



CITY AND COUNTY OF SAN FRANCISCO  
LONDON N. BREED, MAYOR

OFFICE OF SMALL BUSINESS  
REGINA DICK-ENDRIZZI, DIRECTOR

## SMALL BUSINESS COMMISSION MEETING MINUTES

Monday, July 23, 2018

2:00 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 2:05 p.m.

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

No commissioners were absent.

Commissioner Ortiz-Cartagena arrived late at 2:15 p.m. during Item 3.

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

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

No members of the public requested to speak.

#### 3. Presentation, update on the Cannabis Equity Program and possible recommendation to the Planning Commission to include the Cannabis Equity Program in the Community Business Priority Processing Program. (Discussion and Action Item)

Commissioner Zouzounis stepped of the dais.

Commissioner Dooley requested recusal from Item 3.

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

Motion: Commissioner Dwight motioned to recuse Commissioner Dooley from Item 3.

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

Aye: Commissioners Adams, Corvi, Dooley, Dwight and Yee Riley.

Nay: None.

Absent: Commissioners Ortiz-Cartegena and Zouzounis.

Motion passed 5-0, 2 absent.

Nicole Elliot, Director of the Office of Cannabis presented on the Equity Program and CB3P request. The Equity Program is authorized through the Police Code. The mandate is designed to foster equitable access to participation in the cannabis industry, including equitable access to promotional and ownership opportunities. The Equity Program provides assistance to communities unfairly burdened by the War on Drugs, and is designed to ensure full and equal access to resources and opportunities made available as a result of Proposition 64. Particularly, the program will support individuals who have experienced social indicators that

exacerbate inequities, and will create strategies to uplift those communities where those inequities have been concentrated. The program serves both Equity Applicants and Equity Incubators. For Equity Applicants, they must meet an asset test and three or more of described criteria. Equity Applicants must also have an ownership stake in the Cannabis Business they are associated with. An Equity Incubators are for those who do not qualify as Equity Applicants but, when applying for a Cannabis Business Permit, commits to comply with additional operating requirements for three years. These requirements further promote equitable access to participation in the cannabis industry.

Commissioner Zouzounis returned to dais at approximately 2:17 pm.

Mr. Eugene Hillsman continued the presentation. 256 equity applicant applications have been successfully submitted so far, 164 verified, and 599 in progress. Of the criteria required to verify an applicant's eligibility for the program, the majority employ proof of SFUSD participation, income, criminal justice involvement and census. There are 62 interested Equity Incubator applicants. As of July 20, 2018 65 Permanent Permit applications had been received from Equity Applicants, and 18 from Equity Incubators. More than half of the permits types are for retail.

Ms. Elliot then discusses the Equity Report. The Controller's Office, who lead the drafting of the report, found that Key Barriers to entering the Cannabis industry for Equity Applicants included: access to capital or financing; access to real estate; licensing or regulatory fees; legal and regulatory compliance; and geography. The CB3P request was a recommendation from the Report with the intention being that it would allow those who are participating in the Equity Program to receive the benefits of the CB3P if they choose to opt in.

Commissioner Adams thanked Ms. Elliot for a great presentation and expressed support for allowing the request to move forward.

Public comment:

- Del Seymour from Mary Jane Bakery spoke in support of the Equity Program. He indicated that other Equity participants like himself face significant competition from those with more capital and resources that he does not have access to.
- Chris Callaway from Mr. C's spoke in support of the Equity Program. He highlighted specific examples of retail challenges, and permit approval challenges that he's faced.
- Martin Olive from Vapor Room spoke in support of the Equity Program. He spoke of concerns with big business encroaching upon small and mid-size level business efforts in the industry. A program like this can help offset those associated challenges.
- Brandon Brown from CDXX LL in Bayview. He is an Equity partner and supports the Equity Program's inclusion in CB3P. He highlighted the community art partnerships that have formed with CDXX. And, also highlighted retail and funding challenges that participation in CB3P could address.
- Edward Brown highlighted the intent of the CB3P program, and that having Equity Program participants included in the CB3P program would assist a most vulnerable business class and urged the Commission to vote in support.
- Rudy C. from United Playaz and his associates shared their support for Equity Program participation in the CB3P program. He shared that he and the community his organization serves were directly impacted by the War on Drugs and that his program could help that community significantly.

Commissioner Ortiz-Cartagena thanked everyone for speaking and campaigning for the industry.

Commissioner Adams thanked everyone for speaking and shared that the CP3P program was intended for programs like the Equity Program.

Motion: Commissioner Ortiz-Cartagena motioned to approve the participation of Equity Program participants in the CP3P.

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

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

Nay: None.

Recused: Commissioner Dooley.

Motion passed 6-0, 1 recusal.

#### **4. Presentation on the Geary Bus Rapid Transit (BRT) and Improvement Project. (Discussion Item)**

Liz Brisson, Project Manager, Transportation Planning, SFMTA presented on the Geary Bus Rapid Transit (BRT) and Improvement Project. More than 54,000 people a day rely on 38 Geary local, rapid and express bus service to get where they need to go, but uneven wait times, overcrowded buses and inconsistent travel times are a daily reality. These issues persist even with recent improvements like more rush hour service and red bus-only lanes. The Geary Boulevard project, led by the San Francisco County Transportation Authority and San Francisco Municipal Transportation Agency, will address these issues, making transit almost as quick and convenient and more vibrant Geary corridor. She expressed that she was presenting because the project would be entering construction in the near future and that it will take place in a corridor that serves a lot of small businesses.

Goals of the project include: improved transit speed and reliability through priority infrastructure and improved safety and accessibility for people walking. The focus of the project is between Market and Stanyon Street with the goal of expanding to 34<sup>th</sup> Ave. Key features of the project include: dedicated bus lanes, bus bulbs, pedestrian bulbs, median improvements, and traffic signal updates.

As a part of the project, SFMTA coordinated their efforts with other City-sponsored work: repaving with Public Works, sewer and water work with SFPUC, and the installation of a fiber optic conduit with Department of Technology. Ms. Brisson also described the Geary business outreach and engagement. She explained that the Geary Community Business Advisory Committee meets with SFMTA staff every two months to provide critical updates. Other outreach activities include a door to door loading survey, meetings with Geary adjacent businesses, and cold call visits to businesses and stakeholder organizations. Results from the loading survey (with responses from businesses on Market to Stanyon) Street indicated that almost half of respondents had loading areas in front of their buildings.

As the project was designed, it prioritized maintaining blue/ADA spaces or re-locating them nearby; maintaining passenger/commercial loading spaces and shifting nearby if needed; and maintaining on-street parking in general, where possible. SFMTA has already responded to survey feedback by creating loading accommodations where feasible.

As it stands now, the project was approved by SFMTA and SFCTA a year ago, design outreach and solicitation of public consult has concluded, and final approval for the project is expected next month to be closely followed with construction. Construction is supposed to last 2.5 years and is anticipated to begin Fall 2018. Businesses in the affected corridor would receive a mailed notice 30 days in advance of the project, and will receive a weekly construction update with a 2-week look ahead. There will also be large signage available and Ambassadors in the community. A dedicated email and hotline will be available for businesses as well. Business construction mitigation efforts include posters, wayfinding signage, business specific "open for business" banners, corridor specific marketing campaign, and a dedicated public information officer.

Commissioner Dooley asked whether or not there would be funds available for construction mitigation. Ms. Brisson said that there would not be because the scale of this project is not as large as other similar projects. Commissioner Dooley also asked if SFMTA will require that those working on the project to park outside of the commercial district being worked on- historically this has been the case. Ms. Brisson replied that there would be specifications in the construction contracts that should prohibit this, and will follow up with more details.

Commissioner Dwight asked what the SFMTA's relationship to the Geary Street Merchants Association was like. Ms. Brisson explained that the Merchants are more concerned with the area west of Stanyon Street which the project will focus on in the latter half of its lifetime.

Commissioner Yee Riley shared that businesses have reported that informational mailers have been sent to landlords and not the business owners themselves. How will SFMTA address this? Ms. Brisson answered that SFMTA sends mailers out to a radius of close addresses to the project area, not necessarily directly to the businesses. Commissioner Yee Riley also shared that businesses reported that the signs were simply stapled to poles in some areas and not protected from the elements. Ms. Brisson explained that SFMTA continues to learn lessons from feedback provided and that signs should be laminated or weather proofed and not posted to unstable surfaces such as trees.

Commissioner Ortiz-Cartagena commented that there would be several merchant groups affected by this project, including a small business group focusing on Jones Street to Van Ness Street, and others. Also importantly, many small business owners whose primary language is not English. Ms. Brisson replied that notices do go out in five languages to businesses. Commissioner Ortiz-Cartagena recommended that outreach include going beyond just who may be at the store at the time of surveying, that follow up visits may be necessary. He also asked whether SFMTA estimated what the anticipated cost to businesses would be. Ms. Brisson could not answer. He recommended that over communication is best and that the SBC would like to know what the last mitigation amount was for the last project.

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

Commissioner Adams closed with reiterating that over-communication is always best.

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

Director Dick-Endrizzi provided the Commission with an update on:

- Accessible Business Entrance:
  - There are 1,196 category exempt businesses; 234 Category 1 businesses; 153 Category 2 businesses; 29 Category 3 businesses; and 9 Category 4 businesses.
  - Outreach events are scheduled for 7/16 and 7/19.
- Legacy Business: The Legacy Business Program logo has not yet been finalized. Expect that it will be finalized by August 14. Six Business Assistance Grant applications have been submitted. In late August/early September Rick will present staff's recommendation for SBC approval on the allocation of funds between the two grant programs – Business Assistance Grant and the Rent Stabilization Grant.
- Legislation/ Policy Matters before the Commission:
  - BOS File Numbers 180680 (India Basin special use) and 180681 (India Basin project) have been referred to the SBC;
  - BOS File Numbers 180646 (Refuse Separation); 180519 (Single use plastics), 180482 (Permit Review and Zoning Controls in NCD in Districts 4 and 11). and 180320 (Accessory Use in NCDs) will be presented at the August 13 meeting;
  - Other potential items include: File No. 180122-2, Motion ordering submitted to the voters at an election to be held on November 6, 2018; an Ordinance amending the Business and Tax Regulations Code and Administrative Code to allocate a portion of hotel tax revenues for arts and cultural purposes and remove obsolete provisions; BOS File Numbers 180629-2 (Cannabis Tax); 180373-3 (Autonomous Vehicle Tax).
- New business items:
  1. Cannabis: Update on Equity Program, *provided today*
  2. Construction Mitigation: Update on OEWD coordination with city agencies, any new funding in 18/19, and recommendations for improvements. – August 13 or 27 meeting
  3. Tobacco – August 27 meeting
    - Implementation of the ban on flavored tobacco
    - Review of all regulations regarding tobacco

4. Soft Story: Update on the tier 4 properties. Presentation from DBI - Sept. 24
5. Planning Determination on large on-line retailers and formula retailers –September or October meeting
6. Public Works: DPW fees. October meeting
7. Commercial Ownership: November meeting. OSB develop a program informing business of commercial ownership, with an emphasis on storefronts.

- General Operations:
  - SBC will finalize the cut for the first round of interviews this week.
  - Classes Martha Yanez teaches: SBA District Office: 8/1, 9/5, 10/3, 11/7, 12/5 and Renaissance Entrepreneur Center: 8/7, 11/6
  - Director Dick-Endrizzzi highlighted back-meeting minutes that still need to be written and approved.

Commissioner Zouzounis asked if any of the SBC's recommendations were taken into consideration relative to single use plastics. Director Dick-Endrizzzi responded that she would review and get back to Commissioner Zouzounis.

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

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

President Adams noted that he attended Mayor Breed's policy summit on behalf of small business and provided a handout of what was submitted to the Mayor. Specifically included were street improvement and maintenance disrupting businesses, SFMTA project impact on small business, homelessness and street cleanliness, vacant storefronts, high cost of online competition, lack of public safety presence in merchant corridors, lack of preference for small businesses in city contracts, lack of workforce training for non-trade positions (i.e. restaurants), access for disadvantaged and under-served communities, that LBEs should be exempt from PLAs and that the contract threshold be lifted to \$20 million. The Mayor seemed open to listening.

Commissioner Dwight attended the Legacy Business branding meeting and the monthly CDMA meeting.

Commissioner Yee Riley attended the ABE workshop in Chinatown with Director Dick-Endrizzzi on July 16 and commended DBI's outreach because the event was standing room only.

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

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

None.

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

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

Motion: Commissioner Dwight motioned to adjourn the meeting.

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

Aye: All in favor.

Nay: None.

Absent: None.

Motion passed, 7-0.

The meeting was adjourned at 3:15 p.m.