
**SMALL BUSINESS COMMISSION
MEETING MINUTES**

Monday, February 22, 2021
4:30 P.M.

SMALL BUSINESS COMMISSIONERS

Sharky Laguana, President
Miriam Zouzounis, Vice-President
Stephen Adams; Lawanda Dickerson; Kathleen Dooley;
Cynthia Huie; William Ortiz-Cartagena

1. **Call to order and roll call.**

The meeting was called to order at 4:32pm.

Commissioners: Adams, Dickerson, Dooley*, Huie*, Laguana, Ortiz-Cartagena*, and Zouzounis were present.

Commissioners Dooley and Huie arrived during Item 2. Commissioner Ortiz-Cartagena had technical difficulties and was not present for Items 2, 3, and 5.

Staff in attendance: Dominica Donovan (Senior Policy Analyst) and Richard Kurylo (Legacy Business Program Manager)

2. **BOS File No. 210078: Administrative Code - San Francisco Reinvestment Working Group. (Discussion and Action Item).**

Preston Kilgore, Legislative Aide to Supervisor Dean Preston provided the Commission with an overview of the legislation. He was joined by Karl Beitel from the Budget and Legislative Analyst's office and Sushil Jacob from the SF Public Bank Coalition.

The Commissioners engaged in a substantive discussion with Mr. Kilgore. They discussed the intent of the Reinvestment Working Group, who would sit on it, and who would approve the Working Group's plans. Mr. Kilgore shared that the bank would be a non-depository bank. And, Mr. Jacobs shared that they would be FDIC insured and regulated through DFPI. Capital would be raised through a redirection of earnings on the City's investment pool that would have to be authorized by the Board of Supervisors. Additionally, capital would be raised through a series of Board authorized appropriations from the investment pool and the third is a series of annual line items corporations as part of the annual probation ordinance. Mr. Jacobs also shared that the goal with the SF Public Bank would not be to replace existing small local finance institutions, rather they would be engaged in wholesale and participating lending.

The Commission also shared concerns regarding to Section 5.16-4(b)4(C). Specifically, that in establishing lending priorities that specifically prohibits lending for tobacco. Commissioner Zouzounis noted that many small grocers and corner stores may ultimately be excluded because of this.

The Commission inquired regarding the investment pool for the Public Bank and what the returns on investment would look like. Mr. Kilgore shared that returns on investment from the investment pool would be invested back into the bank and community lending.

They also asked for clarification around ensuring that small business would have representation on the Working Group. Mr. Jacobs shared that small business may be able to be represented by someone with experience in Local Enterprise lending. However, the Commission noted that Local Enterprise means not only small businesses, but also nonprofits, cooperatives, and community land trust. Mr. Jacobs also shared that the intention is for just one seat would be held by a Local Enterprise representative.

With respect to the type of lending the Public Bank would engage in, Mr. Jacobs shared that it is not intended to be a retail bank, but rather a wholesale lending institution, with lending in the amounts of tens of millions of dollars. Mr. Jacobs also shared that the first priority of the bank would be to fund affordable housing production with other initiatives being secondary.

Karl Beitel offered that all profits from lending will go back into the bank to be turned into loans.

No members of the public requested to speak.

Motion: Commissioner Laguana motioned to support the legislation with amendments to include: that at least one seat on the working group include a small business representative, mandated through Section 5.16-5; that language in Section SEC. 5.16-4(b)(4) regarding goals for economic development and expanding economic opportunity, include establishing lending priorities that support job creation; establishing lending priorities that support borrowers who would otherwise be considered “high risk” by mainstream lending institutions; and establishing lending priorities for entrepreneurs from vulnerable populations, like women and minorities; and, that tobacco, as used in Section 5.16-4(b)(4)(C), be defined in the same manner that is used for Healthy Retailers SF.

2nd: Commissioner Zouzounis.

Aye: 6

Nay: 0

Absent: 1

Motion passed: 6-0

3. **Approval of Legacy Business Registry Applications and Resolutions. (Discussion and Action Item)**
Richard Kurylo, Legacy Business Program Manager, provided an overview of the proposed Legacy Business Applications and Resolutions to the Commission.

Public Comment:

A representative from AJC Auto Body spoke on behalf of their application.

Commissioners Dickerson and Laguana spoke in support of the legacy businesses.

Motion: Commissioner Dooley motioned to approve both resolutions as Legacy Businesses under Administrative Code Section 2A.242.

2nd: Commissioner Dickerson.

Aye: 6

Nay: 0

Absent: 1

Motion passed: 6-0

4. **Recognition of Dominica Donovan, the Small Business Commission Policy Analyst/Commission Secretary. (Discussion Item.)**
Commissioner Laguana presented Dominica Donovan, Small Business Commission Policy

Analyst/Commission Secretary with a Certificate of Honor.

The Commissioners and Director Dick—Endrizzi each thanked Ms. Donovan for her service to the Commission.

Ms. Donovan shared closing remarks and thanked the Commission for the opportunity to work for them.

No members of the public requested to speak.

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

No members of the public requested to speak.

Motion: Commissioner Adams motioned to approve the meeting minutes from February 8, 2021.

2nd: Commissioner Laguana.

Aye: 6

Nay: 0

Motion passed: 6-0.

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

No members of the public requested to speak.

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

Director Dick-Endrizzi provided an update to the Commission with respect to data from Business Assistance Center and client services. She also provided annual report highlights. She also shared local announcements, including that the City is likely heading toward the Red Tier. Additionally, she shared updates with respect to State and Federal small business funding. Lastly, she offered legislative updates.

No members of the public requested to speak.

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

Commissioner Huie offered an update with respect to the Small Business Survey. Commissioner Laguana thanked Commissioner Huie for all of the hard work. Commissioner Huie offered that they could benefit from more Asian-language speaking business participation and that another push to the supervisorial districts may be helpful. Commissioner Zouzounis offered her appreciation for the work on the report and offered to assist further in D10.

No members of the public requested to speak.

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

Motion: Commissioner Laguana motioned to adjourn in honor of Commission Secretary and Senior Policy Analyst, Dominica Donovan.

2nd: Commissioner Dooley.

Aye: 7

Nay: 0

Motion passed: 7-0.

Meeting adjourned at 8:13pm.

Written Public Comment Addendum:

Item #3: Approval of Legacy Business Registry Applications and Resolutions

Public comment by Ali Castillo, owner of AJC Auto Body, on behalf of the application for AJC Auto Body (Application No.: [LBR-2020-21-026](#)):

First and foremost I would like to thank everyone in attendance for the opportunity to be able to speak, I would also like to extend my most sincere gratitude to all the parties involved that nominated AJC and last but not least I want to thank the city and county of San Francisco for everything it has contributed to in our legacy, and for all the wonderful memories it continues to make for me and everyone else that forms a part of the story of this city. Allow me to introduce myself, I am Ali Castillo the business owner of AJC, like many people who have immigrated to San Francisco, I started my business with a vision and a dream. When I first started I wanted this business to be a lot more than just numbers and jobs. I really wanted to make an impact on the community I was going to serve and make as my own for the rest of my life. During this long journey doing business in San Francisco I have learned to accept and embrace the chaos that comes with doing business here in the city. I am focused on my community by giving back in any way that I can, even if that's putting them back on the road or only giving them a bottle of water. I want to be able to pass down AJC as a legacy with the same values with which it was founded all those years ago, to keep the flame going and the paint spraying. AJC wants to continue to be a part of the story of San Francisco. Thanks for your time.

In Spanish (En español):

En primer lugar, me gustaría agradecer a todos los asistentes por la oportunidad de poder hablar, también me gustaría extender mi más sincero agradecimiento a todas las partes involucradas que nominaron a AJC y por último, pero no menos importante, quiero agradecer a la ciudad y condado de San Francisco por todo lo que ha contribuido en nuestro legado, y por todos los maravillosos recuerdos que continúa creando para mí y para todos los que forman parte de la historia de esta ciudad. Permítanme presentarme, soy Ali Castillo el dueño del negocio de AJC, como muchas personas que han inmigrado a San Francisco, comencé mi negocio con una visión y un sueño. Cuando comencé, quería que este negocio fuera mucho más que números y trabajos. Tenía muchas ganas de tener un impacto en la comunidad a la que iba a servir y hacer mía por el resto de mi vida. Durante este largo viaje haciendo negocios en San Francisco, he aprendido a aceptar y abrazar el caos que conlleva hacer negocios aquí en la ciudad. Me enfoco en mi comunidad al retribuir de cualquier manera que pueda, incluso si eso los pone nuevamente en el camino o solo les da una botella de agua. Quiero poder transmitir AJC como un legado con los mismos valores con los que se fundó hace tantos años, para mantener la llama encendida y la pintura en spray. AJC quiere seguir siendo parte de la historia de San Francisco. Gracias por tu tiempo.