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In Review

Early in Fiscal Year 2019-20, the Office of Small Business (OSB) moved into a larger space within City Hall to better provide business assistance services. In the first 8 months (July 2019 through February 2020), client services had a steady growth – an average 40% increase over the same period of FY 18-19. Mayor Breed declared a State of Emergency due to COVID-19 on February 25, 2020, and on March 16, 2020, the Public Health Officer issued Shelter-In-Place Order of the Health Officer No. C19-07.

San Francisco Health Order C19-07 shut down operations for most businesses with the exception of Essential Businesses. Due to the vast number of businesses forced to close, the directors of OSB, Regina Dick-Endrizzi, and the Office of Economic and Workforce Development (OEWD), Joaquin Torres, came together to determine how best to coordinate emergency response services for San Francisco’s small businesses. OEWD built and managed the COVID-19 Resources for Business and Workers web pages in addition to developing and administering local grant programs. The four OSB business counseling staff were assigned to be the frontline responders to small businesses seeking assistance, and the OSB main telephone line and email became the hotline phone number and email for businesses, which ensured that support services were available in Chinese and Spanish in addition to English.

COVID-19 challenged the small business community, and OSB services, in unprecedented ways. Though OSB business counselors where not officially placed on Disaster Service Worker (DSW) assignment, the nature of their work and emergency response support to small businesses essentially fulfilled DSW duties. In order to respond to the urgent needs of small businesses for the first five and a half months of the Shelter-In-Place Order, OSB staff worked a combined 356 overtime hours, or the equivalent of an additional 9 weeks.

Throughout the coronavirus pandemic, the Small Business Commission (SBC) provided policy recommendations outlining the need for the Mayor’s Office to advocate for federal support for small businesses, first on April 13, 2020, with a set of 32 recommendations and then again on December 11, 2020, with an additional 51 recommendations. The SBC submitted 56 recommendations to the Economic Recovery Taskforce on May 13, 2020, 45 of which specifically addressed recommendations pertaining to general support, communications, reopening support, funding, commercial rent, land use, and fee mitigation. The remaining 11 recommendations identified data points to track progress. Of the 45 recommendations submitted, 25 (53%) have been acted upon in whole or in part.

OSB has a history of serving small businesses in times of economic distress. OSB was initially established in May of 2008 in the midst of the 2007-2008 financial crisis; by September of 2008, small businesses began contacting OSB with the urgent need of support. At that time, the City and County of San Francisco was not fully prepared to support small businesses through the economic crisis. The regulatory requirements to open and conduct business were far more onerous in 2008 than today, and there was no collective agreement of the importance of preserving San Francisco’s small businesses during that crisis. Fortunately, since then, OSB has grown in capacity and made several regulatory reforms that better positioned the Office to meet the needs of the small business community during the COVID pandemic. Through expanded technical assistance and proactive advocacy, OSB and SBC have made significant strides to assist small businesses in this time of need.
About the Office of Small Business

Mandate

In 2003, San Francisco voters approved Proposition D, which created a chartered Small Business Commission that oversees the Office of Small Business. In 2007, voters passed Proposition I, which required OSB to operate a Small Business Assistance Center to focus on the needs of San Francisco businesses with fewer than 100 employees. In 2015, voters approved Proposition J, which created the Legacy Business Historic Preservation Fund. The Fund provides fiscal and technical support to businesses that have existed for over 30 years and contribute to San Francisco’s identity.

Mission

To equitably support, preserve and protect small businesses in San Francisco. We provide high quality direct service and programs, drive practical policy solutions, and serve as a champion for San Francisco’s diverse small business community. The SBC and OSB serve businesses through:

- Business Assistance: We help existing and aspiring small business owners and entrepreneurs grow and thrive in San Francisco through specialized case management services.
- Programs: We protect small businesses by offering accessible educational resources and we preserve small businesses through the Legacy Business Program.
- Policy and Legislation: We promote practical policy and legislative solutions to mitigate challenges and ensure the economic health for all San Francisco small businesses.
- Stakeholder Engagement: We serve as the ‘door to City Hall’ for small businesses by working with a wide range of stakeholders to ensure that small businesses are heard and well supported, especially those from historically marginalized communities.
Organizational Chart

Small Business Commission*

Director
Office of Small Business
Regina Dick-Endrizzi

Policy Analyst,
Commission Secretary
Kerry Birnbach

Case Manager,
PLO/Marcom
Carol Cheng

Case Manager
ABE Program Manager
Rhea Aguinaldo

Public Service
Case Manager
Walter Monge

Legacy Business Program Manager
Richard Kurylo

SBAC Supervisor,
Case Manager
Martha Yañez

*Commissioners:
2019-2020
Stephen Adams, President - July 2019 to January 2020
Mark Dwight, Vice-President - July 2019 to January 2020
Sharky Laguana, President - February to June 2020
Miriam Zouzounis, Vice-President - February to June 2020
Kathleen Dooley
Cynthia Huie
William Ortiz-Cartagena
Manny Yekutiel

2020-2021
Sharky Laguana, President
Miriam Zouzounis, Vice-President
Stephen Adams
Lawanda Dickerson
Kathleen Dooley
Cynthia Huie
William Ortiz-Cartagena
Manny Yekutiel
What We Accomplished

Small Business Commission

Over the past two fiscal years, the SBC has taken a proactive role in advocating on behalf of small businesses. COVID-19 has severely damaged the small business community in unprecedented ways. As such, the SBC has been active in advocating for urgent changes, with a focus on equity and language access, to support small businesses. In particular, the SBC worked with the Board of Supervisors and Mayor’s Office to ensure that emergency ordinances included necessary employee protections while also including flexibility for small businesses. Emergency ordinances that the SBC helped to implement included a Right to Reemployment and changes in regulations for food delivery services.

The SBC made recommendations on 40 pieces of legislation, reviewed 55 local policy initiatives and proposals, passed 4 resolutions, and reviewed 2 pieces of statewide legislation.

COVID-19 Pandemic Specific Legislation:
• FY 2019-20: 10
• FY 2020-21: 12

The SBC recommendations helped advise the Mayor and Board of Supervisors how best to support small businesses adversely impacted by the pandemic.

The SBC submitted 56 recommendations\(^1\) to the Economic Recovery Task Force, 45 of which specifically addressed recommendations pertaining to general support, communications, reopening support, funding, commercial rent, land use, and fee mitigation. The remaining 11 recommendations identified data points to track progress. Of the 45 recommendations submitted, 25 (53%) have been acted upon in whole or in part.

\(^1\) Memo to the Economic Recovery Task Force: Recommendations for Recovery and Rebuilding
Small Business Assistance Center

The Small Business Assistance Center (SBAC) serves as the city's central point for information and assistance for San Francisco small businesses. The SBAC offers one-on-one in-person, virtual, and phone appointments to provide information and resources based on clients' needs. Services may include customized checklists of local, state and federal requirements by business type, hands-on assistance with business registration, permits, licenses, and renewals, complex case management, and connecting businesses to technical assistance and resources.

Clients Served

In the first 8 months of FY 2019-20 (pre-pandemic), the number of small business seeking assistance increased 40% over the same period of FY 2018-19. For FY 2020-21, the Small Business Assistance Center assisted a total of 4,963 small business clients. Due to the significant surge of interactions with small businesses at the start of the pandemic in FY 2019-20, the overall number of clients served decreased by 24.21%. However, compared to a full year prior to the pandemic, the demand for small businesses seeking assistance continues to grow and surpass FY 2018-19 with an increase of 27.52%.

<table>
<thead>
<tr>
<th>Month</th>
<th># of Clients</th>
<th>% +/- (to FY 2018-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 (Jul – Sep)</td>
<td>1,276</td>
<td>+36.91%</td>
</tr>
<tr>
<td>Q2 (Oct – Dec)</td>
<td>1,209</td>
<td>+46.90%</td>
</tr>
<tr>
<td>Q3 (Jan – Mar)</td>
<td>1,709</td>
<td>+67.38%</td>
</tr>
<tr>
<td>Q4 (Apr – Jun)</td>
<td>2,282</td>
<td>+104.48%</td>
</tr>
<tr>
<td>Total</td>
<td>6,476</td>
<td>+66.39%</td>
</tr>
</tbody>
</table>
### Clients Served: July 1, 2020 – June 30, 2021

<table>
<thead>
<tr>
<th>Month</th>
<th># of Clients</th>
<th>% +/- (to FY 2019-20)</th>
<th>% +/- (to FY 2018-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 (Jul – Sep)</td>
<td>1,231</td>
<td>-3.53%</td>
<td>+32.08%</td>
</tr>
<tr>
<td>Q2 (Oct – Dec)</td>
<td>1,104</td>
<td>-8.68%</td>
<td>+34.14%</td>
</tr>
<tr>
<td>Q3 (Jan – Mar)</td>
<td>1,262</td>
<td>-26.88%</td>
<td>+23.60%</td>
</tr>
<tr>
<td>Q4 (Apr – Jun)</td>
<td>1,366</td>
<td>-41.55%</td>
<td>+22.40%</td>
</tr>
<tr>
<td>Total</td>
<td>4,963</td>
<td>-24.21%</td>
<td>+27.52%</td>
</tr>
</tbody>
</table>

OSB utilizes Salesforce to track the services provided to businesses contacting the Business Assistance Center. Full data on the client serviced for the two fiscal years can be found here: [FY 2019-20](#), [FY 2020-21](#).
Prior to the pandemic, 43% of small businesses serviced were in the pre-startup phase, 20% in the start-up phase, and 23.5% were existing businesses. Due to the impact of COVID-19, service needs to small businesses in FY 2020-21 shifted primarily to existing small businesses reaching out for assistance during this challenging time.
Due to the Shelter-in-Place Order, the Small Business Assistance Center was closed for in-person service until June 2021. The majority of the client engagements were through email (58%) and phone (38%). The remaining 4% were through 311, Business Portal contact, and walk-ins once the office reopened for in-person service. Below are the demographic details of the clients served for FY 20-21.

### Clients’ Race/ Ethnicity

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknown</td>
<td>40%</td>
</tr>
<tr>
<td>Caucasian or White</td>
<td>21%</td>
</tr>
<tr>
<td>Asian</td>
<td>18%</td>
</tr>
<tr>
<td>Latino or Hispanic</td>
<td>14%</td>
</tr>
<tr>
<td>African American</td>
<td>4%</td>
</tr>
<tr>
<td>Arab</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

### Business Location by District

For FY 2019-20 and FY 2020-21, the top 4 industries of small business served were:

1. **Food Services**: restaurants; mobile food facilities; caterers; bars; etc.
2. **Certain Services**: beauty, hair, and nail salons; pet care services; dry-cleaning and laundry services; non-profits; etc.
3. **Retail Trade**: web retailers; markets and grocery stores; art dealers; clothing stores; florists; jewelry stores; bakeries; bookstores; hardware stores; etc.
4. **Professional, Scientific and Technical Services**: consulting services; legal services; design services; architectural services; accounting services; photography services; etc.

Non-English Service Provided

- **Spanish**: 7.98%
- **Chinese**: 4.25%
Small Business Portal

The data on the number of users utilizing the Business Portal for information on starting a business in FY 2019-20 and 2021-22 is tracked separately from the client service data Business Assistance Center. A business is able to get assistance from a business counselor by selecting “Get Assistance.” The Business Portal has 15 Starter Kits. The top 4 Starter Kits accessed are Short Term Rental, Food Truck, Restaurants, and Freelancer.

### Business Portal Statistics

<table>
<thead>
<tr>
<th>Location</th>
<th>FY 19-20</th>
<th>% of Total Users</th>
<th>% +/- FY 18-19</th>
<th>FY 20-21</th>
<th>% of Total Users</th>
<th>% +/- FY 19-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF</td>
<td>35,800</td>
<td>35%</td>
<td>-7%</td>
<td>34,092</td>
<td>33%</td>
<td>-5%</td>
</tr>
<tr>
<td>CA (non-SF)</td>
<td>31,243</td>
<td>31%</td>
<td>5%</td>
<td>33,883</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td>Out-of-State</td>
<td>26,031</td>
<td>25%</td>
<td>20%</td>
<td>24,221</td>
<td>24%</td>
<td>-7%</td>
</tr>
<tr>
<td>International</td>
<td>8,746</td>
<td>9%</td>
<td>-12%</td>
<td>10,702</td>
<td>10%</td>
<td>22%</td>
</tr>
<tr>
<td>Total</td>
<td>101,820*</td>
<td>2%</td>
<td></td>
<td>102,898*</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

### Top Starter Kit Page Views

<table>
<thead>
<tr>
<th>Starter Kits</th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>% +/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term Rental</td>
<td>6,102</td>
<td>3,073</td>
<td>-50%</td>
</tr>
<tr>
<td>Food Truck</td>
<td>4,053</td>
<td>2,811</td>
<td>-31%</td>
</tr>
<tr>
<td>Restaurants</td>
<td>2005</td>
<td>2,106</td>
<td>5%</td>
</tr>
<tr>
<td>Freelancer</td>
<td>1470</td>
<td>1,622</td>
<td>10%</td>
</tr>
</tbody>
</table>

### Highlights

- Of the total users in FY 2019-20, 85.4% were new visitors and 14.6% were returning visitors.
- Of the total users in FY 2020-21, 85.5% were new visitors and 14.5% were returning visitors, relatively the same as FY 2019-20.
- The percentage of decline in page views between FY 2019-20 and FY 2020-21 for Short Term Rental and Food Trucks is a direct result of the Shelter-in-Place order. Pre-pandemic, the Financial District is the top place Food Trucks wanted to be located.

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2 A User is determined by the IP address of the computer or device that the user is browsing from, combined with a cookie on the browser that they are using. No matter how many sessions the user makes, if the user is on the same device and same browser, the user is still counted as one user. However, if the user visits the Business Portal from another computer, device or browser, that same user will count as a new user.
Newsletters to Small Businesses

The Office of Small Business newsletter is specifically intended to provide information that directly impacts small businesses. The newsletter provides updates on new regulatory changes, new programs to assist small business and reminders of regulatory due dates. Understanding the challenges small businesses were experiencing, OSB utilized the newsletter to help businesses to stay up to date on various media alerts, health directives, and orders; various relief programs; webinars; deferral of business taxes/licensing fees; and resources for employers and their employees.

In FY 2020-21, OSB emailed a total of 102 newsletters to the small businesses in multiple languages: English, Spanish, Chinese, Tagalog, Russian, Arabic, Korean, Japanese, and Vietnamese.
Legacy Business Program

Fiscal Year 2020-21, concludes the fifth year of the Legacy Business Program with a total of 289 businesses on the Legacy Business Registry. Following are key accomplishments of the Legacy Business Program for this two year fiscal period:

- Added 43 businesses to the Legacy Business Registry in 2019-20 and 50 businesses in 2020-21.
- Provided 621.25 hours of technical assistance to 81 unique Legacy Business clients through the San Francisco Small Business Development Center (SFSBDC) in fiscal year 2019-20 and 345.50 hours of technical assistance to 64 Legacy Businesses in 2020-21. SFSBDC and their team of technical assistance providers assist Legacy Businesses in need of various types of assistance such as Legacy Business Registry applications, finances, grant applications, legal issues, marketing, real estate, succession planning, and other business challenges.
- Selected Design Media for marketing and website development and went live with a new Legacy Business Registry website at www.legacybusiness.org.
- Paid $1,093,317 to 136 Legacy Businesses for the Business Assistant Grant in 2019-20.
- Paid $605,703 through 39 Rent Stabilization Grants in fiscal year 2019-20 to landlords that provided long-term leases to Legacy Businesses, and paid $695,354 through 43 grants to landlords of Legacy Businesses in 2020-21.
- Paid $6,997 to 5 Legacy Businesses in Accessibility Grants in 2019-20 to help the businesses increase accessibility in their public spaces.
- Finalized the design of the Legacy Business bronze plaques.

Bronze plaque, certificate, and point of sale sticker for Legacy Businesses
Small Business Commission

The SBC proactively identified important ways to support small businesses at the onset of COVID. On March 9, 2020, the SBC passed Resolution 001-2020 ‘Urging the City to Expeditiously Support Small Businesses During COVID-19.’ The SBC identified specific recommendations regarding federal economic stimulus measures in memos to Mayor Breed in April and December of 2020. The SBC outlined the need for enhanced federal measures to:

- Improve the Paycheck Protection Program
- Extend pandemic unemployment insurance programs
- Expand Economic Industry Disaster Loans
- Enact bankruptcy protections
- Expand loan opportunities

Between April and October 2020, Commissioners served on the City’s Economic Recovery Task Force which guided the City’s efforts through the COVID-19 recovery to sustain and revive local businesses. Many of the SBC’s recommendations to support small businesses, which were outlined in a memo to the Task Force in May 2020, are reflected in the passage of Proposition H – the Small Business Recovery Act, which streamlined measures for small businesses going through the City permitting process, as well as the First Year Free program which waives fees for qualifying small businesses.

In January 2021, the SBC worked with SF State University to create a survey for small businesses to measure the impact of COVID-19. Over 500 small businesses responded. Survey findings included:

- Arts and entertainment, accommodation, food services, and personal services felt the largest negative impacts.
- Small businesses with mixed-race owners, owners over age 51, and with monthly revenues of $50,000-$100,000 reported experiencing significant negative effects.
- Since shelter-in-place orders had taken affect in March 2020, nearly one third of survey respondents were still closed (survey taken January 2021).

The survey provided valuable insights into the challenges businesses faced during COVID-19, and guided SBC policy work to address their needs. Through this survey, the SBC also identified the need to strengthen survey capabilities to better reach small businesses in the future.
Small Business Assistance Center

The Office of Small Business became acutely aware of the challenges that businesses were facing as the information of COVID-19 virus began to unfold. Once the Health Order C19-07 was issued, OSB Director Regina Dick-Endrizzi and OEWD Director Joaquin Torres came together to determine how best to coordinate emergency response services for San Francisco’s small businesses. It was determined that OSB would serve as the frontline emergency support for San Francisco’s small businesses. OSB’s mainline phone number and email served as the hotline for small business COVID response. Although many local and state agencies were closed for in-person services due to the Shelter-in-Place health order, with no one in the office to answer incoming calls, small businesses were able to speak directly with one of OSB’s team members when calling the office and receive email responses to their inquiries within less than 24 hours, 7 days a week for the first five and a half months. With all hands-on deck, OSB’s staff worked tirelessly to provide ongoing services, communications and support to our small businesses during this unprecedented time.

From March 2020 through June 2021, OSB staff provided service to 8,380 inquiries from small businesses. This is equivalent to approximately 2 years and 3 months of normal inquiry levels prior to the pandemic.

Small Business Inquiries During COVID-19

Number of inquiries responded in Spanish

Number of inquiries responded in Chinese
Inquiry Topics

- Financial Assistance: 4,152
- General Guidance: 2,981
- Reopening Guidance: 634
- Workforce Guidance: 451
- Real Estate Guidance: 433
- Shared Spaces Program: 78
- Business Closing: 68
- RFQ 999 Meal Service: 23

# of Inquiries from Different Business Industries
Newsletter Data During COVID

Newsletters to small businesses were sent as frequently as 4 times per week providing the latest information on health orders and directives, funding programs, legal resources, helpful webinars and more. From March 2020-June 2021, OSB sent a total of 157 newsletters to small businesses. Prior to COVID-19, the average number of newsletters sent each year was 6.5.

<table>
<thead>
<tr>
<th>Total Number of Newsletters Sent</th>
</tr>
</thead>
<tbody>
<tr>
<td>180</td>
</tr>
<tr>
<td>160</td>
</tr>
<tr>
<td>140</td>
</tr>
<tr>
<td>120</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>80</td>
</tr>
<tr>
<td>60</td>
</tr>
<tr>
<td>40</td>
</tr>
<tr>
<td>20</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

- **2008 - Feb 2020:** 78
- **Mar 2020 - Jun 2021:** 157

**Highest Click %**

47.45%

Topics include:

- Funding resources
  - SF Neighborhood Mini-Grants
  - Salesforce Grant
  - Bay Area Arts Worker Relief Funds
  - Unemployment Insurance for Self-Employed
  - Verizon/LISC Grant
  - Facebook Grant
  - Additional funding for PPP/EIDL
- SBA webinar on disaster loan programs
Legacy Business Program

During the Shelter-in-Place Order resulting from the coronavirus pandemic, the Legacy Business Program promoted Legacy Businesses with free ads in May and June 2020 designed by Osaki Creative Group, the contractor that designed the Legacy Business Program logo and branding. The Legacy Business Program also assisted Legacy Businesses with issues pertaining to the pandemic.

San Francisco Music and Entertainment Venue Recovery Fund

The San Francisco Music and Entertainment Venue Recovery Fund (Venue Fund) was specifically established to provide financial support to San Francisco-based live music and entertainment venues in order to prevent their permanent closure due to the pressures of the COVID-19 pandemic. The Venue Fund received $3 million from Mayor London N. Breed and $550 from three private donors.

The Venue Fund focuses on businesses whose principal function is to provide live entertainment programming, giving priority to Eligible Venues that are in imminent danger of closure, have been in operation for at least 15 years, are official Legacy Businesses, have a maximum occupancy of less than 1,000 patrons, or have importance to Cultural Districts. Seventy venues received grants. For information on the grant recipients go to: https://sfosb.org/venuefund.

After January 31, 2022, the Venue Fund shall support the relocation and reopening of eligible venues that have significantly contributed to the history or identity of a particular neighborhood or community and have been forced to move from their previous location due to the COVID-19 pandemic and/or significant rent increases tied to gentrification, with priority given to Legacy Businesses.
Personal Protective Equipment

During the coronavirus pandemic, the Office of Small Business compiled a list of San Francisco and Bay Area businesses that sold personal protective equipment (PPE), including face coverings, hand sanitizers, disinfectants, gloves, and plexiglass partitions. The list originated with Legacy Businesses and SF Made businesses, and it was updated frequently to include additional enterprises that requested inclusion on the list.

Lessons Learned

Communications
Throughout the coronavirus pandemic, the Office of Small Business and the Small Business Commission contacted small businesses about health regulations and grants/loans, and to conduct the Small Business Survey. Improved technological capabilities will ensure that OSB and SBC can contact all small business owners quickly and efficiently in the future.

Business Registration
As businesses applied for federal, state, and local grants and loan programs during the pandemic, some were not able to secure funding because their registrations were not up to date or had discrepancies. It’s important to emphasize, remind, and educate businesses of the need to update their business entity structures, business registration, licenses, and permits, and to file taxes in a timely manner. Below are several common issues witnessed.

Businesses that changed their business structure, and did not update their registration with the San Francisco Tax Office, discovered that their registration did not match how they are registered with the state and how they file taxes. To reconcile this, they would need to reregister with San Francisco correctly (under the correct ownership structure) and obtain all necessary permits and licenses, often requiring them to pay a significant amount of money to bring everything current. For some businesses this meant paying nearly as much to come current as what they may have qualified for in grants and loans, and some may have opted to forfeit such opportunities.

For example, a sole proprietor decided to convert to an LLC and filed with the Secretary of State, but never updated their business registration with the Treasurer and Tax Collector’s Office to reflect that change. Their business registration and City permits still show the ownership as sole proprietorship, and although the owner may be the same person, changes in entity structure generally require a new tax ID number (Employer Identification Number or EIN) from the IRS, which in turn triggers the need for a new business registration (business account number) from the SF Tax Collector, and thus new license and permits from the regulatory agencies. Businesses often overlook their filings with the local authority and may operate with these discrepancies for many years and only find out when applying for financing, and it can be costly to reconcile these discrepancies since it often requires backdating the new business registration and paying for previous years with added late filing fees, penalties, and interest. Not to mention the need to reapply for all permits and licenses, and pay the application fees, and annual license/permit fees. This same issue often happens to businesses who initially use their own social security number to register but later apply for an EIN as their business grows and they
need to hire employees, or they get a social security number after initially operating with just an Individual Taxpayer Identification Number (ITIN).

In some cases, businesses that had converted to LLC and Corporation entity structures failed to maintain their entity in good standing with the Franchise Tax Board and with the Secretary of State. OSB assisted some of these businesses to fix their status with these state agencies by directing them to pay the required minimum Franchise Tax and/or file the required Statement of Information in order to bring their accounts current so that they may be eligible for grants and loans. Some were ineligible because their taxes had not yet been filed and they were unable to get them filed in time.

Furthermore, aside from businesses that converted their entity structure but failed to make that update with the City, there were also several others who were not registered with the City at all. Many of these being LLCs and Corporations that, while registered with the State, did not realize they needed to be registered with San Francisco. Others included businesses that are licensed/regulated by the State and have a State license, but did not realize they needed a SF business registration, such as barbers and cosmetologists, marriage and family therapists (MFTs), and some child care providers. Many businesses assume after registering with the State, or obtaining their State license, they are free to do business anywhere within California, when in fact they must also have a San Francisco Business Registration Certificate. When asked to provide their business registration or fictitious business name filing from the City and County of San Francisco when applying for grants and loans, these businesses realized that they lacked this documentation and would need to register.

Since many grant and loan programs require applicants to be in business prior to the start of the pandemic, these particular businesses would also have to backdate their business registration start date and pay prior year fees, and late filing penalties, fees, and interest to come current to be able to produce a copy of the business registration or Fictitious Business Name. In some cases, even if the business owner was able to pay to make the registration current and accurate, they would not have made the grant deadline. In regard to loans, the lack of accurate registration either caused a loan decline or, if reconsidered, the process took a long time and funding did not happen timely. The delay in funding harmed the business as debt obligations and liabilities, such as rent, kept increasing.

**Accessible Meetings**

Since the onset of COVID, the SBC has been meeting remotely. The ability to tune into meetings and to call in and provide public comment has proven to be beneficial to small businesses owners who would like to engage with the SBC. Efforts to maintain remote access to meetings, even when in-person meetings resume, would be beneficial.
Looking Ahead

Small Business Commission
In the next year, the SBC will continue to provide ongoing policy recommendations to support small businesses in economic recovery to the Board of Supervisors and Mayor, and to pursue two major areas of focus they initiated pre-COVID-19.

Economic Mitigation Working Group (EMWG)
In 2019, in response to the passage of City regulations regarding tobacco, the SBC passed Resolution No. 002-2019-SBC requesting that economic mitigation measures be administered in support of small business retailers who may be adversely affected by such laws. Though the EMWG meetings were discontinued with the onset of the public health emergency in 2020, the EMWG identified 15 recommendations to support businesses with tobacco licenses. Since then, Commissioners have been meeting with supervisors to identify potential partners in this work. Next steps include:

- Working with OEWD and President Walton’s office to review the SF Shines and Healthy Retail initiatives to determine how to expand/support those programs.
- Addressing inequitable and outdated anti-loitering laws.

Small Business Commission Racial Equity Committee
In 2020, following guidance from the Office of Racial Equity, the SBC began to identify and address any inequities within the Commission to help guide the development of a Racial Equity Action Plan (REAP). To date, the Committee has initiated or completed the following actions:

- Passing a resolution on a Ramaytush Ohlone Land Acknowledgement.
- Adopting a resolution around racial equity that looks at the historical role of businesses in achieving racial equity, an internal analysis of commissioner demographics, and guiding principles for future work.
- Expanding the ability for commission members to hear from diverse voices by inviting business organizations and community partners to share their work with the SBC to build relationships for future collaboration. Most recently, Commissioners met with the Tenderloin Merchants Association.

Small Business Assistance Center
For FY 2021-22, two additional positions were added to the Business Assistance Center client service team, to provide a greater amount of support from start to finish for business that require licenses and permits to open their business. These two positions’ primary location will be at the 49 S. Van Ness Permit Center and will work closely with the regulatory agencies and the Permit Center team.
Legacy Business Program

The Legacy Business Program has three major upcoming goals to focus on for fiscal year 2021-22: (1) Manufacture and install bronze plaques; (2) Implement the short-term goals identified in the Legacy Business Program Strategic Marketing Plan<sup>4</sup>; and (3) Create an internal database for the Rent Stabilization Grant to more efficiently manage the grant applications and payments.

Neighborhood Anchor Business Program

In June of 2021, the Board of Supervisors established a Neighborhood Anchor Business Program (NABP). This is a program to recognize businesses that are 15+ years, considered an anchor business and will be placed on a registry. The program may also include resources, grants and loans to specifically support the growth of the businesses on the registry.

Budget

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<sup>4</sup> Legacy Business Program Strategic Marketing Plan, October 2021