



SAN FRANCISCO
OFFICE OF SMALL BUSINESS

Annual Report

FY2022-23

Our mission

The Office of Small Business is the city's central point of information for small businesses located in 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.



Simple

*An eco-market that offers a full range of zero-waste items, located in Cole Valley at 1001 Stanyan St.
simple-sf.com*

history

2003

Proposition D

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

2007

Proposition I

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

2015

Proposition J

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



Ampersand

*A flower shop, design studio, and private event space near Duboce Triangle at 2190 Market St.
ampersandsf.com*

Counseling

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

Permit support

We have a team of Small Business Permit Specialists to help entrepreneurs navigate the multi-agency permitting journey.

Policy development & advocacy

We collaborate with the Small Business Commission, small business owners, and policymakers on changes to make it easier to start, run, and grow a business.

Commercial leasing & activation support

We help entrepreneurs looking for spaces to start a new business or expand, and provide advisement on lease negotiations.

Legacy Business assistance

We support long-standing businesses in San Francisco through marketing, grants, and technical assistance.

budget

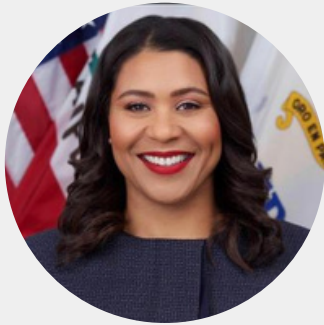
\$3.7 million FY2022-2023 budget



- Salaries/benefits: 45.3%
- Legacy Business Program: 29%
- Small Business Development Center (SBDC): 9.9%
- Disability Access & Education: 9.3%
- Administrative costs: 5.8%
- Small business marketing (ShopDineSF): 0.8%

The Office of Small Business is a division within the Office of Economic & Workforce Development (OEWD), which manages additional funding for small business support.

why we care



“San Francisco would not be the dynamic, engaging, and innovative city that it is without small businesses. We owe it to this bold and hardworking community to continue advancing improvements that make running a small business a worthwhile investment.”

Mayor London Breed

Small businesses are the lifeblood of the U.S. economy, generating **44%** of U.S. economic activity and creating **2/3 of net new jobs**.

-U.S. Small Business Administrative Office of Advocacy report released December 2018:
<https://advocacy.sba.gov/wp-content/uploads/2018/12/Small-Business-GDP-1998-2014.pdf>

“There’s a person, a story, and a community behind every small business. Everything we do to support and celebrate small businesses ensures that San Francisco will continue its legacy as a home for innovators, creators, and leaders.”



Cynthia Huie,
*Small Business Commission President
and owner of On Waverly at 162 Waverly
Place in Chinatown*
www.onwaverly.com

4,855

of cases managed by Office of Small Business staff in FY2022-23

During FY2022-23, the Office of Small Business (OSB) added four positions to increase our range of services, including a team of two Small Business Permit Specialists, a Commercial Vacancy Manager, and a Business Case Manager. These new positions enabled OSB to increase service by 18% compared to FY2021-22, and by 25% compared to FY2018-19 (pre-pandemic).

In addition...

The San Francisco Small Business Development Center (SBDC), a program of the U.S. Small Business Administration (SBA), which is hosted by OSB/OEWD, and provides specialized training and counseling to small businesses, served:

1,124

of SBDC clients in FY2022-23



- Pre-ventures: 31%
- Start-ups: 18%
- Existing businesses: 51%

impact story

Outta Sight Pizza started in 2020 during the height of the pandemic. Buddies **Eric Ehler** and **Peter Dorrance** decided to start the business with a few core values in mind: always feeding people the best pizza ever, making sure the people who make the pizza are properly paid, working with a team of people that love, care and respect each other and last but not least, always doing the right thing through pizza. Their pizza combines the love of crispy NY slices and the technique of Neapolitan pies.

Eric and Peter started the business as popups using kitchen space from restaurants and bars. Their pizza became so popular that they decided to open a brick-and-mortar store in 2022. Following a referral from the Office of Small Business for one-on-one business advising from the Small Business Development Center (SBDC), they signed up immediately to get assistance.

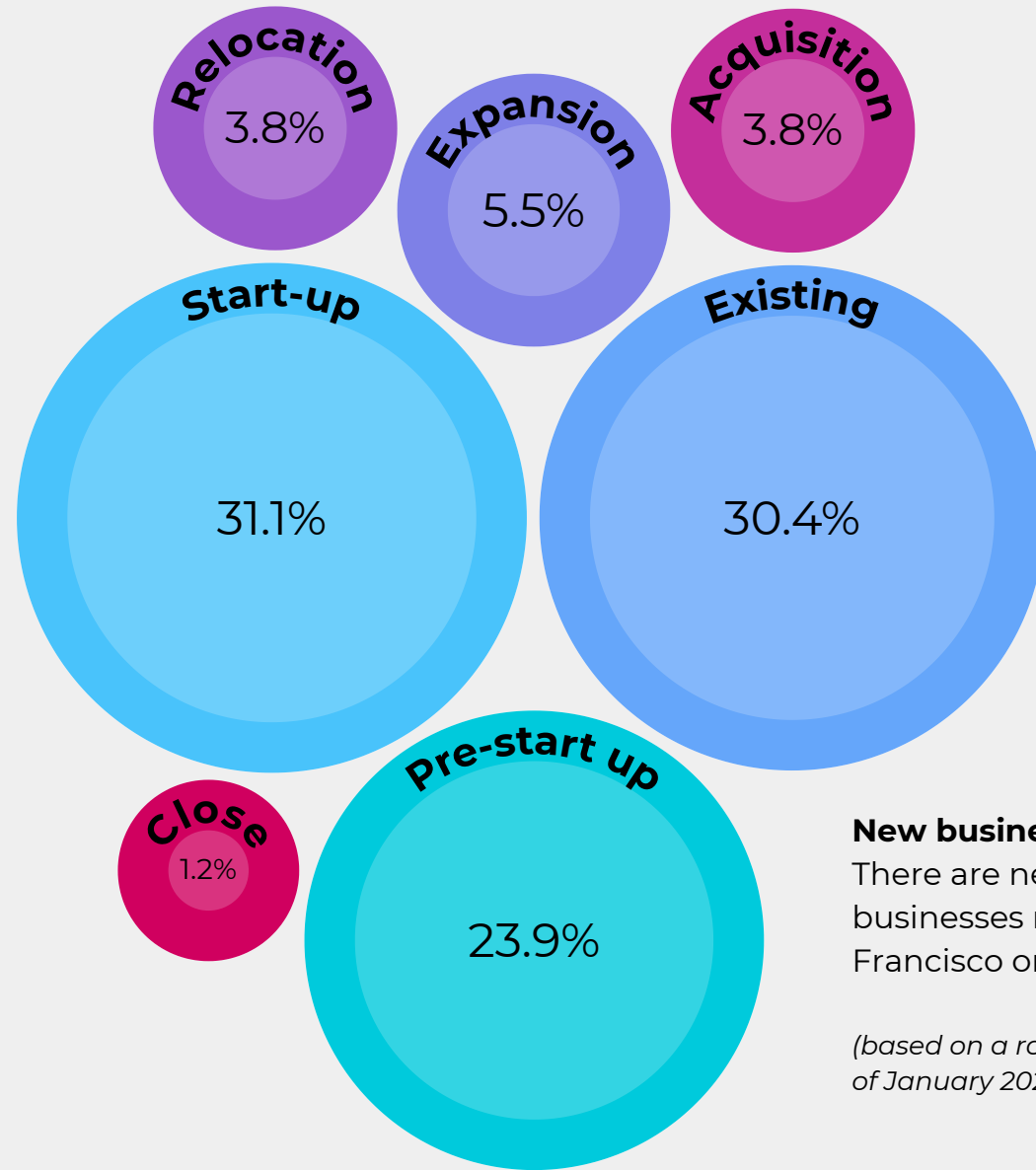
An advisor with the SBDC helped the business explore funding opportunities, taught the owners about financial analysis and projections, and supported the strategic planning for the business. Outta Sight Pizza is currently thriving in the Tenderloin.

Outta Sight Pizza



Eric Ehler and Peter Dorrance, co-owners of Outta Sight Pizza in the Tenderloin at 422 Larkin St. (Photo by Douglas Zimmerman/SFGATE) thatsouttasight.com

service provided



New businesses in SF

There are nearly 200 new businesses registered in San Francisco on a weekly basis.

(based on a rolling 12-month average as of January 2024; source: DataSF)

new services

Commercial leasing and activation support

The addition of a Commercial Vacancy Manager in January 2023 enabled our office to provide new services to support small business entrepreneurs with leases, as well as gain a deeper understanding of commercial leasing.

New resources to address common needs:



Letter of Intent (LOI) templates for business owners to use and for educational purposes



Outlined steps and checklists to help prepare entrepreneurs for the commercial leasing process



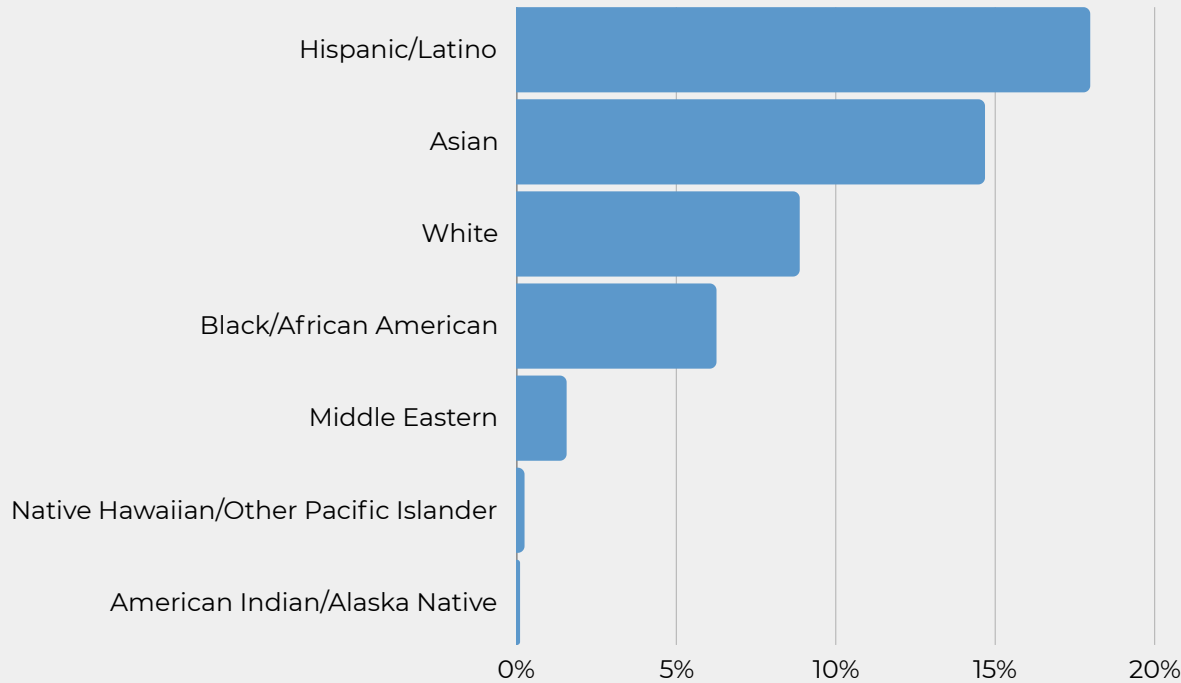
OSB participation in and advisement on site tours of commercial spaces with entrepreneurs

top industries

Food services	Full service and limited service restaurants; mobile food facilities; caterers; bars
Retail trade	Web retailers; street vendors, markets and grocery stores; art dealers; clothing stores; florists; jewelry stores; bakeries; bookstores; hardware stores; etc.
Certain services	Beauty, hair, and nail salons; pet care services; dry-cleaning and laundry services; non-profits; automotive repairs; etc.
Admin & Support services	Janitorial; landscaping; event planning; locksmiths; security and patrols; tour operators; travel agencies; carpet and upholstery cleaning; etc.
Private Education & Health Services	Health practitioners, massage therapists, acupuncturists, home health care; childcare services, technical & trade schools and instructions; tutoring; sports & rec instructions; etc.

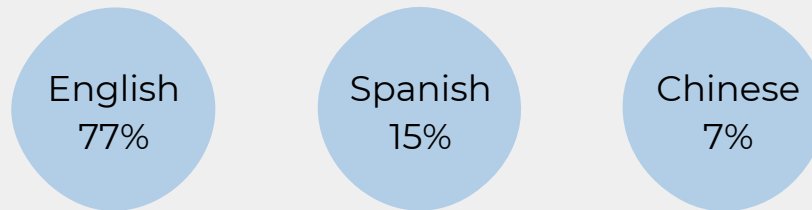
Top 5 industries that seek services from the Office of Small Business. The top 5 industries have remained the same in the last three fiscal years. Industries are classified by the the North American Industry Classification System (NAICS).

who we serve



Data does not include those who declined to state their race/ethnicity or are unknown

language of service provided



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.



Photo courtesy of Creative Ideas Catering
creativeideascateringcafe.com

Creative Ideas Catering & Cafe

Creative Ideas Catering was founded by **Lina Mills** and is a full-service catering company that uses sustainable practices and a customer-driven team to provide a global fusion of Latin flavors.

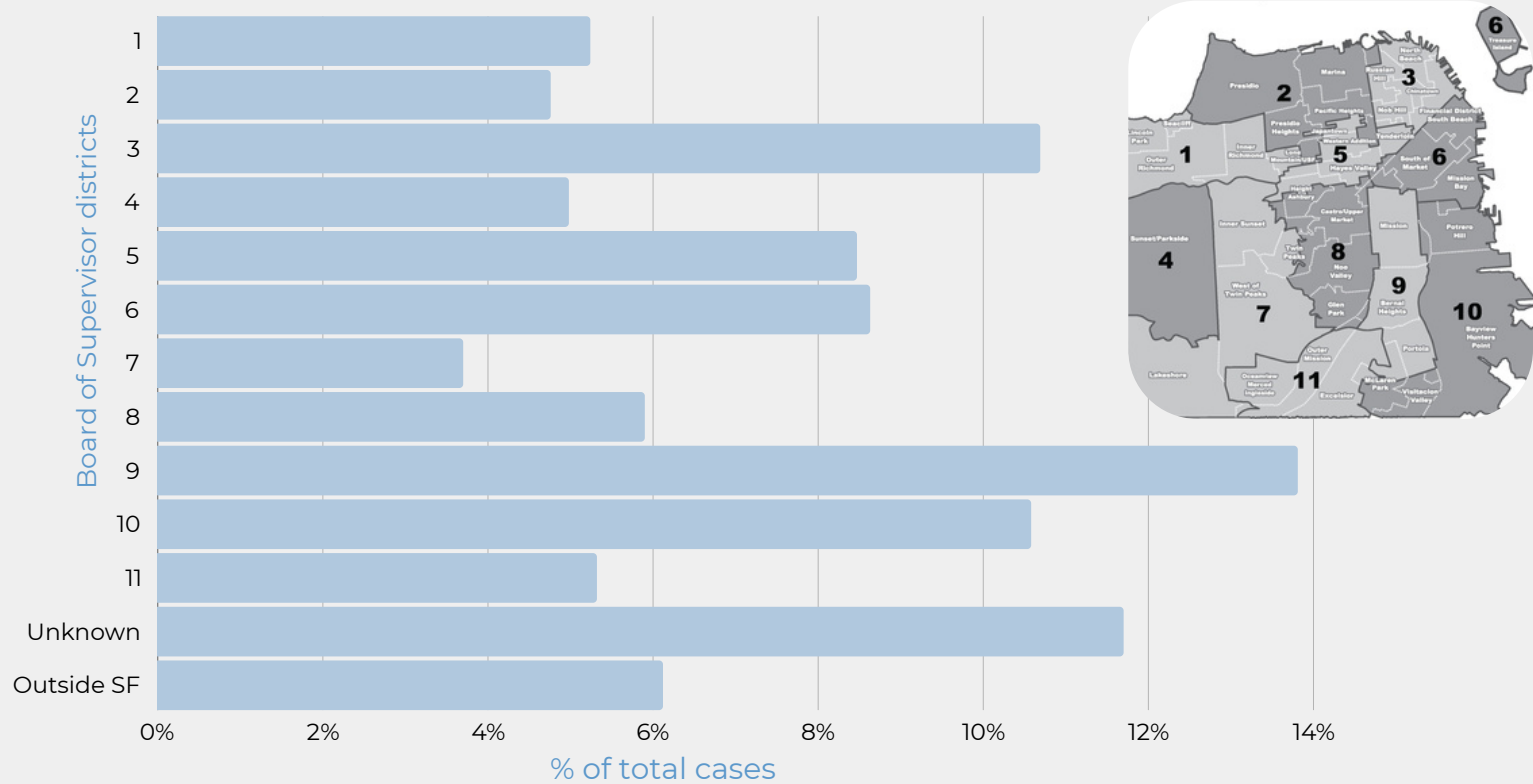
With 25 years of catering experience, Lina and her husband **Alvaro Luna** opened a cafe, called **Creative Ideas Cafe, a Colombian Mexican Eats Cafe**, in Visitation Valley at 58 Leland Ave in the summer of 2022.

The Office of Small Business assisted Lina with critical steps needed for final permit approvals, including compliance with accessibility requirements. Since opening, the cafe has been a welcome addition to the community!



Owner Lina Mills (center) with her team at Creative Ideas Catering.
(Photo courtesy of Creative Ideas Catering)

business locations



This shows a breakdown of businesses that seek services from the Office of Small Business, based on the business location by Board of Supervisor districts. 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.

where we've been



In an effort to hear directly from small business owners, better understand the issues that businesses face, assess commercial corridor needs, and share information about small business resources, our team explores different neighborhoods in the city on a near-weekly basis.

legacy businesses

382 # of Legacy Businesses on the registry as of January 1, 2024

49 # of Legacy Businesses added to the registry in FY2022-23



The Legacy Business Program recognizes longstanding (30 years or longer), community-serving businesses that are valuable cultural assets to the city.

\$766,512

awarded through 47 grants supporting 44 Legacy Businesses in FY2022-23 through the **Rent Stabilization Grant Program**, an incentive for 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.



Alicia Vanden Heuvel, owner of **La Méditerranée** at 288 Noe Street, with their Legacy Business plaque. lamednoe.com



Program improvements

Application fee eliminated

Following our recommendation, the Board of Supervisors passed legislation in September 2022 to eliminate the requirement to charge Legacy Business applicants a \$50 administrative fee to get on the registry (BOS File 220877). The goal behind this effort was to remove fees and regulatory barriers that negatively affect small businesses.

Application form simplified

In July 2022, we revised the Legacy Business Registry application form to make it easier for businesses to apply for the Registry and to improve the look of the final application. We also simplified the template for the written historical narrative, which is a critical component of the Registry application.



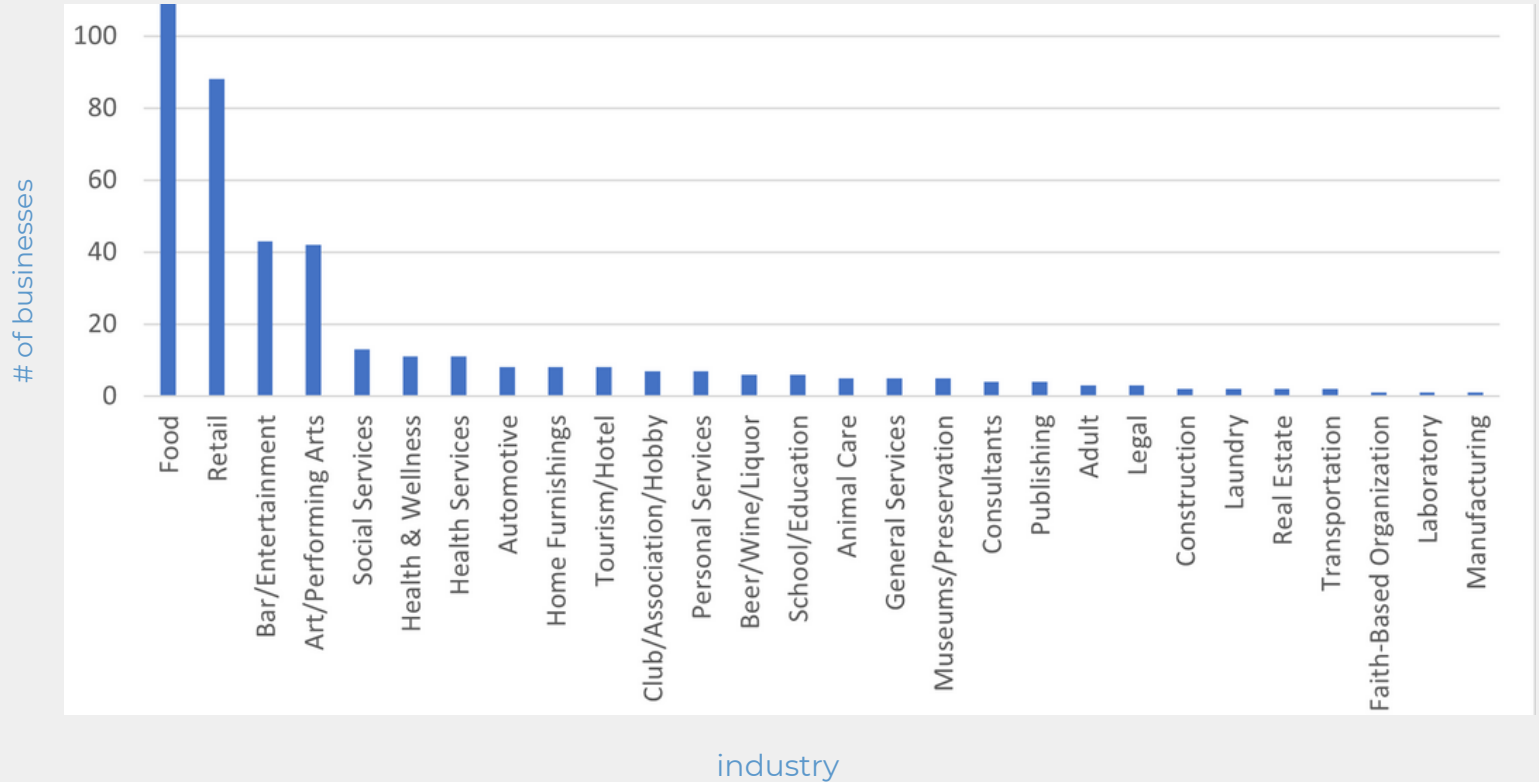
“San Francisco understands the hardships facing small businesses. Through its Rent Stabilization Grant for Legacy Businesses, our 80+ year old noodle factory was able to relocate down the street and maintain our operations in San Francisco. Having that stability, we can focus on business and support community passion projects.”

Connie Kong
Owner, Tin Wah Noodle Co.
tinwahnoodlecompany.wordpress.com

anchor businesses

Neighborhood Anchor Businesses by Industry

There are a total of **412 businesses** in San Francisco that are registered as Neighborhood Anchor Businesses (15 years or more in SF). Note that Legacy Businesses, which have been in San Francisco for 30 years or longer, are automatically part of the Neighborhood Anchor Business Registry.






Permitting reforms

Land use restrictions have posed long-standing challenges for small businesses in San Francisco. Through merchant walks, experience working with small business entrepreneurs seeking to establish a storefront, community engagement, and review of the City’s Planning Code, the Office of Small Business identified ways to remove barriers that make opening certain businesses time consuming, expensive, or not even possible in some locations.

As part of Mayor London Breed’s Roadmap to San Francisco’s Future, the Office of Small Business collaborated with the Mayor’s Office to introduce a package of over 100 changes to the Planning Code changes in June 2023 to streamline small business permitting and allow for greater business flexibility.

The legislation (BOS File 230701) was approved by the Board of Supervisors and takes effect January 13, 2024.

 <h3>SUMMARY</h3> <ul style="list-style-type: none"> • Allow more business uses on the ground floor • Bars and restaurants have fewer restrictions • Nighttime entertainment, bars, and restaurants adding liquor license eligible for priority permit processing • New kind of liquor license for music venues • Remove certain public notice requirements 	<p>You can do more on the ground floor</p> <ul style="list-style-type: none"> • Flexible Retail use is expanded citywide* and allowed as Principally Permitted on the ground floor. • Planning Code is clarified that you can have multiple uses in one space. • Restrictions against Non-Professional Retail Service uses are loosened in most of the City and allowed with a Conditional Use Authorization. <p><small>*Exceptions: North Beach NCD and Pacific Ave NCD</small></p>
	<h3>More opportunities for restaurants and bars</h3> <ul style="list-style-type: none"> • There are no more restrictions on Restaurants and Limited Restaurants along Haight Street, and you no longer need a Conditional Use Authorization in Chinatown and on Taraval Street. • There are no more restrictions on new Bars along Haight Street, Sacramento Street, and Union Street. • More Limited Restaurants, Restaurants, and Bars can open on Mission Street – from 167 to 179.
<p>Bars, Nighttime Entertainment, and Restaurants adding a liquor license can now participate in a fast tracked permitting process</p>  <p>The fast tracked permitting process means:</p> <ul style="list-style-type: none"> • A Planning Commission hearing date within 90 days of filing a complete application • Placement on the Planning Commission’s consent calendar. <p><small>Exceptions: Businesses located within North Beach NCD, North Beach SUD, and Calle 24 SUD</small></p>	
<h3>New liquor license type offers new opportunities</h3> <p>The Planning Code now includes the Type 90 Music Venue liquor license. This license lets you sell beer, wine, and liquor at a music entertainment facility. Minors are allowed in the space.</p>	<h3>No public notice requirement for change-of-use projects</h3> <p>The permitting process will be faster by reducing the 30-day public notice and appeal process for businesses changing from one use to another (e.g., coffee shop changing to a plant shop) in the Eastern Neighborhoods Mixed Use Districts.</p>



Pasta Supply Co in the Inner Richmond at 236 Clement St. was the first business to test out the new process, saving time and money.

*Pictured: Mayor Breed (center) signing permitting reform legislation at Pasta Supply Co, with owner Anthony Strong (far right).
www.pastasupplyco.com*

More on permitting reforms

Our Small Business Permitting team found that many small business owners had to spend additional time and money on requirements that did not make sense. For example, a business owner who does not plan to make any physical changes to their storefront would be required to hire an architect to produce professional drawings.

We initiated the creation of an alternative path for these types of cases to help small business owners save time and money while helping to get more commercial vacancies filled in the city. This change took effect in October 2022.

Fees

First Year Free Program Extended

The City's First Year Free program, initiated by Mayor Breed and Supervisor Ronen, waives certain license and permit fees for new and expanding businesses. First Year Free, which began in 2021, was initially meant to sunset on June 30, 2022. Recognizing the ongoing needs of small businesses as they recover from the pandemic, we advocated for an extension of the program to at least June 30, 2024.

New businesses experience significant startup costs before they are revenue generating. The First Year Free program recognizes that challenge and provides financial relief as businesses open.

Since the program started in 2021, over 5,700 businesses have enrolled in the program, and more than \$2.38 million in fees have been waived by the City.



Tala Wine, located at 4625 Mission St in the Excelsior district, opened in May 2023 and benefitted from the First Year Free Program. [tala.wine](https://www.tala.wine)



Pono Boutique
*A skincare and waxing boutique in
Glen Park at 2860 Diamond St.
ponoboutique.com*

In addition...

Every May, as part of Small Business Month, the City waives fees associated with replacement signs and awnings for small businesses. In 2023, we collaborated with Supervisor Engardio to sponsor legislation to expand the waiver to include installation of new signs and awnings, in addition to replacement signs and awnings, through May 2024.

Process improvements and cost savings

Awnings : Turning a challenge into an opportunity

In the past fiscal year, the City received approximately 200 anonymous complaints against small businesses with unpermitted awnings, triggering enforcement.

Our office worked with the Mayor's Office, Board of Supervisors, Department of Building Inspection, and San Francisco Fire Department to establish a one-year amnesty program (until June 1, 2024) for small business owners that includes a simplified application and waived permit fees for compliant awnings.

We conducted and will continue door-to-door outreach and workshops to inform businesses about the amnesty program, which makes it easier and cheaper to come into compliance.

Small business survey

In winter of 2022, the Small Business Commission conducted a citywide survey of small businesses to better understand their economic recovery. Over 800 small businesses participated in the survey, which was made available in eight languages.

Key findings from the survey showed that the top three challenges small businesses faced were: an increase in the costs of goods sold, street cleanliness, and lack of customers.

Public safety was also an ongoing concern among business owners. One-third of businesses surveyed were victims of crime between 2-10 times in the past year. Survey findings help to inform the policy and advocacy priorities of the Small Business Commission and the Office of Small Business.

Top 3 challenges by sector



The survey findings are available at sf.gov/SBC

Accessibility improvements

The Office of Small Business manages the Barrier Removal Grant Program, which helps business owners make improvements so their business is more accessible to the general public. This is one of two year-round grant programs offered by our office, and funding comes from the California Disability Access and Education Fund fee.

In FY2022-23, we awarded \$184,923 to 34 small business owners to help them improve the accessibility of their shops and restaurants.



The Flore Store, a newly opened dispensary in Noe Valley at 258 Noe St. that received reimbursement for accessibility improvements to their entryway. (Photo courtesy of The Flore Store.) flore dispensary.com



Tubtim Siam Thai Massage, located within the City's 100 year flood zone in the Mission at 1769 Folsom St., received a grant following the flooding of their treatment rooms. (Photo courtesy of Tubtim Siam Thai Massage.) tubtim.co

Emergency disaster relief

2023 started out with a splash, but not the way businesses anticipated. The winter storms caused flooding in many businesses. With one-time funding from OEWD, our office launched an Emergency Flood Disaster Relief Grant Program, providing \$300,000 in support to 100 small businesses.

shop local

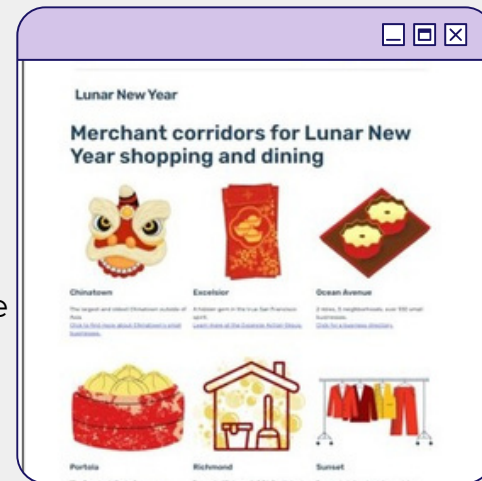


In 2022, our office took over management of what was known as “Shop and Dine in the 49,” a shop-local marketing initiative run by OEWD since 2014. We launched a brand refresh in December 2022, which included renaming it ShopDineSF, creating a new logo, and rolling out an updated webpage at sf.gov/ShopDineSF.

In FY2022-23, ShopDineSF featured several events and marketing campaigns centered around major cultural celebrations in partnership with community organizations. This included Lunar New Year, Carnival, and Juneteenth. These efforts to encourage residents and visitors to support local businesses are ongoing.



[@ShopDineSF](https://www.instagram.com/ShopDineSF) on Instagram also regularly highlights upcoming events and activities centered around small businesses.



FY2022-23 Strategic Goals and Priorities

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.

our team

Small Business Commissioners

Current

Cynthia Huie President
Miriam Zouzounis Vice President
Ron Benitez
Lawanda Dickerson
Rachel Herbert
William Ortiz-Cartagena

2023

Cynthia Huie President
Miriam Zouzounis Vice President
Tiffany Carter
Lawanda Dickerson
Tricia Gregory
Rachel Herbert
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 Business Case Manager
Morgan Heller Small Business Permit Specialist
Richard Kurylo Legacy Business Program Manager
Iris Lee Commercial Vacancy Manager
Rachel Leong Small Business Permit Specialist
Walter Monge Business Case Manager & Neighborhood Anchor Business Manager
Michelle Reynolds Small Business Programs & Communications Manager
Marianne Thompson Small Business Engagement Specialist
Martha Yañez Business Case Manager
Regina Dick-Endrizzi Strategic Initiatives

Small Business Development Center

Jossiel Cruseta Executive Director in FY22-23
Jessica Wan Client Success Specialist in FY22-23, current Executive Director
Lawrence Liu Client Success Specialist

contact

E-mail sfosb@sfgov.org

Website sf.gov/OSB

Phone 415-554-6134

General assistance City Hall
1 Dr. Carlton B. Goodlett Place, Room 140

Permitting support Permit Center
49 South Van Ness, 2nd floor