

SMALL BUSINESS COMMISSION MEETING MINUTES

Monday, August 25, 2025 4:30 P.M.

City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

1. Call to order and roll call

Meeting called to order at 4:30pm.

Present: Herbert, Huie, Ortiz-Cartagena, Zouzounis

Absent: Dickerson, Cornet, Benitez

2. BOS File 250808 – Legacy Businesses in Neighborhood Commercial Districts (Discussion and Action Item)

Supervisor Chan presented an ordinance amending the Planning Code to require conditional use authorization prior to replacing a Legacy Business with a new non-residential use in certain Neighborhood Commercial, Named Neighborhood Commercial, and Neighborhood Commercial Transit Districts, and in the Chinatown Mixed Use Districts.

Public comment:

Christin Evans in support

Gwen Kaplan

Commissioner comment:

Huie: noted that Citywide data doesn't demonstrate that this strategy works. Asked if there are other mechanisms we could employ? Chan explained that this proposal requires a public process and a conversation.

Herbert: How does this protect Legacy Businesses? Does it deter landlords?

Ortiz-Cartagena: Explained that he initially thought this was a great tool but it hasn't had a deterrent effect in the Mission. Communities use it as a tool, and it's a scary process for small businesses. Now he doesn't think it's that helpful, especially if a business leaves on their own or just moves.

Chan noted this is in the context of upzoning.

Zouzounis: Does it matter what type of use goes in to the space? Chan noted she would be happy to amend it to allow a Legacy Business to go into the space without a CU.

Zouzounis: Is there a way to make the developer deal with the CU? Chan noted it's worth exploring an impact fee

Ortiz-Cartagena: Conditional use has been a barrier to people of color

Zouzounis: SBC's job is to protect small businesses.

Motion to not recommend this legislation: Huie

2nd: Herbert

Ayes: Herbert, Huie, Ortiz-Cartagena

Nays: Zouzounis

Motion passes 3-1-3

President Huie requested to hear item 3 and 4 together.

Meeting briefly paused while Commissioner Ortiz-Cartagena stepped out; meeting resumed when he returned and there was quorum.

3. **BOS File 250700 BOS Zoning Map – Family Zoning Plan (Discussion and Action Item) and**

4. **BOS File 250701 Family Zoning Plan (Discussion and Action Item)**

Planning Director Sarah Dennis Phillips introduced the Family Zoning Plan, emphasizing that the consequence of not meeting the State's deadline is the builder's remedy. Allowing more houses brings more customers, and more homes allow for more worker housing. Development often occurs on vacant lots and parking lots, and they anticipate a small impact on businesses.

Commissioner comment:

Zouzounis: would like to see early notification to tenants and OSB codified, and would like to explore bonus incentives for contribution to a small business displacement fund and bonuses for warm shell buildouts.

Herbert: when would notification happen? As soon as a development application is submitted they would get notice, with construction likely at lease one year out).

Zouzounis: Is there a potential for losing ground floor spaces? No. This expands commercial zones.

Sarah Dennis Phillips: Planning Dept. Needs to balance how to not offer too many bonuses, otherwise neighbors will have concerns about height.

Public Comment:

Justin Dolezal, Small Business Forward, in opposition

Brianna Morales, Housing Action Coalition, in support

Sharky Laguana, in support

Small Business Forward, in opposition

Gwen Kaplan

Christin Evans

Zouzounis: SBC should try to get everything we want for small businesses. Would love to see a warm shell buildout, development bonus for contributing to displacement fund, explore potential bonus for right to return, encourage development agreements to maintain parcels that have susceptible businesses, charging impact fees to pay rent while development occurs.

Ortiz-Cartagena: need to consider state advocacy to strengthen small business protections

Huie: want to support the City in getting this done. How do we consider design standards? Planning has objective design standards.

Huie made Motion to support the Family Zoning Plan (BOS File 250700 and 250701) with the following recommendations:

- Codify notification process to commercial tenants and OSB
- Ongoing tracking of small business impacts
- Recommend incentives for providing warm shell buildouts
- Explore statewide advocacy to support commercial relocation
- Explore incentives for the small business mitigation fund

2nd: Herbert

Ayes: Huie, Herbert, Zouzounis, Ortiz-Cartagena

Motion passes 4-0-3

5. **State of Cannabis Businesses - Industry Overview (Discussion Item)**

Nikesh Patel, Director, Jeremy Schwartz and Ray Law, Office of Cannabis (OoC) provided a status update regarding cannabis businesses in San Francisco. They assist businesses from 'seed to sale' and noted that the experience across the cannabis industry varies greatly. There are still successes even if the industry is down.

Commissioner comment:

Ortiz-Cartagena: complemented the OoC customer service. Noted that the state of the industry looks really dire, and the state excise tax hurts.

Herbert: How far off are cannabis cafes? OoC noted that consumption lounges permit smoking, but restaurants do not so it's currently not feasible. There are conversations about how to better align regulations to support.

Zouzounis: What about outdoor smoking? OoC explained that it can't be in public view, so it's still tricky. Will the moratorium change? Currently there is no cap on cannabis businesses, but there is a cap on retail applications in SF until calendar year 2027. OoC is processing applications but cannot accept new ones.

Huie: What's cannabis' end goal? Is it to be like alcohol with places to consume?

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

Motion to approve 7.28.25 meeting minutes: Huie

2nd: Zouzounis

Ayes: Huie, Herbert, Zouzounis, Ortiz-Cartagena

Motion passes 4-0-3

7. General Public Comment (Discussion Item)

Public comment:

- Lina, small business owner spoke on impact of tariffs
- Christin Evans spoke on the need to provide additional resources to small businesses

8. Director's Report (Discussion Item)

Director Tang noted legislative updates:

There is a new Tables and Chairs/Sidewalk merchandise display registration process (no more permits)

Herbert: what about current permit holders? They were all automatically registered under new program

9. Commissioner Discussion and New Business (Discussion Item)

Ortiz-Cartagena: Clecha cosigned a lease to support a new model way of getting people into storefronts. King of the Streets lowrider parade is coming to Mission.

Zouzounis: tariffs are impacting small businesses that import – it's an important issue. Wants to work on a resolution hashing out additional recommendations from the rezoning conversation and additional recommendations for mitigation such as a nexus study for impact fees, worker funds, identifying parcels on the chopping block, or the ability for businesses to take regulatory licenses with them to a new location.

Public comment:

Christin Evans – could there be additional web resources to talk about business stabilization and displacement?

10. Adjournment

Meeting adjourned at 7:58pm