining logistical details.

**Public Comment:**

Jim Lazarus spoke about outstanding issues with the legislation and a possible amendment that may go before the Land Use Committee.

Stephen Cornell noted that this is another cost to small business and requested that all City contracts require this.

Commissioner Ortiz-Cartagena emphasized the need for outreach and the need to avoid exposing small businesses to litigation. He expressed he would feel more comfortable if given further information regarding the legislation.

Motion: Commissioner Tour-Sarkissian motioned to continue BOS File No. 170240.

2<sup>nd</sup>: Commissioner Ortiz-Cartagena.

Aye: All in favor.

Nay: None.

Absent: Commissioner Dwight.

Motion passed 6-0, 1 absent.

5. **Board of Supervisors File No. 150969 - Planning Code - Affordable Housing Bonus Programs. (Discussion and Possible Action Item)**

Supervisor Katy Tang presented an overview of the legislation, its rationale, and some of the incentives.

Kearstin Dischinger (Senior Community Development Specialist, Planning Department) provided additional information.

Joaquin Torres (Deputy Director, Invest in Neighborhoods, Office of Economic and Workforce Development) discussed characteristics of a healthy commercial corridor and Small Business Retention and Relocation (R&R). The Office of Economic and Workforce Development (OEWD) will assess work that has been done from notification to public hearing.

Supervisor Tang provided the instructions document, including items that need to be discussed at the Planning Commission hearing.

Commissioner Tour-Sarkissian noted the Home-SF legislation and its protections. He also asked about

displacement of residential units. Supervisor Tang stated RH1 and RH2 sites would be excluded. Only RH3 and above would be included. Commissioner Adams commended Supervisor Tang for discussing “middle income” families.

Public Comment:

Kevin Burke spoke in favor of the legislation.

Steve Boyle spoke in favor of the legislation.

Stephen Cornell noted several businesses that could be displaced.

Motion: Commissioner Adams motioned to recommend that the Board of Supervisors approve BOS File No. 150969.

2<sup>nd</sup>: Commissioner Tour-Sarkissian.

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

Nay: Commissioners Dooley and Zouzounis.

Absent: Commissioner Dwight.

Motion passed 4-2, 1 absent.

6. **Board of Supervisors File No. 170206 – Planning Code - Off-Street Parking and Loading Requirements. (Discussion and Possible Action Item)**

Diego Sanchez (Legislative Analyst / Urban Planner, Planning Department) offered an overview of the legislation, which is a clerical cleanup.

Commissioner Tour-Sarkissian asked about substantive changes. Commissioner Zouzounis asked about car share parking.

Mr. Sanchez stated that existing small businesses would not be affected, as many do not have parking areas larger than 5,000 square feet. Commissioner Yee Riley questioned the logic of reducing the number of parking spaces. Mr. Sanchez brought up the tradeoff between providing space for automobiles vs. housing. Commissioner Dooley urged the Planning Department to conduct outreach to those affected by the decision.

Public Comment:

Stephen Cornell noted that no outreach had occurred to the business community and voiced concern about recalculation of parking spaces, believing it might reduce the number of parking spaces.

Motion: Commissioner Tour-Sarkissian motioned to recommend that the Board of Supervisors approve BOS File No. 170206.

2<sup>nd</sup>: Commissioner Ortiz-Cartagena.

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

Nay: Commissioner Zouzounis.

Absent: Commissioner Dwight.

Motion passed 5-1, 1 absent.

7. **Proposed Additional Rule for the Legacy Business Historic Preservation Fund Rules and Regulations for Rent Stabilization Grants. (Discussion Item)**

Richard Kurylo, Legacy Business Program Manager, presented the following proposed additional rule for the Legacy Business Program’s Rent Stabilization Grant and timelines for acting upon this item:

“6. A lease or lease extension that satisfies the criteria for a grant under Administrative Code Section 2A.243(c) shall render a landlord eligible to receive a grant under Section 2A.243(c) as early as the fiscal year in which the lease or lease extension is executed, even if the lease or lease extension does not take effect until a later fiscal year. A Qualified Landlord need not wait for the qualifying lease or lease extension to take effect before applying for or receiving a grant. If, however, the Qualified Landlord applies for a grant before the lease or lease extension has taken effect, the landlord must—as a condition of receiving a grant—agree to return the entire amount of the grant in the event that, for any reason, the qualifying lease or lease extension does not take effect.”

In summary, a Rent Stabilization Grant to a landlord can be paid when the landlord applies, even if the payment year precedes the lease year. If the payment year does precede the lease year, the landlord must agree – in the grant application – to return the funds if the lease year does not occur.

Commissioner Tour-Sarkissian asked whether an existing 5-year lease with 3 years remaining would be considered a 5-year lease or a 3-year lease for the purposes of the grant. Mr. Kurylo said it would be considered a 5-year lease. Adding 5 more years to that existing 5-year lease to bring it to 10 years would enable the landlord of a Legacy Business to apply for 5 years' worth of grants (i.e., the number of years added to the lease to bring it to 10 years).

Commissioner Tour-Sarkissian asked about an original lease that is already 10 years or more – for example, a 20 year lease with 3 years remaining. Mr. Kurylo said that for an existing lease that is already 10 or more years, per the City Attorney, the landlord would be eligible to apply for the Rent Stabilization Grant annually for each year the lease is extended. Alternatively, the Small Business Commission could be more restrictive and not allow Rent Stabilization Grants for lease extensions on leases with terms that are already 10 years or more. This would result in fewer long-term leases and would be less beneficial for Legacy Businesses.

Commissioner Yee Riley inquired about lease scenario examples.

This will be presented to the Small Business Commission as an Action Item at the next meeting.

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

8. **Approval of meeting minutes. (Action Item)**

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

Motion: Commissioner Dooley motioned to approve the March 27, 2017 draft meeting minutes.

2<sup>nd</sup>: Commissioner Yee Riley.

Aye: All in favor.

Nay: None.

Absent: Commissioner Dwight.

Motion passed 6-0, 1 absent.

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

Director Dick-Endrizzi acknowledged Ms. Mahajan's one year anniversary and discussed an update from Department of Building Inspection (DBI) regarding the soft story legislation.

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

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

Commissioner Ortiz-Cartagena thanked Diana Ponce de Leon and Roberto Hernandez for a lowrider event in the Mission.

Commissioner Zouzounis was in Sacramento last week working on legislation to make mobile recycling centers that would offset some challenges of the "Bottle Bill."

Commissioner Dooley attended a meeting of the Coalition of Independent Pet Stores and discussed challenges in competing with online retailers. She was honored by the Board of Supervisors for her commitment to small businesses.

Commissioner Yee Riley updated the Commission regarding Small Business Week.

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

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

None.

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

12. **Adjournment (Action Item)**

Motion: Commissioner Ortiz-Cartagena motioned to adjourn.

2<sup>nd</sup>: Commissioner Dooley.

Aye: All in favor.

Nay: None.

Absent: Commissioner Dwight.

Motion passed 6-0, 1 absent.

The meeting was adjourned at 7:58 PM.