San Francisco Office of Small Business

The Office of Small Business is the City’s central point of information for small businesses located in the City and County of San Francisco. Our mission is to equitably support, preserve, and protect small businesses in San Francisco. We provide high quality direct services and programs, drive practical policy solutions, and serve as a champion for San Francisco’s diverse small business community.

Message from the Director | Katy Tang

Small businesses form a resilient and inspiring foundation for any city and community. Despite the resourcefulness and tenacity of most entrepreneurs, nothing could prepare small businesses for the impacts of the COVID-19 pandemic. As we looked to 2022 as the year where we could “recover” from the pandemic and build a stronger small business community and city, the Office of Small Business increased services and capacity by adding a new small business permitting team to assist entrepreneurs with the permitting journey to start a new storefront or expand into an additional space, folded Small Business Development Center (SBDC) services into our portfolio to facilitate streamlined referrals to specialized counseling resources, and advocated for policy changes to make doing business in San Francisco easier. The Office of Small Business also increased collaboration with the Community Economic Development division in the Office of Economic & Workforce Development (OEWD), formerly known as Invest in Neighborhoods, to improve the way city government serves the small business community. All of these efforts are made possible by the dedicated staff at our office, who I thank for their service.

Sharky Laguana
President
Small Business Commission

Our city is stronger because of the lifelong and often multi-generational commitment to running a business here. To these business owners, we thank you for all of your hard work and dedication.
OUR MISSION

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

Proposition D

Created a chartered Small Business Commission that oversees the Office of Small Business (OSB).

Proposition I

Required OSB to operate a small business assistance center to help San Francisco businesses with fewer than 100 employees.

Proposition J

Created the Legacy Business Historic Preservation Fund. The Board of Supervisors adopted legislation in 2015 to create the Legacy Business Program.

Organizational Structure

The Office of Small Business is a division within the Office of Economic & Workforce Development, which includes Workforce Development, Community Economic Development, Business Development, Joint Development, and Film SF.
The Office of Small Business is a division within the Office of Economic & Workforce Development (OEWD)
Small businesses are critical to our economy

In addition to the big impacts small businesses have on our economy, small businesses also often offer more local diverse goods and services and add to the identity and character of cities and communities.

Source: San Francisco Treasurer & Tax Collector's Office, 2022 business registration data
Our services

The Office of Small Business is San Francisco’s central point of information for small businesses

Counseling
We assist with business registration, connect businesses to available resources, and provide general guidance for any small business needs.

Permit assistance
New in 2022. We have a team of Small Business Permit Specialists to help businesses navigating the multi-agency permitting journey.

Policy development and advocacy
We work with the Small Business Commission, small businesses, and policymakers on changes to make it easier to start, run, and grow a business.

Legacy Business & Neighborhood Anchor Business support
We manage programs to support long-standing businesses in San Francisco.

New in 2023: Commercial Vacancy Tracking & Management
A new position starting in January 2023 will develop a comprehensive commercial vacancy database, serve as a resource for businesses looking for spaces, track commercial vacancies over time, and develop strategies for filling more commercial vacancies.
FY 21-22 Service Highlights

Counseling and Permit Assistance

4,122
# of cases managed by staff

In the four fiscal years prior to the COVID-19 pandemic, case levels had been increasing by 8% to 12% each year. The FY 2021-22 case level is more closely following the pre-pandemic trend and represents a 6% increase in cases since FY 2018-19.

New in 2022

SMALL BUSINESS PERMIT SPECIALISTS

With the addition of two new positions in March 2022, the Office of Small Business has been able to provide a deeper level of support to small businesses needing permits to open or expand in San Francisco. This team also took over management of projects under the streamlined permit review program approved by voters under Proposition H (Nov 2020).

173
# of cases between March - June 2022

SMALL BUSINESS DEVELOPMENT CENTER

In 2022, the San Francisco Small Business Development Center (SBDC), a program of the US Small Business Administration, which provides training and counseling to small businesses, became a part of the Office of Small Business. This reorganization has strengthened our partnership and allows us to offer more services.

1,152
# of SBDC clients

- 324 Pre-ventures
- 42 Start-ups
- 786 Existing businesses

*This # is not included in the total # of cases
Small Business Development Center helps Z. Cioccolato increase sales

Z. Cioccolato, located in the North Beach neighborhood, is best known for its famous fudge, which comes in over 50 different flavors. Its talented team of chefs handcrafts each batch of fudge in-house daily using only the finest ingredients.

Dreaming of owning his own sweet shop, Mike Zwiefelhofer acquired Z. Cioccolato in 2015 when the original owners were retiring. He was interested in increasing online sales and improving conversions of the online ads the company was running. With SBDC’s help, Mike developed a way to test different marketing efforts to attract new customers. Mike now feels confident that Z. Cioccolato can decrease customer acquisition costs and increase profitability, as was demonstrated by increased sales from the year prior.

Mike Zwiefelhofer
Owner,
Z. Cioccolato

"Easily the best thing about working with SBDC was getting a fresh perspective on my company. I often get too caught up in day to day operations so it was great to get a fresh set of eyes along with some great expertise."
Top industries served by the Office of Small Business

1. **Food Services**
   - Full service and limited service restaurants; mobile food facilities; caterers; bars

2. **Retail Trade**
   - Web retailers; street vendors, markets and grocery stores; art dealers; clothing stores; florists; jewelry stores; bakeries; bookstores; hardware stores; etc.

3. **Certain Services**
   - Beauty, hair, and nail salons; pet care services; dry-cleaning and laundry services; non-profits; automotive repairs; etc.

4. **Administrative & Support Services**
   - Janitorial; landscaping; event planning; locksmiths; security and patrols; tour operators; travel agencies; carpet and upholstery cleaning; etc.

5. **Private Education & Health Services**
   - Health practitioners, massage therapists, acupuncturists, home health care; childcare services, technical & trade schools and instructions; tutoring; sports & rec instructions; etc.

*Industries are classified by the North American Industry Classification System (NAICS).*
FY 21-22 Service Highlights

Who we serve

Case trends for FY 21-22 are consistent with past years, with the majority of cases coming from existing small businesses, followed by those considering starting a new business or in the process of starting one.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-start up</td>
<td>24%</td>
</tr>
<tr>
<td>Start up</td>
<td>24%</td>
</tr>
<tr>
<td>Existing</td>
<td>41%</td>
</tr>
<tr>
<td>Expanding</td>
<td>4%</td>
</tr>
<tr>
<td>Relocating</td>
<td>1%</td>
</tr>
<tr>
<td>Acquisition</td>
<td>3%</td>
</tr>
<tr>
<td>Closing</td>
<td>3%</td>
</tr>
</tbody>
</table>

Supervisory districts where businesses are located

Unknown: Many entrepreneurs contact our office while in the Pre-start up or Start up phase and do not yet know where they will locate their business.
New laws help more businesses get permits faster

With voter passage of the Save Our Small Businesses initiative (November 2020) and adoption of the Small Business Recovery Act legislation at the Board of Supervisors (August 2021), a higher percentage of permits for commercial projects have been approved over-the-counter – 88% of which are approved in 30 days or less. Since 2021, over 1,800 commercial projects have been able to get permits over-the-counter.

Additionally, fewer projects require Conditional Use Authorization and noticing, requirements which typically add months to the permitting process.

Health permits for food services, which are the most common type of small businesses, took less than 30 days on average to approve/issue.

Small Business Permit Streamlining
Spotlight

Andrea Alfaro
Owner,
El Mil Amores restaurant

My dream of having a restaurant came true. I walked in not knowing what to do or how to start, but was able to get through the permitting process quickly and benefit from the First Year Free program.

Thank you!
Language support to small businesses

The Office of Small Business understands the importance of providing service in-language when possible. We have staff who can provide service in Spanish and Chinese, and we seek language support resources for other languages when requested. We translate information into Spanish, Chinese, and Filipino in accordance with the San Francisco Language Access Ordinance (LAO) and sometimes beyond the threshold languages required under the LAO.

Main language spoken by small business owners seeking services:

- **77%** ENGLISH
- **18%** SPANISH
- **4%** CHINESE
Legacy Business Program

Rent Stabilization Grant
44 grants awarded totaling $724,863.70
The purpose of the Rent Stabilization Grant is to incentivize landlords to enter into long-term leases with Legacy Businesses. Landlords who provide leases to Legacy Businesses for 10 or more years may receive grants of up to $4.50 per square foot of space leased per year, with some limitations.

Legacy Business Grant
179 grants awarded totaling $400,000
Using one-time funding from the Board of Supervisors, the Office of Small Business issued a newly-created Legacy Business Grant to promote the long-term stability of Legacy Businesses and help them remain in the city. Authorized uses of the Legacy Business Grant included tenant improvements, capital improvements, rent, relocation within the city, marketing, professional services, and other activities necessary to support the continuation of businesses as Legacy Businesses.

Equity and Application Improvements
This year, we made three key improvements to the Legacy Business Program:

1) Removal of $50 application fee
   We recommended to the Board of Supervisors eliminating the requirement to charge Legacy Business applicants a $50 administrative fee, which was initially part of the ballot measure creating this program. This was done to remove fees and regulatory barriers that negatively affect small businesses.

2) Application streamlining
   We revised the application to make it easier for businesses to apply for the Registry.

3) Focused outreach to prioritized neighborhoods
   We analyzed the demographic and geographic representation of the Registry to understand gaps and are focusing outreach in neighborhoods with a disproportionately low number of registered Legacy Businesses.
Legacy Business Rent Stabilization Grant helps Creativity Explored stay in San Francisco

Creativity Explored, a creative community for artists with developmental disabilities, was added to the Legacy Business Registry in September 2018. The Rent Stabilization Grant helped both Creativity Explored and their landlord to take on a 10-year lease for their studio at 1 Arkansas Street. The grant is passed on to Creativity Explored as a rent reduction.

Despite drastic shifts in the programming of Creativity Explored in response to COVID-19, the Rent Stabilization Grant allowed the organization to continue operating their studio. Today, it has reopened and their artist community is flourishing.

Legacy Business Program

Spotlight

LINDA JOHNSON
Executive Director,
Creativity Explored
(image by Hector Lopez)

Creativity Explored is thankful for the generosity of the City and County of San Francisco, the San Francisco Office of Small Business, our landlord the Nibbi Brothers, and our property manager Dominic Alioto, all who have been incredibly generous supporters of our organization and have been our partners in this grant process.
Neighborhood Anchor Business Program

358

# of businesses on the Neighborhood Anchor Business Registry, as of January 2023

The Neighborhood Anchor Business Registry was created by the Board of Supervisors in July 2021 to aid in the recovery of small businesses affected by the COVID-19 pandemic, specifically those businesses that have a long history of serving San Francisco's neighborhood commercial corridors (15 years or longer).

Note that Legacy Businesses, which have been in San Francisco for 30 years or longer, are automatically part of the Neighborhood Anchor Business Registry.
## FY 21–22 Program Highlights

### Grants for San Francisco Venues

In an effort to support San Francisco-based live music and entertainment venues to prevent their permanent closure due to the COVID-19 pandemic, the San Francisco Venue Fund was established in March 2021 with approximately $3 million. The grant program was administered in partnership between the Office of Economic & Workforce Development and Office of Small Business.

<table>
<thead>
<tr>
<th>Round 1</th>
<th>Round 2</th>
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<tbody>
<tr>
<td>70 venues received grants totaling $2.5 million</td>
<td>74 venues received grants totaling $501,424</td>
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Accessible Business Grant Program

Our office launched a year-round grant program (pending funding availability) in July 2022 to help small business owners make their business more accessible. Small businesses can receive up to $10,000 for purchasing furniture, fixtures, and/or equipment and for professional inspections to evaluate the business for accessibility needs.

Between March to June 2022, our office provided a similar grant program to help small businesses pay for professional inspections only.

Initial program (May to June 2022)
27 businesses received grants totaling $22,990

Current ongoing program (started July 2022)
18 businesses received grants totaling $87,666
Policy, Advocacy, Initiatives

IMPROVEMENTS TO PERMITTING PROCESS
San Francisco’s permitting process can be challenging for almost any type of project. More likely than not, small businesses owners looking to start a new brick-and-mortar location or expand into a new space will need to hire an architect to develop professional plans as part of the permitting process. In some situations, small businesses need permits but are not making any physical changes to their space, yet are required to provide professional plans drawn by architects. Our office worked with the Department of Building Inspection and Planning Department to develop a pathway for small businesses to experience a more streamlined permitting process if no physical changes are being made and certain other requirements are met. More information is available here: https://sf.gov/step-by-step/small-business-exception-plan-requirements

FIRST YEAR FREE PROGRAM EXPANSION
The Office of Small Business has provided ongoing support to the Office of the Treasurer and Tax Collector to implement the First Year Free program, which waives various permit and license fees for businesses starting or expanding into a new storefront in San Francisco. Small Business Permit Specialists have helped identify businesses that are eligible for fee waivers. To date, nearly 2,000 businesses have benefited from the program. In November 2022, the Commission worked with Supervisor Ronen’s Office to extend the program through June 30, 2023, increase the gross receipts threshold to qualify and expand the type of businesses that qualify. This is an important program as part of San Francisco’s economic recovery efforts.
STATER GUIDES FOR SPECIAL EVENTS

Special events often require numerous permits and coordination between multiple agencies and require significant preparation. Given the interest in creative uses of vacant storefronts, street activations, and festivals as ways to support economic recovery, our office developed step-by-step guides help to navigate the process for putting on such activities. This guide, along with others, is available at:

https://sf.gov/starter-guides-small-businesses

SHARED SPACES PERMANENT PROGRAM

Since the onset of COVID-19, the Small Business Commission has advocated for the creation of the Shared Spaces Program. This past year, the Commission supported legislation to make the Shared Spaces Program a permanent part of the city’s streetscape. As restaurants and other Shared Spaces operators modify their structures to comply with health, safety, and building guidelines, the Commission and our office has assisted with outreach to the business community.
Racial Equity Plan Progress

The Small Business Commission has completed several major components of the Office of Small Business’ Racial Equity Action Plan, including:

- Passage of a Resolution Reaffirming the Commission’s commitment to racial equity. The Resolution reviewed the historical role that San Francisco businesses have played in supporting (or opposing) racial equity, leading up to present day advocacy that the Commission has pursued.
- Adoption of the Ohlone Land Acknowledgement in Commission Rules of Order. By incorporating the land acknowledgement into Rules of Order, the Commission is now required to read the acknowledgement at every meeting.
- Adoption of a Racial Equity Tool to evaluate racial equity implications of policy proposals. The Commission created a set of evaluative criteria to use in order to assess the racial equity impacts of each policy proposal that they review.

Street Vendor Program Outreach

In August 2022, San Francisco launched a Street Vendor Permit Program in response to recent statewide regulations and an ongoing concern about illegal merchandise vending. Our office, in partnership with the Department of Public Works, Department of Public Health, the Office of Economic & Workforce Development, and community organizations, created communications materials in English and Spanish to outline the new permit application and process, and clarify program rules for new street vendors.
**Policy, Advocacy, Initiatives**

**07**

**GRAFFITI ABATEMENT PILOT PROGRAM**

The Small Business Commission collaborated with Supervisor Melgar and Supervisor Stefani to advocate for a proactive City response to graffiti on commercial properties. The newly established Graffiti Abatement Pilot Program allows property owners in neighborhood commercial corridors to opt into graffiti abatement services provided by the City, at no cost to the owner. Small businesses are frequently the victims of graffiti and this program can alleviate the ongoing burden that business owners face when they need to clean up graffiti. Supervisor Melgar secured $4 million in funding to support a two-year pilot program which launched in December 2022. Our office developed communications and outreach materials to encourage program participation.

**08**

**SHOP DINE SF**

Shop Dine SF is an initiative of the Office of Small Business and the Office of Economic & Workforce Development with a goal to bring attention to local businesses and neighborhood corridors. Spending money at local small businesses helps merchants, creates jobs, and is critical to San Francisco's economic recovery from the COVID-19 pandemic. In December 2022, our office launched a holiday campaign to support San Francisco businesses, curating events and holiday gift guides to make it easier for people to support small businesses. This effort is part of a larger brand refresh of the initiative formerly known as “Shop and Dine in the 49”. Our office will continue to inspire locals and visitors to support San Francisco businesses throughout the year. More information is available here: [https://sf.gov/shop-dine-sf](https://sf.gov/shop-dine-sf)
EXPANDED OFFICE AT THE PERMIT CENTER

The Office of Small Business now provides service at two locations:
- City Hall for general assistance
- Permit Center (49 South Van Ness) for assistance with permits

MIGRATED WEBSITE TO SF.GOV

To make our services and information provided online more accessible to all, we migrated our website to the sf.gov platform.
Our website is now: sf.gov/OSB

INTEGRATED BUSINESS PORTAL INTO SF.GOV PAGE

To streamline small business resources, ensure our information is up-to-date, and to meet accessibility standards, we integrated Business Portal resources into sf.gov/OSB
Strategic Goals for FY 22–23

Support small business retention and growth

Attract new small businesses by making it easier and faster to open in San Francisco

Restore economic vibrancy in neighborhood commercial corridors and economic core

Small Business Commission Priorities

- Promote policy and legislative solutions to mitigate challenges and support the economic health for San Francisco small businesses.
- Provide a venue for stakeholder engagement through collaboration with a wide range of stakeholders to ensure that small businesses are heard and well supported, especially those from historically marginalized communities.
- Proactively address policy and regulatory issues that directly impact the smallest, most vulnerable businesses.
- Better understand challenges for long-standing businesses.
- Simplify small business applications, permitting, and billing processes across departments.
- Serve as a voice in addressing public safety.
- Improve collaboration and relationship-building between merchants and property owners in addressing commercial vacancies.
Thank you

Small Business Commissioners

2021
Sharky Laguana President
Miriam Zouzounis Vice President
Stephen Adams
Lawanda Dickerson
Kathleen Dooley
Cynthia Huie
William Ortiz-Cartagena

2022
Sharky Laguana President
Miriam Zouzounis Vice President
Tiffany Carter
Lawanda Dickerson
Rachel Herbert
Cynthia Huie
William Ortiz-Cartagena

Office of Small Business Staff

Katy Tang Executive Director
Kerry Birnbach Senior Policy Analyst/Commission Secretary
Carol Cheng Case Manager
Morgan Heller Small Business Permit Specialist
Richard Kurylo Legacy Business Program Manager
Rachel Leong Small Business Permit Specialist
Walter Monge Case Manager/Neighborhood Anchor Business Program Coordinator
Michelle Reynolds Small Business Programs & Communications Manager
Marianne Thompson Small Business Engagement Specialist
Martha Yanez Case Manager
Regina Dick-Endrizzi Strategic Initiatives

Small Business Development Center
Jossiel Cruseta Executive Director
Lawrence Liu Client Success Specialist
Jessica Wan Client Success Specialist
San Francisco Office of Small Business

OFFICE HOURS
Monday – Friday
9:00 AM to 5:00 PM
(closed noon to 1:00 PM)

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1 Dr. Carlton B. Goodlett Place,
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Assistance with permits:
Permit Center
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