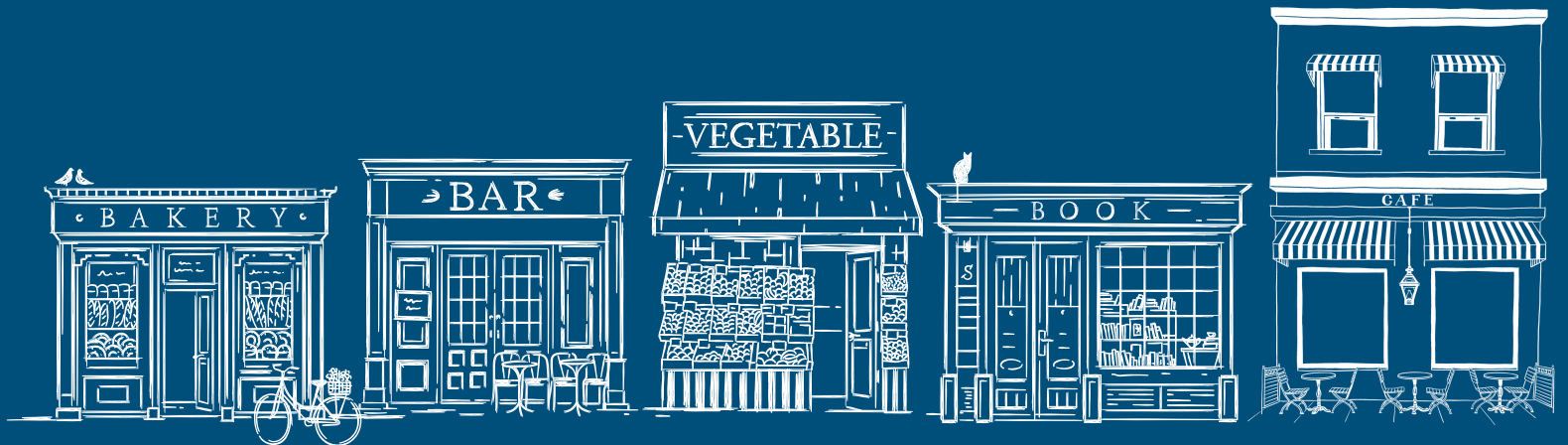




Annual Report

FY2024-25



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.

Strategic priorities

- 01 Support small business retention and growth
- 02 Attract new small businesses by making it easier and faster to open in San Francisco
- 03 Strengthen economic vibrancy in neighborhood commercial corridors and economic core

“

Message from City leaders



Mayor Daniel Lurie

“The future of San Francisco depends on the strength of our small businesses, and our administration is working every day to make it easier for them to open and succeed. We are making the city's permitting process more transparent and accountable, cutting red tape for small businesses, and standing up new entertainment zones that bring energy to our neighborhoods so small businesses across San Francisco can thrive.”



Cynthia Huie

Small Business Commission
President

“Small businesses are transformational – weaving cultures, people, and experiences together through daily encounters and lasting memories. San Francisco’s communities are vibrant and resilient, offering us the power to build businesses that truly reflect our values, cultures, and shared dreams.”

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 E

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 help business owners 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 in spearheading changes to make it easier to start, run, and grow a business in San Francisco.



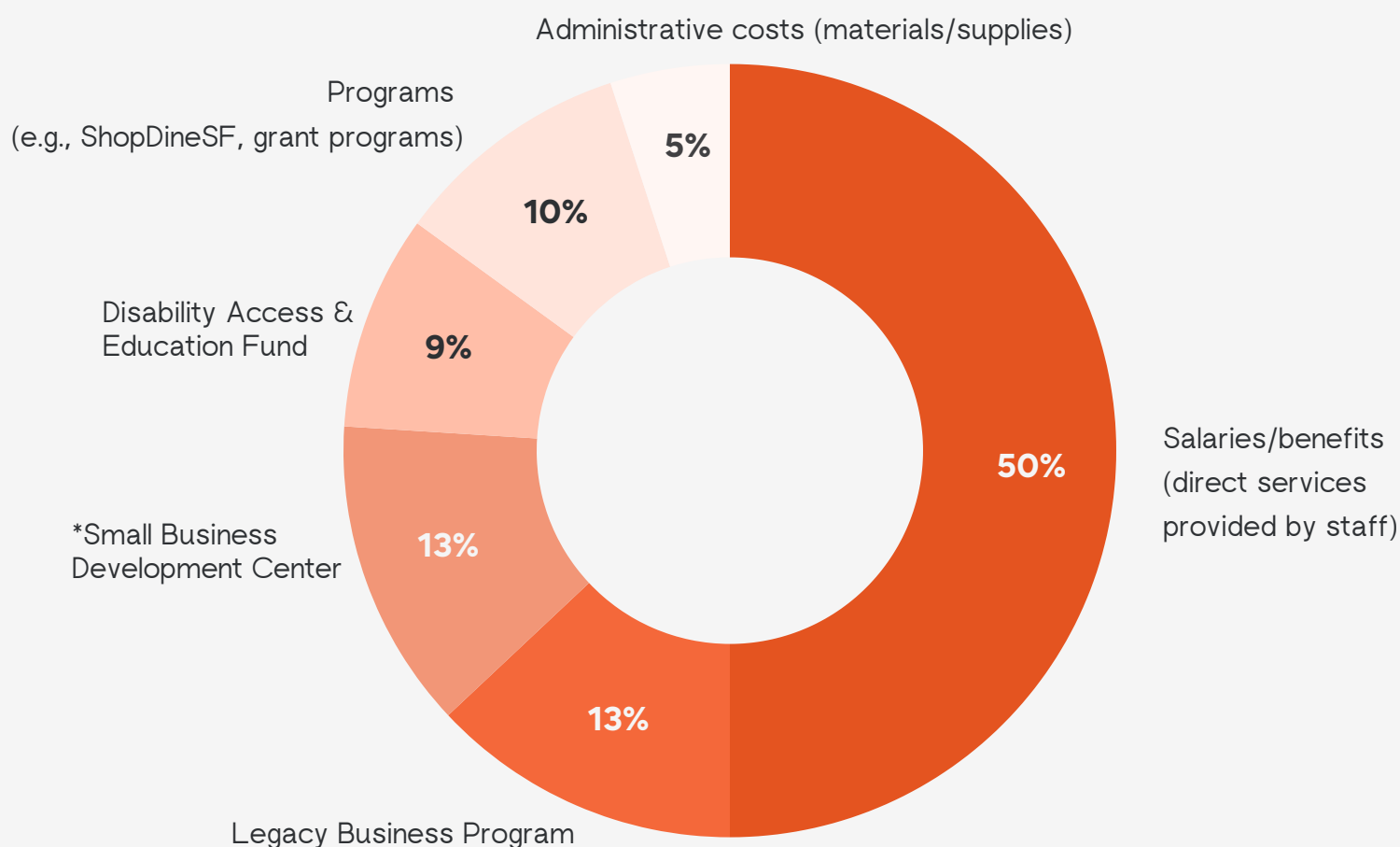
Legacy establishment

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

\$3.7 million

FY2024-25 budget

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



*OEWD and OSB host the SF Small Business Development Center (SBDC), which is a program of the U.S. Small Business Administration. SBDCs provide individualized business advising and technical assistance (e.g., marketing, finances/accounting, business plan development) to existing small businesses and pre-venture entrepreneurs. The SF SBDC receives local, state, and federal funding.

Our impact

“The Office of Small Business is such a great resource. They helped [Harper 67] navigate the entire process including permits, paperwork, and grant applications. I started the process in early January and my shop opened on April 18th. I was able to open a brand new business in San Francisco that quickly because of the services they provide.”

-Shalyce Benfell
Owner, Harper 67

3044 Fillmore St | harper67.com



Between FY2023-24 and FY2024-25, our office experienced a 29% increase in the number of cases managed

7,496

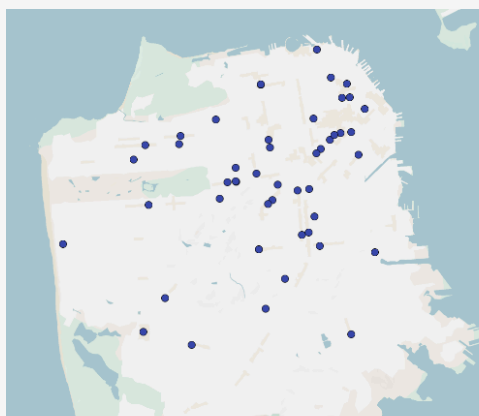
Total cases
managed in
FY2024-25

1,150

Number of
permitting cases

210

Number of businesses
provided leasing support



53

Leases signed with assistance
from our office

42% increase from FY2023-24

Business spotlights

Leasing support



Sheba Piano Lounge

1419 Fillmore Street

"I want to express my heartfelt gratitude for [OSB] stepping in on such short notice to help me and my sister understand our commercial lease renewal within just one day. Your prompt and clear guidance made all the difference."

- co-owner Netsanet Alemayehu

Located in the heart of San Francisco's historical live music district, Sheba Piano Lounge is an intimate bar and lounge where customers can enjoy live music.

The Office of Small Business helped them with the process of renewing their lease.
shebapianolounge.com



The Ruby

3260 19th Street

When the Office of Small Business met The Ruby, they were in a 3,000 Sq. Ft. space for \$15K/month. Now, they are saving money and creating additional profit for programming.

The Ruby is a collective of Bay Area nonbinary, transfeminine, and woman-identified creatives. More than just a workspace, The Ruby offers its members opportunities to learn new skills and engage over a communal table of food and drink.

therubysf.com

Who we serve

A review of who we served in FY2024-25 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.

196

Average number of new businesses that register in San Francisco each week (based on rolling 12-month average)

Business stage	Industry	Issue area
<div>55.2% New businesses: 31.3% Start Up phase 23.9% Pre Start Up phase</div> <div>41.2% Existing businesses: 30.7% Existing business 5.0% Business expansion 2.7% Business acquisition 2.5% Business closure 0.3% Business relocation</div>	<div>The top 5 industries that seek services from our office include:</div> <div><div>1. Hospitality (including food & beverage)</div><div>2. Retail</div><div>3. Personal Services</div><div>4. Healthcare</div><div>5. Consulting</div></div>	<div>The top 5 issues our office supported businesses:</div> <div><div>1. General counseling</div><div>2. Permitting help</div><div>3. Business registration</div><div>4. Leasing support</div><div>5. Finances & Grants</div></div>

Neighborhood anchors

The Office of Small Business manages the Neighborhood Anchor Business registry, which is for any business that has been in continuous operation in San Francisco for at least 15 years. Businesses 30 years and older are eligible for the Legacy Business Registry.

47

Businesses have signed up to the Neighborhood Anchor Business registry (in operation for 15-29 years)

11

Businesses added to the Registry in FY2024-25



Legacy Businesses

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.

444

Legacy Businesses

54

Businesses added to the Registry in FY2024-25

\$920,817

awarded through 49 grants through the Stabilization Grant Programs, an incentive for landlords to enter into long-term leases with Legacy Businesses.



The Gregangelo Museum
gregangelomuseum.com

Legacy Business Spotlight

Fabrix

Located at 432 Clement Street, Fabrix sells upcycled fabric and trims primarily sourced from local San Francisco factories, designers, and manufacturers.

Leveraging the Legacy Business Stabilization Grants, they signed a 10.5 year lease extension, providing over a decade of stability for their business operations.

10.5

Years in their lease extension



-Keelin Reddy, owner of Fabrix
fabrixsanfrancisco.com

Improving accessibility



With funding from the California Disability Access and Education Fund fee, we provide help to businesses working to make their businesses more accessible to customers with disabilities.

Barrier Removal Grants

We provide grants up to \$10,000 in reimbursement to business owners for costs associated with making their business more accessible.

\$672,387

awarded to small businesses

103

businesses received grants

Beyond the Front Door

With the sunseting of the SF Accessible Business Entrance program in April 2025, the Office of Small Business has been collaborating with the Office of Disability & Accessibility and Department of Building Inspection on a new initiative: Beyond the Front Door.

The goals of this new initiative include better supporting business owners in understanding how to accommodate customers with diverse needs, as well as improving the customer experience for people with disabilities.

In FY2025-26, we will be launching tools and outreach efforts to better support small businesses in improving accessibility.

Business spotlight

Beck's Motor Lodge



“I’m incredibly grateful to the Office of Small Business for the \$10,000 grant, which helped me make the mandated improvements to my hotel’s entrance. The updates have made our business more accessible and welcoming to all guests. While the city’s requirements represented a significant financial challenge for a small business like mine, this grant provided meaningful relief and made a real difference.”

Beck’s Motor Lodge is a Legacy Business located in the Castro. Today, it is now owned and operated by the daughter of the original owner, Brittany Beck, who set out to make improvements to the motel. They received a \$10,000 Accessible Barrier Removal grant. Now, their entryway has a handrail, power door operator, and disabled parking to ensure that customers with disabilities are able to patronize the business.

Fire Disaster Relief

When businesses experience a fire that significantly impacts their operations, the Office of Small Business reaches out. We offer grants of up to \$10,000 to help them recover and reopen.

\$110,000

awarded to small businesses

14

businesses received a grant

Thai Curry Restaurant

96 McAllister St

They reopened in June 2025, nearly a year following a major fire disaster that started in the residences above them. This led to well over \$100,000 in damages and a long recovery and rebuild. Our office provided them a \$10,000 Fire Disaster Relief Grant and technical assistance.



Venezia Upholstery

311 West Portal Ave

They were able to move back to their original location after a fire impacted six commercial storefronts in the area. The Office of Small Business provided them a \$10,000 Fire Disaster Relief Grant to offset additional costs associated with their recovery.

Business tax and license fee reform

San Francisco voters approved Proposition M in November 2024, which will comprehensively restructure the City's business tax system. Businesses will see changes in 2026.

As a result of Proposition M, the City will be able to provide \$10 million in relief to small businesses annually by waiving certain license fees.

Plus, the Small Business Exemption ceiling was raised to \$5 million (based on SF annual gross receipts).

The Office of Small Business collaborated with the Office of the Treasurer & Tax Collector on the companion legislation to eliminate annual license fees (starting with the 2026 bill) for approximately 91% of restaurants and 87% of nightlife businesses.

 sftreasurer.org/PropM

Impacts from tax & fee reform

Restaurants

91%

will no longer receive a license bill

\$1,400

saved each year on average
for a mid-sized restaurant

\$5.1M

annual savings expected industry-wide

Nightlife

87%

will no longer receive a license bill

\$850

saved each year on average
for a typical bar/club

\$675,000

annual savings expected industry-wide

First Year Free

San Francisco's First Year Free program waives the initial business registration and permit fees to support new and expanding businesses. The Office of Small Business worked with the Mayor, Board of Supervisors, and Office of the Treasurer & Tax Collector to extend the program through June 30, 2026

Since 2021

11,000

businesses have benefited

\$5,954,451

in fees waived

FY24-25*

2,900

businesses benefited

\$2,121,202

in fees waived

*from July 1, 2024-May 31, 2025

Business spotlights

First Year Free program



Regalito El Mil Amores

3481 18th St

“

“When I opened my first restaurant, First Year Free saved the business \$11,000 and was part of the success of El Mil Amores. This year, we opened our second location and once again benefited from the program. Between First Year Free, permitting help, and grant support, I’ve been able to grow my business in San Francisco.”

- Andrea Alfaro



Motoring Coffee

1525 Union St

“

“It was great to learn about the City’s First Year Free program, which ended up helping our business enormously. Through the program, the City waived \$14k in fees. It was really helpful to have that savings, and it’s a great program to offer to new businesses in San Francisco.”

- Tyler Rose

Leland Avenue

The Office of Small Business collaborated with Supervisor Walton and the Leland Avenue Merchants Circle to formally establish Leland Avenue as a Neighborhood Commercial District in the Planning Code. Working closely with community, Supervisor Walton passed legislation defining land use controls for the corridor that reflect their specific needs and priorities.



“This designation is about more than just business—it’s about community. We’ve poured our hearts into making this street a place where people want to shop, eat, and gather. Now, we finally have the structure in place to keep that momentum going.”

- Ken McCord
co-owner, Mission Blue
144 Leland St

Change of Use

Simplified permitting requirements

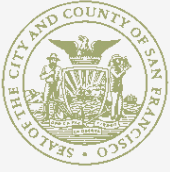
The Office of Small Business worked with the Department of Building Inspection to pass legislation codifying an existing pilot program to exempt certain small businesses undergoing a change of use from requiring architectural plans.

Our permitting staff noticed that architectural drawings were being required even in cases where no physical changes were being made to businesses, costing them time and money.

If a restaurant, for example, added a beer and wine license, they would technically become a new use, triggering architectural drawings, even though no construction is involved.



sf.gov/CU-No-Plans



PermitSF

PermitSF, an initiative stemming from Mayor Lurie's first Executive Directive, is reforming the City's permitting process to make it customer-centric, fast, predictable, transparent, and unified.

The Office of Small Business is part of the leadership team that are driving meaningful reforms by making structural changes.

Priority areas

- 01 Customer experience:** An entrepreneur should be able to easily obtain permits on their own, with visibility into requirements and completion
- 02 Government accountability:** Performance metrics should be measurable and aligned with staff goals
- 03 Technology:** Tools should be unified and easy for the public to use

sf.gov/PermitSF

PermitSF

Policy

As part of the PermitSF leadership team, the Office of Small Business collaborated with Mayor Lurie and permitting agencies on a package of legislative changes, including:



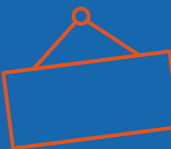
Eliminating permits and fees for sidewalk tables and chairs, and sidewalk merchandise displays

Each year, over 500 businesses apply for these permits, which can cost a small business between \$300 and \$2,500 annually. Removing this requirement would save small businesses both time and money, allowing them to focus resources on serving customers and growing their operations.



Reducing the permit processing timelines by eliminating unnecessary steps in the permit review process for entertainment uses

Businesses won't need approval from the Department of Building Inspection on permits to extend their hours or from Planning Department for limited live performance permits, among others. In FY2024-25, about 60 of these permits costs applicants about a month each of processing time and \$12,000 in aggregate.



Removing permit requirements and fees for many common business signs

Small business owners will not need to obtain a permit and pay the City to paint the name of their business on their façade or put up a small sign in their window or inside, saving businesses hours of time at the Permit Center and several hundred dollars.

PermitSF

Legislation, continued



Making it possible for business owners to legalize their existing security gates

Integrating security gates into an existing amnesty program for storefront awnings and signs and relaxing transparency requirements for security gate design will ensure that small business owners are not punished for trying to keep their businesses safe.



Eliminating minor encroachment permits for routine tenant improvements

If a business owner installs a door opener to improve accessibility, they no longer will have to pay a nearly \$2,000 one-time fee plus an annual fee to the City.

“The awning and signage amnesty program is a practical and fair measure. Many of us inherit older spaces with unpermitted features; the chance to legalize them without excessive redesign or fines allows us to focus on running our businesses, keeping our staff employed, and enhancing neighborhood character.”

- Alli Goldenberg

Mariposas Restaurant | 825 Mission St

ShopDineSF

ShopDineSF is the City's ongoing campaign to support businesses in San Francisco.



- We grew ShopDineSF by collaborating with Moscone Center in curating pop-ups during conventions, providing attendees a flavor of San Francisco through local makers.
- The 2025 Small Business Week Pop-Up Shop at City Hall was the most well-attended since its inception.

430
shoppers

56
makers



Starting FY2025-26, the Office of Economic and Workforce Development will be managing ShopDineSF.

sf.gov/ShopDineSF

 @ShopDineSF

Small Business Commission

Cynthia Huie President

Miriam Zouzounis Vice President

Ron Benitez

Dimitri Cornet

Lawanda Dickerson

Rachel Herbert

William Ortiz-Cartagena

Office of Small Business

Katy Tang Executive Director

Hao Banh Permit Specialist

Kerry Birnbach Senior Policy Analyst/Commission Secretary

Carol Cheng Business Services Manager

Divine Katoure Commercial Leasing Advisor

Richard Kurylo Legacy Business Program Manager

Iris Lee Commercial Leasing Specialist

Rachel Leong Permit Specialist

Walter Monge Case Manager & Neighborhood Anchor Business Coordinator

Michelle Reynolds Programs & Communications Manager

Marianne Thompson Engagement Specialist

Martha Yañez Business Services Manager

Former staff during FY2024-25

Regina Dick-Endrizzi Strategic Initiative

Morgan Heller Permit Specialist



General assistance:

City Hall, Room 140

Permit assistance:

Permit Center, 49 S Van Ness



sf.gov/osb



sfosb@sfgov.org



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