



SAN FRANCISCO
OFFICE OF SMALL BUSINESS

ANNUAL REPORT

FY2023-24

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.

Strategic Priorities

Support small business retention and growth

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

Strengthen economic vibrancy in neighborhood commercial corridors and economic core

Message from City leaders



Mayor London Breed

“More than ever before, San Francisco is at the forefront of changes and investments that have drastically improved the experience for small business owners to set up shop and grow in the city. We owe it to each innovative and resilient entrepreneur to initiate bold and forward-thinking policies that advance San Francisco.”



Cynthia Huie
Small Business Commission
President

“I’m inspired by the renewed collaboration and energy I’m seeing from new and longstanding businesses to activate San Francisco. The surge of interest in the past year for events like night markets and street fairs has resulted in new partnerships and traditions that will benefit our diverse commercial corridors.”

Our history

Voters approved three ballot measures that formed the foundation for the functions, services and programs of the Office of Small Business and the Small Business Commission.

2003

Proposition D

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

2007

Proposition I

Required the Office of Small Business 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.

Our services

The Office of Small Business provides direct services in the following areas:



Business counseling - We provide support with local, state, and federal requirements; connect entrepreneurs to available resources; and provide general guidance for any small business needs.



Leasing support - We can help you search for a space to open a new business or relocate; review lease agreements; and provide advisement in Letter of Intent and lease negotiations.



Permitting assistance - We have a team of Small Business Permit Specialists to help new and existing business owners navigate the multi-agency permitting journey.



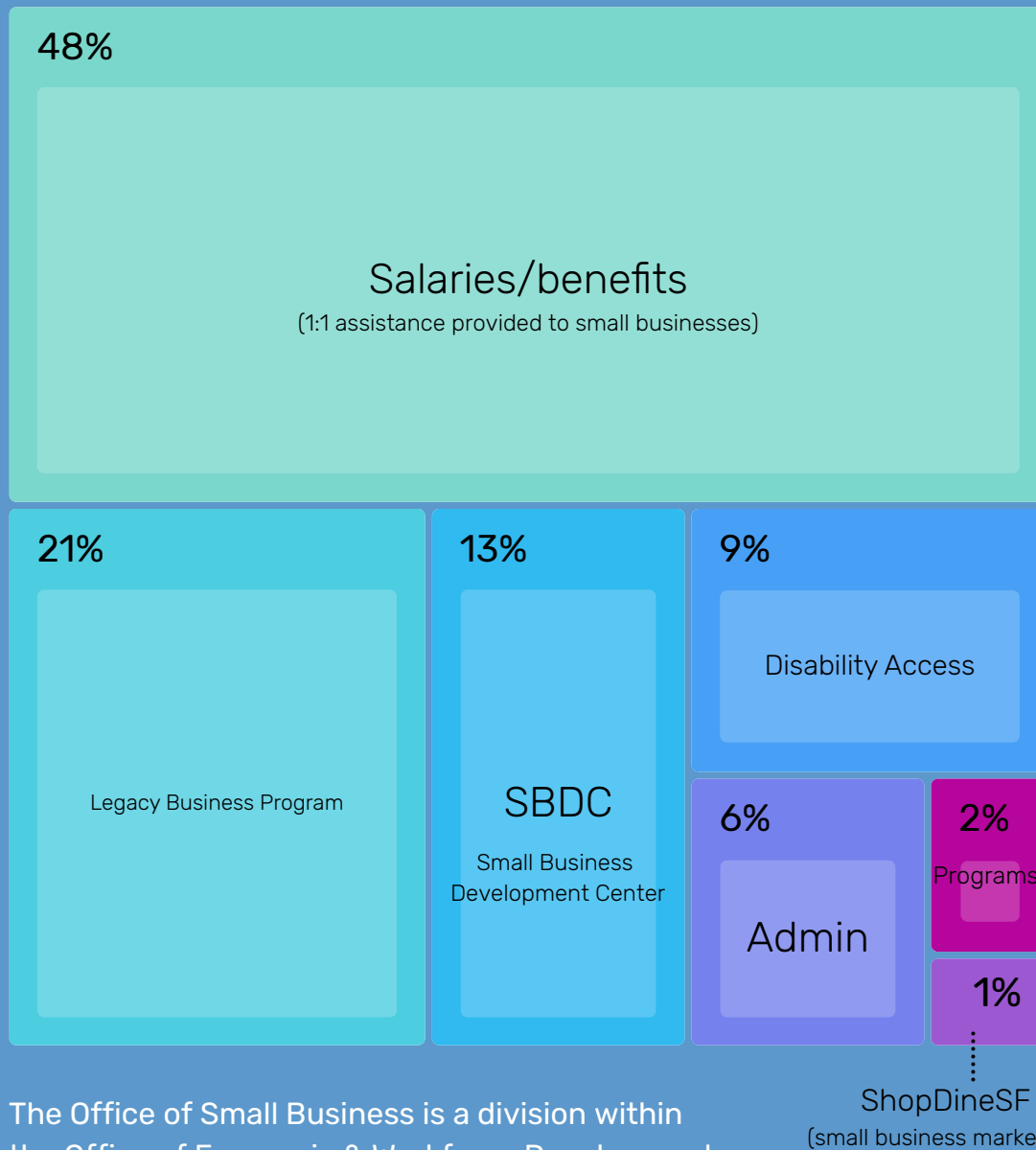
Policy development and advocacy - We collaborate with the Small Business Commission, small business owners, and policymakers on changes to make it easier to start, run, and grow a business.



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

Budget

\$3.8 million



The Office of Small Business is a division within the Office of Economic & Workforce Development (OEWD) budget, which manages additional funding for small business support - including **\$10.9 million** in direct grants provided to small businesses in FY2023-24.

Our impact

Since expanding our services to include commercial leasing and permitting support in FY2022-23, the number of cases managed by the Office of Small Business has continued to increase. Between FY2022-23 and FY2023-24, our office experienced **19.4% increase** in the number of cases handled.

5,799

of cases managed by Office of Small Business staff in FY23-24

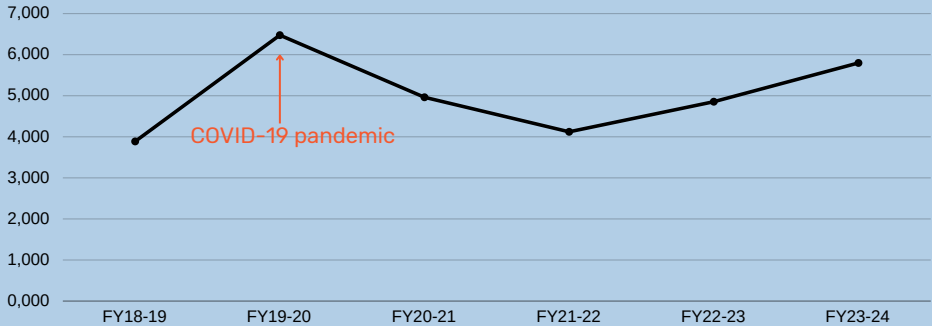
this includes:

1,293

of cases managed by the Small Business Permitting team

207

of businesses provided leasing support, resulting in 37 signed leases



(# of cases over the years)

Small business spotlight

WRN FRSH

from trash bin to très bien

Opening its first flexible retail storefront soon,
called **Space Craft Earth**, on Taraval Street



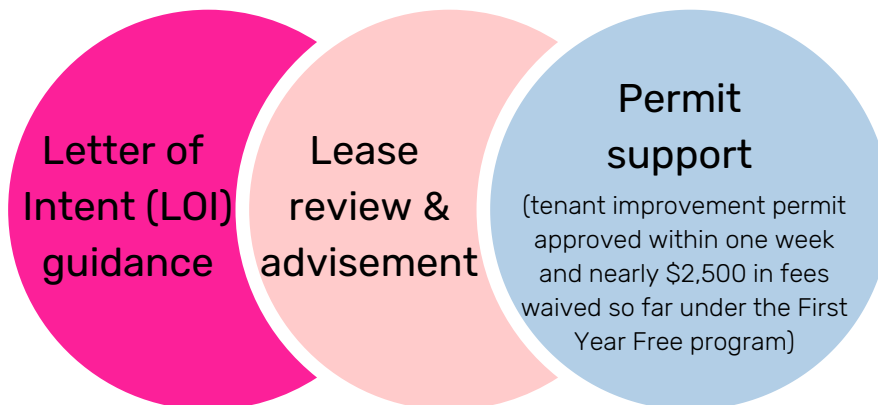
photo courtesy of WRN FRSH

In the fast-paced and large-scale production fashion world, WRN FRSH seeks a more sustainable perspective. All clothing is made from 100% upcycled denim and cotton blends, with fabric made from deconstructed vintage clothing and then cut and sewn in San Francisco.

Co-owners **Gene Doven** and **Michael Falsetto-Mapp** have combined their backgrounds in fashion, styling, and multimedia arts with their love of Memphis-Milano aesthetic meets '80s & '90s hip-hop culture to bring a highly vetted, non-binary clothing line.

wrnfrsh.com

Services provided by Office of Small Business



Who we serve

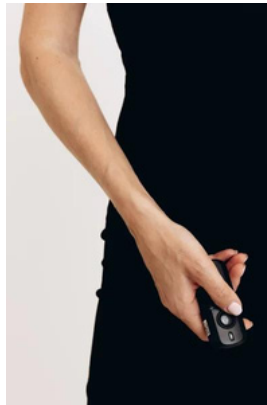
A review of who we served in FY2023-24 shows a continuing trend where most who seek our help are in the pre-start up and start up phase, still engaging in research as they prepare to start a business in San Francisco.

Business characteristics	FY2023-24 trends
Business stage	<ul style="list-style-type: none"> • <u>55.1%: New businesses</u> <ul style="list-style-type: none"> ◦ 28.6%: Start Up phase ◦ 26.5%: Pre Start Up phase • <u>42.4%: Existing businesses</u> [% of total cases managed by OSB staff] <ul style="list-style-type: none"> ◦ 29%: Existing business ◦ 5.9%: Business expansion ◦ 3.1%: Business relocation ◦ 2.6%: Business acquisition ◦ 1.8%: Business closure
Industry	<p>The top 5 industries that seek services from OSB include:</p> <ol style="list-style-type: none"> 1. Hospitality (including food & beverage) 2. Retail 3. Personal Services 4. Healthcare 5. Consulting
Ownership race/ethnicity	<p>Of those business owners we serve who provide us with information:</p> <ul style="list-style-type: none"> • 23.3%: Hispanic/Latino • 19.9%: Asian • 10.7%: White/Caucasian • 6.9%: Black/African American • 2.5%: Middle Eastern • 0.2%: Native Hawaiian/Other Pacific Islander • 0.1%: American Indian/Alaska Native
Language	<p>Aside from English, the top languages we provide services in are:</p> <ul style="list-style-type: none"> • Spanish: 14.1% • Chinese: 6.3%

Small business spotlight



Opened first storefront in June 2024 at 207 Berry Street

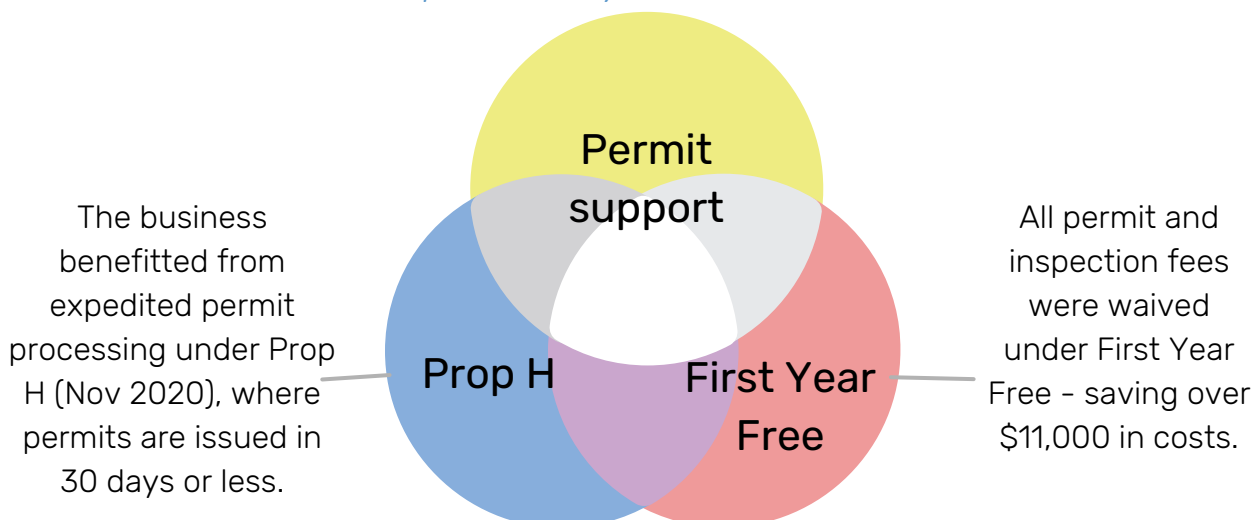


photos courtesy of Mirror Me

MirrorMe is a unique self-portrait studio in San Francisco - it's just you, a mirror, a hidden camera, and you are in control of capturing your true self. Owner **Olga Polovaya** formerly worked in IT and found herself searching for a new purpose in life. Sparked by an idea, Olga decided it was time to bring the business to life. Imagine: a person comes to the studio, turns on their favorite music, and enjoys their reflection in the mirror for 45 minutes. And then, they get cool photos where they look genuinely themselves. MirrorMe is not just a digital dream but a reality where everyone can be the star of their own self-portrait.

mirrorme.photos

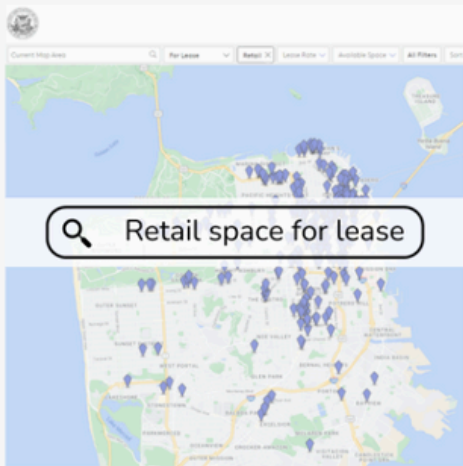
Services provided by Office of Small Business



New resource

Our office launched in June 2024 a new online resource for business owners to conduct their own initial search of available commercial spaces in San Francisco:

sf.gov/CommercialSpaces



Find a location for your business

Filter for commercial spaces by type, size, location, rate, and more. Connect with a Commercial Leasing Specialist by emailing sfosb@sfgov.org or calling 415-554-6134.

[Search for spaces](#)

The online search tool allows you to search for spaces based on neighborhood, space size, and whether the space is for lease or for sale. Our Commercial Leasing Specialist continues to be available to support business owners in searching for spaces, in addition to providing advisement on negotiations with property managers/landlords, touring spaces, and guidance through any situations that arise involving lease agreements.

Small business spotlight



Opened first storefront in October 2023 at 215 Fremont St (2A)



photo courtesy of D&N Hot Wings

Offering “the spiciest wings in San Francisco”, D&N Hot Wings is the first storefront opened by owners **Daniel** and **Nuresh Baird-Rajendran**.

Daniel is most proud of his Karamana, the Death Wish Sauce, which is both spicy and flavorful. “Not only is it sweet with a hint of smoke, but it will burn your face off.”

Nuresh understands how hard it can be for people who are dairy free but not vegan to enjoy food without having to ask a lot of questions regarding ingredients, so the entire menu is dairy and gluten free. dnhotwings.com

Services provided by Office of Small Business:



San Francisco Legacies

The Legacy Business Program recognizes longstanding, community-serving businesses that have been in San Francisco for 30 years or longer. These businesses are valuable cultural assets to the city.

401

of Legacy Businesses
on the registry as of
June 30, 2024

42

of businesses added to
the Legacy Business
Registry in FY2023-24

\$824,603

awarded through 48 grants supporting 44 Legacy Businesses in FY2023-24 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.

Small business spotlight

HOTEL
Bohème



photo courtesy of Hotel Bohème

hoteboheme.com

“Receiving the Rent Stabilization Grant could not have come at a better time following the difficult years of COVID. It is really helping the hotel get back on track. And none of this would have happened without the generosity and foresight of the hotel's landlord, who has passed on the grant directly to the hotel. Much thanks to all!”

*Joel Morgenstern
President
Hotel Bohème*

Legacy support

Program improvement

In FY2023-24, the Office of Small Business pursued a legislative change to better support Legacy Business tenants. Through an ordinance amending the city's Administrative Code, we revised the Rent Stabilization Grant Program - which will be called the **Business Stabilization Grant** starting in FY2024-25 - to require landlords share at least 50% of the grant received under this program with Legacy Business tenants.

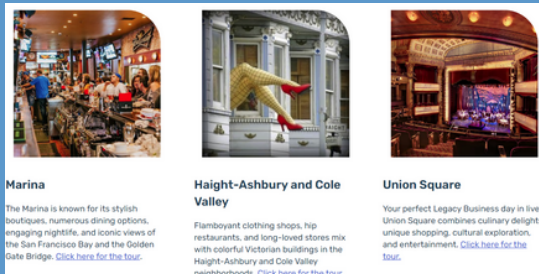
([Board of Supervisors File 240088](#))

Passport to explore



During Small Business Week (May 2024), we launched a Legacy Business Passport, encouraging residents and visitors to explore as many San Francisco Legacy Businesses as possible. Those who collect stamps from 25 businesses by December 20, 2024 can receive a goodie bag from our office.

We expanded the [ShopDineSF](#) website to include nine locally curated tours of Legacy Businesses.



Neighborhood Anchors

There are a total of **437** 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.

Business characteristics	FY2023-24 trends
Business industry	<p>The top 5 industries that make up Neighborhood Anchor Businesses include:</p> <ol style="list-style-type: none"> 1. Hospitality (including Food & Beverage) 2. Retail 3. Recreation + Healthcare (tied) 4. Entertainment 5. Personal Services
Ownership race/ethnicity	<p>Neighborhood Anchor Businesses that provide us with race/ethnicity information include:</p> <ul style="list-style-type: none"> • 16.1%: White/Caucasian • 7.4%: Asian • 2.4%: Hispanic/Latino • 1.2%: Black/African American • 1%: Middle Eastern
Employment	<p>Most Neighborhood Anchor Businesses have fewer than 10 full-time employees.</p>
Language	<p>Most Neighborhood Anchor Businesses identified English as their primary language, followed by Spanish and Chinese.</p>
Location	<p>The top five Board of Supervisors districts where Neighborhood Anchor Businesses are located include: Districts 3, 8, 5, 9, and 10.</p>

Small business spotlight



photo courtesy of La Cocina

La Cocina, which supports businesses by providing affordable commercial kitchen space, industry-specific technical assistance and access to market opportunities, transitioned their former food hall at 101 Hyde St to a second shared-use commercial kitchen for training, workshops and production. Our office supported La Cocina with the permitting for this transition, as well as the businesses that needed relocation assistance. lacocinasf.org

Cafe de Casa, a Brazilian restaurant with more than 10 years in the Bay Area, expanded to a new location in Fisherman's Wharf, which opened in April 2024.

"We were grateful to benefit from the City's First Year Free program, which waived permit and license fees that saved us thousands of dollars. Programs like First Year Free helped us take the leap to expand our business and reach new customers, and that's so important for small businesses like ours."

-Thais Moreira, Owner, Cafe de Casa



photo courtesy of Cafe de Casa

cafedecasa.com

Policy changes

In FY2023-24, the Office of Small Business worked on advancing the following policy changes to improve the small business experience in San Francisco:

First Year Free program extension

\$3.7 million+

in fees waived for new and expanding businesses

165+

of business storefronts that opened and benefitted from First Year Free

Our office worked with Mayor Breed, Supervisor Ronen, and the Treasurer & Tax Collector's Office to pass legislation that extended the First Year Free Program for a third year, through June 30, 2025.

The First Year Free Program supports small businesses by waiving most fees when starting or expanding a business.

[\(Board of Supervisors File 240126\)](#)

NEW!

Annual food vendor permit

In collaboration with our office and the Department of Public Health (DPH), Mayor Breed sponsored legislation to simplify the health permitting for special event food vendors through the creation of an annual permit. This legislation, which reduces the number of applications that food vendors must submit to (DPH), number of DPH inspections, and fees, is part of the Mayor's broader initiative to bring vibrancy and outdoor events to San Francisco. [\(Board of Supervisors File 240406\)](#)



"This legislation is a step in the right direction to make it easier for food vendors like me to participate in citywide events. It saves on time, money and makes it more effective. It also creates a level of equity."

-Dontaye Ball, owner of Gumbo Social

Policy changes

(continued)

Permitting Improvements

Our office worked on legislation sponsored by Mayor Breed to adopt a package of over 100 changes to the Planning Code to streamline commercial permitting and allow for greater business flexibility. The legislation took effect January 2024. ([Board of Supervisors File 230701](#))

Subsequent legislation that took effect April 2024 allows Nighttime Entertainment Uses as principally permitted on the ground floor in the Polk Street Neighborhood Commercial District.

([Board of Supervisors File 231221](#))



photo courtesy of Zhuzh

"Polk Street has always been a home to San Francisco's nightlife, yet until recently, permitting for nighttime entertainment had been challenging. Following the Mayor's legislation to simplify small business permitting in December 2023, we welcomed a new bar and nightlife venue, Zhuzh on California Street, to the corridor. They were able to open and shortly thereafter expand to full nighttime entertainment without costly public hearing requirements, which could have delayed their entertainment programming by another six months."

- Chris Schulman, Lower Polk Community Benefit District, Executive Director

Policy changes

(continued)

New Way of Doing Business at City Hall Café



Our office collaborated with the Real Estate Division to change the way the City Hall café operates. A modification to the traditional Request for Proposals (RFP) allowed for a collective of businesses to operate the café, rather than only one business operator.

The winning proposal consisted of a partnership between **Radio Africa & Kitchen, Gumbo Social, Tallio's Coffee & Tea, and Yvonne's Southern Sweets** - all representing businesses from Third Street in Bayview. Café Mélange opened in April 2024.



Additional Permitting Improvements for Existing Awnings and Signs

In 2023, the City received several hundred complaints regarding awnings and signs installed without permits from the City. The Mayor's Office, the Department of Building Inspection, the Planning Department, the San Francisco Fire Department, and the Office of Small Business collaborated to develop an **Awning Amnesty Program** which offered a pathway for business and property owners to legalize existing awnings and signs without requiring professional, costly drawings of their existing awnings.

In June 2024, the Mayor's Office introduced legislation that makes the Awning Amnesty Program and simplified permit application permanent. The legislation also extends the fee waivers associated with the Awning Amnesty program through July 1, 2025. ([Board of Supervisors File 240474](#))

Grant programs

In addition to the Legacy Business Rent Stabilization Grant Program, the Office of Small Business manages:

- **Barrier Removal Grant Program** - up to \$10,000 in reimbursement to business owners for costs associated with making their business more accessible. Funding comes from the California Disability Access and Education Fund fee.
- **Fire Disaster Relief Grant Program** - up to \$10,000 for businesses that have suffered from a fire.
- Special one-time programs, pending funding availability.

Barrier Removal Grants

\$739,881

awarded to 121 businesses

Fire Disaster Relief

\$129,000

awarded to 16 businesses

Most other grant funding for small businesses are managed by the Office of Economic & Workforce Development, totaling **\$10.9 million** in FY2023-24 through programs such as SF Shines, Vandalism Relief Grant, Storefront Opportunity Grant, Business Training Grant, and the Vacant to Vibrant Program.

One-time programs

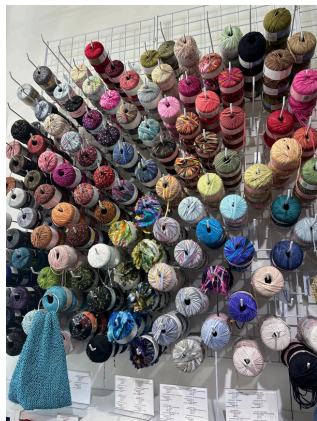
The Office of Small Business and Office of Economic & Workforce Development worked with Mayor Breed, Supervisor Dorsey, Supervisor Engardio, and Supervisor Chan to support small businesses that were impacted by the San Francisco Municipal Transportation Agency's L-Taraval Improvement Project and the Asia-Pacific Economic Cooperation (APEC) Summit that took place in San Francisco. These programs launched in FY2023-24 and will be awarded through FY2024-25.

Outreach

In FY2023-24, our team participated in **134 merchant walks and outreach events** to meet business owners, assist with business challenges, and share small business resources.



Neighborhoods we have engaged with through our outreach efforts



Atelier Yarns
(1818 Divisadero)



Workshop on How to Start a Small Business
at Manny's (3092 16th St)



Evolved SF
(3067 24th St)



Shop Dine SF (sf.gov/ShopDineSF) is the City's ongoing campaign to support businesses in San Francisco.

In FY2023-24, we created two small business attraction video campaigns totaling 22 videos produced by SFGovTV highlighting SF small businesses.



[Start Your Legacy Here](#)

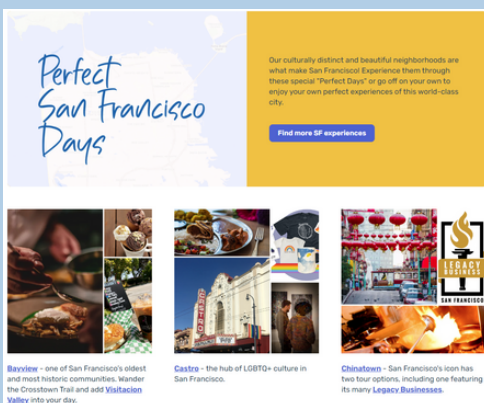


[Skip the Click](#)



Each year, we host two small business pop-up events featuring 40-50 vendors. During Small Business Week, we held the pop-up event at the Salesforce Transit Center for the first time, where nearly 500 people shopped and dined.

We partnered with SFMTA on a summer campaign displayed on the interior and exterior of Muni buses.



In preparation for the Asia-Pacific Economic Cooperation (APEC) summit in San Francisco and lasting beyond the summit, we expanded the [ShopDineSF](#) website to include locally curated tours of commercial corridors to encourage visitors and locals to support the wonderful diversity of small businesses.

Our team

Small Business Commission

Cynthia Huie President

Miriam Zouzounis Vice President

Ron Benitez

Dimitri Cornet

Lawanda Dickerson

Rachel Herbert

William Ortiz-Cartagena

Former Commissioners in FY2023-24:

Tiffany Carter

Tricia Gregory

Office of Small Business

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 Leasing Specialist

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

Contact

Office of Small Business

General assistance:

City Hall, Room 140

Permitting support:

Permit Center - 49 South Van Ness

Phone: 415-554-6134

Web: sf.gov/OSB

Email: sfosb@sfgov.org



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