SMALL BUSINESS COMMISSION
MEETING MINUTES

Monday, March 27, 2023
4:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS
Cynthia Huie, President;
Miriam Zouzounis, Vice-President;
Tiffany Carter, Lawanda Dickerson; Rachel Herbert; William Ortiz-Cartagena;

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

Meeting called to oder at 4:35pm
Present: Carter, Dickerson, Herbert, Huie, Ortiz-Cartagena, Zouzounis

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

Richard Kurylo, Legacy Business Program Manager, Office of Small Business presented. The Commission reviewed Legacy Business Registry applications:

a. Bernie's Pet Shoppe, Inc. (Application No.: LBR-2022-23-036)
b. Castro Village Wine Co. (Application No.: LBR-2022-23-035)
c. Guerra Quality Meats LLC (Application No.: LBR-2022-23-026)
d. Mendels / Far Out Fabrics (Application No.: LBR-2022-23-037)

Public Comment:
Mark Sherman, Guerra Meats, Manager. Thanked SBC for this opportunity
Naomi Silverman, Mendels, noted that her grandparents and aunt started the business before her.
Christin Evans, spoke in favor of Mendels and praised Naomi Silverman for her work with the merchants association
Bernadette Machado, Bernie's Pet Shoppe owner, talked about the importance of hiring and working with youth to get them involved in finding occupations they love

Commissioner Comment:
Herbert: Thanked the businesses for all that they do
Dickerson: Congratulated the businesses
Zouzounis: Her grandpa was a butcher. Small businesses have familial bonds.
Huie: Spoke about her experience as a customer at Guerra.

Motion to approve resolutions: Dickerson
2nd: Carter
Ayes: Carter, Dickerson, Herbert, Huie, Ortiz-Cartagena, Zouzounis
Motion passes 6-0

3. **San Francisco Reinvestment Working Group Update on Public Banking (Discussion Item)**

Christin Evans and Khalid Samarrae, from the San Francisco Reinvestment Working Group, presented draft plans for a San Francisco Public Bank and a Municipal Financial Corporation (MFC). They noted that a city owned bank will serve communities often overlooked or discriminated against by traditional banks. In 2019 Asm. David Chiu passed state law to allow municipalities to create public banks. The working group formed in 2021 under LAFCO and is tasked with developing a plan for an MFC and Public Bank. A public bank would get funding from City of San Francisco to start operations and issue loans as an MFC. They need $20 million to capitalize an MFC. It would be self sustaining in 3 years. Their hope is by September to have submitted plans to LAFCO and Board of Supervisors.

Commissioner Comments:
Herbert: What kind of investments would the bank make? Bonds? $ will come from City of SF. Bank would generate income by making loans and generating interest. Participatory lending would be the model – give money to DFI's like Main Street Launch to make loans to small businesses. Public Bank of North Dakota does this. This would cover gaps in current banking: affordable housing loans and small business startup costs.
Ortiz-Cartagena: Would this be like a CDFI? Yes, this would be mandated by state law to work with partners already providing similar services.
How would a public bank address cultural competency? Bank will have equity standards and a mission to follow.
Zouozuonis: The Commission can be strong allies in this work via our access to data to identify gaps. Her biggest concern is what percent is going to be funded via participatory lending? 50% to CDFIs. This is concerning because they have limited reach and while they have equity plans, they still have issues such as not hiring diverse workforce. And CDFI's export out small business technical assistance.
Tang: What's the status with a statewide public bank? The state is studying its feasibility.
Ortiz-Cartagena: 25 commissioners would oversee this? Yes, this number is based on other public banking oversight models. When would this be in operation? It's a 3 year timeline to become a bank.
Huie: how will you navigate city bureaucracy? This will be a separate entity, independent corp. From the city. It would cost $600k in start up costs and $20 mill to capitalize.
Carter: This is very exciting. How can community groups follow this? Main website.
Zouzounis: How will we generate $20 million? The governance model would need to be approved by voters. Green financing/general fund/reserves could cover the costs.

No members of the public requested to speak.

4. **Small Business Survey Results: Discussion of Recommendations (Discussion Item)**

The Commission reviewed draft policy recommendations based on the recent Small Business Survey results:

Draft rec: draw down federal funds for ERTC
Huie: A targeted approach to outreach would be good – specifically reaching out to merchant groups.
Dickerson: It was complicated and time is running out.
Ortiz-Cartagena: fraud associated with PPP loans in his community made people skeptical about another federal program. It's hard to tell CPAs that they can do it.
Tang: Pelosi's office is interested in helping with outreach.
Carter: Could we work with the Chamber on this? They have recommendations.

Draft Rec: Work closely with Workforce Development Division
Ortiz-Cartagena: yes, use more resources to build that existing relationship up
Huie: sector based hiring fairs or neighborhood based hiring fairs would be good
Tang: There is a list of job centers in each neighborhood
Herbert: hiring fairs by industry would be great

Carter: let's create pipelines with schools
Ortiz-Cartagena: Jobs Now is great – we need to think about youth getting into vocational trades.
Zouzounis: a lot of job fairs seemed geared toward larger employers. Can neighborhood funds from merchant groups go to having resource fairs? Could those funds subsidize wages?
Huie: We need to think how we can make SF a good place to be a worker.
Dickerson: Connecting employees to available housing would be helpful
Carter: Housing preferences for employees should exist.

Draft rec: Clean and safe streets:
Ortiz-Cartagena: this ties in with the ability to have workers – we can't get people to come to work because of safety concerns.
Carter: Yes to community ambassadors. Urban Alchemy monitors the tenderloin and they are helpful.
Zouzounis: are there any codes preventing the city from sidewalk/street cleaning? No. Sidewalk is technically a property owners responsibility but City does help with public cleaning (public trash cans, street sweeping, etc). Supervisors can give addback funding for enhanced cleaning services.
Herbert: Wealthier neighborhoods are spotless- why? Higher homeownership?
Huie: It would be good to develop resources to help small businesses know who to call.
Carter: we need better security and street cleaning
Herbert: street activations with events are useful
Carter: Let's include continuing First Year Free

Draft Rec: Reform Healthcare Security Ordinance
Ortiz-Cartagena: give small businesses back HCSO fees
Herbert: there are health related things we can invest in that would assist small businesses – needle exchanges, etc.

No members of the public requested to speak.

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

No members of the public requested to speak.
Motion to approve draft minutes: Dickerson
2nd: Carter
Ayes: Carter, Dickerson, Herbert, Huie, Ortiz-Cartagena, Zouzounis
Motion passes 6-0

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

No members of the public requested to speak.

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

Director Tang updates:

- reviewed the Mayor's press conference last week showing off the permit center, mentioning legislation to address commercial vacancies, etc.
- Sup. Safai sponsored legislation to eliminate permit fees for shared spaces and increase the gross receipts threshold for businesses to qualify for reduced fees (from $2 mill to $2.5 mill)
- Sup. Peskin sponsored legislation to extend Limited live performance hours in the polk neighborhood to last until 11pm. Currently it's 10pm.
- The Port is having an annual open house on thursday and OSB will be tabling.

Carter: expanding hours for limited live performance is great
No members of the public requested to speak.

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

Zouzounis: the press conference was great. There will be an iftar celebration at City Hall on Friday. There will be an Armenian event on Saturday at Mount Davidson

Ortiz-Cartagena: Would like DPH to come present on implementation of state law SB 972 re: food vending. OSB trained Clecha staff last week on ABE/ADA compliance. Clecha staff also met with SBDC. Clecha will be hosting an April 14th easter event in the plazas.

Carter: there was a Black Woman Makers fair at the ferry building on Saturday. It was great. Would like to request a street vending update from DPW.

Zouzounis: Saw the Reparations Commission recommendations and they are very much in line with SBC goals. Let's support them.

Dickerson: u3Fit is hosting a HIIT Fit Boot Camp with Rafiki.

No members of the public requested to speak.

9. **Adjournment**

Meeting adjourned at 7:20pm.