



**SMALL BUSINESS COMMISSION
MEETING MINUTES**

Monday, June 11, 2018

5:30 P.M.

City Hall, Room 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Stephen Adams, President

Mark Dwight, Vice President

Matthew Corvi; Kathleen Dooley; William Ortiz-Cartagena;

Irene Yee Riley; Miriam Zouzounis

1. Call to order and roll call.

The meeting was called to order at 5:37 p.m.

Commissioners Adams, Corvi, Dooley, Dwight, Ortiz-Cartagena, Yee Riley and Zouzounis were present.

No commissioners were absent.

Staff in attendance: Regina Dick-Endrizzi (Executive Director) and Richard Kurylo (Legacy Business Program Manager)

2. General Public Comment. (Discussion Item)

Rick French from the Animal Company spoke regarding an anticipated Planning Commission meeting where opening of The Healthy Spot would be addressed. The Healthy Spot is a chain store and Mr. French expressed that should it open it would do harm to his small business in Noe Valley. He invited the Commissioners to attend the meeting to speak in opposition to the opening of The Healthy Spot.

Sage Cotton from VIP Scrub Club and VIP Grooming SF Inc. also spoke in opposition to the opening of The Healthy Spot and also invited the Small Business Commission to support her position.

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

a) The Animal Company. (Application No.: [LBR-2017-18-039](#))

b) VIP Grooming SF Inc. (Application No.: [LBR-2017-18-040](#))

Richard Kurylo, Program Manager of the Legacy Business Program, informed the Commission that the applications met the criteria for the Legacy Business Registry and received positive recommendations from the Historic Preservation Commission. Kurylo recommended that the Small Business Commission adopt two resolutions to include the Animal Company and VIP Grooming SF Inc. on the Legacy Business Registry as Legacy Businesses under Administrative Code Section 2A.242.

Public Comment:

Rick French and Ellen French spoke in support of the Animal Company.

Lancy Woo spoke in support of VIP Grooming SF Inc.

Sage Cotton spoke in support of VIP Grooming SF Inc.

Chris Walker spoke in support of VIP Grooming SF Inc.

Commissioner Dooley spoke in favor of both applicants. Commissioner Dwight thanked both businesses for going through the application process. Commissioner Adams thanked both businesses and thanked Supervisor Sheehy for nominating them and supported the application of both businesses.

Motion: Commissioner Dwight motioned to adopt resolutions to include the Animal Company and VIP Grooming SF Inc. in the Legacy Business Registry as Legacy Businesses under Administrative Code Section 2A.242.

2nd: Commissioner Yee Riley.

Aye: Commissioners Adams, Corvi, Dooley, Dwight, Ortiz-Cartagena, Yee Riley and Zouzounis.

Nay: None.

Absent: None.

Motion passed 7-0.

4. **Board of Supervisors File No. 171140 -Administrative Code - Process for Establishment of Cultural Districts. (Discussion Item)**

Explanatory Documents: File No.171140 [Legislative Digest](#); [Legislation](#)

Carolina Morales, Aide to Supervisor Hillary Ronen, presented on BOS File No. 171140 which was first introduced in October of 2017. The current piece of legislation incorporates feedback from City Departments, community leaders, and other Supervisors. This piece of legislation creates an official recognition of Cultural Districts and establishes a clear and formal process for creating and operating them. It also provides a framework for City Departments to invest resources to protect culturally relevant businesses, arts, festivals, and affordable housing in addition to any available stabilization funds. Cultural Districts have brought a rich diversity of cultural, artistic, and aesthetic traditions and life to the neighborhoods they inhabit. Examples include the Latino Cultural Districts surrounding 24th Street in District 9, Japantown in District 5, and SoMa Filipinos and the Compton Transgender community in the Tenderloin both in District 6. These are areas where communities that have been marginalized or oppressed have gone to seek refuge and establish themselves in our city. They are also what make San Francisco an amazing international travel destination. Supervisor Ronen believes that we must do everything we can to preserve and strengthen these rich cultures in our neighborhoods. Cultural Districts are tools for community stabilization and are a critical part of the City's efforts to combat displacement. Because of the housing and affordability crisis in San Francisco, we're losing the people that make up these cultural districts, the businesses in those Districts, and the arts and cultural organizations in those Districts. Supervisor Ronen has created the formal concept of a "Cultural District" as a way to address this. We currently have five Cultural Districts in the city and two in the making. Supervisor Cohen is working to create an African-American Cultural District in the Bayview and Supervisor Sheehy is working to establish the LGBT Cultural District in the Castro.

Ms. Morales then described the main tenets of the legislation (as written in the Explanatory Documents) and explained that the legislation is a product of a collective effort (i.e. Supervisors, City Departments, and relevant Commissions). Supervisor Ronen's office plans to meet with MOHCD to develop guidelines and procedures for implementation of this legislation. And, looks forward to continuing to engage with the OSB and the Small Business Commission to ensure that small businesses continue to benefit from operating in Cultural Districts. They anticipate that the program will operate in a similar way to the Legacy Business Program.

Commissioner Riley asked for background information on how a Cultural District is recognized, and how the boundaries of the district are determined. Historically, Japantown started the Cultural District movement. Calle 24 was named as a Cultural District by Supervisor David Campos roughly five years ago via a Board of Supervisors resolution which brought more attention and resources to the area where businesses and residents faced displacement. With time, other Cultural Districts were created but not in a uniform and formalized way. The concern was raised that if a process was not codified and formalized that the possibility for other Cultural Districts to be officially recognized would be diminished. Commissioner Riley asked about Chinatown in North Beach. Ms. Morales explained that requests to be recognized come from the ground up via conversations with the districts' respective supervisors. And, that Supervisor Ronen's office is currently working to establish Chinatown in North Beach as a Cultural District and is having discussions with relevant

stakeholders. Commissioner Riley asked who would be responsible for outreach. Supervisors, OEWD, and MOHCD would be responsible. It was also clarified that Cultural Districts may span one or more Supervisorial Districts.

Commissioner Zouzounis thanked Ms. Morales for her presentation. She asked for more information regarding the Cultural History, Housing, and Economic Sustainability strategy, and relevant reports. Additionally, she asked what in this legislation specifically supports retaining small businesses in these districts and ensuring the economic sustainability of these Cultural Districts. Ms. Morales explained that the intent of the legislation is to increase coordination across integral City Departments (OEWD, MOHCD), and soliciting their input as to what existing programs and laws exist to specifically support these Cultural Districts. Additionally, to increase communication around duplicating successful economic development strategies and programs across neighborhoods (i.e. what strategies work in North Beach could work in the Mission).

Commissioner Ortiz-Cartagena thanked Ms. Morales for her presentation and emphasized that this piece of legislation is critical to cultural preservation and is a tool to fight displacement.

Commissioner Adams thanked Ms. Morales for her presentation and expressed enthusiasm and appreciation for the way this legislation was crafted by working across Commissions, City Departments and the Mayor's office.

Commissioner Dooley expressed her enthusiasm for the legislation and that she is excited to share with her neighborhood.

Commissioner Zouzounis expressed her desire to see language regarding around the preservation of certain sectors of the economy that are culturally specific- i.e. nail salons, corner stores etc. Ms. Morales ensured that the Supervisor's office is open to meeting and discussing further.

Public Comment:

Brian Cheu from the Mayor's Office of Housing and Community Development spoke in support of the legislation.

Commissioner Dwight followed up on Commissioner Zouzounis's comment regarding preserving sectors of the economy that are culturally specific and expressed interest in exploring this further.

5. **Approval of Meeting Minutes (Action Item)**

Since today is Commissioner Corvi's first meeting and he was not on the Small Business Commission on April 23, 2018, he requested to be recused from Item 5, Approval of Meeting Minutes.

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

Motion: Commissioner Yee Riley motioned to recuse Commissioner Corvi from Item 5, Approval of Meeting Minutes.

2nd: Commissioner Dwight

Aye: All in favor.

Nay: None.

Absent: None.

Motion passed 6-0, 1 recused

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

Motion: Commissioner Dwight motioned to approve the April 23, 2018, meeting minutes as submitted.

2nd: Commissioner Yee Riley

Aye: All in favor.

Nay: None.

Absent: None.

Motion passed 6-0, 1 recused

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

Director Dick-Endrizzi opened by welcoming Commissioner Matthew Corvi to the Commission and provided him an opportunity to introduce himself. The other Commissioners also took a few moments to introduce themselves.

Director Dick-Endrizzi shared that she would be presenting at the Budget and Finance Committee meeting. As part of OSB's \$1,000,000 budget allocation there were funds put in reserve in 2016 and she will need to go before the Committee in order to get the funds released. The funds will be used in order to ensure that OSB can fulfill their obligations to satisfy awarded rent stabilization grants. There are \$281,000 available. She also presented a revenue and expense chart which outlines how the money will be allocated.

Accessible Business Entrance Program: Director Dick-Endrizzi provided the Commissioners a list of outreach events that OSB has both solely engaged on and facilitated with other City Departments. She also shared that the number of calls regarding ABE to OSB are declining.

Lactation in the workplace policy: OLSE held a hearing last Thursday June 7 and plans to finalize and issue guidelines for compliance are in motion.

Elections Proposition Results that Affect Small Businesses:

Regarding elections, Proposition B- which prohibits any currently sitting Commission from running for office while sitting as a Commissioner, passed with 70% of the vote. Propositions C and D both added an increased commercial gross receipts tax on commercial office rents. Proposition C did not receive the required percentage of votes. If Proposition C passes the tax is intended to fund early childhood education. There is a small business exemption for any business that nets under \$1 million in gross receipts and one for the lessor of a residential real estate who rents to small business enterprises. Proposition D would fund housing and homelessness services and provided for stronger small business exemptions. Proposition E was a referendum on the Ordinance passed by the Board of Supervisors regarding the flavored tobacco ban, passed yes with 68.6% which means the Ordinance will be enacted.

Legislation and Policy: At the next SBC meeting, the Commission will hear on two of Supervisor Tang's proposed pieces of legislation: BOS File No. 180519 Food Service Waste Reduction and Single Use Plastics and, BOS File No. 180321, a Two Year Pilot Program to remove the 312 Notice. Director Dick-Endrizzi will send background information to the Commissioners. Supervisor Sheehy's legislation requiring Cannabis Businesses to engage in labor peace agreements before they may be certified to operate passed 11-0 and there was not enough time for the Supervisor's office to present to the Commission. Commissioner Dooley expressed concern regarding this legislation and what the cost would be should they be required to be part of a union. Commissioner Dwight also expressed concern and the legality of such an action. Commission Dooley also expressed concern regarding its interaction with equity hiring. Supervisor Fewer also re-introduced legislation for creating a Cannabis Commission.

Workshops and Events: Monthly SBA classes continue. Once a quarter classes are conducted in Spanish. This Wednesday is the SFCDMA Gala at the Olympic Club. The Asian American Business mixer is scheduled for this Thursday.

Director Dick-Endrizzi also highlighted that the SF Public Library has been named at Library of the Year.

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

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

President Adams noted that he will attend the SFCDMA.

Commissioner Ortiz-Cartagena notes that he participated in a walk-through with many stakeholders through the Mission commercial corridor and visited several small businesses that have been adversely affected by high market rate developments that has created speculation and increased rents. One example being Red's Café whose rent went up from \$2500 to \$6000. Additionally, the bus line development has continued to adversely affect business in the corridor. Commission Adams concurred and agreed that this needs to be addressed.

Commissioner Yee Riley highlighted the Asian American Business mixer.

Commissioner Zouzounis shared that a merchant association she belongs to was reached out to by DPH regarding the sugary beverage tax. She shared that SFDPH wanted to hear feedback from merchants regarding how the tax has been implemented. There are funds available meant to be distributed to the community for public education on this. She suggested that the Commission help prepare and train merchant groups on RFP preparation.

Commissioner Dooley shared that North Beach Business Association teamed with Telegraph merchants on a neighborhood vacancy study and shared some of the results. In 2018, 10% of storefronts were vacant- 38 vacancies. 21% of those vacancies are due to seismic upgrades, 25% have been vacant for more than three years, and 13% have unauthorized or illegal uses.

Commissioner Dwight will also attend the SFCDMA gala.

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

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

Commissioner Zouzounis expressed concern on the ban on flavored tobacco and requested information on how to request pushing the item back on the Board of Supervisor's schedule. SBC needs to be part of the merchant outreach strategy- especially for succession planning for those businesses that will have to fully shut down. More, many businesses have already paid taxes on their flavored tobacco products that they will no longer be able to sell and she would like to learn more about the possibility for buying licenses back. Are we able to ask for a report to be drafted regarding the economic impact? There are also many economic impacts regarding the anticipated Food Waste legislation. Commissioner Zouzounis also suggested having the City Attorney's office brief the Commission on how much reach the city may have into the private sector.

Commissioner Dwight suggested a "State of the Cannabis Industry" report.

Commissioner Yee Riley exited the meeting at 7:00 p.m.

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

9. **Adjournment. (Action Item)**

Motion: Commissioner Dwight motioned to adjourn the meeting.

2nd: Commissioner Ortiz-Cartagena.

Aye: All in favor.

Nay: None.

Absent: Commissioner Yee Riley

Motion passed, 6-0, 1 absent.

The meeting was adjourned at 7:05 p.m.