

**Performance Audit of Small Business Programs and
Community Grants Managed by
the Office of Economic and Workforce Development
and the Office of Small Business**

Prepared for the

**Board of Supervisors
of the City and County of San Francisco**

by the

San Francisco Budget and Legislative Analyst

June 14, 2022

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

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June 14, 2022

President Shamann Walton and Members of the San Francisco Board of Supervisors
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear President Walton and Members of the Board of Supervisors:

The Budget and Legislative Analyst is pleased to submit this *Performance Audit of Small Business Programs and Community Grants Managed by the Office of Economic and Workforce Development and the Office of Small Business*. In response to a motion adopted by the Board of Supervisors in July 2021 (Motion 21-116), the Budget and Legislative Analyst conducted this performance audit, pursuant to the Board of Supervisors powers of inquiry as defined in Charter Section 16.114 and in accordance with U.S. Government Accountability Office (GAO) standards, as detailed in the Introduction to the report.

The performance audit contains four findings and 14 recommendations, of which 10 are directed to the Director of the Office of Economic and Workforce Development, three are directed to the Director of the Office of Small Business, and one is directed to the Controller and City Administrator. The Executive Summary, which follows this transmittal letter, summarizes the Budget and Legislative Analyst's findings and recommendations. The recommendations are intended to improve management of the City's small business programs and community grants. In addition, the report includes a survey of small businesses in San Francisco.

The Executive Director of the Office of Economic and Workforce Development has provided a written response to our performance audit, which is attached to this report on page A-1. The Department agrees with all our recommendations.

President Walton and Members of the Board of Supervisors

June 14, 2022

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We would like to thank the staff at the Office of Economic and Workforce Development (including the Office of Small Business), the Office of Civic Engagement and Immigrant Affairs, the Controller's Office, and the Office of Contract Administration for the assistance they provided during the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Goncher', with a stylized flourish at the end.

Dan Goncher
Principal

cc: Supervisor Chan

Supervisor Dorsey

Supervisor Mandelman

Supervisor Mar

Supervisor Melgar

Supervisor Peskin

Supervisor Preston

Supervisor Ronen

Supervisor Safai

Supervisor Stefani

Mayor Breed

Office of Economic and Workforce Development

Executive Director

Office of Small Business Executive Director

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Mayor's Budget Director

Controller

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Executive Summary

The Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a performance audit of economic development programs, including community grants and small business programs managed by the Office of Economic and Workforce Development as well as coordination between the Office of Economic and Workforce Development and the Office of Small Business through a motion (M21-116) passed in July 2021. The scope of this performance audit includes the Department's performance metrics for such programs, procurement and contracting processes, program monitoring, and permit center support provided by the Office of Small Business. We looked for opportunities to improve the efficiency and effectiveness of Department operations in these areas. We also conducted a survey of small businesses in San Francisco to obtain their feedback on how the Office of Economic and Workforce Development and the Office of Small Business could better serve small businesses.

Section 1: Performance Measures

The Office of Economic and Workforce Development (OEWD or Department) has not completed substantial improvements to the performance measures used to track performance of Invest in Neighborhoods programs, including small business programs, since a 2019 audit found that they focus more on outputs than outcomes and are not easily accessible. Further, OEWD has not reported to the Board of Supervisors on the effectiveness of the Construction Mitigation Program and on how program performance will be measured on an ongoing basis despite accepting a recommendation to do so from the same 2019 audit.

OEWD has not completed substantial improvements to its performance metrics due to several factors, including diversion of staff and re-assignment of the Controller's entire Performance Unit Consultant Team contracted to lead OEWD's business services program metric development in FY 2019-20 and FY 2020-21 during the COVID-19 pandemic to disaster service work duties and ongoing vacancies in the Department's Performance and Communications team. A lack of meaningful performance measures can impair an organization's effectiveness and result in inefficient resource allocation. The Director of OEWD has engaged with a new consultant team in FY 2021-22 through a Civic Bridge contract with the Harvard Business School Consultants and has filled some vacant positions in the Performance and Communications team. The Director of OEWD should set a deadline for the project team to identify key performance indicators that include outcome measures and provide a formal report to the Board of Supervisors upon completion of the improvement of performance measures.

Recommendations

The Director of OEWD should:

- 1.1 Prioritize the substantial improvement of the performance measures for the Invest in Neighborhoods small business programs, including by:
 - a. Filling vacant positions in the Data and Performance team;
 - b. Setting a deadline for the project team to identify key performance indicators that include outcome measures; and
 - c. Providing a formal report to the Board of Supervisors upon completion of the improvement of program performance measures, including the business support measures for the construction mitigation program.
- 1.2 Direct OEWD staff responsible for overseeing the business support component of the Construction Mitigation Program and the lead agencies (SFMTA, SFPUC, and SFDPW) to report to the San Francisco County Transportation Authority (SFCTA) on the effectiveness of the Program to date and how performance will be measured on an ongoing basis, including periodic reports such as annually to SFCTA or the Board of Supervisors.

Section 2: Procurement and Contracting

The procurement and contracting processes for community grants funding administered under OEWD (which includes Invest in Neighborhoods and Business Development) are chronically delayed. There are several reasons for the delays, including lack of staff capacity to administer more frequent procurements, inability to align procurement publishing with the budget cycle, and provider difficulties with the compliance verification process. The delay in allocation of budgeted funding means that it takes longer for City services to be delivered to communities and businesses. Further, grantees and contractors are often unable to be paid for the services in a timely manner, which may negatively impact their financial condition.

Recommendations

The Director of OEWD should:

- 2.1 Develop and document a plan to publish procurements more frequently, to align disbursement of funding with the budget cycle and ensure that funding budgeted for the fiscal year is administered within the same year.

- a. As part of this process, consider developing additional requirements for Program Managers to finalize project budgets and scopes of work earlier in the year in order to reduce the likelihood that funds will need to be carried forward into the following year
- 2.2 Develop a plan to modify the existing grants management and tracking system so that all stages of the procurement and contracting processes can be tracked, including development of the scope of work and budget negotiations.
 - 2.3 Consider drafting new agreements for a minimum of three years (with the exception for programs that have funding restrictions for less than three years) so that providers have sufficient time to provide project deliverables, to space out the need to respond to procurements, and provide more time for OEWD staff to evaluate the impact of providers' work.
 - 2.4 Develop and document a policy for increasing deliverable-based line items and reducing cost-reimbursement line items.

The Controller and City Administrator should:

- 2.5 Convene and work with the City Purchaser, the Director of OEWD, and agencies that have jurisdiction over supplier compliance to identify opportunities for greater efficiencies in the provision of supplier support and compliance for small business grantees and contractors. Such an effort could involve more standardized and/or centralized support as part of existing citywide efforts.

Section 3: Program Monitoring

OEWD's Economic Development function (which includes the Invest in Neighborhoods and Business Development divisions) lacks documented policies and established best practices for monitoring agreements with service providers. Further, there is no standardized training for program monitoring and management for new OEWD Program Managers. While Workforce Development agreements are managed through grants management software, the Invest in Neighborhoods and Business Development divisions do not have access to a grants management system that would allow for assessment of supplier performance, or that would allow for management to easily track the progress of individual agreements or program areas.

The Invest in Neighborhoods and Business Development divisions overall lack sufficient internal controls (such as a grants management system) that would successfully ensure that all suppliers meet their contractual requirements in periods of high staff turnover and/or reduced management staff ability to monitor all agreements. This control could be in the form of a system that would capture missing requirements, or additional policies.

Recommendations

The Director of OEWD should:

- 3.1 Develop guidelines and processes for monitoring effectiveness of individual agreements and progress within program areas and specific neighborhoods, including establishing area-wide metrics and linking agreement scope of work to metrics by June 30, 2023.
 - a. The documented processes could be tailored to specific program areas and could include guidance on frequency of contact with suppliers, criteria for determining when corrective action is needed, methods for validating reported information, shared principles around contract design and management, and agreed-upon program-wide metrics and goals to be measured in each agreement.
- 3.2 Establish procedures for training Program Managers on program monitoring and management protocols by June 30, 2023.
- 3.3 Consider implementing a grants management system that would allow for OEWD Management to monitor the universe of agreements and ensure that each agreement is sufficiently overseen, and that would enable OEWD staff to track impact and progress on performance measures by program area and neighborhood.
 - a. A grants management system that combines the ability to track progress towards specific goals within a neighborhood or program area, with the ability to execute and administer agreements through their entire lifecycle would improve departmental efficiency, improve monitoring of provider performance, and reduce the risk of noncompliance.
- 3.4 Develop internal policies and procedures for maintaining oversight of agreements in periods of high staff turnover and/or lowered management capacity by June 30, 2023.

Section 4: Permit Center Support

The City's business registration, licensing, and permitting process for small businesses has been a long-standing problem. To assist businesses, the Small Business Assistance Center provides information and assists businesses with business registration and licensing and referred restaurant and food services businesses to Open in SF for permitting assistance. Two new Small Business Permit Specialist positions in the City's Permit Center replaced Open in SF staff and expanded permitting assistance to all small businesses. The planned workflow is for the Small Business Permit Specialists to guide businesses through the permitting process and refer non-permit questions to the Small Business Assistance Center case managers. The actual workload for the new Small Business Permit Specialist positions is not yet known, and the Office of Small Business will need to ensure that the work to support small businesses through the City's processes is efficiently allocated between the Small Business Assistance Center case managers and Small Business Permit Specialists and that staff are sufficiently cross trained so that businesses, whether accessing services through the City's Permit Center or Small Business Assistance Center, will receive the requested support without being shunted between staff or locations. In addition, the Office of Small Business will need to ensure that the new Small Business Permit Specialists will have sufficient knowledge of Planning permitting. Our review of Open in SF cases shows that small businesses often need the most assistance with Planning permitting, especially conditional use and change of use approvals, and while the Planning Department staff are responsible for actual permitting, the expertise of Open in SF staff in Planning Code requirements not only assisted businesses in the permit process but provided input to needed changes in complex Planning Code requirements.

The Office of Small Business will need to work with the Office of Economic and Workforce Development (OEWD) in marketing and outreach to San Francisco businesses for the Small Business Assistance Center and Small Business Permit Specialist services. Businesses often are not aware of Office of Small Business and OEWD programs; approximately 14 percent of English language responses to the Budget and Legislative Analyst survey stated that they were unaware of programs or needed better outreach and communication about programs.

Recommendations

The Office of Small Business Director should:

- 4.1 Provide training in Planning Code requirements to ensure that the new Small Business Permit Specialist positions will provide the same degree of information and serve as a

resource in Planning Code requirements to Small Business Assistance Center staff and small businesses previously provided by Open in SF.

4.2 Ensure that the work to support small businesses through the City’s processes is efficiently allocated between Small Business Assistance Center case managers and Small Business Permit Specialists, and that staff are sufficiently cross trained.

4.3 In coordination with the Office of Economic and Workforce Development Director, develop an outreach and marketing plan to the business community on services provided by the Small Business Assistance Center and Small Business Permit Specialists.

Section 5: Survey of Small Businesses

To understand how the Office of Economic and Workforce Development (OEWD) and the Office of Small Business (OSB) could better serve small businesses in San Francisco, we designed and distributed an online survey to small businesses operating in the City. The online survey was available in English, Spanish, and Chinese and administered through SurveyMonkey from December 20, 2021 to January 31, 2022. Small businesses were contacted through email lists provided by OEWD and OSB. We also conducted email outreach through merchants' associations and Board of Supervisors’ offices. The survey received a total of 1,017 completed responses. This included 51 responses in Chinese and 22 responses in Spanish. In the City’s Administrative Code, small businesses are defined as those that employ 100 or fewer employees. Consequently, the survey results reflect 1,011 responses because six responses were excluded due to the businesses employing more than 100 employees. Appendix B offers a summary of all response results for the English, Chinese, and Spanish surveys.

Introduction

The Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a performance audit of the Office of Economic and Workforce Development economic development programs, including community grants programs, small business programs, and coordination with the Office of Small Business through a motion (M21-116) passed on July 27, 2021.

Scope

The scope of this performance audit includes an assessment of the Office of Economic and Workforce Development's economic development programs, including community grants programs, small business programs, and coordination with the Office of Small Business. The scope covers activity as far back as July 1, 2017, or four full fiscal years.

Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS), 2018 Revision, issued by the Comptroller General of the United States, U.S. Government Accountability Office. In accordance with these requirements and standard performance audit practices, we performed the following performance audit procedures:

- Conducted interviews with staff at the Office of Economic and Workforce Development, the Office of Small Business (a division of OEWD), the Controller's Office, as well as the President and Vice President of the Small Business Commission
- Reviewed prior reports, including the *Performance Audit of the Office of Economic and Workforce Development's Planning for Large-Scale Projects to Address Economic Impacts on Surrounding Businesses*, released by our office in September 2019.
- Reviewed internal and external reports on Invest in Neighborhoods services and programs.
- Reviewed the Department's policies and procedures
- Analyzed staffing and budget data provided by the Office of Economic and Workforce Development
- Analyzed U.S. Census Bureau economic survey data from 2019 as well as California Employment Development Department data from 2019 and 2020

- Conducted a survey of small businesses in San Francisco regarding services provided by the Office of Economic and Workforce Development
- Analyzed business registration data from the Treasurer/Tax Collector and a 2018 survey on business patterns from the U.S. Census Bureau.

Overview of Small Businesses in San Francisco

According to the California Employment Development Department (EDD), there were 61,320 businesses in San Francisco in the third quarter of 2020 (July, August, & September) and 60,449, or 98.6 percent, had less than 100 employees, which is similar to the generally accepted definition of a small business in San Francisco.¹ This represents a slight drop from EDD's 2019 report, which showed 61,740 total businesses, 60,696 of these businesses had less than 100 employees.

The U.S. Census Bureau conducts an annual survey of business patterns, which reports a smaller number of businesses overall (likely an undercount), but which provides sector specific information of businesses within the City. As shown in Exhibit 1 below, the Census Bureau found that the sectors with the most small businesses in San Francisco in 2019 were: (1) professional, scientific, and technical services; (2) accommodation and food services; (3) health care and social assistance; and, (4) retail trade. A full breakdown of Census Bureau data on small businesses by industry is shown in Exhibit 1 below.

¹ Section 2A.241 of the City's Administrative Code, which defines the Office of Small Business, notes that the Office shall perform functions to assist small businesses with a total workforce of 100 or fewer fulltime employees.

**Exhibit 1: U.S. Census Bureau Breakdown of Small Businesses in San Francisco
by Industry Type, 2019**

Industry Type	Total (<100 employees)	Percent
Professional, scientific, and technical services	7,364	21.8
Accommodation and food services	4,430	13.1
Health care and social assistance	3,253	9.6
Retail Trade	3,151	9.3
Other services (except public administration)	2,772	8.2
Finance and Insurance	2,232	6.6
Real estate and rental and leasing	2,142	6.4
Construction	1,771	5.3
Information	1,708	5.1
Administrative and support and waste management	1,367	4.1
Wholesale trade	1,001	3.0
All Other	2,540	7.5
Total	33,731*	100.0%

Source: U.S. Census Bureau Economic Survey 2019, available at:

<https://data.census.gov/cedsci/table?q=CBP2019.CB1900CBP&g=0500000US06075&tid=CBP2019.CB1900CBP&hidePreview=true>

*Figures do not match data from California EDD, but we provide them here to illustrate an estimate of San Francisco small businesses by industry type.

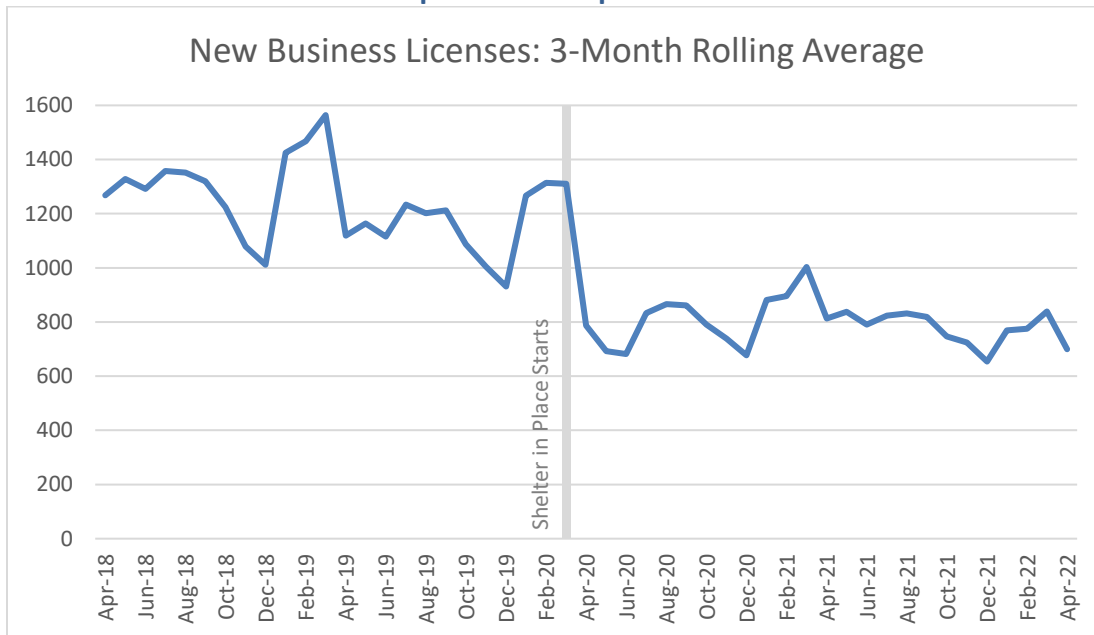
Impact of COVID-19 on Small Businesses

The COVID-19 pandemic, associated public health restrictions, and related shifts in economic activity has had a significant impact on all businesses in San Francisco. Small businesses experienced a particularly significant impact due to the industries they are concentrated in, relatively small reserves, and less capacity to access relief compared to larger businesses. On March 16, 2020, the City's Health Officer issued Health Order C19-07 in response to community spread of COVID-19. C19-07 ordered the closure of all bars and nightclubs, gyms, and recreation facilities as well as the closure of all restaurants and cafes, except solely for takeout and delivery service. Further, office workers were either required or encouraged to work from home and leisure and business travel declined significantly. This health order and other similar health orders that followed in the subsequent weeks and months put a significant strain on many small businesses and aspiring small business owners across the City.

The economic impact of COVID-19 on small businesses in San Francisco can be seen in numerous data points, including sales tax revenue, employment, and business registration. These and other relevant data points are described below:

- According to OEWD’s June 1, 2021 Economic Indicators Summary, through the first three quarters of 2020, San Francisco experienced the most dramatic decrease in sales tax revenue of any major California city. Sales tax receipts per capita decreased over 50 percent between the second quarters of 2019 and 2020. OEWD staff have noted that this can likely be attributed to dramatic decreases in commuter traffic, big drops in tourism and convention goers, a much smaller increase in online purchases than other major cities, and possible relocations to less dense and/or less expensive areas.
- According to the Controller’s Office April 2022 Status of the Re-Opening monthly report, the City’s economy is slowly recovering from the impact of COVID-19 restrictions, but several indicators show only mild improvements. The report shows that employment is approaching March 2020 levels, and hotel occupancy and enplanements at the Airport are increasing. However, the City still has 20,000 fewer employed residents than in early 2020, time spent at the workplace is down 40 percent since February 2020, domestic enplanements at the Airport in February were less than 70 percent of the February 2019 level, and BART exits in downtown stations in March were only 25 percent of the March 2019 level.
- The City has seen a significant and persistent decline in the number of new businesses registering for business licenses with the Treasurer and Tax Collector. As shown in Exhibit 2 below, the 3-month rolling average of new business registrations went from 1,268 in April 2018 to 699 in April 2022. This suggests that demand for small business services in San Francisco has declined and/or that there are additional barriers to starting a new business in the City during the pandemic. This could also be a sign that potential new business owners have been waiting to see if the economy is stable enough for them to feel secure enough to start. OEWD staff have suggested that other factors may include the tightening of lending to small businesses and lawsuits over back rent in many of the City’s retail storefront locations.

Exhibit 2: Downward Trend of New Business Licenses in San Francisco, April 2018 to April 2022

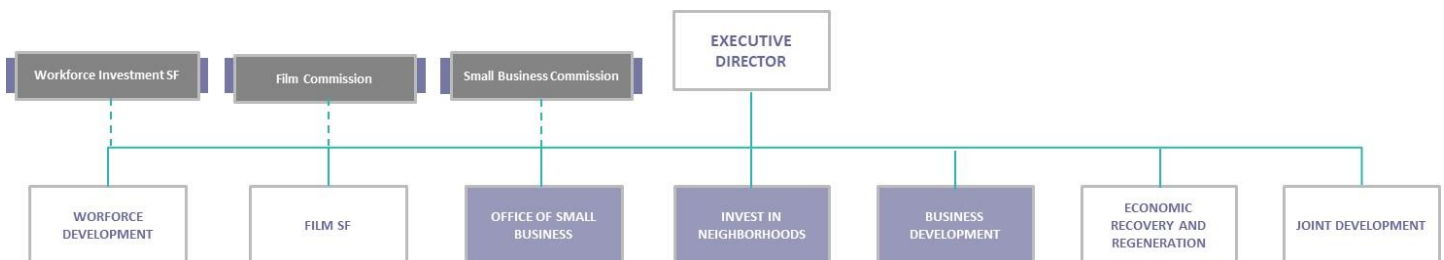


Source: Treasurer & Tax Collector Business License Data available on Data SF at <https://data.sfgov.org/Economy-and-Community/Registered-Business-Locations-San-Francisco/g8m3-pdis/data>

San Francisco’s Economic Development Programs

San Francisco’s economic development programs focusing on small businesses are concentrated in three departments within the Office of Economic and Workforce Development: (1) Invest in Neighborhoods, which focuses on geographic and population based interventions; (2) Business Development, which focuses on industry sector based initiatives; and the Office of Small Business, which focuses on being the entry point for small businesses seeking City services by providing referrals and permit assistance to individual small businesses based on an intake appointment and drop in hours for front desk assistance. The Office of Small Business is described in more detail in a subsequent subsection below. A simplified organization chart for OEWD is shown in Exhibit 3 below.

Exhibit 3: Office of Economic and Workforce Development Organization Chart



Budget and Legislative Analyst

Source: Office of Economic and Workforce Development presentation to the Board of Supervisors on May 11, 2022

As shown below in Exhibit 4, funding for the Department’s Economic Development Division has nearly doubled from \$35,125,691 in FY 2019-20 to \$69,428,503 in FY 2021-22. This increase is largely due to a significant increase in grants to small businesses and community groups. Over the same period, the authorized full time equivalent positions (FTEs) for the Division remained relatively stable, increasing to 35.65 FTEs in FY 2021-22 from 32.03 FTEs in FY 2019-20. The Office of Small Business budget has increased more modestly over the same three-year period, rising to \$3,505,244 in FY 2021-22 from \$3,129,487 in FY 2019-20. The Office of Small Business’ authorized FTEs increased from 7.45 in FY 2019-20 to 9.69 in FY 2021-22.

A detailed breakdown of General Fund appropriations and actual expenditures for small business programs and community grants from FY 2017-18 through FY 2020-21 is included in Appendix A.

**Exhibit 4: Overview of Historical Budgets and Authorized Positions for
Economic Development Division and Office of Small Business, FY 2019-20 to FY 2020-21**

Economic Development Division		
Fiscal Year	Total Adopted Budget	Authorized FTE Positions
2019-20	\$35,125,691	32.03
2020-21	\$23,784,318	32.64
2021-22	\$69,428,503	35.65

Office of Small Business		
Fiscal Year	Total Adopted Budget	Authorized FTE Positions
2019-20	\$3,129,487	7.45
2020-21	\$2,770,352	7.07
2021-22	\$3,505,244	9.69

Source: FY 2019-20, FY 2020-21, & FY 2021-22 Adopted Annual Appropriation Ordinances and Annual Salary Ordinances

The programs within Invest in Neighborhoods and Business Development, including the amount of General Fund budgeted grant funds for FY 2020-21 are described in more detail below.

Invest in Neighborhoods includes the vast majority of the Department’s programming benefitting small businesses, including loans, grants, and neighborhood-based programming. These programs, and the City’s original FY 2020-21 General Fund grant funding, include:

- Citywide Public Spaces Initiative (\$2.6 million in FY 2020-21 GF): The City’s Citywide Public Space Initiative aims to help communities improve their public spaces. The programs and

grants supplement the City's existing cleaning and safety services with regular activation, beautification projects, and community engagement in conjunction with the local groups.

- Small Business COVID Relief Resiliency Fund (\$1.7 million in FY 2020-21 GF): The Resiliency Fund launched on March 12, 2020, five days before the City's Stay-At-Home order. The goal of the fund is to provide immediate funds to businesses most impacted by COVID-19 and to help businesses prevent layoffs and continue paying their employees.
- Opportunity Neighborhoods Program (\$1.5 million in FY 2020-21 GF): The Opportunity Neighborhoods program (soon to be renamed the Opportunity Communities Program) implements economic development interventions in support of communities that have experienced historic divestment and in service of economically disadvantaged communities. Investments focus on advancing equity and shared economic prosperity for all by investing in small businesses, entrepreneurs, and commercial corridor interventions to stimulate economic activity by increasing foot traffic to businesses. Staff under this program oversee (1) citywide investments that support culturally competent small business technical assistance and training for entrepreneurs, (2) support six key commercial corridors, and (3) partner with the Mayor's Office of Housing and Community Development to support recognized Cultural District's in implementing economic development interventions.
 - The following 6 neighborhoods have commercial corridors with targeted interventions and a project manager that works closely with community stakeholders and other City departments to strategically disburse investments and support neighborhood economic development goals: (1) Bayview, (2) Central Market/Tenderloin, (3) Chinatown, (4) Excelsior, (5) Lower Fillmore, and (6) Mission (24th and Mission Street).
 - Mayor's Office of Housing and Community Development Cultural Districts (Economic Development Strategy Implementation Support) include: (1) Japantown, (2) Calle 24, (3) SoMa Pilipinas, (4) Transgender, (5) Leather & LGBTQ, (6) African American Arts and Cultural District, (7) Castro LGBTQ, (8) American Indian, and (9) Sunset Chinese.
- Economic Development Project Grants (\$1.2 million in FY 2020-21 GF): Grants are procured and awarded as allocated through the City's annual budget process to support Neighborhood Economic Development Efforts and commercial corridor projects

including events for customer attraction, marketing of neighborhood businesses and small business outreach, engagement and support.

- Small Business Revolving Loan Fund (\$1.15 million in FY 2020-21 GF): The City-sponsored Revolving Loan Fund is administered by a nonprofit organization with the purpose of serving new and existing businesses by providing access to capital, including microloans, and technical assistance. Loan amounts range from \$10,000 to \$50,000.
- SF Shines Façade Improvement Program (\$657,000 in FY 2020-21 GF): The SF Shines program aims to help businesses improve their facades and interiors thereby lifting up the entire commercial corridor. The program targets the Calle 24, Central Market/Tenderloin, Chinatown, Excelsior, Fillmore, and Outer Sunset commercial corridors.
- Cultural District Program (\$398,000 in FY 2020-21 GF): The Cultural Districts program aims to bring resources to stabilize vulnerable communities facing or at risk of displacement or gentrification, and to preserve, strengthen and promote cultural assets and diverse communities.
- Women’s Entrepreneurship Fund (\$328,000 in FY 2020-21 GF): The Goal of the Fund is to provide mini-grants of up to \$5,000 to women-owned small businesses operating in the City for projects and upgrades that will have a transformative impact on the business’ ability to grow. The grants are targeted to low- and moderate-income women entrepreneurs, especially (but not exclusively) in the Mission District.
- Small Business COVID Relief- SF Shines for Reopening (\$202,000 in FY 2020-21 GF): The SF Shines program provides grants to small businesses for upgrades and storefront improvements. During the pandemic at the time when public health orders shifted the way businesses could conduct business, the SF Shines program was modified to support reimbursement to physical improvements for health and safety to comply with COVID Health Orders. Part of the program included providing services from licensed architects and consultants to help businesses redesign their indoor and outdoor space to make it safer for social distancing and ADA compliance. Some of the improvements included: Shared Spaces design and build out, fixtures like plexiglass barriers and equipment to improve air quality.
- Healthy Retail SF (\$50,000 in FY 2020-21 GF): Healthy Retail SF provides individualized attention to businesses by providing concentrated and tailored technical assistance to

address food access needs so that they may thrive. The program is deployed in partnership with the Department of Public Health, Bayview HEAL Zone and the Tenderloin Health Corner Store Coalition with technical assistance from Sutti Associates and the Small Business Development Center.

- Community Benefit Districts (\$45,000 in FY 2020-21 GF): Community Benefit Districts (CBD) strive to improve the overall quality of life in targeted commercial districts and mixed-use neighborhoods through a partnership between the City and local communities. Once an area has voted to establish a CBD, local property owners are levied a special assessment to fund improvements to their neighborhood.
- Dream Keeper Initiative (\$21 million in FY 2020-21 GF and \$20.48 million in FY 2021-22 GF): The Dream Keeper Initiative is a new citywide effort to reinvest \$120 million over two years from law enforcement into San Francisco's Black and African-American community. The initiative aims to break the cycle of poverty and involvement in the criminal justice system for the families in City programs and ensure that new investments, including in youth development, economic opportunity, community-led change, arts and culture, workforce, and homeownership, are accessible to San Francisco's families who are most in need.

Other programs that utilize non-General Fund monies include:

- The Small Business Development Center (SBDC): SBDC provides advising, workshops, training, access to capital sources, and industry-specific programming to small businesses in San Francisco launch and grow.
- Neighborhood Economic Development Organizations (utilizing federal Community Development Block Grants): Nonprofit organizations funded to implement economic development strategies including, but not limited to small business technical assistance, trainings, and outreach.
- San Francisco Emerging Business Loan Fund: The goal of the Fund is to provide intensive technical assistance for underserved entrepreneurs in San Francisco so that they can obtain capital. Technical assistance focuses on preparing loan applications and financial projections, determining the right amount to borrow, and having a robust business plan.
- African American Loan Fund: The African American Revolving Loan fund provides access to capital and financial assistance for African American entrepreneurs and Black-owned small businesses impacted by COVID-19. The loan program complements Citywide efforts to support micro-enterprises and small businesses historically underserved by private

banks and other traditional sources of financing, as well as OEWD's standing commitments to invest in the City's historically Black neighborhoods.

- **Small Business Disaster Relief:** This program offers grants, low interest loans, and other related technical assistance to small businesses affected by natural disasters or fire. OEWD staff provide immediate on-site assistance to business owners. The Mission Economic Development Agency processes disaster relief applications for funds.
- **Vandalism Relief Grant:** The Storefront Vandalism Relief Grant provides up to \$2,000 in financial relief for the restoration of small businesses impacted by deliberate actions that result in destruction or damages of small business storefronts.
- **Construction Mitigation:** OEWD partners with lead agencies (SFMTA, SFPUC, & SFDPW) to implement infrastructure improvement projects to bring small business mitigation measures. The City's Construction Mitigation Program is intended to mitigate the impacts to businesses by increasing outreach and engagement with neighborhood business groups and small businesses during construction.

The **Business Development Division** includes numerous programs to help spur demand for business services in San Francisco. These programs are not necessarily specific to small businesses and are mostly sector specific, but many benefit small businesses in the City. A summary of these programs and the City's original General Fund budget for FY 2020-21, is below:

- **Nonprofit Sustainability Initiative (\$2.5 million in FY 2020-21 GF):** The Nonprofit Sustainability Initiative includes financial assistance and professional services for nonprofit acquisition and lease stabilization, prioritizing those at risk of displacement and facing barriers to growth. In addition, the program makes periodic investments in organizational development initiatives such as assistance for strategic planning and restructuring. Programs cover very small, small, and medium-large sized not-for-profit businesses that have a demonstrated track record serving low-income residents. Organizations led and governed by communities of color and historically underserved communities are prioritized, as well as those with funding constraints such as limited operating reserves.
- **International Business Development (\$327,000 in FY 2020-21 GF):** The International Business Development program supports the attraction of international businesses and foreign direct investment to San Francisco, facilitates networking opportunities between local businesses and international stakeholders, provides access to a network of government and business resources, serves as the liaison to the international business community, and in coordination with OEWD's International Trade and Commerce Division, organizes overseas business missions, and serves as a liaison to the local diplomatic community.

- Industrial Business Development (\$193,000 in FY 2020-21 GF): The Industrial Business Development program supports business attraction and retention of production, distribution and repair businesses by conducting business outreach, education, and business development support as well as real estate location assistance to businesses currently operating in, or wanting to start or relocate to the City of San Francisco.
- Nonprofit Resiliency (\$102,000 in FY 2020-21 GF): The Nonprofit Resiliency Fund supports the City's ongoing economic and workforce development strategies by assisting its nonprofit partners with one-time, unplanned and unbudgeted expenses. In FY 2020-21 most funds supported stability and the advancement of racial equity and inclusion through executive leadership transitions. This fund was discontinued in FY 2021-22.
- General Business Development (\$86,000 in FY 2002-21 GF): The work of the Business Development division is to provide specialized support to address the unique needs of businesses in a variety of key sectors. For emerging and established companies alike, the division works to serve as a centralized clearinghouse of information and services to support these industries' ongoing success.
- SF Biz Connect (\$28,000 in FY 2020-21 GF): The SF Biz Connect program supports local small businesses by providing tools to help them connect to purchasing opportunities at larger businesses and by supporting larger businesses to buy local.

OEWD supports other programs and initiatives to help increase foot traffic and commerce to small businesses in San Francisco.

- Shop and Dine (\$30,000 in FY 2020-21 GF): The Shop and Dine program is a marketing outreach campaign that encourages residents to do all their shopping and dining in San Francisco to support local businesses and local jobs.

OEWD has also supported other temporary programs specific to Covid relief that have been closed. These include:

- San Francisco Hardship Emergency Loan Fund: The San Francisco Hardship and Emergency Loan Program (SF HELP) loan program provided zero interest loans of up to \$50,000. SF HELP filled a gap for very small businesses that lack meaningful access to credit. By offering a tool designed to sustain disadvantaged small businesses and give them the capital required to re-start their operations during the COVID pandemic, the program aimed to provide local economic stimulus, promote safe reopening, and pursue economic justice.

- **Small Business COVID Relief- Neighborhood Mini Grant and Women’s Mini Grant Programs:** These programs were launched at the beginning of the pandemic, as a response to the urgent financial needs of small businesses caused by sudden revenue loss from business disruption in targeted high need neighborhood commercial districts and women owned businesses. These funds reprogrammed organizational funds to a mini grant program that would provide support to stabilize San Francisco small businesses and provide economic relief to their households experiencing financial loss due to COVID-19 impacts. IIN worked closely with nonprofit partners within targeted neighborhoods to shift their programming and capture unexpended funds to deliver a mini grant program to small businesses. The Mini-Grant program launched on April 24, 2020 and closed on May 29, 2020, after receiving nearly 900 applications. The Neighborhood Mini-Grants were designed to provide financial support of \$1,000-\$10,000 to family-run businesses, owner-operated businesses, entrepreneurs of color, women-owned businesses, and other enterprises in historically underserved communities who may not have qualified for other government aid programs. The independently-owned businesses that received grants were in the Bayview, Central Market and the Tenderloin, Excelsior, Japantown, Fillmore, Mission, South of Market (SoMA), and the Outer Mission Ingleside (OMI) neighborhoods.
- **Small Business COVID Relief- SF Relief Fund:** These funds were intended for San Francisco businesses experiencing losses due to restrictions and the economic downturn related to the COVID-19 pandemic. The grant program had two funding tracks Equity Grant and Community Anchor Grant.
 - **Equity Grant:** The Equity track had a goal of reaching the businesses most impacted by the COVID restrictions, those that have been left out of Federal and State relief programs, and those serving low-income and historically disinvested communities.
 - **Community Anchor Grant:** The Community Anchors track had the goal of focusing funding on businesses that uniquely contribute to the culture of San Francisco including Legacy and long-running businesses, entertainment venues, and those that operate from storefronts in our Cultural Districts and low income and historically disinvested communities. This grant was a more substantial investment in key businesses to help them stay and thrive in San Francisco and the grant award amounts were larger and based on the number of employees in February 2020, representing their potential for rehiring staff.

Office of Small Business

The Office of Small Business, along with the Small Business Commission, was established by two ballot measures supported by San Francisco voters: Proposition D in November 2003 and Proposition I in 2007. Proposition D created a Chartered Small Business Commission to oversee the Office of Small Business and defined the functions and duties of the Office of Small Business. Proposition I required the Office of Small Business to operate a Small Business Assistance Center to focus on the needs of San Francisco businesses with fewer than 100 employees.

The mission of the Office of Small Business is to equitably support, preserve, and protect small businesses in San Francisco. The Office of Small Business and the Small Business Commission serve businesses through:

- Business Assistance, including specialized case management services;
- Programs, including accessible educational resources and the Legacy Business Program;
- Policy and Legislation, including through the promotion of policy and legislative solutions to mitigate challenges and ensure the economic health of small businesses; and
- Stakeholder engagement, including as serving as the ‘door to City Hall’ for small businesses by working with a wide range of stakeholders to ensure that small businesses are heard and well supported, especially those from historically marginalized communities.

For budgeting purposes, the Office of Small Business is a department within the Office of Economic and Workforce Development. The Office of Small Business was established by voters to provide direct assistance to small businesses through the Small Business Assistance Center and the Office of Economic and Workforce Development was established in the Administrative Code to foster economic development through attracting, retaining, and assisting businesses; and strengthening the economic vitality of neighborhoods and commercial corridors. The small business assistance functions of the Office of Small Business and the Office of Economic and Workforce Development have not been well defined. Two small business programs – the Small Business Development Center and Open in SF, providing direct assistance to small businesses have recently transferred to the Office of Small Business. The Small Business Development Center is funded by the federal Small Business Administration to support new and existing businesses through access to loans and other assistance, and Open in SF was set up by the Office of Economic and Workforce Development to assist businesses through the permitting process.

During the audit, the Office of Economic and Workforce Development and the Office of Small Business completed the process of transferring the Small Business Development Center and Open in SF functions from other departments within OEWD to the Office of Small Business. The FY 2021-22 budget created two new positions in the Office of Small Business that replace the

functions of Open in SF; the role of these two new positions is discussed further in Section 4 of this report. Going forward the directors of the Office of Economic and Workforce Development and Office of Small Business will need to ensure that the respective small business assistance functions of these offices are sufficiently defined.

Acknowledgements

We would like to thank the management and staff of the Office of Economic and Workforce Development, the Office of Small Business, and staff from the Office of Civic Engagement and Immigrant Affairs for their assistance during this audit.

1. Performance Measures

The Office of Economic and Workforce Development (OEWD or Department) has not completed substantial improvements to the performance measures used to track performance of Invest in Neighborhoods programs, including small business programs, since a 2019 audit found that they focus more on outputs than outcomes and are not easily accessible. Further, OEWD has not reported to the Board of Supervisors on the effectiveness of the Construction Mitigation Program and on how program performance will be measured on an ongoing basis despite accepting a recommendation to do so from the same 2019 audit.

OEWD has not completed substantial improvements to its performance metrics due to several factors, including diversion of staff and re-assignment of the Controller's entire Performance Unit Consultant Team contracted to lead OEWD's business services program metric development in FY 2019-20 and FY 2020-21 during the COVID-19 pandemic to disaster service work duties and ongoing vacancies in the Department's Performance and Communications team. A lack of meaningful performance measures can impair an organization's effectiveness and result in inefficient resource allocation. The Director of OEWD has engaged with a new consultant team in FY 2021-22 through a Civic Bridge contract with the Harvard Business School Consultants and has filled some vacant positions in the Performance and Communications team. The Director of OEWD should set a deadline for the project team to identify key performance indicators that include outcome measures and provide a formal report to the Board of Supervisors upon completion of the improvement of performance measures.

2019 Audit Finding on Performance Measurement

In September 2019, the Budget and Legislative Analyst's Office (BLA) released a performance audit report¹ on OEWD's planning for large-scale projects to address economic impacts on surrounding businesses. The audit focused on the Department's Construction Mitigation Program, but included a finding with broader attention on OEWD's Invest in Neighborhoods Division performance measures. The audit found that while OEWD collects a variety of performance data on the Invest in Neighborhoods programs and is required to report on some of these measures to various funding and other agencies, the performance measures currently used to track performance focus more on outputs than outcomes and are not reported in one

¹ *Performance Audit of the Office of Economic and Workforce Development's Planning for Large-Scale Projects to Address Economic Impacts on Surrounding Businesses*, Published September 6, 2019 and available here: <https://sfbos.org/sites/default/files/BLA.AuditOEWD.LargeProjects.090619.pdf>

system or report. This makes it difficult for OEWD management or other City officials to assess the effectiveness and efficiency of programs.

As noted in the 2019 BLA audit, the Government Finance Officers Association's (GFOA) Best Practices for Performance Management and Decision-Making guide recommends that performance measures track outcomes and efficiency over time, allow for resource allocation comparisons over time, be externally reported, motivate staff to provide input, and provide a basis for ongoing process improvement.

The City has long recognized the importance of tracking performance metrics, as indicated by the annual reports on metrics provided in the Mayor's Proposed Budget Books and the ongoing work of the Controller's Office City Performance Unit. Further, Mayor Breed instructed departments in December 2021 that their FY 2022-24 two-year budget submissions should focus on programs that demonstrate meaningful results and equitable outcomes across the City.

Invest in Neighborhoods Performance Measures

A review of the Department's current performance measures found that in 2019, prior to the pandemic, OEWD engaged with the Controller's Performance Unit to initiate an impact measurement project led by the Controller's Office working with OEWD staff to develop small business metrics. Due to the pandemic, project lead staff in the Controller's Performance Unit as well key OEWD small business staff were re-assigned to the COVID Command Center and to developing new COVID relief programs to support businesses during the pandemic. The Impact measurement project was put on hold from March 2020 until FY 2021-22. At the beginning of FY 2021-22, the Controller's Office notified OEWD that its project lead resigned and they did not have sufficient staff to resume the small business impact measurement project and requested that OEWD seek additional consulting resources through the Civic Bridge Program. OEWD engaged with two Civic Bridge programs in FY 2021-22 and was able to contract with the Harvard Business School Consultants in 2022 to begin a process to develop new department Organizational Key Results (OKR) across all of OEWD small business programs and teams. As a result, OEWD's small business performance metrics have not been updated after more than two years since the 2019 performance audit recommended improvements to focus on outputs and to report performance in one system or report.

OEWD staff report that, with a new consultant team in place, the Department has resumed its work on developing updated small business performance metrics. OEWD staff further noted that the nature of their small business services changed during the pandemic as many new types of COVID relief and recovery small business programs were developed and piloted. Following the pandemic, OEWD has had to revisit the small business metrics in development prior to the

pandemic to make sure they are still appropriate for the Department's current portfolio of small business programs and the key objectives OEWD staff are aiming to meet.

Similar to what was found in the 2019 BLA audit, OEWD currently reports on three measures that reflect performance of the suite of economic development programs, including Invest in Neighborhood programs. These three measures are reported in the Mayor's Proposed Budget Book and in the Controller's Citywide performance report²:

1. The number of businesses receiving one-on-one technical assistance;
2. The number of small businesses assisted; and
3. The retail vacancy rate in targeted commercial corridors.

Exhibit 1.1 below shows the Department's performance across selected metrics for FY 2020-21 for programs funded by two major sources (U.S. Small Business Administration- SBA- and Department of Housing and Urban Development- HUD- Community Development Block Grants) and measures reported across all programs, but does not include all measures reported for all Invest in Neighborhoods individual programs. SBA measures are from the Small Business Development Center's (SBDC) performance scorecard and HUD Community Development Block Grant measures are from the City's Consolidated Annual Performance and Evaluation Report (CAPER),³ jointly produced by OEWD and the Mayor's Office of Housing and Community Development.

² The Controller's Citywide Performance data is now available in an online dashboard available through a link via a press release available here:

https://sfcontroller.org/sites/default/files/Documents/Auditing/Press%20Release_New%20Interactive%20Dashboard%20on%20City%20Performance%2012.15.21.pdf

³ Programs funded by HUD Community Development Block Grants may also receive support from the City's General Fund. Therefore, measures reported also reflect the impact of these funds, but do not reflect the impact of all General Fund support to Invest in Neighborhoods Division programs.

**Exhibit 1.1: Selected Performance Measures Provided by OEWD
for Invest in Neighborhoods Division Programs, FY 2020-21**

Performance Measure	SBDC¹ Services <i>Selected Measures from SBDC Performance Scorecard</i>	CDBG Programs² <i>Selected Measures from CAPER³</i>	All Programs <i>Selected Measures from Controller's Performance Report</i>
Outcomes			
<u>Job Creation and Retention</u>			
1. Jobs generated or retained by companies that received assistance			
a. Jobs created	355	202	
b. Jobs retained	5,668	342	
<u>Business Creation</u>			
2. Businesses created that received assistance	7	58	
<u>Revenue Generation</u>			
3. Estimated increase in revenue for businesses that received assistance	\$27,016,534		
<u>Macroeconomic Indicators</u>			
4. Commercial Vacancy Rate in targeted commercial corridors			16.0%
Outputs			
<u>Outreach</u>			
5. Number of businesses receiving one-on-one technical assistance	1,401		3,322
6. Number of small businesses assisted		576	4,964
7. Training event outreach			
a. Number of training events	72		
b. Number of attendees	383		
8. Access to loans and capital			
a. Total loans	72	473	
b. Dollar amount of loans	\$13,034,001	\$14,316,084	
c. Equity capital	65		
d. Dollar amount of equity capital	\$13,826,380		
Total Row (if applicable)			

Sources: Noeserra Scorecard for SBDC Services for FY 2020-21; 2020-2021 Consolidated Annual Performance and Evaluation Report; City Services Auditor, San Francisco Performance Results for FY 2020-21

¹SBDC= Small Business Development Center

²CDBG= City programs funded by Community Development Block Grants from HUD; These programs may also receive support from the General Fund

³CAPER= Consolidated Annual Performance and Evaluation Report (Measures taken from Priority Need 3B on p. 17)

In addition to the measures detailed above, the 2019 BLA audit noted that the Invest in Neighborhoods Division also collects information on the following measures (all of which are service outputs):

- Number of events (networking, marketing, activations, merchant walks, etc.);
- Total grants awarded and dollar amounts of grants;
- Number of referrals to partner agencies and professional service providers;
- Number of leases drafted, negotiated, or renewed, and the average length of those leases; and
- Various outreach metrics for individual community benefit districts (e.g., individuals assisted, waste collected) and adherence to budget-related benchmarks, reported to the Board of Supervisors on an annual basis.

As shown in Exhibit 1.1 above, OEWD reports few metrics (only one of which is outcome-based) across all programs. OEWD senior staff previously reported to the BLA that managers gauge program performance by reviewing:

- The reports described above;
- Internal reports that track vacancies in the Office's targeted commercial corridors;
- Informal feedback obtained from staff and external stakeholders, including businesses;
- Internal staff review of grantee service performance metric reports, submitted annually;
- Annual staff review of each community benefit district's annual report; and
- Periodic program evaluations for small business services, as part of the Division's small business needs assessment process.

However, as reported in the 2019 BLA audit, program performance measures differ by funding source as shown in Exhibit 1.1, with measures reported in multiple systems and reports, making it difficult for both internal and external stakeholders to compare performance across programs and determine the overall impact of all programs combined.

In compliance with funding regulations, the Small Business Development Center prepares and submits its scorecard, which is currently unavailable to the public, to the U.S. Small Business Administration. The scorecard, which OEWD made available to our office to review, shows performance measures, a subset of which are shown in Exhibit 1.1, across multiple years, allowing for comparisons over time. The scorecard includes several measures that reflect key outcomes, which are emphasized in performance measurement best practices, including revenue generation and job creation related to SBDC services. Outcomes (such as number of jobs created) show the impact of service outputs (such as number of businesses assisted) and help internal and external stakeholders determine if the services provided are meeting the ultimate goals of the

program. If services are unaligned with program goals, increasing outputs may not meaningfully improve desired outcomes. Similarly, OEWD and the Mayor's Office of Housing and Community Development jointly prepare and submit the City's Consolidated Annual Performance and Evaluation Report (CAPER) to HUD for programs that receive Community Development Block Grant (CDBG) funding, and the CAPER includes some of the same outcome measures of the SBDC scorecard (such as number of jobs created) but not all measures are the same (e.g. the CAPER does not include the estimated revenue generated to businesses that received assistance) as reporting requirements vary between the two federal agencies. The CAPER also shows performance across multiple years, allowing for comparisons over time, but in contrast to the SBDC scorecard, the CAPER is available to the public.

The three measures reported both in the Controller's Citywide performance report (now available in an online dashboard format) and the Mayor's Proposed Budget reflect OEWD's performance at a high level. Two of the measures reflect service outputs, including the number of businesses assisted and the number of businesses receiving one-on-one technical assistance. The third measure, commercial vacancy rates in targeted commercial corridors, is an important outcome measure for the Division in assessing overall neighborhood performance and needs. However, it is challenging to assess the impact of the Department's small business programs based solely on this measure because there are a variety of external factors that impact vacancy rates, such as market and macroeconomic conditions.

Delayed Improvements to Performance Measures

OEWD has not completed substantive improvements to its performance metrics for the Invest in Neighborhoods Division's small business programs as recommended in the 2019 BLA audit, but has taken initial steps toward that goal. Consistent with Recommendation 2.1 from the 2019 BLA audit, Department staff initiated a joint project team with the Controller's Office City Performance Unit to develop key performance indicators and align them with the Department's strategic plan. This joint project team was constituted in July 2019 and created a project charter that included the project description, project context, project goals and deliverables, a timeline with budgeted hours, and roles and responsibilities of various team members from OEWD and the Controller's Office. The project goals included:

1. Consolidate and align metrics with OEWD's new strategic plan;
2. Design data collection policies and procedures; and
3. Develop reporting and management practices and tools.

According to OEWD staff, the project was severely delayed primarily due to the COVID-19 pandemic, which resulted in numerous OEWD and Controller Impact Measurement Consulting

Team staff being reassigned to disaster service work. The project was reconstituted in October 2021 through an internal IIN working group led by the OEWD Data Manager, and through a Civic Bridge consultant contract with Harvard Business School Consultants to develop department wide small business metrics. However, the project has faced further delays due to staff vacancies in the Performance and Communications team and initial difficulties finding an outside partner under the City's Civic Bridge program.⁴ According to senior OEWD staff assigned to the project, the Department currently only has one 1824 Principal Administrative Analyst and one 1822 Administrative Analyst assigned to the project with two vacancies on the project team which are in the process of being hired, including one 1822 Administrative Analyst and one 1823 Senior Administrative Analyst.

Construction Mitigation Program Performance Reporting Recommendation

The 2019 BLA audit team was unable to evaluate the effectiveness of OEWD's construction mitigation efforts due to the early stage of the Construction Mitigation Program, which commenced a year earlier, and a lack of complete performance data for the Central Subway grants and technical assistance. The audit report also noted that OEWD had not established comprehensive formal metrics or performance reports for the entire program.

Recommendation 2.3 from the 2019 BLA audit recommended that the Director of OEWD report annually on the effectiveness of the Construction Mitigation Program to date and how performance will be measured on an ongoing basis, including periodic reports such as annually to the Board of Supervisors. However, to date, OEWD has not provided such reports to the Board of Supervisors, but OEWD staff have reported on the program with SFMTA, SFPUC, and SFDPW (the lead agencies for the program) at the San Francisco County Transportation Authority (SFCTA) since the 2019 audit was completed.

Conclusion

The Office of Economic and Workforce Development (OEWD or Department) has not completed substantial improvements to the performance measures used to track performance of Invest in Neighborhoods programs, including small business programs, since a 2019 audit found that they

⁴ The Civic Bridge program is managed by the Office of Civic Innovation, under the Department of Technology. The Civic Bridge program recruits private sector professionals to volunteer their time alongside government employees on critical City issues. As previously mentioned, the Department was able to secure support from the Civic Bridge program in FY 2021-22.

focus more on outputs than outcomes and are not easily accessible. Further, OEWD has not reported to the Board of Supervisors on the effectiveness of the Construction Mitigation Program and on how program performance will be measured on an ongoing basis despite accepting a recommendation to do so from the same 2019 audit.

OEWD began, but has not completed, substantial improvements to its performance metrics due to several factors, including diversion of the project’s consultant team at the Controller’s Performance Unit and OEWD program staff during the COVID-19 pandemic to disaster service work duties and ongoing vacancies in the Department’s Performance and Communications team. A lack of meaningful performance measures can impair an organization’s effectiveness and result in inefficient resource allocation. The Director of OEWD should prioritize the substantial improvement of the performance measures for the Invest in Neighborhoods small business programs, including by filling vacant positions in the Performance and Communications team, setting a deadline for the project team to identify key performance indicators that include outcome measures, and providing a formal report to the Board of Supervisors upon completion of the improvement of performance measures.

Recommendations

The Director of OEWD should:

- 1.1 Prioritize the substantial improvement of the performance measures for the Invest in Neighborhoods small business programs, including by:
 - a. Filling vacant positions in the Data and Performance team;
 - b. Setting a deadline for the project team to identify key performance indicators that include outcome measures; and
 - c. Providing a formal report to the Board of Supervisors upon completion of the improvement of program performance measures, including the business support measures for the construction mitigation program.
- 1.2 Direct OEWD staff responsible for overseeing the business support component of the Construction Mitigation Program and the lead agencies (SFMTA, SFPUC, and SFDPW) to report to the San Francisco County Transportation Authority (SFCTA) on the effectiveness of the Program to date and how performance will be measured on an ongoing basis, including periodic reports such as annually to SFCTA or the Board of Supervisors.

Benefits and Costs

Implementation of the proposed recommendations would enhance the Department's ability to measure the effectiveness of the programs managed by the Invest in Neighborhoods Division and similarly increase transparency for the public. The recommended actions can be completed within existing resources assuming that the Department is able to fill the two vacant positions on the Performance and Communications team.

2. Procurement and Contracting Processes

The procurement and contracting processes for community grants funding administered under OEWD (which includes Invest in Neighborhoods and Business Development) are chronically delayed. There are several reasons for the delays, including lack of staff capacity to administer more frequent procurements, inability to align procurement publishing with the budget cycle, and provider difficulties with the compliance verification process. The delay in allocation of budgeted funding means that it takes longer for City services to be delivered to communities and businesses. Further, grantees and contractors are often unable to be paid for the services in a timely manner, which may negatively impact their financial condition.

Community Grants Procurement is Chronically Delayed

Due to various factors, including lack of staff capacity to procure more frequently, a doubling of the Department's budget to be allocated for new COVID relief and recovery programs, and additions of funding to procurements annually during the budget process, the Office of Economic and Workforce Development (OEWD or Department) is unable to publish most procurements until very late in the fiscal year. This has the effect of pushing back the timeline of the entire contracting process and execution of agreements. These delays impact the ability of suppliers to begin their work and be paid in a timely manner. The delays also hinder the longstanding policy goal of the Board of Supervisors to support the mission of the Department, which was most recently expressed during the FY 2021-23 budget process, to ensure that "small business, workforce development, financial empowerment and neighborhood stabilization" be sufficiently prioritized. Delays in the delivery of funds also result in the community (including small business owners) not benefitting from the allocation of grant funding in a timely manner consistent with not only the Board of Supervisor's policy priorities for the Department, but also the Mayor's priorities for the Department. The Mayor's policy priorities for FY 2021-23 included a focus from OEWD on "recovering and rebuilding neighborhoods through its Invest in Neighborhoods Program," including "business retention and relocation, small business disaster relief, neighborhood marketing and small business support, the Citywide Public Space Initiative, SF Shines, Healthy Retail SF, and the Small Business Development Center."

Procurement Timeline

OEWD's procurement development for community grants and contracts can take between one month to 18 months to deploy budgeted funds, depending on the complexity of the solicitation. Many factors influence the timeline, such as whether the procurement is for a new program or a renewal of an existing program, and the level of stakeholder engagement required. Ideally, procurements would be released prior to the start of the upcoming fiscal year or very early in the

year so that the procurement timeline is aligned with the budget cycle. However, it is currently not possible to align procurements with the current budget cycle. Due to budget changes made by the Mayor and Board of Supervisors following the Department's submission to the Mayor's Budget Office in February, the Department's program managers do not know the status of their project budgets until the fall of the fiscal year. Department staff have stated that OEWD has an informal goal to have procurements published in the early fall (September or October), so that agreements can be executed by November or December and can fully incorporate any add-back¹ funding for the calendar year. However, five of the last six Requests for Proposals (RFPs) for economic development projects, published in FY 2020-21 and FY 2021-22, were published in December or later for funding administered within that fiscal year. Since the contracting process begins with procurement, delays in publishing procurements causes the entire process of executing and encumbering agreements to be further delayed.

Delays in Executing FY 2020-21 Agreements

The Department has fallen behind in executing grant agreements for grants and contracts funded in FY 2020-21. According to OEWD staff, there was a backlog of at least 65 agreements that should have been executed in spring of FY 2020-21, but still needed to be executed as of December 2021.

Grantees must achieve full compliance with the City's procurement rules before an agreement can be executed and a grantee can begin being paid for their work. Basic compliance steps for receiving grant funding involve becoming an approved supplier in F\$P,² verifying insurance status, and other steps, depending on the source of funding. Basic compliance for both grantees and contractors involve additional steps, including verifying compliance with the equal benefits ordinance. Additional compliance requirements for contracts can include Contract Monitoring Division (CMD) requirements, such as the 14b subcontracting requirement and registration with the System for Award Management (SAM) for federally funded contracts. The Department attempts to prevent compliance requirements from leading to delays by including standard language in an appendix of RFPs strongly urging bidders to begin the compliance process prior to submitting their proposal. However, not all bidders have the staff resources to dedicate to this process. Additionally, for some procurements, the language is not included in the primary RFP document but is instead embedded within a separate appendix document. For instance, for the

¹ "Add-back" funding are appropriations that are added to the Mayor's proposed budget during the Board of Supervisors' annual budget process in June.

² F\$P is the City's comprehensive enterprise resource planning system, which includes financial, supply chain management, and reporting and analytics functionality.

most recently released (as of March 3, 2022) RFP #222, Appendix E “Supplier Registration Instructions” includes the following statement under the “Purpose and Description” section:

Although “Registered Bidders” can view and bid on City business, in order to be fully awarded a City contract, a Registered Bidder will have to go through the Business Tax Registration and 12B Declaration processes required to become an “Approved Supplier”. The time to complete these can vary, and we strongly recommend that you start these processes as soon as possible to expedite your contract wins.

However, there is no similar language within the main RFP document. Compared to Workforce grantees, which are often larger nonprofits with finance and grants staff dedicated to the compliance process, Economic Development grantees are more likely to be smaller and less experienced with the City’s contracting requirements.

Causes of Procurement and Agreement Processing Delays

Late-Stage Additional Funding During Procurement

According to Department staff, procurements are often delayed because new sources of funding (and subsequently, additional project scopes) are sometimes added to the same procurement at a late stage of the process. Funding sources are often unpredictable and can change throughout the year. Since the process for developing a large procurement can take three to four months, the current process is not sufficiently flexible to keep up with the frequency of funding changes. Correspondence received from Department staff regarding a recently published RFP for COVID-19 economic recovery projects and reviewed by our audit team showed that the procurement’s funding sources and language describing the program areas were not finalized as of early December 2020.

Late-Stage Additional Funding During Agreement Processing

Individual pending agreements may also receive additional funding allocation after an RFP has been released, but before the Grants and Contracts team has time to finish processing the agreement. If additional funding is allocated to a project during this stage of the process, the Program Manager must revise the budget and scope of the agreement accordingly.

New funding may also become available throughout the year as a result of mayoral or supervisory initiatives, which then would require “urgent priority” agreements and would trigger delays for the existing queue of agreements. If an agreement remains pending, there is an increased likelihood that the agreement will need to be updated to incorporate additional funding before it is fully processed. According to Department staff, if additional funding is added to an agreement after the Grants and Contracts Team has already drafted and obtained Supplier

and City Attorney approval, there will be an additional delay of several weeks. However, if the Program Manager needs to make changes to the agreement scope of work before the Grants and Contracts Team has begun their review of the draft agreement, there would not be a significant delay.

Significant Increases in Funding due to COVID Grants and Staff Vacancies have Contributed to Delays

There has been a significant increase in administered grant funding due to additional COVID relief funds, without a commensurate increase in staff to manage and oversee the grant administration process. According to OEWD staff, the Department does not currently have capacity to conduct smaller, more frequent procurements. However, OEWD staff have indicated that when the two departmental vacancies, which are currently for one Contracts and Grants Coordinator (1823 Senior Administrative Analyst) to support the Economic Development portfolio, and one Contracts and Grants Manager (1824 Principal Administrative Analyst) for the Dream Keeper Initiative are filled, the Department will be able to procure more often throughout the year. A consistent schedule for procurements every few months, distinguishing between special projects, one-time capacity needs, and ongoing resources, would allow the Department to more quickly and efficiently proceed with executing agreements. As of May 10, the Department has indicated that the Contracts and Grants Coordinator has been filled and has an anticipated start date of May 31, 2022, and the Contracts and Grants Manager position is currently in the interview stage.

Compliance Verification can be Burdensome for Providers and OEWD Staff

The compliance verification process for providers can be extremely time-consuming and complex. Some providers have trouble achieving compliance after an award is issued, which significantly delays execution of their agreement with the City and their ability to begin invoicing for work in the same year they were awarded funding. After a provider has been awarded funding from OEWD, it can take between one week to six months for them to achieve full compliance with City requirements depending on multiple factors, including the extent of the supplier's prior experience doing business with the City, the source of funding for their agreement, the experience of the Program Manager, and other factors. Both new and amended agreements may experience compliance-related delays. Our analysis of a sample of 67 FY 2020-21 agreements shows that the average agreement requires approximately four months to reach full compliance.³

³ The time to achieve compliance was determined by the amount of time it takes after the budget and scope of work have been finalized to when the agreement is available for billing.

Exhibit 2.1 below shows the estimated compliance timeframe for contracts and grants based on our analysis.⁴

**Exhibit 2.1: Estimated Time to Achieve Compliance
for Sample Economic Development Agreements in FY 2020-21**

Number of Months	Contracts	Grants
< 30 days	0	1
1-2 months	1	4
2-3 months	1	20
3-4 months	1	11
4 -5 months	3	5
5+ months	7	13
Average # months	5	4
Total	13	54

Source: Analysis of FY 2020-21 SharePoint Entries received from Department on March 4, 2022

As shown in Exhibit 2.1 above, the estimated compliance timeframe is slightly longer for contracts than it is for grants, likely due to additional requirements from the Office of Contract Administration. In FY 2021-22, the Department began tracking the number of days to complete the full agreement execution and encumbrance process.⁵ Exhibit 2.2 below shows a breakdown of the average number of weeks each agreement has been in the queue at each stage in the compliance verification and agreement execution process for a sample of agreements taken at a single point-in-time (March 21, 2022). Exhibit 2.2. also shows the ideal timeframe for the processing of agreements established by the Department.

⁴ Please note that this is likely an underestimate, because OEWD is unable to track the full compliance timeframe if agreements require additional funding or scope of work/budgetary changes, after the compliance process has already begun.

⁵ The Department created a counter for the “number of days in process,” running from the date the agreement was requested by the PM to the date the agreement became available for billing.

2. Procurement and Contracting Processes

Exhibit 2.2: Point-in-Time Snapshot of Average Length of Time for Agreement Processing by Stage in FY 2021-22 for 159 Agreements (as of March 21, 2022⁶)

Status Summary	Stage of Process & Responsible Party	Ideal Timeframe	Number of Agreements	Average Time in Queue for Sample Set of Agreements as of March 21
PM Queue	1. Agreement in negotiation	Until finalized by PM.	3	14 weeks
	2. Additional information needed from PM	Until resolved	3	35 weeks
GC Queue	3. New request, ready for review by Contracts and Grants Coordinator	SharePoint is checked weekly by GCs for new projects	1	0 weeks
	4. Additional information needed from provider	Until resolved	25	10 weeks
	5. Request being reviewed by Grants and Contracts Team	Depending on volume, 2-6 weeks	26	5 weeks
	6. Request is complete and agreement is ready to be written	Depending on volume; 1 week for "urgent," 2 weeks for "regular"	1	37 weeks
	7. Agreement is drafted, awaiting review by a second team member	1 week	3	32 weeks
	8. Draft reviewed	1-3 days	NA	NA
	9. Sent for pre-approval	1 month	6	8 weeks
Signature Path	10. Awaiting FSP approval	1-3 days (grants); 6 weeks (contracts)	NA	NA
	11. E-signature requested from Provider	1-2 days	2	6 weeks
	12. E-signature requested from City Attorney	1-2 weeks	1	35 weeks
	13. E-signature requested from Director	1-2 weeks	NA	NA
	14. E-signature requested from OCA	1-2 days	NA	NA
	15. E-signature requested from Mayor	1-2 weeks	NA	NA
	16. Pending GMS fiscal action	1 -2 weeks	NA	NA
	17. Agreement sent to Finance for encumbrance	1 week	4	22 weeks
Completed	18. Executed and encumbered project needs to be built in TGS system to allow invoicing	1-2 weeks	NA	NA
	19. Agreement available for billing	Same Day	84	24 weeks

Source: Analysis of FY 2021-22 agreements data received from Department on March 21, 2022

Note: Cancelled agreements are excluded from Exhibit 2.2

⁶ As of March 21, 2022. The following stages were marked "NA" because there are no agreements pending at these stages as of March 21, 2022: Stages 8 (Draft approved), 10 (Awaiting FSP Approval), 13 (DocuSign e-signature requested from Director), 14 (DocuSign e-signature requested from OCA), 15 (DocuSign e-signature requested from Mayor's Office – CDBG Only), 16 (16. Pending GMS fiscal action), and 18 (To be built in TGS).

As shown in Exhibit 2.2 above, eight (out of the 16 stages that include a specified timeframe) of the processing stages exceed the ideal timeframe established by the Department.⁷ Exhibit 2.2 shows approximately 25 total agreements require additional information from the funding recipient to proceed and another 26 agreements are being reviewed by the Grants and Contracts Team, with an average of five weeks in the queue. Exhibit 2.2 also shows that there are delays of an average of 35 weeks for agreements in the “GC Queue” for steps 6 (request is complete and agreement is ready to be written) and 7 (agreement is drafted, awaiting review by a second team member), however there are only four total agreements at these stages. One agreement is shown as needing the City Attorney’s signature for 35 weeks. Additionally, for the 84 agreements that were shown as completed and available for billing as of March 21, 2022, it took an average of 141 days (20 weeks total) to complete the entire compliance process (completion of steps 1 through 19).

The information presented in Exhibit 2.2 shows the length of time in queue for a sample of agreements reviewed at a single point in time on March 21, 2022. It does not show the average length of processing time for all agreements over the course of the year. Additionally, there were six agreements marked as cancelled. Agreements marked as “cancelled” means that at some point in the processing stage, the agreement needed to be modified or otherwise amended, which resulted in the agreement being cancelled and possibly needing to restart the entire process. The cancellation of agreements can cause additional delays for the Grants and Contracts team.

Exhibit 2.2 likely underrepresents the delays in processing agreements as it only includes information on steps that take place after each agreement’s budget and scope of work have been finalized by the Program Managers. While the Department does not track the timeline for the pre-processing phases, staff have estimated that the amount of time for developing the scope of work and budget can range between one week to six months, depending on the complexity of the award. Additionally, if the Program Manager needs to incorporate additional funding and revise the budget or scope after the agreement has begun processing, the timeframe counter resets after the Program Manager has finalized the changes. The additional time needed to

⁷ Agreements in the “PM Queue” refers to the initial pre-processing steps that must be completed by the Program Manager before the agreement can be processed by the Grants and Contracts Team. “GC Queue” refers to all the steps that must be completed by the Grants and Contracts team, and “Signature Path” refers to all the signatures the agreement must receive after it has been finalized by the Contracts Team, but before the grant is encumbered and can start billing for services. Agreements marked as “Completed” means the agreement is complete and the supplier has been notified, or the agreement has been cancelled.

complete the agreement due to delays in the pre-processing phases is not tracked or accounted for by Department staff.

Delay Between Intended Start Date and Invoicing

Additional analysis of database entries for a sample of 75 Economic Development agreements executed for FY 2020-21 showed that there is an average of approximately five months between when the agreement is supposed to begin (the agreement term’s start date) and when the provider is allowed to invoice for their work. A summary of these timelines is shown in Exhibit 2.3 below.

Exhibit 2.3: Number of Months Between Official Agreement Start Date and Date Agreement Available for Billing for Sample Economic Development Agreements in FY 2020-21

Number of Months	Contracts	Grants
0 - 3 months	3	22
3 - 6 months	4	21
6 + months	6	19
Average # months delayed	5	5
Total	13	62

Source: Analysis of FY 2020-21 SharePoint Entries received from Department on March 4, 2020

As shown in Exhibit X.3 above, six of the contract agreements (about half of the total) and 19 of the grant agreements in our sample (approximately one-third) took more than six months to become available for billing after the agreement’s official start date. Most of the grant agreements reviewed (22 total) took between 0-3 months to become available for billing after the official start of the agreement. According to Department staff, providers sometimes begin work under the agreement before the agreement is available for billing. These providers may be receiving funding from other sources that would enable them to work without a finalized agreement from OEWD. However, providers are unable to be paid for their work by OEWD until their agreement is finalized.

Existing Departmental and Citywide Efforts to Improve Compliance Capacity among Suppliers

In 2021, the Department reallocated a 9774 Senior Community Development Specialist I staff person dedicated to assisting suppliers with compliance-related issues. According to OEWD staff, compliance with various insurance requirements is the most time-consuming step of the process for most suppliers. Additionally, more small, short-term and narrowly focused investments are allocated to the Economic Development departments compared to the Workforce Division. Grantee partners in ongoing or multi-year efforts are better equipped to maintain compliance with the City’s contracting requirements. The new compliance-focused staff person has been able to work closely with new providers to assist them with compliance requirements, however

since the Department has only begun tracking the amount of time for processing agreements this year, it is not yet known whether overall agreement processing time has been impacted with the additional staff capacity.

Most New Agreements are for 1-2 Years

Our analysis of 78 FY 2020-21 Economic Development new and amended agreements showed that a little under one-third (28 percent, or 22 total) were for 1-2 years, and the average length of new agreements (25 total) is a little under two years. Given delays in the contracting and agreement renewal processes, the initial 1-2 year agreement may not allow enough time for agreements to both be successfully executed and for the supplier to provide the contractually required deliverables.

Dream Keeper Initiative Agreements are Developed for One Year

In FY 2021-22 OEWD received \$20.48 million of Dream Keeper Initiative funds, which increased the volume of grant agreements and new partners. Approximately one quarter of agreements (37 total) executed as part of the Dream Keeper Initiative are for one year only and must be amended at the end of each grant period for the grant to be extended. This timeline was partly due to the initial two-year allocation of funding for the initiative, and the nature of the investment to include new and innovative approaches to services that would be evaluated and adapted into multi-year strategies. Exhibit 2.4 below shows a breakdown of contract length of Dream Keeper agreements executed in FY 2021-22 citywide.

Exhibit 2.4: Summary of Citywide DreamKeeper Agreement Duration for FY 2021-22

Contract Length	Number of Agreements	Percentage of Agreements
0 - 1 year	37	23%
1-2 years	45	28%
2-3 years	22	14%
3-4 years	42	26%
4+ years	15	9%
Total	161	100%

Source: Analysis of FY 2021-22 DreamKeeper data received from Department

As shown in Exhibit 2.4 above, approximately half of all Dream Keeper Initiative agreements executed in FY 2021-22 (82 total, or 51 percent) are for two years or less. 37 agreements (23 percent) are for one year or less, and an additional 45 agreements (28 percent) have a duration between 1-2 years. The short initial agreement timelines may result in the provider not having enough time to provide deliverables or accomplish performance objectives, and this also results in additional work for the Department to quickly amend and execute new agreements.

The Current Invoice Review Process is Lengthy and Error-Prone

The current invoice review process is inefficient and prone to errors. There are currently many steps involved in the invoice review process, depending on the type of invoice. Economic Development invoices consists of either deliverables-based or cost-reimbursement line items. Deliverable-based budgets establish an agreed-upon cost for all necessary program expenses needed to complete contract deliverables and require the provider to submit deliverables (or proof of deliverables) to their Program Manager in order to receive payment. Deliverables may consist of reports, presentations, examples of work done in the community, or proof of one-time events. Cost-reimbursement line items refer to salary costs, rent, supplies, consultant fees, or mini-grants, and do not require submission of a deliverable in order to be paid. Currently, most project budgets are a hybrid of cost-reimbursement line items and deliverable-based line items.

The Grants and Contracts team conducts an in-depth financial review of each invoice before it can be approved. Review of cost-reimbursement line items involves review of each invoiced cost to determine whether the total invoice amount matches the costs and requires much more intensive review compared to deliverable-based line items. Deliverable-based invoicing is more efficient, wherein providers will submit evidence of their contract deliverable (for instance a flyer for an event, a newsletter, or a report) and receive funding based on completing the deliverable. A provider will not receive payment until they have provided the deliverable (or evidence of the deliverable) to their Program Manager. Invoices are submitted either via email or PeopleSoft, an invoicing software.

According to Department staff, it takes approximately seven to eight individuals (including OEWD Grants and Program staff, and providers) to process each invoice. It is possible for a Grants and Contracts Team staff member to spend several hours on a long invoice review. There is also a high rate of mistakes by the provider. According to the Department, approximately 16 percent (49 out of 311 total) of invoices submitted for FY 2021-22 were rejected and sent back to the provider for correction.

Existing Departmental Efforts to Improve Invoicing Efficiency

The Department is taking steps to improve and streamline invoicing practices. According to the Grants and Contracts Team, there has been an increase in deliverable-based budgeting over cost-reimbursement budgeting, which allows the team to process invoices more quickly. Additionally, the Finance Team is encouraging providers to submit invoices through PeopleSoft, which creates a trackable record for the invoice.

Conclusion

The size of OEWD's budget for loan and grant funding has increased by nearly 300 percent (from \$4 million to \$15 million) since the COVID-19 pandemic began, with no additional staff to manage

and administer the increase in funding. The large increase in funding, combined with inefficiencies in the procurement and contracting processes and delays in compliance verification for new providers, has contributed to significant delays in getting needed funds into the community. Reasons for these delays must be fully addressed in order to ensure that suppliers are able to successfully fulfill their contractual responsibilities.

Recommendations

The Director of OEWD should:

- 2.1 Develop and document a plan to publish procurements more frequently, to align disbursement of funding with the budget cycle and ensure that funding budgeted for the fiscal year is administered within the same year.
 - a. As part of this process, consider developing additional requirements for Program Managers to finalize project budgets and scopes of work earlier in the year in order to reduce the likelihood that funds will need to be carried forward into the following year
- 2.2 Develop a plan to modify the existing grants management and tracking system so that all stages of the procurement and contracting processes can be tracked, including development of the scope of work and budget negotiations.
- 2.3 Consider drafting new agreements for a minimum of three years (with the exception for programs that have funding restrictions for less than three years) so that providers have sufficient time to provide project deliverables, to space out the need to respond to procurements, and provide more time for OEWD staff to evaluate the impact of providers' work.
- 2.4 Develop and document a policy for increasing deliverable-based line items and reducing cost-reimbursement line items.

The Controller and City Administrator should:

- 2.5 Convene and work with the City Purchaser, the Director of OEWD, and agencies that have jurisdiction over supplier compliance to identify opportunities for greater efficiencies in the provision of supplier support and compliance for small business grantees and contractors. Such an effort could involve more standardized and/or centralized support as part of existing citywide efforts.

Benefits and Costs

All recommendations aid in the efficient allocation of Invest in Neighborhoods and Business Development funds. Implementation of these recommendations could be accomplished within existing City resources.

3. Program Monitoring

OEWD's Economic Development function (which includes the Invest in Neighborhoods and Business Development divisions) lacks documented policies and established best practices for monitoring agreements with service providers. Further, there is no standardized training for program monitoring and management for new OEWD Program Managers. While Workforce Development agreements are managed through grants management software, the Invest in Neighborhoods and Business Development divisions do not have access to a grants management system that would allow for assessment of supplier performance, or that would allow for management to easily track the progress of individual agreements or program areas.

The Invest in Neighborhoods and Business Development divisions overall lack sufficient internal controls (such as a grants management system) that would successfully ensure that all suppliers meet their contractual requirements in periods of high staff turnover and/or reduced management staff ability to monitor all agreements. This control could be in the form of a system that would capture missing requirements, or additional policies.

The Department Lacks Policies and Best Practices to Guide Program Monitoring

Although the majority of the Office of Economic and Workforce Development's (OEWD or Department) work is conducted through agreements with nonprofits and contractors, there is no documented guidance or established best practices for monitoring agreements within the Invest in Neighborhoods and Business Development divisions. The lack of established best practices or policies to guide the monitoring process may result in inconsistencies and a lack of transparency around how service providers are held accountable for deliverables and performance objectives. Although OEWD Program Manager staff receive guidance from management on how to conduct monitoring activities, this guidance is not formally documented. As such, providers may lack clarity regarding the frequency they should be reporting progress, expectations around communication, and other aspects of agreement monitoring. While there is significant variation between agreements in terms of work being done by the provider and program areas and a one-size-fits-all standardized set of policies may not be appropriate, documented guidelines tailored to specified program areas would improve transparency regarding program expectations for both Program Managers and providers.

Department Contract Monitoring

For FY 2020-21, the Department operated 80 Economic Development agreements with 55 providers, totaling approximately \$9.8 million through the Invest in Neighborhoods Division and \$3.2 million through the Business Development Division (for approximately \$13 million total in funding). The Invest in Neighborhoods Division funded 12 distinct programs and funds, including various COVID relief programs and funding for business safety upgrades to support reopening. The Business Development Division operated seven programs, including programs for nonprofit space acquisition and support for local businesses in the manufacturing and industrial sector. In FY 2020-21, the Invest in Neighborhoods Division allocated approximately \$2 million in emergency COVID-19 response funding to disburse as mini-grants, loans, and additional support for small businesses. The Invest in Neighborhoods Division has four distinct program areas, including strengthening of small businesses, improving physical conditions of commercial properties, increasing quality of life, and building community capacity. The Business Development Division's stated purpose is to attract, support, and retain businesses, with a focus on targeted industries.

Variation of Practices for Program Monitoring

OEWD program managers adhere to different internal practices regarding program monitoring, depending on the type of agreement and guidance from their supervisor. Agreements do not have standardized contract terms and provisions, and the Department does not have documented policies or best practices defining the responsibilities of program managers.

Agreement scopes of work are either "project-based" or "report-based" as described below:

- Project-based agreements are for the execution of discrete projects rather than ongoing services, and may include public space activation projects, community outreach events, and other projects. Project-based agreement tasks and deliverables typically consist of proof of the event or project occurrence (such as a flyer advertising a community event) and may also require monthly or quarterly progress reports.
- Report-based agreements require the submission of data on agreed-upon metrics related to the scope of work. Report-based scopes of work are for ongoing services and may include providing technical assistance or marketing services provided to businesses, disbursement of mini-grants to small-business owners, and other services. The tasks and deliverables associated with report-based agreements are typically monthly or quarterly reports detailing the impact of the services provided. The reports may require data on the number of jobs created, the number of jobs retained, the number of businesses served, and other metrics.

Program Monitoring Practices and the Role of Program Managers

Program Managers are responsible for finalizing award funding recommendations, drafting agreement scopes of work and finalizing deliverables with individual providers, and negotiating budgets with providers. Program Managers are also responsible for overseeing and tracking progress on agreements within their oversight. For deliverable-based budget line-items, the Program Manager is also responsible for reviewing the submitted deliverable and confirming that the deliverable aligns with the agreement requirements. Depending on the level of experience of the Program Manager, they may also be involved in developing procurements and selecting award recipients.

The monitoring practices of Program Managers vary according to the type of agreement, the agreement scope of work, the guidance they receive from their Division Director, and other factors. There are no documented internal policies or best practices related to program monitoring that include corrective action processes, guidelines regarding the frequency of communication with providers, and other elements of the monitoring process. While Program Managers receive training on the department-wide system for the grants repository database (SharePoint), there is no standardized training for program management. Training is provided by each Program Manager's direct supervisor.

It is each Program Manager's responsibility to track progress towards each agreement's goals and deliverables. The Department does not have a standardized monitoring form or system for tracking and reporting progress. Further, there is no centralized system for tracking progress on agreements, each Program Manager tracks progress individually for each agreement they oversee.

No Centralized System for Managing Economic Development Agreements

While Workforce Development agreements are managed through Grants Management System (GMS) software, Economic Development agreements are not managed through GMS or a similar grants management software. While agreement records are tracked and managed through SharePoint, a web-based Microsoft Office platform, the existing system does not allow for Division Directors and upper-level staff to view progress on the universe of all agreements within their program area. Additionally, the existing system does not allow for all documents associated with each agreement to be kept in one place.

Existing Tools for Managing Agreements

Both Program staff and Grants and Contracts staff use SharePoint to track progress on the status of agreements. Staff are able to view agreements that must be acted upon through SharePoint and are able to see within each agreement's record the progress of that agreement's execution. Exhibit 3.1 below shows an individual SharePoint entry for an agreement.

Exhibit 3.1: Screenshot of SharePoint Agreement Entry, captured March 24, 2022

The screenshot shows a SharePoint form titled "Contract and Grant Request Form" with the following fields and values:

- Project Name:** enter response
- Fiscal Year:** select
- Division:** select
- Request Status:** 1. In negotiation (Note: Please set request status to 'NEW REQUEST' when all attachments and files are complete.)
- Request Status date:** 3/24/2022
- Supplier Name:** enter response
- Supplier Contact Person Name:** enter response
- Supplier Contact Email:** enter response
- PSC Number:** enter response
- PSC DHR Approval Date:** 12/31/2001
- Type of Agreement:** New Agreement
- Contract or Grant:** select
- Organization Type:** select
- Priority Level:** Normal

Source: Screenshot of SharePoint entry for OEWD provider agreement, captured March 24, 2022

Grants and Contracts staff, including staff dedicated to assisting providers with compliance-related issues, use SharePoint to review the status of agreements in the "Request Status" field and determine the next steps for the agreement. Next steps captured in the Request Status field may involve sending the agreement back to the Program Manager if additional information is needed on the budget and scope of work, requesting additional information from the provider, writing the actual agreement after the budget and scope of work is finalized, and other tasks.

Agreement documents, including some compliance documents, scopes of work and budgets are uploaded to the SharePoint entry, as shown in Exhibit 3.2 below.

Exhibit 3.2: Screenshot of SharePoint Agreement Entry, captured March 24, 2022



Source: Screenshot of SharePoint entry for OEWD provider agreement, captured March 24, 2022

While documents needed to complete the agreement are uploaded to the SharePoint entry, reports and deliverables are not kept within the SharePoint system. Additionally, only some compliance documents are uploaded to the SharePoint entry. Reports and deliverables are not uploaded to SharePoint, and instead are managed separately by the Program Managers.

SharePoint is Inadequate for Tracking Agreement Progress

The existing SharePoint system does not allow for upper-level staff to view the number of agreements by program area or neighborhood. While it is possible to view the number of agreements by Division (such as Business Development, Invest in Neighborhoods, and Office of Small Business) there is no way to determine, for instance, the number of COVID relief recovery agreements executed within a certain timeframe, or the number of suppliers working on small business technical assistance in the Mission District. Additionally, while SharePoint can be used to track next steps needed to finalize and execute an agreement, SharePoint is not used to track progress on agreement deliverables. SharePoint is a repository of information on agreements rather than a grants management system.

Insufficient Internal Controls to Ensure that Providers Meet Contractual Requirements

The Division overall lacks sufficient internal controls that would successfully ensure that all suppliers meet their contractual requirements in periods of high staff turnover or reduced management staff ability to monitor all agreements.

Lack of Agreement Oversight

In our review of a sample of reports and deliverables in eight grant agreements, we found that staff turnover and management's inability to keep track of individual Program Manager assignments resulted in at least one instance where an agreement lacked an assigned Program Manager for part of its agreement term. Due to an assigned Program Manager leaving OEWD, coinciding with long term leave taken by upper-level staff, a provider lacked oversight and failed to provide all of their contractually required reports. Correspondence between the provider staff and OEWD staff indicate that, as of March 2, 2022, required evaluation reports due November 15, 2020 and April 15, 2021 were not submitted. According to OEWD staff, the report was not considered a "deliverable" that was required to be submitted in order for the provider to receive payment, which may have contributed to the oversight.

The Submitted Reports Were Missing Required Information

Additionally, we found that there was missing data in the reports that were submitted. The missing information includes the number of low-and-moderate income individuals to be recruited, the number of counseling hours provided, the number of full or part-time jobs created and the number of jobs retained. As such, it is unclear whether the goals weren't met by the grantee, if progress towards goals wasn't being monitored, or both.

The Importance of Internal Controls and Contract Monitoring Procedures

To ensure compliance with the terms and conditions of the contract, agreements must be regularly monitored. The Department should develop regular monitoring practices that include details on what to monitor, how to measure success, and how the impact of the provider's work should be communicated to the residents of San Francisco. The Department should also develop internal controls, such as a policy, method, plan and/or procedure, to ensure that the work of the provider is achieving the desired results of the agreement. However, it is not sufficient to simply develop internal controls. To develop a successful internal control system, the U.S. Government Accountability Office recommends that management staff develop a system that can easily be used by all necessary personnel, and periodically evaluate the results of the system. It also recommends that management should remediate identified internal control deficiencies in a timely manner. A centralized record-keeping and grants management system, combined with internal policies for tracking completion of agreement tasks, will allow the Department to better measure the impact of its services and ensure that service providers sufficiently perform such services.

Conclusion

OEWD lacks documented policies and established best practices for monitoring small business and economic development agreements with service providers. Further, there is no standardized training for program monitoring and management for new OEWD Program Managers. While Workforce Development agreements are managed through grants management software, the Economic Development departments do not have access to a grants management system that would allow for assessment of supplier performance, or that would allow for management to easily track the progress of individual agreements or program areas.

The OEWD departments focused on delivering small business and economic development programs lack sufficient internal controls (such as a grants management system) that would successfully ensure that all suppliers meet their contractual requirements in periods of high staff turnover and/or reduced management staff ability to monitor all agreements. This control could be in the form of a system that would capture missing requirements, or additional policies.

Recommendations

The Director of OEWD should:

- 3.1 Develop guidelines and processes for monitoring effectiveness of individual agreements and progress within program areas and specific neighborhoods, including establishing area-wide metrics and linking agreement scope of work to metrics by June 30, 2023.

- a. The documented processes could be tailored to specific program areas and could include guidance on frequency of contact with suppliers, criteria for determining when corrective action is needed, methods for validating reported information, shared principles around contract design and management, and agreed-upon program-wide metrics and goals to be measured in each agreement.
- 3.2 Establish procedures for training Program Managers on program monitoring and management protocols by June 30, 2023.
- 3.3 Consider implementing a grants management system that would allow for OEWD Management to monitor the universe of agreements and ensure that each agreement is sufficiently overseen, and that would enable OEWD staff to track impact and progress on performance measures by program area and neighborhood.
- a. A grants management system that combines the ability to track progress towards specific goals within a neighborhood or program area, with the ability to execute and administer agreements through their entire lifecycle would improve departmental efficiency, improve monitoring of provider performance, and reduce the risk of noncompliance.
- 3.4 Develop internal policies and procedures for maintaining oversight of agreements in periods of high staff turnover and/or lowered management capacity by June 30, 2023.

Benefits and Costs

These recommendations would improve oversight of agreements with providers. The creation of guidelines for monitoring agreements and procedures for training new program staff should be achievable within existing resources. Implementation of a new grants management system would result in additional costs to the Department, however the cost of a new system may be offset in longer-term benefits of less staff time spent in switching back and forth between different systems and increased efficacy of providers that may result from improved oversight.

4. Permit Center Support

The City's business registration, licensing, and permitting process for small businesses has been a long-standing problem. To assist businesses, the Small Business Assistance Center provides information and assists businesses with business registration and licensing and referred restaurant and food services businesses to Open in SF for permitting assistance. Two new Small Business Permit Specialist positions in the City's Permit Center replaced Open in SF staff and expanded permitting assistance to all small businesses. The planned workflow is for the Small Business Permit Specialists to guide businesses through the permitting process and refer non-permit questions to the Small Business Assistance Center case managers. The actual workload for the new Small Business Permit Specialist positions is not yet known, and the Office of Small Business will need to ensure that the work to support small businesses through the City's processes is efficiently allocated between the Small Business Assistance Center case managers and Small Business Permit Specialists and that staff are sufficiently cross trained so that businesses, whether accessing services through the City's Permit Center or Small Business Assistance Center, will receive the requested support without being shunted between staff or locations. In addition, the Office of Small Business will need to ensure that the new Small Business Permit Specialists will have sufficient knowledge of Planning permitting. Our review of Open in SF cases shows that small businesses often need the most assistance with Planning permitting, especially conditional use and change of use approvals, and while the Planning Department staff are responsible for actual permitting, the expertise of Open in SF staff in Planning Code requirements not only assisted businesses in the permit process but provided input to needed changes in complex Planning Code requirements.

The Office of Small Business will need to work with the Office of Economic and Workforce Development (OEWD) in marketing and outreach to San Francisco businesses for the Small Business Assistance Center and Small Business Permit Specialist services. Businesses often are not aware of Office of Small Business and OEWD programs; approximately 14 percent of English language responses to the Budget and Legislative Analyst survey stated that they were unaware of programs or needed better outreach and communication about programs.

New Positions to Support Small Businesses in the Permit Process

The Office of Economic and Workforce Development (OEWD) created two new 9774 Senior Community Development Specialist I positions (titled "Small Business Permit Specialist") in the Office of Small Business to staff the City's Permit Center. According to information provided by OEWD staff during the Budget and Legislative Analyst's review of the FY 2021-22 budget, these

positions were added to the Permit Center to address the Economic Recovery Task Force recommendation to expand OEWD's Open in SF program to support small businesses through the permitting process.¹ The Economic Recovery Task Force recommended expanding Open in SF to provide more "concierge" services to small businesses through the complex permitting process.

The City's permitting process for small businesses has been a long-standing problem. The Budget and Legislative Analyst's 2010 audit report, *Management Audit of the Office of Small Business and Consolidation of the City's Small Business Functions*, found that while several City departments may serve as the first point of entry for small businesses to obtain their permits, none has a comprehensive understanding of the City's permitting process or can assist the permit applicants with all citywide requirements. Some businesses - such as a new restaurant providing entertainment and sidewalk seating - need to obtain permits and pay fees to up to 10 City departments. These findings were echoed by the 2020 Economic Recovery Task Force report, which stated that "up to ten different departments can be involved in permitting, but no one department owns the entire customer experience....For small businesses in particular, this may hinder economic recovery."

Open in SF and the Small Business Assistance Center

Open in SF was an initiative of OEWD to streamline the City's permitting process for restaurant and food service businesses. The Controller's Office 2015 report, *Improving San Francisco's Restaurant Permitting Processes*, recommended coordinating and streamlining the permitting process for restaurants, and in September 2019, the Board of Supervisors approved amendments to the Police, Planning, and Health Codes to streamline restaurant permitting processes (Ordinance 19-205).

According to discussions with OEWD staff, Open in SF differed from the Office of Small Business Small Business Assistance Center in that the Small Business Assistance Center provides services to small businesses at the front end when a business is being established, including assistance with business registration and other requirements, while Open in SF provided services primarily to restaurants and food service businesses throughout the permitting process. Small Business Assistance Center staff can provide information to businesses on what permits are required and where to apply for the permits and may assist with business registration and permit applications.

¹ The Economic Recovery Task Force was formed by the Mayor to respond to the COVID-19 pandemic. One Task Force recommendation was to: "Expand the OEWD Open in SF Program to offer "concierge" services to help more businesses through the complex process. The Open in SF Program currently supports small food businesses through the permit process. The City could provide additional multilingual services perhaps through partnerships with community-based organizations. It should be noted that City provided concierge services would require significant additional staffing above current levels."

Open in SF provided additional permit application assistance, including visiting sites for potential storefront locations and attending inspections. Generally, Open in SF had a longer-term relationship with businesses and could provide more in-depth assistance than the Small Business Assistance Center.²

Small Business Assistance Center Referrals to Open in SF

The Small Business Assistance Center referred restaurants and food service businesses to Open in SF after providing initial information to the businesses. The referral process was informal; after initial intake, Small Business Assistance Center staff called or emailed Open in SF staff. The Small Business Assistance Center referred 14 businesses to Open in SF in FY 2019-20 and six in FY 2020-21. The referrals from the Small Business Assistance Center made up 10 percent or less of Open in SF cases, which averaged approximately 130 cases per year.

Most, but not all, of the 20 cases referred by the Small Business Assistance Center to Open in SF in FY 2019-20 and FY 2020-21 were food service businesses. A more detailed review of eight cases showed a varying degree of contact between the businesses and Open in SF. Of the eight referrals, four required conditional use or change of use approvals from the Planning Department. Referrals also required assistance with health, building, and fire permits, as shown in Exhibit 4.1 below.

Exhibit 4.1: Sample Referrals from Small Business Assistance Center to Open in SF

	New / Existing Business	Conditional Use	Other Planning Approval	Health Permit	Building Permit	Fire Permit
Chinatown Restaurant	existing	✓				
Wine Shop	new			✓		
Market & Delicatessen	new	✓				
Bakery	existing					✓
Coffee House	existing		change of use		✓	
Entertainment Venue	new	✓				
Restaurant	new			✓		
Cannabis	new				✓	

Source: Budget and Legislative Analyst Case Review

According to discussions with Open in SF staff, contact with several of the referred businesses was limited, either because the business owner did not follow up or because the problem was

² In addition to the Small Business Assistance Center and Open in SF, OEWD’s Small Business Development Center, funded by a federal Small Business Administration grant, provides business development services to small businesses, including assistance with business plans and access to financing. The Small Business Development Center was previously located in OEWD’s Invest in Neighborhoods division but was transferred organizationally to the Office of Small Business.

easily resolved. Only the four referrals requiring conditional use or change of use approval required more than one phone call or discussion. Open in SF staff did not routinely follow up with business owners on the outcome of the conditional use applications, who may have various business or personal reasons for not completing the application process. We were able to learn the following about the outcome of these four referrals:

- **Chinatown Restaurant:** The business owner, who spoke Chinese, wanted to add beer and wine to the menu. Open in SF staff and Small Business Assistance Center staff, who also spoke Chinese, met with the restaurant owner onsite, bringing application forms and discussing the process. The business owner did not follow up initially, but after one year sought additional assistance from the nonprofit provider, Self Help for the Elderly. Assistance was also provided by the Chinese-speaking staff from the Small Business Assistance Center. The outcome of the conditional use application was not documented, and a website review does not indicate if the restaurant currently sells beer and wine.
- **Market and Delicatessen:** The business owner wanted to reopen a market, previously owned by their parents, which had been closed for six years, therefore requiring the business owner to re-do entitlements to reopen the same business. The market and delicatessen business was a nonconforming use and Open in SF assisted with filling out the conditional use application. The business owner eventually hired a permit consultant to follow through on the process, but the market and delicatessen did not reopen.
- **Coffee House:** The business owner applied for a beer and wine license but was provided incorrect information by the Department of Building Inspection and Planning Department, who did not identify that the application was for a change of use. The Small Business Assistance Center referred the business owner to Open in SF. The business owner's application coincided with the Board of Supervisors approval of Ordinance 205-19, which according to the Small Business Commission letter, saves businesses time and money in navigating the permitting process by clarifying definitions of restaurant and bar uses. According to Open in SF staff, the business owner did not need much "hand holding" and a follow up email from the business owner to Open in SF staff showed that the business owner successfully completed the building permit process.
- **Entertainment:** The business owner wanted to open a new restaurant and entertainment venue in the Mission and had previously spoken to Planning Department staff who indicated that restaurant and entertainment use was an option. According to Open in SF staff, both the Planning Department and Small Business Assistance Center referred the business owner to Open in SF, who through a series of conversations, discussed the options and conditional use and State Alcohol & Beverage Control processes. The business owner successfully completed the process and opened the business.

Based on discussions with Office of Small Business staff and our case review, Open in SF was most useful in assisting with conditional use approvals for which Open in SF staff were knowledgeable. The other health, building, and fire permit issues were resolved with a phone call or other short-term assistance. For example, the Open in SF staff was able to resolve the wine shop owner's questions about health permit requirements in one phone call to the Department of Public Health and the restaurant owner's questions about the health permit application in one phone call with the owner.

Small Business Permit Specialists

According to interviews, the two new Small Business Permit Specialists will provide both front end support, currently provided by the Small Business Assistance Center, and longer-term permit support to small businesses (not just restaurant and food service businesses). The intent of adding two new Small Business Permit Specialist positions to the Permit Center is to facilitate referrals from other City departments located in the Permit Center, troubleshoot problems in the permitting process, and connect businesses to non-permit related services as needed. The actual referrals, workload, and work scope for these two new positions are not yet known. The job posting stated that these positions would be responsible for helping small businesses understand and go through the permitting process, including timing and sequencing of permits.

The Small Business Permit Specialist positions report to the Office of Small Business Director. According to the job posting for these positions, job duties include – in addition to permit application assistance – providing information to businesses on City requirements, such as business registration and license requirements, and referring to other resources, such as assistance with business planning and loan applications. According to discussions with Office of Small Business and OEWD staff, the plan is to cross-train the Small Business Permit Specialist positions in both Small Business Assistance Center and permitting work. According to the Office of Small Business Director, currently the Small Business Permit Specialists spend one or two days per week at the Small Business Assistance Center in City Hall to receive training on general business assistance to be able to assist small businesses accessing the Permit Center in business registration and licensing requirements and referrals to other services.

Planning Permits

The new Small Business Permit Specialists require knowledge of Planning permitting. Our review of referrals from the Small Business Assistance Center to Open in SF and discussions with Small Business Assistance Center and Open in SF staff highlight the need for knowledge of the Planning permitting process, especially conditional use approvals. The job posting for the Small Business Permit Specialists included “knowledge of and experience in the San Francisco permitting process” in the position qualifications but did not specifically require experience in Planning

permitting. According to the Office of Small Business Director, the Small Business Permit Specialists need an understanding of the permitting process but not expertise in the Planning Code, which is the responsibility of Planning Department staff. However, our discussions show that an understanding of zoning and conditional use requirements aids businesses in permit applications and is valuable in recommending improvements to the process. For example, Open in SF staff were involved in drafting Ordinance 205-19, which streamlines the permitting process and addresses complexities in Planning Code requirements. The job posting stated that the Small Business Permit Specialist position would “collaborate with the OSB Policy Analyst and Office of Economic and Workforce Development to develop policy and legislative recommendations for business regulatory improvements”; this task would be enhanced by understanding the complexities of Planning Code requirements, especially zoning and conditional use, as well as Health Code and other City municipal code requirements.

. According to the Office of Small Business Director, since starting their new positions, the Small Business Permit Specialists have received training from Planning Department staff and continue to learn about the Planning Department’s permitting processes through cases. We recommend that the Office of Small Business Director continue to require training in Planning Code and other municipal code requirements and complex permitting processes to ensure that the new positions will provide the same degree information and resource as was previously provided by Open in SF staff.

Small Business Assistance Center/ Permit Center SF Workload and Workflow

Potential barriers to small business support between the Small Business Assistance Center and the Permit Center are differences in workload and location.

Small Business Assistance Center/ Permit Center Workload

The Small Business Assistance Center and Permit Center positions will need to balance workload. One position in Open in SF handled approximately 130 cases per year on average, which included referrals from the Small Business Assistance Center, nonprofit providers, other OEWD divisions, and other sources. The expectation for the two new Small Business Permit Specialist positions is that additional referrals will come from other City departments located in the Permit Center. These positions will also assume responsibility for managing the program for streamlined business permitting processes authorized by San Francisco voters in 2020 through Proposition H and currently managed by the Planning Department. The goal is for the Small Business Permit Specialist positions to provide information and support on business-specific questions during the permit application process. Whether two positions will be needed for this work is not known.

Three case managers in the Small Business Assistance Center handle approximately 3,500 cases per year, or approximately 1,500 cases per staff compared to approximately 130 cases handled by one staff in Open in SF. We estimate that each Small Business Assistance Center case manager can allocate approximately one hour per case, which includes 10-15 minutes of data entry into the Small Business Assistance Center's Salesforce database. Small Business Assistance Center case managers discuss with businesses the steps to obtain business registration, licenses, various permits required by the municipal code, and other activities to operate a small business, and assist businesses in applying for registration or licenses as needed.

The planned workflow is for the Small Business Permit Specialists to guide businesses through the permitting process and refer non-permit questions to the Small Business Assistance Center case managers. The job posting for the Small Business Permit Specialists stated that they would, "provide information on additional city regulations and requirements required to operate a business."

The Office of Small Business will need to ensure that the work of the Small Business Assistance Center case managers and Small Business Permit Specialists is efficiently allocated and that the Small Business Assistance Center case managers and Small Business Permit Specialists are sufficiently cross-trained. While support provided by Small Business Permit Specialists to small businesses through the permitting process will generally be more time-intensive than support provided by Small Business Assistance Center case managers, the actual workload of the Small Business Permit Specialists is not yet known, as noted above. Efficient allocation of work and cross training is important so that businesses have sufficient access to services, whether accessing through the Small Business Assistance Center in City Hall or the Permit Center at 49 South Van Ness Avenue, and do not feel shunted between the Small Business Assistance Center and Permit Center depending on their questions and need for services.

Outreach to Businesses and Service Improvements

We found in our citywide survey of small businesses that many businesses responding to the survey were not aware of Small Business Assistance Center or Open in SF services. Less than 30 percent of survey respondents used Small Business Assistance Center or Open in SF services, and of businesses using these services, approximately one-half found the services "not at all helpful," as shown in Exhibit 4.2 below. While the survey responses may have selected for businesses not satisfied with services, the responses are useful in identifying areas for improvement.

Exhibit 4.2: Small Business Survey Responses on Use and Helpfulness of Small Business Assistance Center and Open in SF Services

How helpful were the following services?	Language				Percent	
	English	Chinese	Spanish	Total	All Responses	Responses Accessing Services
Technical assistance on licensing and permitting regulations from the Office of Small Business	English	Chinese	Spanish	Total	All Responses	Responses Accessing Services
Very helpful	50	9	2	61	6.0%	21.4%
Somewhat helpful	65	11	4	80	7.9%	28.1%
Not at all helpful	134	8	1	143	14.2%	50.5%
Subtotal, Responses Accessing Services	249	28	7	284	28.1%	100.0%
Have not received services	689	23	15	727	71.9%	
Total, All Responses	938	51	22	1,011	100.0%	
Open in SF and other building permit, inspection, and zoning assistance programs ^a	English	Chinese	Spanish		All Responses	Responses Accessing Services
Very helpful	34	8	0	42	4.1%	15.2%
Somewhat helpful	71	9	3	83	8.2%	30.3%
Not at all helpful	137	9	4	150	14.8%	54.5%
Subtotal, Responses Accessing Services	242	26	7	275	27.2%	100.0%
Have not received services	696	25	15	736	72.8%	
Total, All Responses	938	51	22	1,011	100.0%	

Source: Budget & Legislative Analyst Survey

^a These responses likely indicate services provided by the Office of Small Business and OEWD in addition to services provided by Open in SF, which has annual average caseload of approximately 130.

The reasons that some businesses did not find licensing, permitting, building inspection, and zoning assistance helpful were not provided. The survey asked the question: “What is one key recommendation to make the services you received more useful to small businesses like yours?”³

One business responded with a positive experience:

- “It is very helpful to have an experienced City ‘expediter’ to walk a new business owner through the process and address any problems.”

³ The question was asked in the English, Chinese, and Spanish language surveys. The responses to the question noted in this finding were from the English language survey.

Other businesses responding to the question stated that more assistance in the registration, licensing, and permitting process was needed:

- “Make the process more streamlined, having an agency that ‘helps’ you navigate getting things done is nice, but why can’t I just have them be a concierge who actually gets things done for me. Having to ask for help and getting grey answers takes more time and is frustrating because then you have contradictory answers from the city about the same thing.”
- “I do not think there is an easy way to generate a checklist and schedule to keep track of all the various permits, fees, taxes, and reports that must be filed etc. I have a Master’s Degree and cannot stay on top of all these requirements so imagine it must truly be overwhelming to someone less resourceful. This would be really helpful, though I realize you’d need to customize these by industry among other criteria.”

Some other businesses responding to the survey question did not appear aware of the registration, licensing, and permitting services offered by the Small Business Assistance Center or Open in SF:

- “Advocates to help small businesses follow rules and regulations, without having to engage lawyers to understand what and how rules and regulations need be followed.”
- “A place to go and they will help you through all the hoops needed to open a business in SF.”
- “Have help service that provide roadmap in getting the right certificate, certification and lead to opportunities for small business of different type to succeed.”

Businesses in San Francisco often are not aware of Office of Small Business and OEWD programs. Many written responses to the Budget and Legislative Analyst survey question “*What is one key recommendation to make the services you received more useful to small businesses like yours?*” stated that they did not know about programs, or that OEWD needed to better advertise or market programs that are provided. Approximately 14 percent of English language responses stated that they were unaware of programs or needed better outreach and communication about programs.

According to our discussions with staff, OEWD is making process changes to facilitate businesses’ access and improve businesses’ experience, including implementing website improvements and improvements to OEWD’s visibility. Because the Small Business Assistance Center and Permit Center will be located at different locations – City Hall and 49 South Van Ness Avenue respectively – the Office of Small Business will need to enhance marketing and outreach to ensure that businesses know how and where to access services.

The Office of Small Business will also need to ensure that whether small businesses access the Small Business Assistance Center or the Permit Center, the business will receive services without being required to go to another location. This could include cross-training of staff at both locations to answer basic questions or creating formal processes for referring clients to the Small Business Assistance Center or Permit Center and following up on referrals to ensure clients have accessed services. According to the Office of Small Business Director, the Office has developed a formal referral process between the Small Business Assistance Center and Permit Center.

Conclusion

The two new Small Business Permit Specialist positions are intended to support small businesses through the City's permitting process. The actual workload for these positions is not yet known, and the Office of Small Business will need to ensure that the work to support small businesses through the City's processes is efficiently allocated between the Small Business Assistance Center case managers and Small Business Permit Specialists and that staff are sufficiently cross trained so that businesses, whether accessing services through the City's Permit Center or Small Business Assistance Center, will receive the requested support without being shunted between staff or locations. Outreach and marketing to the business community on services provided by the Small Business Assistance Center, located in City Hall, and Small Business Permit Specialists, located in the City's Permit Center at 49 South Van Ness Avenue, will help businesses to access registration, licensing, and permitting support at the correct location.

Businesses seeking permits will often need support in Planning permitting. Because understanding of zoning and conditional use requirements aids businesses in permit applications and is valuable in recommending improvements to the process, Office of Small Business Director should ensure training in Planning Code requirements.

Recommendations

The Office of Small Business Director should:

- 4.1 Provide training in Planning Code requirements to ensure that the new Small Business Permit Specialist positions will provide the same degree of information and serve as a resource in Planning Code requirements to Small Business Assistance Center staff and small businesses previously provided by Open in SF.
- 4.2 Ensure that the work to support small businesses through the City's processes is efficiently allocated between Small Business Assistance Center case managers and Small Business Permit Specialists, and that staff are sufficiently cross trained.

4.3 In coordination with the Office of Economic and Workforce Development Director, develop an outreach and marketing plan to the business community on services provided by the Small Business Assistance Center and Small Business Permit Specialists.

Benefits and Costs

The annual budgeted salary and benefit costs for the two new Small Business Permit Specialist positions is approximately \$340,000. These recommendations are intended to ensure cost-effective implementation of the new positions.

5. Survey of Small Businesses in San Francisco

To understand how the Office of Economic and Workforce Development (OEWD) and the Office of Small Business (OSB) could better serve small businesses in San Francisco, we designed and distributed an online survey to small businesses operating in the City. The online survey was available in English, Spanish, and Chinese and administered through SurveyMonkey from December 20, 2021 to January 31, 2022. Small businesses were contacted through email lists provided by OEWD and OSB. We also conducted email outreach through merchants' associations and Board of Supervisors' offices. The survey received a total of 1,017 completed responses. This included 51 responses in Chinese and 22 responses in Spanish. In the City's Administrative Code, small businesses are defined as those that employ 100 or fewer employees. Consequently, the survey results presented below reflect 1,011 responses because six responses were excluded due to the businesses employing more than 100 employees. Finally, it is important to recognize the limitations of surveys, which rely on self-reported data from respondents and may not represent the experiences of all small businesses in San Francisco. Appendix B offers a summary of all response results for the English, Chinese, and Spanish surveys.

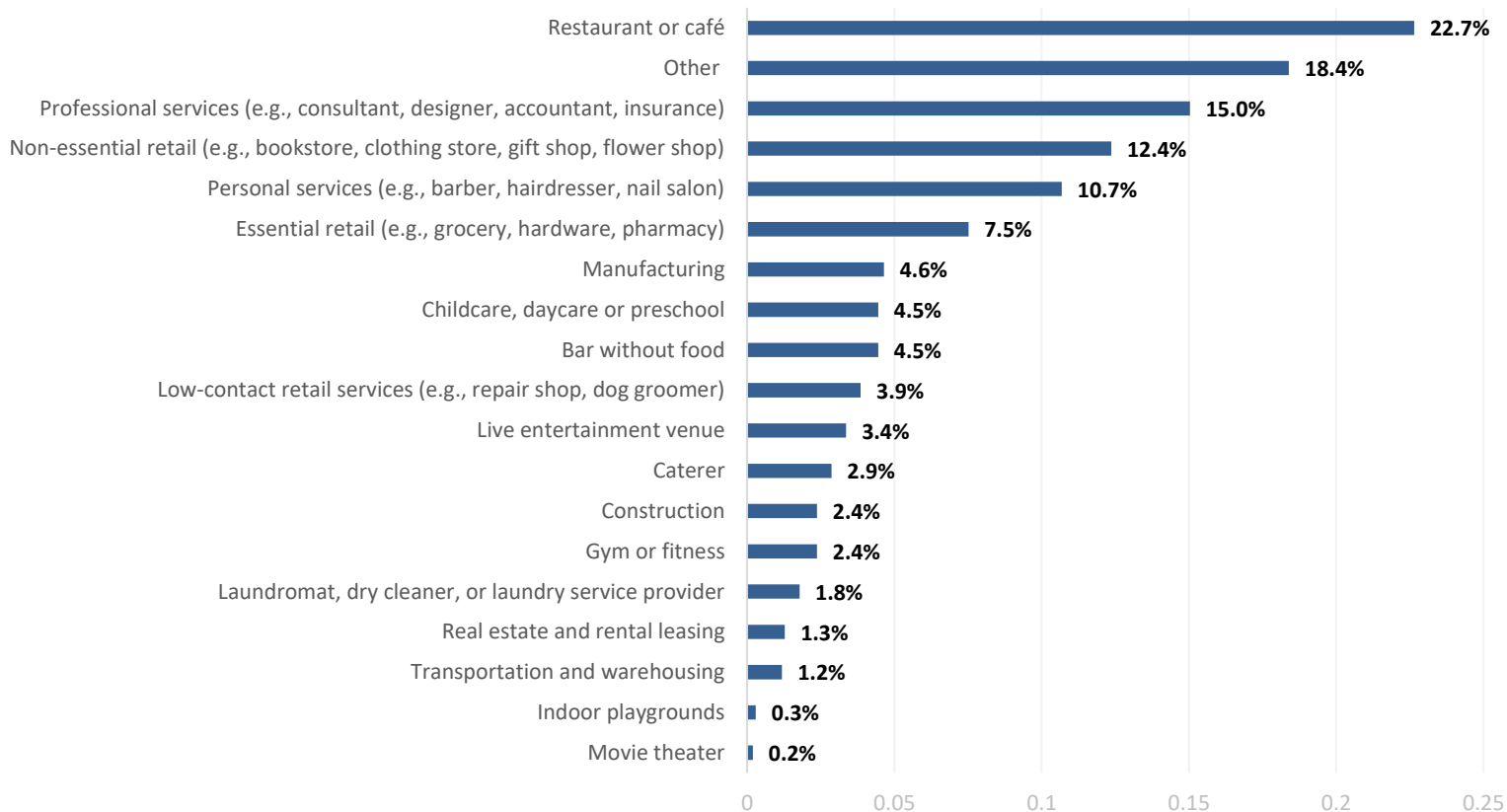
Survey Demographics

Survey respondents represented a variety of industries. As shown in Exhibit 5.1 below, the greatest share of respondents identified their businesses as a restaurant or cafe (22.7 percent), other (18.4 percent), and professional services¹ (15.0 percent). Respondents who identified their businesses as "other" (18.4 percent) most frequently identified as healthcare or health-related services, arts-related services and activities, and travel and tourism.

Chinese language respondents most frequently identified their businesses as childcare, daycare, or preschool (33.3 percent) and other (17.6 percent). Chinese language respondents who identified their businesses as "other" most frequently identified as travel and tourism and education. Similarly, Spanish language respondents most frequently identified their businesses as childcare, daycare, or preschool (22.7 percent) and "other" (22.7 percent). Spanish language respondents who identified their businesses as "other" most frequently identified as maintenance and cleaning services.

¹ e.g., consultant, designer, accountant, insurance

Exhibit 5.1: Survey Respondents by Industry (n=1,011)



Source: BLA Survey Results

Over half of all respondents (52.8 percent) have been in business for over 10 years. Only 4.2 percent had been in business for less than one year. 25.6 percent had been in business between one and five years; 17.4 percent between six and 10 years, and 25 percent between 11 and 20 years. The greatest share of respondents (27.8 percent) reported being in business for more than 20 years. In contrast, the majority of Chinese language respondents (70.6 percent) and a little over half (54.6 percent) of Spanish language respondents reported their businesses being in operation for less than 11 years.

A majority of respondents (81.4 percent) reported that their business employs less than 11 employees in San Francisco. The greatest share of respondents (49.4 percent) reported employing one to 10 employees, while 32 percent reported being self-employed, 13.6 percent reported employing 11 – 25 employees, 3.4 percent reported employing 26 – 50 employees, and 1.6 percent reported employing 51 – 100 employees.

Survey Findings

The survey findings have been organized to address the following questions:

- How familiar are businesses with small business services provided by the Office of Economic and Workforce Development (OEWD), the Office of Small Business (OSB), and their nonprofit partners?²
- What OEWD and OSB small business services have the businesses used, if any?
- How helpful were the OEWD and OSB small business services provided to businesses?
- How did small businesses hear about the services?
- What are the biggest challenges that businesses face when running a small business in San Francisco?
- What recommendations do small businesses have to make the services they received more useful?

Familiarity with Small Business Services

As shown in Exhibit 5.2 below, the majority of respondents (at least 60 percent) reported being “not at all familiar” with most small business services provided by OEWD, OSB, and their nonprofit partners, except for COVID relief grants and loans (23.7 percent) and services to access capital (44.5 percent). This was similar to the share of survey respondents and focus group attendees who reported being not familiar with OEWD services in both the 2019 and 2010 OEWD San Francisco Small Business Needs Assessments (58 percent), suggesting a persistent challenge for small businessowners.³

Programs that provided direct funds or helped facilitate access to direct funds were the most familiar to survey respondents. COVID relief grants and loans had the greatest familiarity among respondents, with 76.3 percent of respondents indicating they were at least somewhat familiar with the program. This was followed by services to access capital, with 55.5 percent of respondents indicating they were at least somewhat familiar with the program. A little over a third (39.6 percent) of all respondents indicated they were at least somewhat familiar with SF Shines and other storefront improvement grant programs. Chinese language respondents

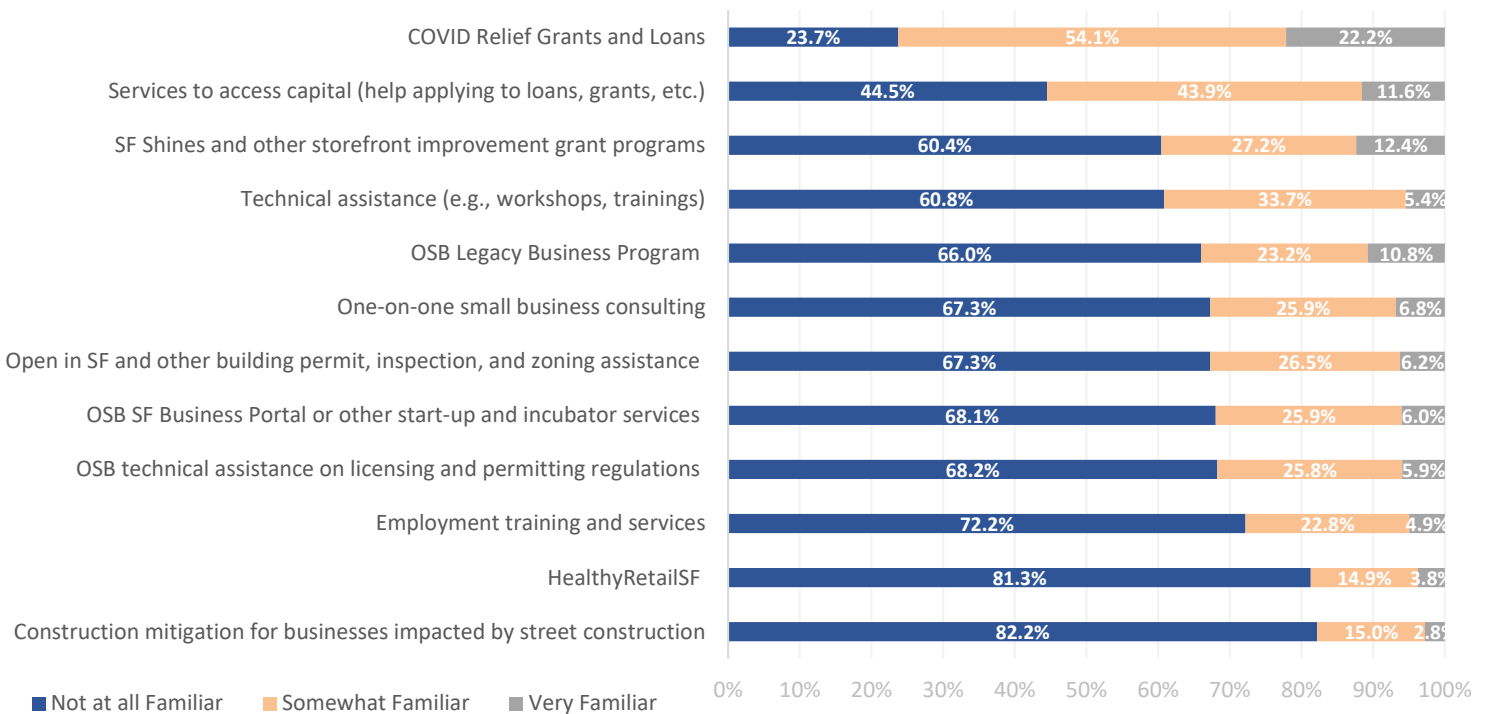
² Asian, Inc., Children’s Council of San Francisco, Excelsior Action Group, La Cocina, Lawyer’s Committee for Civil Rights, Main Street Launch, Mission Asset Fund, Mission Economic Development Agency, Ocean Avenue Association, Portola Neighborhood Association, Renaissance Entrepreneurship Center, San Francisco LGBT Community Center, San Francisco Small Business Development Center (SBDC), Self-Help for the Elderly, SF Made, Inc., Southeast Asian Community Center, Southeast Asian Community Center, Start Small Think Big, Inc., Tenderloin Community Benefit District, Wu Yee Children’s Services, Working Solutions, etc.

³ Source: 2019 San Francisco Small Business Needs Assessment prepared for OEWD by Hatch.

reported greatest familiarity with COVID relief grants and loans (64.7 percent). Spanish language respondents reported greatest familiarity with technical assistance (e.g., workshops, trainings) and services to access capital (both 54.5 percent).

Respondents were least familiar with construction mitigation services for businesses impacted by street construction (82.2 percent reported “not at all familiar”) and HealthyRetailSF⁴ (81.3 percent reported “not at all familiar”). These patterns were also seen in the responses from Spanish and Chinese language respondents. According to OEWD staff, this is likely due to the limited accessibility of the program based on criteria and eligibility, either businesses that are impacted by major multi-year construction projects or are a targeted business type.

Exhibit 5.2: Familiarity with Small Business Services (n=1,011)



Source: BLA Survey Results

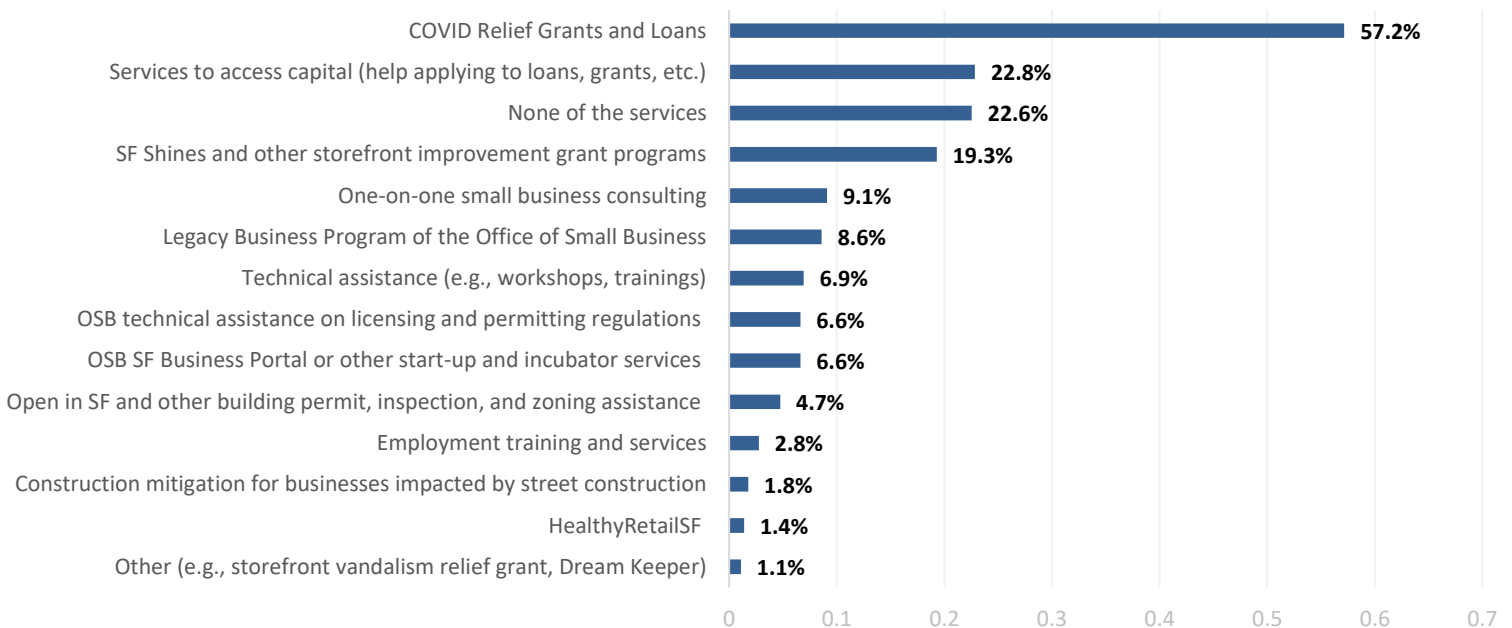
Most Used Small Business Services

Programs that provided direct funds or helped facilitate access to direct funds were the most used services by respondents. Over half (57.2 percent) of all respondents used COVID relief grants

⁴ HealthyRetailSF is a program to increase access to healthier food options in corner stores.

and loans, which was the most frequently used service. COVID relief grants and loans were also reported by Spanish and Chinese language respondents as the most frequently used service. Almost a quarter (22.6 percent) of all respondents reported not using any of the services. In addition, 22.8 percent of all respondents reported using services to access capital (help applying to loans, grants, etc.). The majority of small business services, however, were used by less than 20 percent of all respondents, as shown in Exhibit 5.3 below. The least used services by all respondents were HealthyRetailSF (1.4 percent) and construction mitigation services for businesses impacted by street construction (1.8 percent). As previously mentioned, respondents were also least familiar with these programs. The lower ratings for these programs could potentially be because they serve specific neighborhood corridors of the City.

Exhibit 5.3: Services Used by Respondents (n=1,011)⁵



Source: BLA Survey Results

Helpfulness of Small Business Services

Overall, respondents reported the most helpful services were COVID relief funds and services and services to access capital. As previously mentioned, these programs were also the most frequently used services and had the greatest familiarity among respondents. At least 70 percent

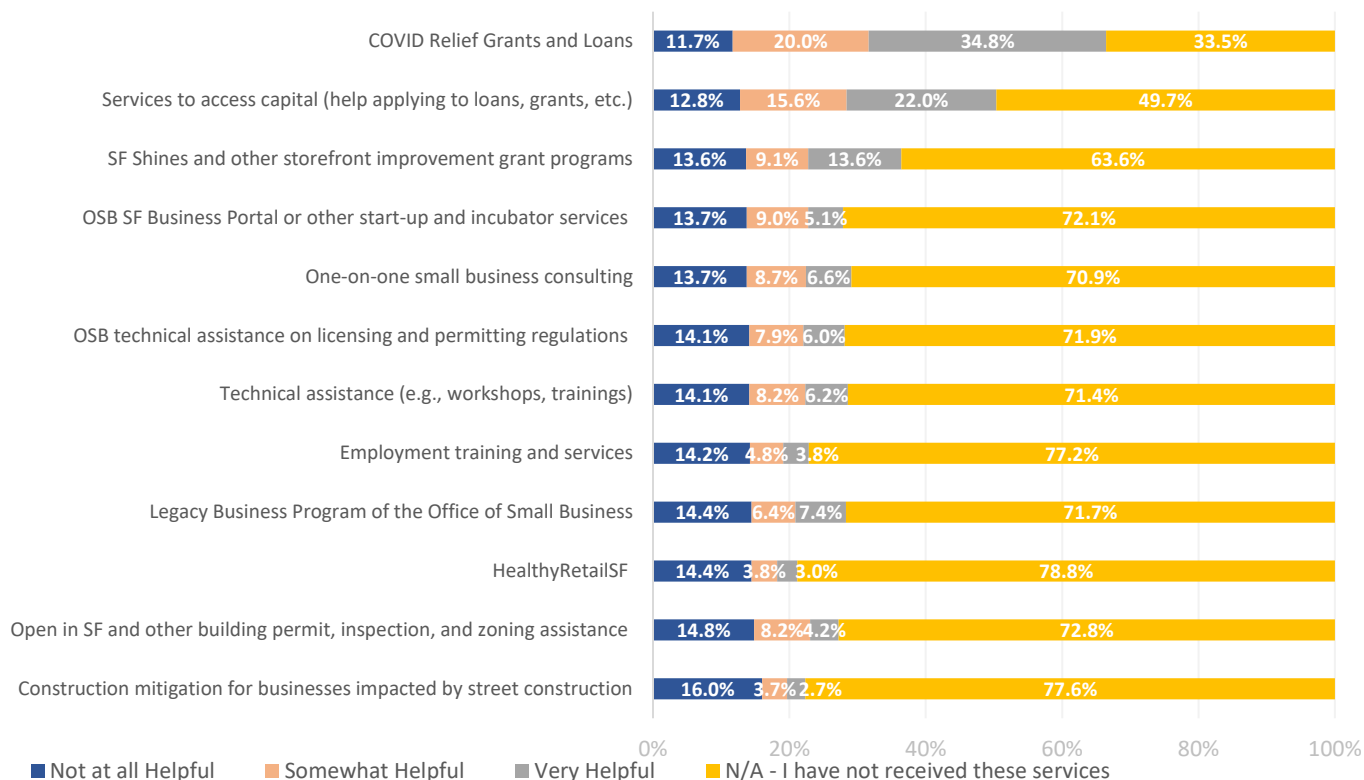
⁵ Percentages do not equal 100 percent because respondents may have chosen more than one answer option.

of respondents indicated they had not received most services, except for COVID relief grants and loans, services to access capital and SF Shines and other storefront improvement grant programs.

As shown in Exhibit 5.4 below, COVID relief grants and loans were reported to be most helpful by respondents, with a little over half (54.8 percent) of all respondents indicating the program was at least somewhat helpful. This was followed by services to access capital, with a little over a third (37.6 percent) of respondents indicating the services were at least somewhat helpful. These patterns were also seen in the responses from Chinese language respondents. In contrast, Spanish language respondents reported technical assistance (e.g., workshops, trainings) to be most helpful, with half (50 percent) of respondents indicating the services were at least somewhat helpful. This was followed by COVID relief grants and loans and one-on-one small business consulting, with 40.9 percent of respondents for each program indicating the services were at least somewhat helpful.

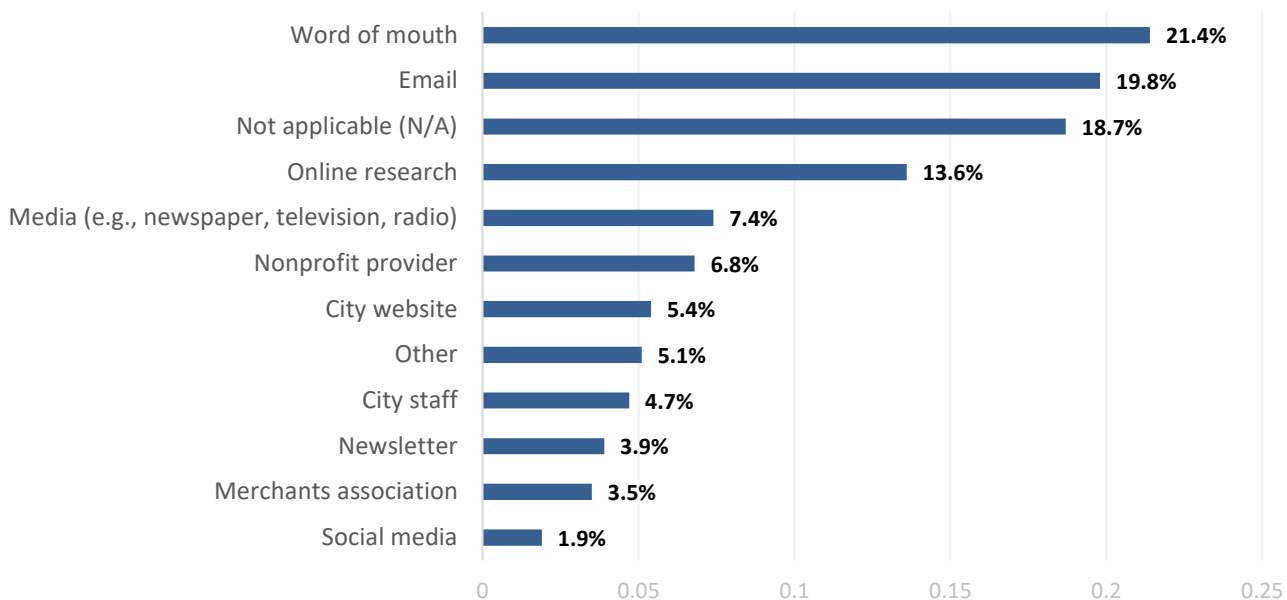
As shown in Exhibit 5.4 below, respondents reported construction mitigation services as the least helpful, with 16 percent indicating the services were not at all helpful. These services were also one of the least used services by all respondents. This was followed by Open in SF and other building permit, inspection, and zoning assistance programs, with 14.8 percent indicating these programs were not at all helpful. Spanish and Chinese language respondents also reported construction mitigation services to be the least helpful (22.7 percent and 21.6 percent respectively). The lower ratings for these programs could potentially be a result of frustration from small businessowners who have been negatively impacted by City construction projects or do not feel satisfied with the zoning and permitting processes and services.

Exhibit 5.4: Helpfulness of Small Business Services (n=1,011)



Source: BLA Survey Results

As shown in Exhibit 5.5 below, the greatest share of respondents who received small business services before stated they heard about them through word of mouth from friends or other businessowners (21.4 percent), mirroring the findings from the 2019 OEWD San Francisco Small Business Needs Assessment. This was followed by email (19.8 percent) and online research (13.6 percent). Less than five percent of respondents heard about the services through social media (1.9 percent), merchants’ associations (3.5 percent), newsletters (3.9 percent), or City staff (4.7 percent).

Exhibit 5.5: Ways Respondents Heard About Small Business Services (n=1,011)⁶

Source: BLA Survey Results

Challenges of Running a Small Business in San Francisco

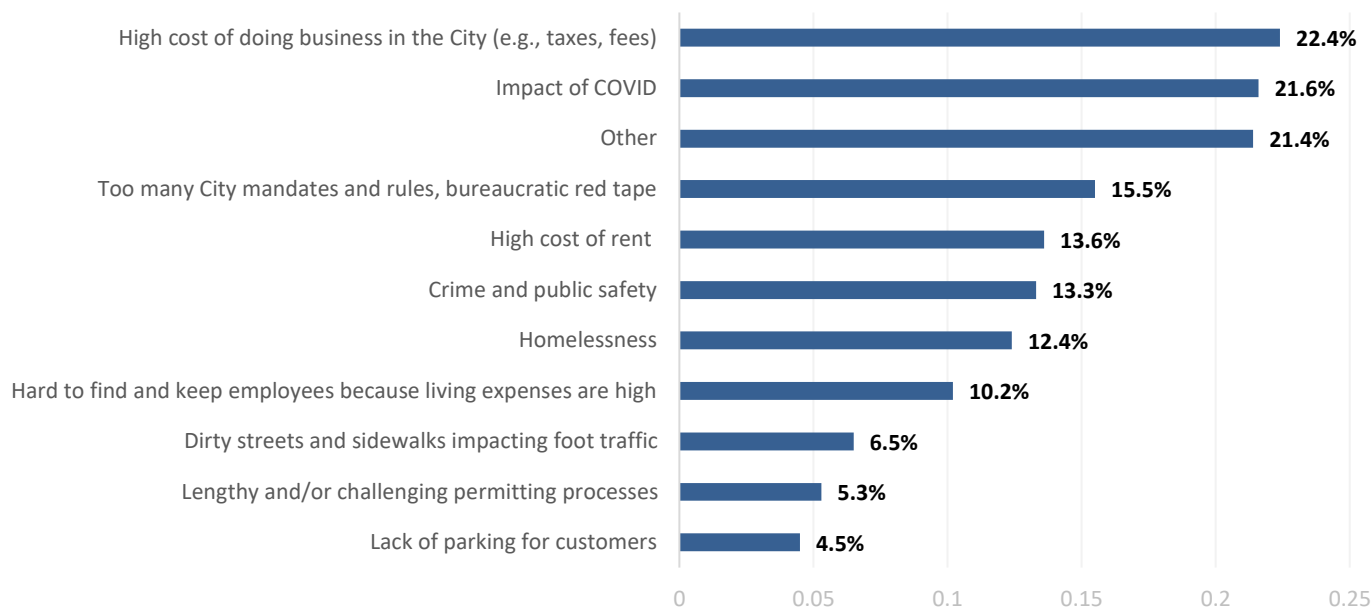
Respondents were asked to share the biggest challenge they face running a small business in San Francisco. Major common themes emerged from the open-ended responses. As shown in Exhibit 5.6 below, almost half (43.2 percent) of all respondents commented on regulatory or financial challenges imposed by the City on small businesses, which included the high cost of doing business such as taxes and fees (22.4 percent), too many City mandates and rules, “bureaucratic red tape” and/or keeping up with complicated and changing regulations (15.5 percent), and lengthy and/or challenging permitting processes (5.3 percent).

In addition, one in four respondents (25.6 percent) identified citywide issues such as crime and public safety concerns (13.3 percent) and homelessness (12.4 percent) as significant challenges. Respondents commented on how theft, robberies, vandalism, and unsafe conditions have contributed to loss of property or deterred customers from their businesses. A little over one-fifth of respondents (21.6 percent) specifically discussed the impact of COVID, such as dealing with COVID restrictions and/or the loss of revenue due to the decrease in tourists and customers caused by the pandemic. Responses categorized as “other” (21.4 percent) most frequently identified financial concerns, such as lack of access to capital. Finally, almost 14 percent of

⁶ Percentages do not equal 100 percent because respondents may have provided multiple responses.

respondents reported struggling with the high cost of rent in the City. Exhibit 5.6 below shows the frequency in which common themes were reflected in the open-ended responses.

Exhibit 5: Key Themes of Respondents’ Biggest Challenges Running a Small Business in San Francisco (n=1,011)⁷



Source: BLA Survey Results

Representative comments from respondents included:

- *Being in the food/beverage industry, our margins are razor thin. It's really challenging to keep up with all of the taxes and fees that we owe every year, and even harder to pay them. Gross Receipts, Payroll Receipts, and Unsecured Property Tax are all really challenging for us to pay every year.*
- *Our window has been smashed so many times that we barely react when called by the alarm company. We have been canceled by one insurance company, and our current rate has skyrocketed.*
- *Accessing City services remains very difficult. One shouldn't need an expeditor to get through the permit process; it shouldn't take multiple calls to make the sidewalks passable; too many public burdens are placed on small business (litter removal, dealing with people blocking access to businesses, graffiti abatement). Overall, it remains simply too difficult to run a small business (and perhaps a large business) in San Francisco.*

⁷ Percentages do not equal 100 percent because respondents may have provided multiple responses.

- *We were struggling as a tiny independent restaurant even before COVID due to many factors including high cost of living, regulations and access to workers in a high-cost city. Since COVID, we are pretty much a dead business only alive due to COVID funding from the federal government. Once the federal funds run out, we will have to close unless business comes way back up to pre-COVID levels. We were unable to get any significant help in grants from local sources.*
- *High costs of rent and labor. Constantly changing regulations driving business up and down, causing customer confusion. Expensive fees for every aspect of running my business.*
- *We are short employees because San Francisco's minimum wage is too high. We can't afford to pay employees to work; therefore, we work 12 hours in our store, and because of that, we have no time to look for resources or help.*
- *Retail environment is rough because of COVID and loss of tourism and office workers shopping in the City. When coupled with the radical increase of people with mental health or drug issues not getting enough services and being aggressive on the streets, it's increasingly difficult to be a retailer in San Francisco.*

Recommendations from Small Businessowners

Respondents were asked to offer open-ended recommendations on how to make the services they received more useful to small businesses. A wide range of suggestions were provided by respondents. Many respondents stressed the need for additional or renewable COVID relief grants and loans. This underscores the importance of these funds to small businessowners, as this program was also rated the most familiar, most used and most helpful to respondents according to survey results. Other prevalent recommendations included the following:

- **Improve outreach and communication efforts.** As previously mentioned, the majority of respondents (at least 60 percent) reported being “not at all familiar” with most small business services provided by OEWD, OSB, and their nonprofit partners, except for COVID relief grants and loans and services to access capital. In light of this, many respondents commented on the need for increased outreach and communication of the various small business services, programs and resources offered by the City to small businessowners. Respondents discussed wanting more communication on a regular basis, either through email and/or direct communication such as phone calls or in-person site visits. Some respondents suggested letting small businesses know about relevant services and programs through email or mail when they first register their business in the City or when they pay their annual business registration fees.

- **Improve access to services.** Many respondents recommended the City make it easier for small businessowners to find information on and apply for services and resources. They commented on difficulties navigating City websites, as well as finding the appropriate contact person to help with programmatic application and follow-up processes, which they noted can be cumbersome. Some respondents also suggested the need for clear eligibility checklists available on the homepage of program websites, as well as wanting an annual calendar of all available workshops for small businessowners.
- **Develop better tools and resources.** Many respondents discussed the need for better tools and resources to help small businessowners navigate and understand City requirements and regulations. Several respondents suggested wanting a centralized online portal that includes information and resources on all the licenses, taxes, fees, and paperwork required to operate a business in San Francisco as well as updates on deadlines and City regulations. Some respondents commented on the need for diagrams to help small businessowners of different industries determine what decision points they need to consider for various types of operations or licensing.
- **Shorten the length of time to receive grants and/or funding after applications are submitted.** Some respondents discussed how it took almost a year to receive certain grants, such as parklet grants.

Appendix A: San Francisco Office of Economic and Workforce Development Response

June 13th, 2022

Dan Goncher
San Francisco Board of Supervisors
Budget and Legislative Analyst's Office

RE: Performance Audit of Small Business Programs and Community Grants managed by the Office of Economic and Workforce Development and the Office of Small Business

Dear Mr. Goncher,

The Office of Economic and Workforce Development (OEWD) appreciates the work of the Budget and Legislative Analyst's Office in conducting the Performance Audit of Small Business Programs and Community Grants managed by the Office of Economic and Workforce Development and the Office of Small Business.

Thank you for the opportunity to review the draft of the Performance Audit and to discuss our feedback with you. OEWD largely agrees with the final recommendations in this audit.

Enclosed are OEWD's responses to the individual recommendations included in the Performance Audit. I look forward to implementing the recommendations internal to OEWD and working on the recommendations related to the inter-departmental operations.

The Performance Audit and recommendations will further assist OEWD's important work to improve and strengthen the impact of programs that serve small businesses and the vitality of San Francisco's economy.

Sincerely,



Kate Sofis, Executive Director



Recommendation	OEWD Response	OEWD Comments
<p>The Director of OEWD should:</p> <p>Recommendation 1.1: Prioritize the substantial improvement of the performance measures for the Invest in Neighborhoods small business programs, including by:</p> <ul style="list-style-type: none"> a. Filling vacant positions in the Data and Performance team; b. Setting a deadline for the project team to identify key performance indicators that include outcome measures; and c. Providing a formal report to the Board of Supervisors upon completion of the improvement of program performance measures, including the business support measures for the construction mitigation program. 	Agree	
<p>Recommendation 1.2: Direct OEWD staff responsible for overseeing the business support component of the Construction Mitigation Program and the lead agencies (SFMTA, SFPUC, and SFDPW) to report to the San Francisco County Transportation Authority (SFCTA) on the effectiveness of the Program to date and how performance will be measured on an ongoing basis, including periodic reports such as annually to SFCTA or the Board of Supervisors.</p>	Agree	
<p>The Director of OEWD should:</p>	Agree	



<p>Recommendation 2.1: Develop and document a plan to publish procurements more frequently, to align disbursement of funding with the budget cycle and ensure that funding budgeted for the fiscal year is administered within the same year.</p> <p>a. As part of this process, consider developing additional requirements for Program Managers to finalize project budgets and scopes of work earlier in the year in order to reduce the likelihood that funds will need to be carried forward into the following year</p>		
<p>Recommendation 2.2: Develop a plan to modify the existing grants management and tracking system so that all stages of the procurement and contracting processes can be tracked, including development of the scope of work and budget negotiations.</p>	Agree	
<p>Recommendation 2.3: Consider drafting new agreements for a minimum of three years (with the exception for programs that have funding restrictions for less than three years) so that providers have sufficient time to provide project deliverables, to space out the need to respond to procurements, and provide more time for OEWD staff to evaluate the impact of providers' work.</p>	Agree	
<p>Recommendation 2.4: Develop and document a policy for increasing deliverable-based line items and reducing cost-reimbursement line items.</p>	Agree	
<p>The Controller and City Administrator should:</p> <p>Recommendation 2.5: Convene and work with the City Purchaser, the Director of OEWD, and agencies that have jurisdiction over supplier compliance to identify opportunities for greater efficiencies in the provision of supplier support and</p>	Agree	



<p>compliance for small business grantees and contractors. Such an effort could involve more standardized and/or centralized support as part of existing citywide efforts.</p>		
<p>The Director of OEWD should:</p> <p>Recommendation 3.1: Develop guidelines and processes for monitoring effectiveness of individual agreements and progress within program areas and specific neighborhoods, including establishing area-wide metrics and linking agreement scope of work to metrics by June 30, 2023.</p> <p>a. The documented processes could be tailored to specific program areas and could include guidance on frequency of contact with suppliers, criteria for determining when corrective action is needed, methods for validating reported information, shared principles around contract design and management, and agreed-upon program-wide metrics and goals to be measured in each agreement.</p>	<p>Agree</p>	
<p>Recommendation 3.2: Establish procedures for training Program Managers on program monitoring and management protocols by June 30, 2023.</p>	<p>Agree</p>	
<p>Recommendation 3.3: Consider implementing a grants management system that would allow for OEWD Management to monitor the universe of agreements and ensure that each agreement is sufficiently overseen, and that would enable OEWD staff to track impact and progress on performance measures by program area and neighborhood. a. A grants management system that combines the ability to track progress towards specific goals within a neighborhood or program area, with the</p>	<p>Agree</p>	



<p>ability to execute and administer agreements through their entire lifecycle would improve departmental efficiency, improve monitoring of provider performance, and reduce the risk of noncompliance.</p>		
<p>Recommendation 3.4: Develop internal policies and procedures for maintaining oversight of agreements in periods of high staff turnover and/or lowered management capacity by June 30, 2023.</p>	<p>Agree</p>	
<p>The Office of Small Business Director should:</p> <p>Recommendation 4.1: Provide training in Planning Code requirements to ensure that the new Small Business Permit Specialist positions will provide the same degree of information and serve as a resource in Planning Code requirements to Small Business Assistance Center staff and small businesses previously provided by Open in SF.</p>	<p>Agree</p>	<p>The Small Business Permit Specialist positions have received training from Planning Department staff and the Office of Small Business Director and Case Managers. This training is ongoing as cases provide strong learning opportunities. Additionally, the Small Business Permit Specialist positions are receiving training from other permitting agencies where the most questions and issues arise, such as the Department of Public Health and the Department of Building Inspection.</p>
<p>Recommendation 4.2: Ensure that the work to support small businesses through the City’s processes is efficiently allocated between Small Business Assistance Center case managers and Small Business Permit Specialists, and that staff are sufficiently cross trained.</p>	<p>Agree</p>	<p>Currently, a formal referral process is in place between Case Managers who work at City Hall and the Small Business Permit Specialists at the Permit Center.</p>
<p>Recommendation 4.3: In coordination with the Office of Economic and Workforce Development Director, develop an outreach and marketing plan to the business community on services provided by the Small Business Assistance Center and Small Business Permit Specialists.</p>	<p>Agree</p>	<p>The Office of Small Business migrated its website to the sf.gov platform to provide a more user-centered resource online. The new website includes a spotlight and dedicated page highlighting comprehensive services to the small business community.</p>



		<p>https://sf.gov/location/small-business-permitting-help).</p> <p>Furthermore, the Office of Small Business hired staff in 2022 to augment the office's marketing and communications in coordination with OEWD regarding services to small businesses. Since onboarding this staff, outreach and marketing has improved with increased social media presence, regular e-newsletter distribution, the creation of a small business YouTube channel with video resources, and the creation of marketing materials in multiple languages.</p>
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Appendix B: Summary of Budgeted General Fund Support and Actual Expenditures for Small Business Programs and Community Grants, FY 2017-18 to FY 2020-21

Division/Program	Original Budget	Actuals	Original Budget	Actuals	Original Budget	Actuals	Original Budget	Actuals
	FY 2017-18	FY 2017-18	FY 2018-19	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	FY 2020-21
<u>Business Development Division</u>								
Industrial Business Development	414,186	374,690	185,427	185,427	217,539	217,539	192,557	192,557
International Business Development	296,299	296,299	256,730	256,730	458,367	458,367	326,629	326,629
SF Biz Connect	55,322	55,322	29,121	29,121	71,057	30,998	27,500	27,500
Shop and Dine	-	-	-	-	-	-	30,000	30,000
General Business Development	78,450	36,900	7,500	7,500	40,302	40,302	86,384	86,384
Nonprofit Sustainability Initiative	3,026,034	1,575,653	4,027,424	4,027,424	3,354,840	3,354,751	2,500,540	2,466,651
Nonprofit resiliency	62,606	62,606	206,058	206,058	215,893	202,736	102,079	102,079
Total Business Development	3,932,897	2,401,470	4,712,260	4,712,260	4,357,998	4,304,693	3,265,689	3,231,800
<u>Business Solutions Division</u>								
Open in SF	-	-	-	-	-	-	-	-
Total Business Solutions	-	-	-	-	-	-	-	-
<u>Invest in Neighborhoods</u>								
Neighborhood Economic Development Organizations (CDBG)	-	-	-	-	-	-	-	-
Small Business Development Center	-	-	-	-	-	-	-	-
San Francisco Small Business Revolving Loan Fund	364,834	334,700	100,000	100,000	1,915,500	1,915,500	1,147,750	1,147,750
San Francisco Emerging Business Loan Fund	-	-	-	-	177,400	177,400	-	-
San Francisco Hardship Emergency Loan Fund	-	-	-	-	-	-	-	-
African American Loan Fund	-	-	-	-	-	-	-	-
SF Shines Façade Improvement Program	328,693	298,042	597,500	597,500	586,566	586,566	657,426	657,426
Healthy Retail SF	20,420	6,571	-	-	50,000	50,000	50,000	50,000
Small Business Disaster Relief	277,620	31,000	69,339	69,339	-	-	-	-
Women's Entrepreneurship Fund	-	-	30,000	30,000	233,535	233,535	327,620	327,620
Small Business COVID Relief- Resiliency Fund	-	-	-	-	1,164,755	1,164,755	1,687,960	1,687,960
Small Business COVID Relief- Neighborhood Mini Grant	-	-	-	-	-	-	-	-
Small Business COVID Relief- Women's Mini Grant	-	-	-	-	-	-	-	-
Small Business COVID Relief- SF Shines for Reopening	-	-	-	-	-	-	202,427	202,427
Small Business COVID Relief- SF Relief Fund	-	-	-	-	-	-	-	-
Small Business COVID Relief- Vandalism Relief Grant	-	-	-	-	-	-	-	-
Opportunity Neighborhoods Program	1,063,298	882,875	986,257	986,257	2,696,934	2,568,416	1,495,297	1,495,297
Dream Keeper Initiative (partnership with HRC)	-	-	-	-	-	-	-	-
Cultural District Program (partnership with MOHCD)	99,074	99,074	266,131	266,131	227,706	227,706	398,272	398,272
Community Benefit Districts	105,772	101,071	165,176	165,176	189,276	177,652	45,000	45,000
Construction Mitigation	-	-	-	-	-	-	-	-
Public Spaces Initiatives	451,373	451,373	1,555,111	1,555,111	2,757,298	2,757,298	2,612,602	2,589,907
Economic Development Project Grants	2,747,876	2,381,047	1,206,628	1,206,628	1,629,343	1,437,728	1,214,248	1,214,248
Total Invest in Neighborhoods	5,458,960	4,585,753	4,976,142	4,976,142	11,628,313	11,296,556	9,838,602	9,815,907
Department Total	9,391,857	6,987,223	9,688,402	9,688,402	15,986,311	15,601,249	13,104,291	13,047,707

Appendix C: San Francisco Small Business Survey Results in English, Chinese and Spanish

Q1 What is the name of your business or organization (internal purposes only)?

Answered: 938 Skipped: 0

Q2 What is your Business Account Number (BAN)? Your BAN is a 7-digit number. If you do not know the number, you can look it up here: <https://data.sfgov.org/Economy-and-Community/Registered-BusinessLocations-San-Francisco/g8m3-pdis/data> (Optional)

Answered: 633 Skipped: 305

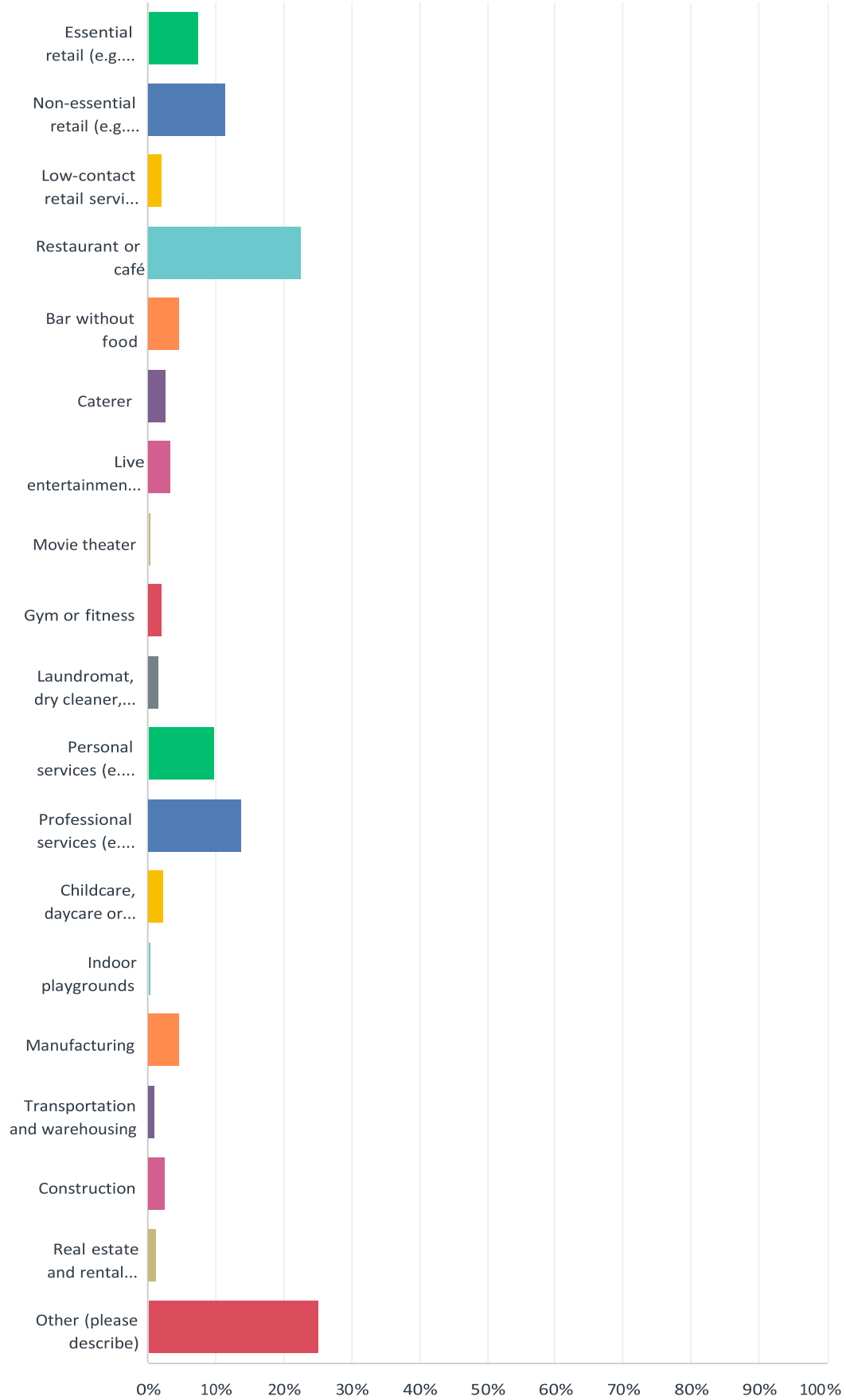
Q3 What is the address of your business or organization (internal purposes only)? If there is more than one location, please list the address of the primary storefront.

Answered: 938 Skipped: 0

Q4 In what industry is your business? (Check all that apply)

Answered: 938 Skipped: 0

BLA Survey of OEWD Small Business Services



ANSWER CHOICES

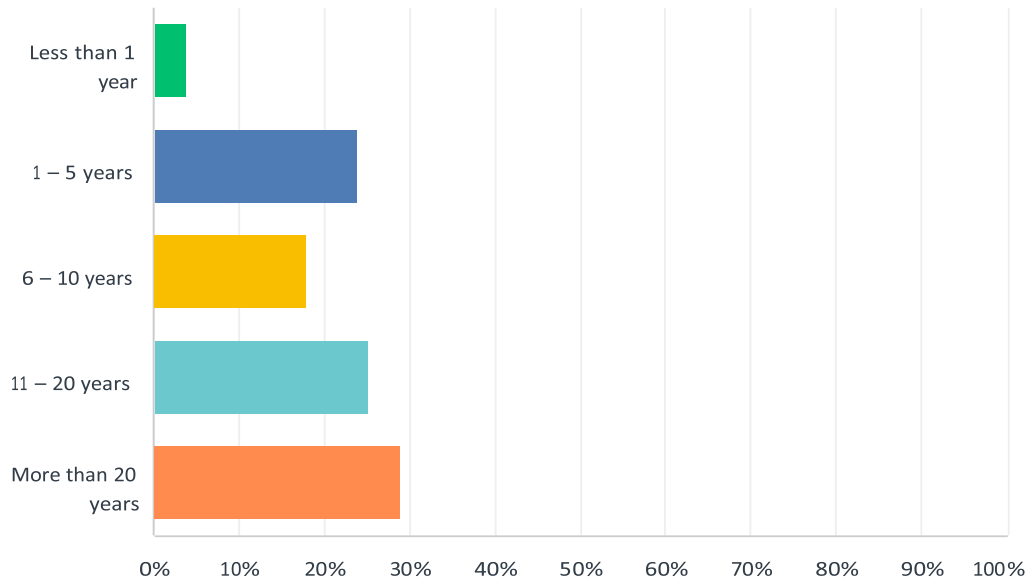
RESPONSES

BLA Survey of OEWD Small Business Services

Essential retail (e.g., grocery, hardware, pharmacy)	7.57%	71
Non-essential retail (e.g., bookstore, clothing store, gift shop, flower shop)	11.62%	109
Low-contact retail services (e.g., repair shop, dog groomer)	2.24%	21
Restaurant or café	22.71%	213
Bar without food	4.69%	44
Caterer	2.77%	26
Live entertainment venue	3.52%	33
Movie theater	0.21%	2
Gym or fitness	2.13%	20
Laundromat, dry cleaner, or laundry service provider	1.71%	16
Personal services (e.g., barber, hairdresser, nail salon, esthetician, massage establishment, tattoo shop)	9.81%	92
Professional services (e.g., consultant, designer, accountant, insurance)	13.97%	131
Childcare, daycare or preschool	2.45%	23
Indoor playgrounds	0.32%	3
Manufacturing	4.80%	45
Transportation and warehousing	1.17%	11
Construction	2.56%	24
Real estate and rental leasing	1.39%	13
Other (please describe)	25.16%	236
Total Respondents: 938		

Q5 How long has your business been operating in San Francisco?

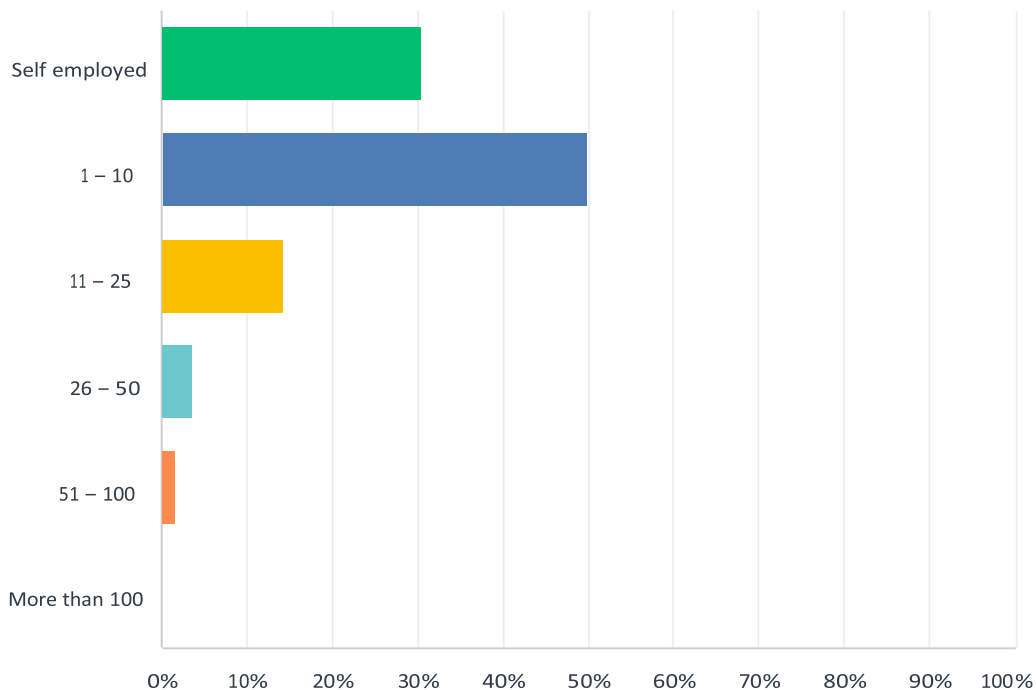
Answered: 938 Skipped: 0



ANSWER CHOICES	RESPONSES	
Less than 1 year	3.84%	36
1 – 5 years	23.88%	224
6 – 10 years	18.02%	169
11 – 20 years	25.27%	237
More than 20 years	29.00%	272
TOTAL		938

Q6 How many employees does your business employ in San Francisco?

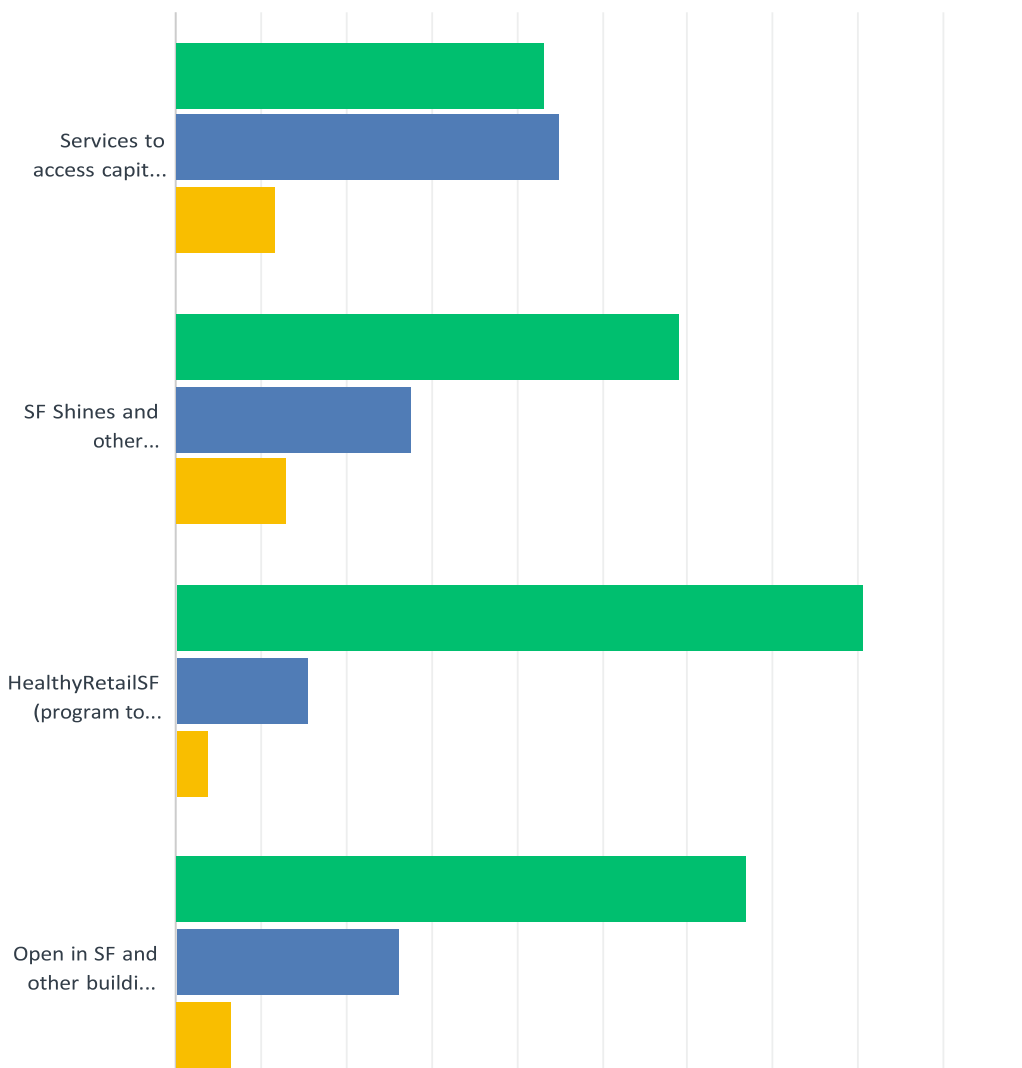
Answered: 938 Skipped: 0



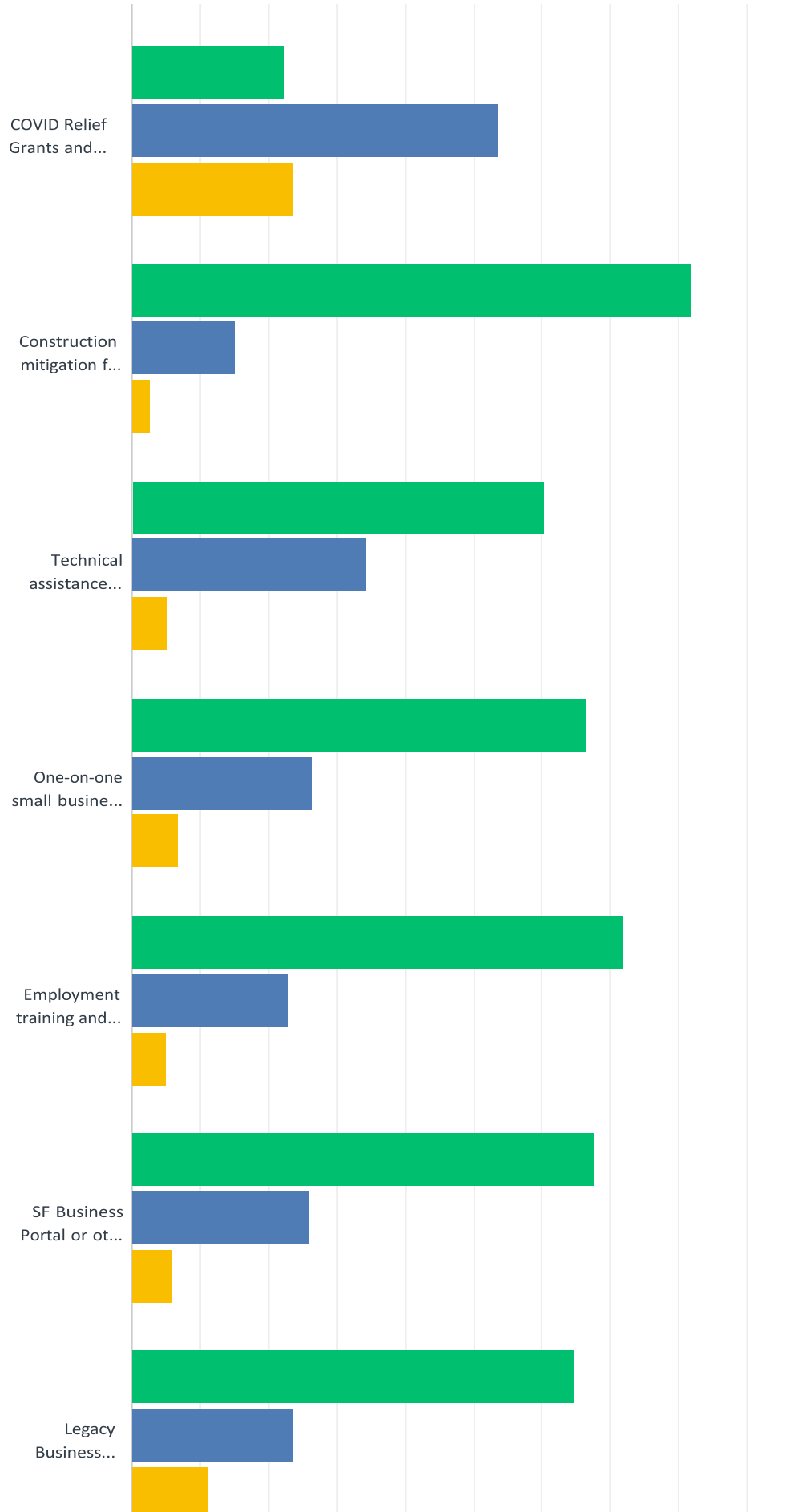
ANSWER CHOICES	RESPONSES	
Self employed	30.60%	287
1 – 10	49.79%	467
11 – 25	14.29%	134
26 – 50	3.62%	34
51 – 100	1.71%	16
More than 100	0.00%	0
TOTAL		938

Q7 How familiar are you with the following small business services provided by the Office of Economic and Workforce Development (OEWD), the Office of Small Business (OSB), and their nonprofit partners: Asian, Inc., Children’s Council of San Francisco, Excelsior Action Group, La Cocina, Lawyer’s Committee for Civil Rights, Main Street Launch, Mission Asset Fund, Mission Economic Development Agency, Ocean Avenue Association, Portola Neighborhood Association, Renaissance Entrepreneurship Center, San Francisco LGBT Community Center, San Francisco Small Business Development Center (SBDC), Self-Help for the Elderly, SF Made, Inc., Southeast Asian Community Center, Southeast Asian Community Center, Start Small Think Big, Inc., Tenderloin Community Benefit District, Wu Yee Children’s Services, Working Solutions, etc.?

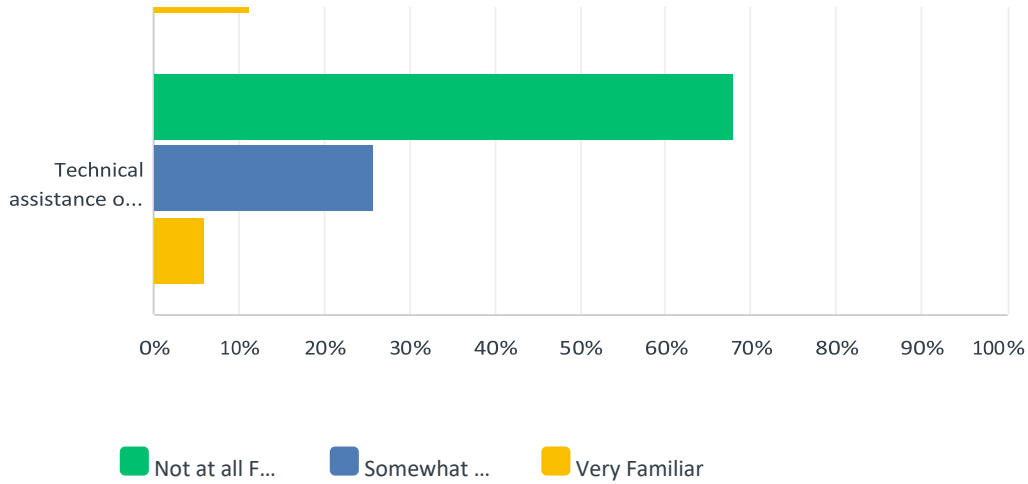
Answered: 938 Skipped: 0



BLA Survey of OEWD Small Business Services



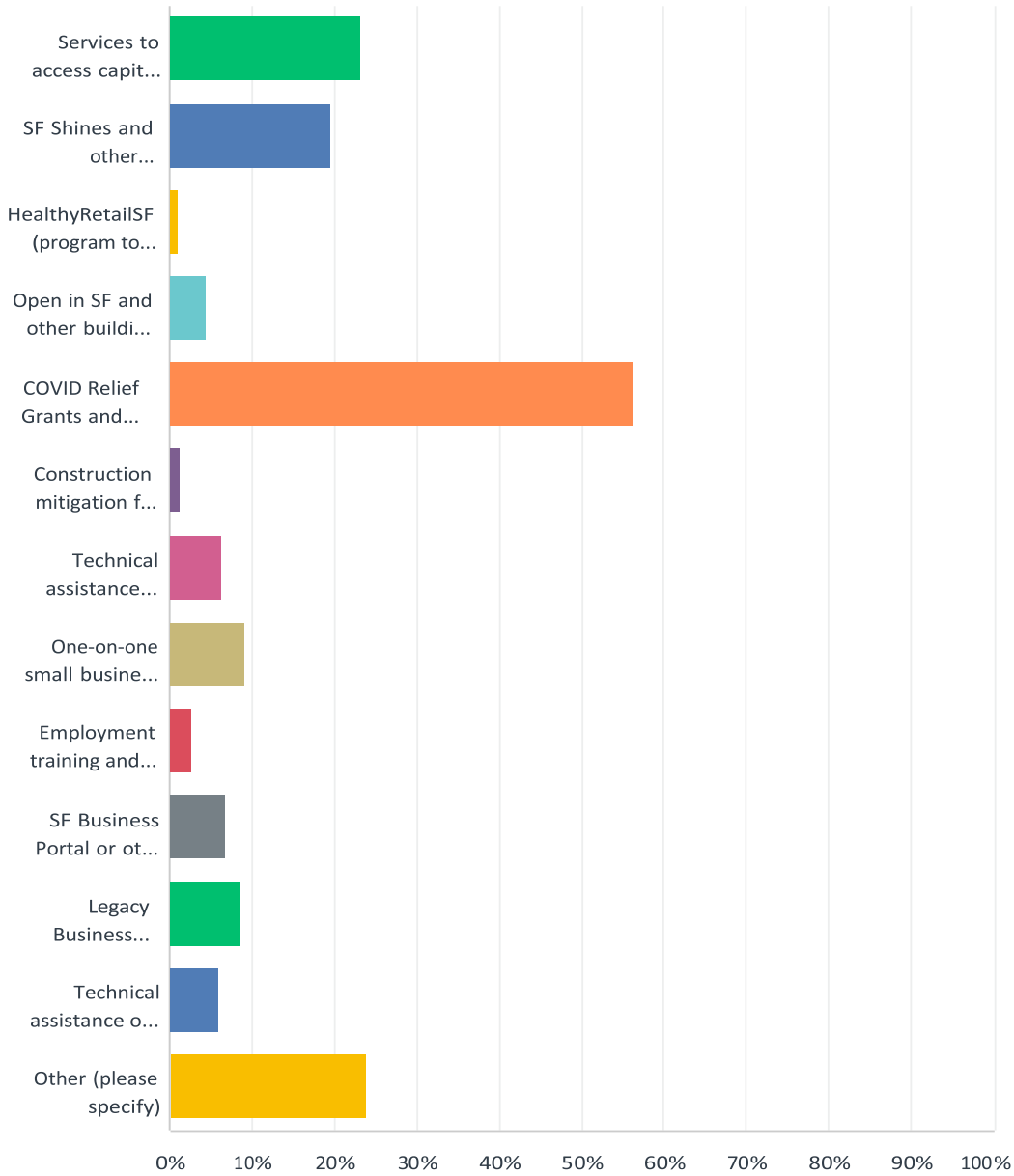
BLA Survey of OEWD Small Business Services



	NOT AT ALL FAMILIAR	SOMEWHAT FAMILIAR	VERY FAMILIAR	TOTAL	WEIGHTED AVERAGE
Services to access capital (help applying to loans, grants, etc.)	43.28% 406	44.99% 422	11.73% 110	938	1.68
SF Shines and other storefront improvement grant programs	59.06% 554	27.83% 261	13.11% 123	938	1.54
HealthyRetailSF (program to increase access to healthier food options in corner stores)	80.49% 755	15.57% 146	3.94% 37	938	1.23
Open in SF and other building permit, inspection, and zoning assistance programs	66.95% 628	26.33% 247	6.72% 63	938	1.40
COVID Relief Grants and Loans	22.49% 211	53.73% 504	23.77% 223	938	2.01
Construction mitigation for businesses impacted by street construction	81.88% 768	15.25% 143	2.88% 27	938	1.21
Technical assistance (e.g., workshops, trainings)	60.34% 566	34.33% 322	5.33% 50	938	1.45
One-on-one small business consulting	66.52% 624	26.55% 249	6.93% 65	938	1.40
Employment training and services	71.86% 674	23.03% 216	5.12% 48	938	1.33
SF Business Portal or other start-up and incubator services of the Office of Small Business	67.80% 636	26.12% 245	6.08% 57	938	1.38
Legacy Business Program of the Office of Small Business	64.93% 609	23.67% 222	11.41% 107	938	1.46
Technical assistance on licensing and permitting regulations from the Office of Small Business	68.12% 639	25.91% 243	5.97% 56	938	1.38

Q8 Which of the following OEWD and/or OSB small business services have you used, if any? (Check all that apply)

Answered: 938 Skipped: 0



ANSWER CHOICES	RESPONSES	
Services to access capital (help applying to loans, grants, etc.)	23.24%	218
SF Shines and other storefront improvement grant programs	19.72%	185
HealthyRetailSF (program to increase access to healthier food options in corner stores)	1.17%	11
Open in SF and other building permit, inspection, and zoning assistance programs	4.58%	43
COVID Relief Grants and Loans	56.40%	529

BLA Survey of OEWD Small Business Services

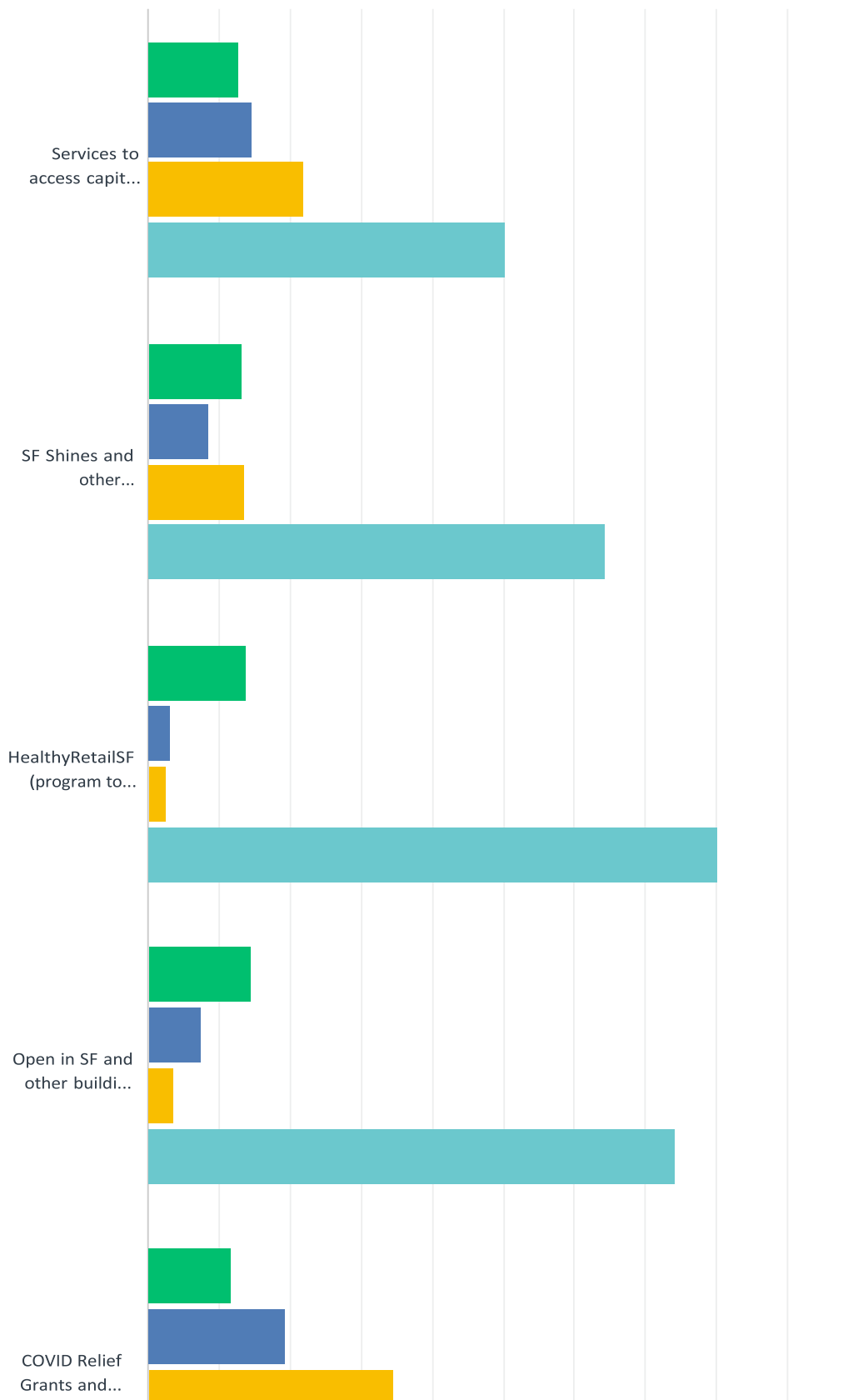
Construction mitigation for businesses impacted by street construction	1.39%	13
Technical assistance (e.g., workshops, trainings)	6.40%	60
One-on-one small business consulting	9.28%	87
Employment training and services	2.77%	26
SF Business Portal or other start-up and incubator services of the Office of Small Business	6.82%	64
Legacy Business Program of the Office of Small Business	8.74%	82
Technical assistance on licensing and permitting regulations from the Office of Small Business	5.97%	56
Other (please specify)	23.99%	225
Total Respondents: 938		

Q9 For the services you used in question #8, how did you hear about them?

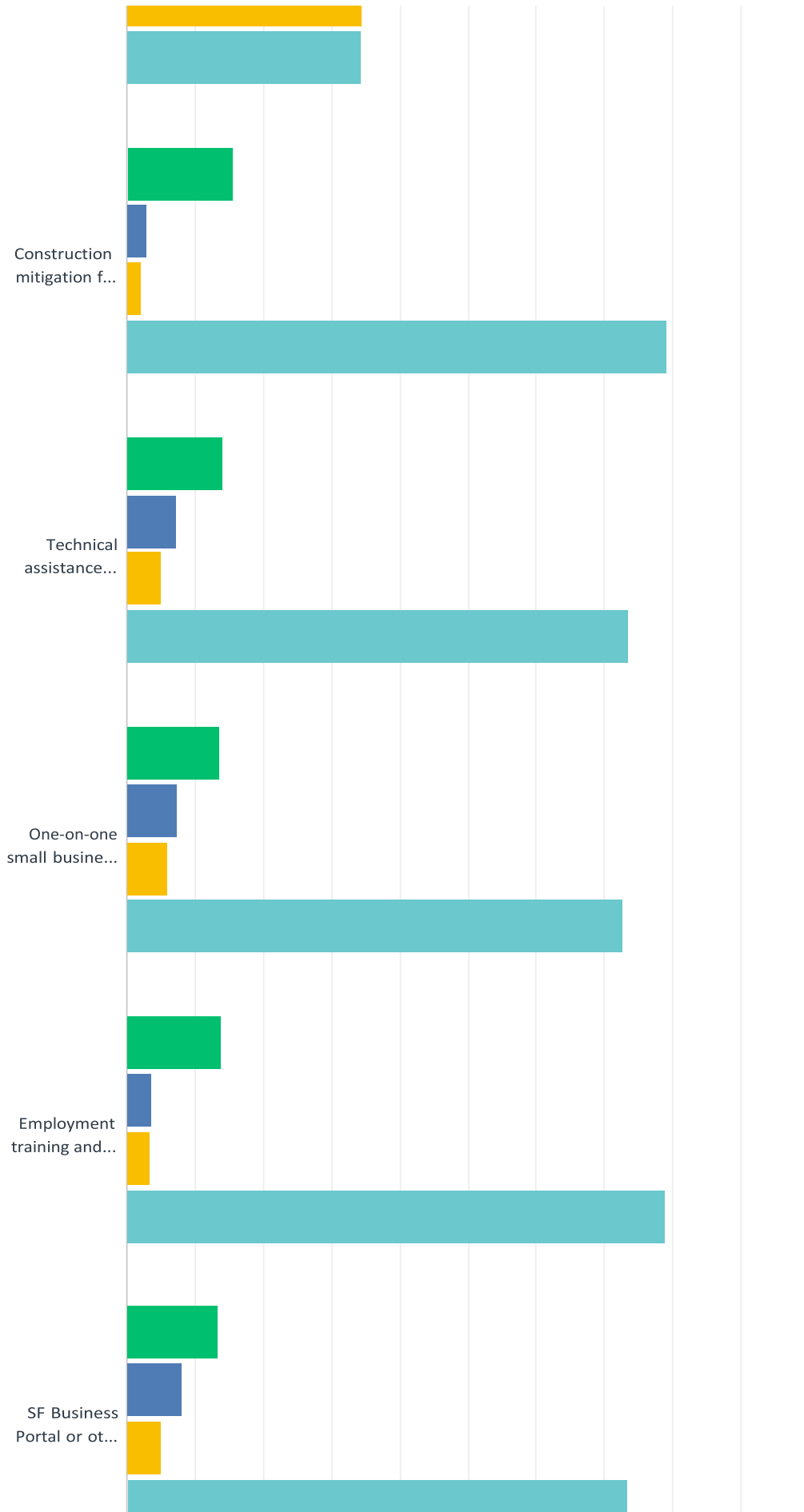
Answered: 938 Skipped: 0

Q10 Overall, how helpful were the services provided to your business?

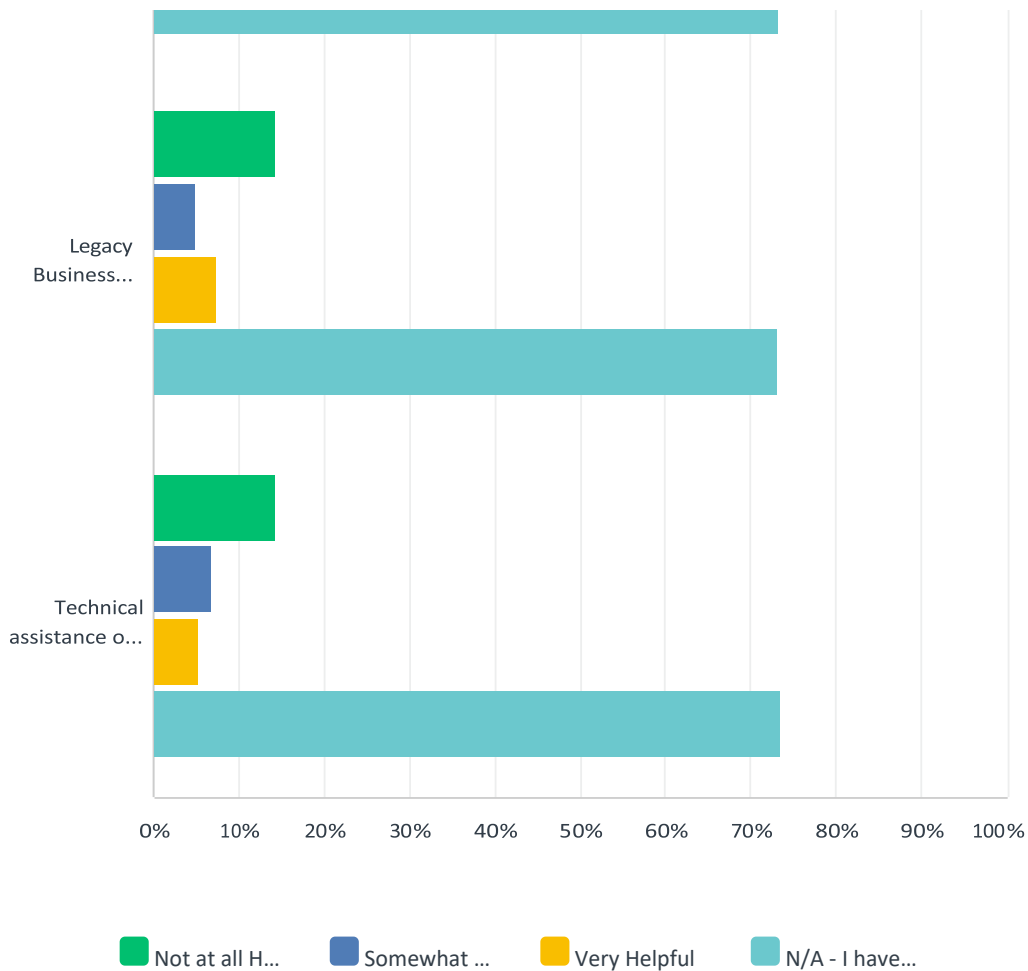
Answered: 938 Skipped: 0



BLA Survey of OEWD Small Business Services



BLA Survey of OEWD Small Business Services



	NOT AT ALL HELPFUL	SOMEWHAT HELPFUL	VERY HELPFUL	N/A - I HAVE NOT RECEIVED THESE SERVICES.	TOTAL	WEIGHTED AVERAGE
Services to access capital (help applying to loans, grants, etc.)	12.79% 120	14.82% 139	21.96% 206	50.43% 473	938	2.18
SF Shines and other storefront improvement grant programs	13.22% 124	8.53% 80	13.75% 129	64.50% 605	938	2.02
HealthyRetailSF (program to increase access to healthier food options in corner stores)	13.97% 131	3.30% 31	2.56% 24	80.17% 752	938	1.42
Open in SF and other building permit, inspection, and zoning assistance programs	14.61% 137	7.57% 71	3.62% 34	74.20% 696	938	1.57
COVID Relief Grants and Loans	11.73% 110	19.40% 182	34.54% 324	34.33% 322	938	2.35
Construction mitigation for businesses impacted by street construction	15.57% 146	3.09% 29	2.24% 21	79.10% 742	938	1.36

BLA Survey of OEWD Small Business Services

Technical assistance (e.g., workshops, trainings)	14.07% 132	7.36% 69	5.12% 48	73.45% 689	938	1.66
One-on-one small business consulting	13.75% 129	7.46% 70	6.08% 57	72.71% 682	938	1.72
Employment training and services	13.97% 131	3.73% 35	3.52% 33	78.78% 739	938	1.51
SF Business Portal or other start-up and incubator services of the Office of Small Business	13.43% 126	8.10% 76	5.12% 48	73.35% 688	938	1.69
Legacy Business Program of the Office of Small Business	14.29% 134	5.01% 47	7.57% 71	73.13% 686	938	1.75
Technical assistance on licensing and permitting regulations from the Office of Small Business	14.29% 134	6.93% 65	5.33% 50	73.45% 689	938	1.66

Q11 If applicable, what is one key recommendation to make the services you received more useful to small businesses like yours?

Answered: 938 Skipped: 0

Q12 What is the biggest challenge you face running a small business in San Francisco? Please describe.

Answered: 938 Skipped: 0

Q13 If you have additional comments, please provide them here (optional).

Answered: 400 Skipped: 538

Q1 您的商業或組織的名稱 (僅供內部使用)?

Answered: 51 Skipped: 0

**Q2 您的商業帳號 (Business Account Number) 是甚麼？ 您的 Business Account Number 是一個 7 位數字號碼。如果您不知道，可以在此處查找：
<https://data.sfgov.org/Economy-and-Community/Registered-BusinessLocations-San-Francisco/g8m3-pdis/data> (僅供內部使用)**

Answered: 43 Skipped: 8

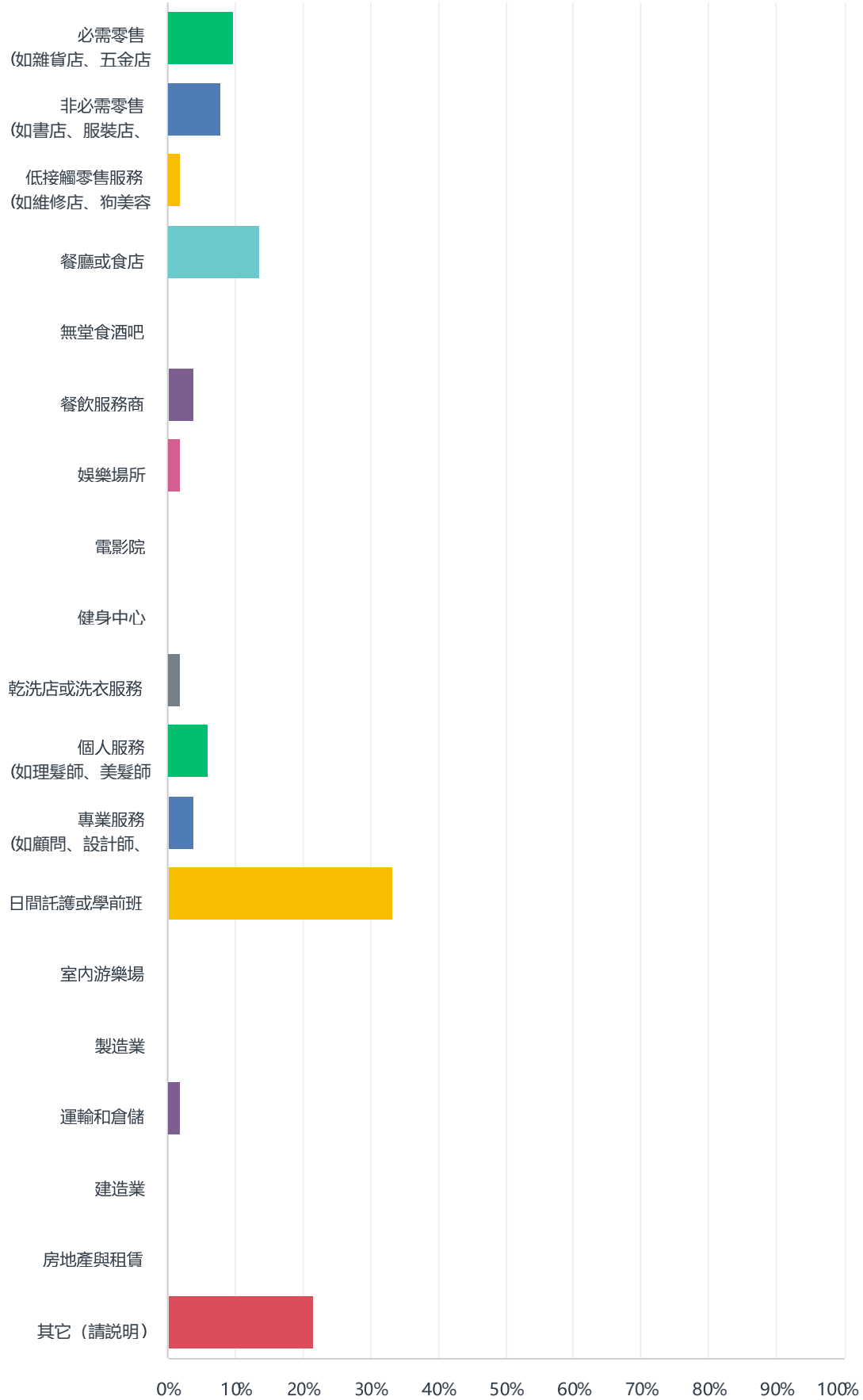
Q3 您的商業或組織地址 (僅供內部使用) ? 如果地址超過一個, 請列明主店面地址即可。

Answered: 51 Skipped: 0

Q4 您的商業屬於甚麼行業? (選擇所有適用項)

Answered: 51 Skipped: 0

經濟及勞動力發展辦公室 (OEWD) 小商業服務調查問卷

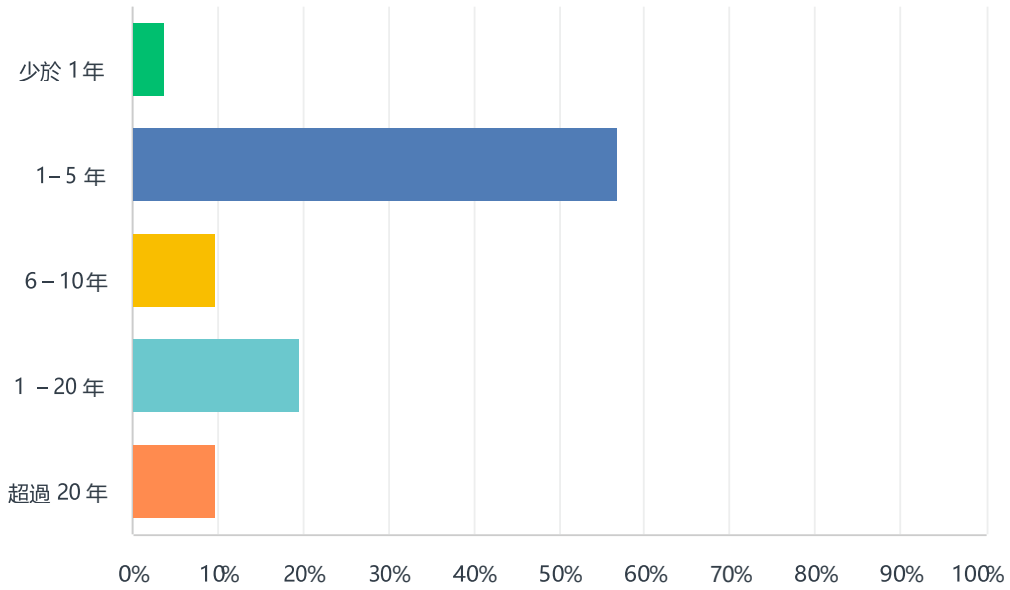


經濟及勞動力發展辦公室 (OEWD) 小商業服務調查問卷

ANSWER CHOICES	RESPONSES	
必需零售 (如雜貨店、五金店、藥房)	9.80%	5
非必需零售 (如書店、服裝店、禮品店、花店)	7.84%	4
低接觸零售服務 (如維修店、狗美容師)	1.96%	1
餐廳或食店	13.73%	7
無堂食酒吧	0.00%	0
餐飲服務商	3.92%	2
娛樂場所	1.96%	1
電影院	0.00%	0
健身中心	0.00%	0
自助洗衣店、乾洗店或洗衣服務	1.96%	1
個人服務 (如理髮師、美髮師、美甲師、美容師、按摩店、紋身店)	5.88%	3
專業服務 (如顧問、設計師、會計師、保險)	3.92%	2
托兒所、日間託護或學前班	33.33%	17
室內游樂場	0.00%	0
製造業	0.00%	0
運輸和倉儲	1.96%	1
建造業	0.00%	0
房地產與租賃	0.00%	0
其它 (請說明)	21.57%	11
Total Respondents: 51		

Q5 您的商業在三藩市運營了多久？

Answered: 51 Skipped: 0



ANSWER CHOICES	RESPONSES
少於 1 年	3.92% 2
1-5 年	56.86% 29
6-10 年	9.80% 5
11-20 年	19.61% 10
超過 20 年	9.80% 5
TOTAL	51

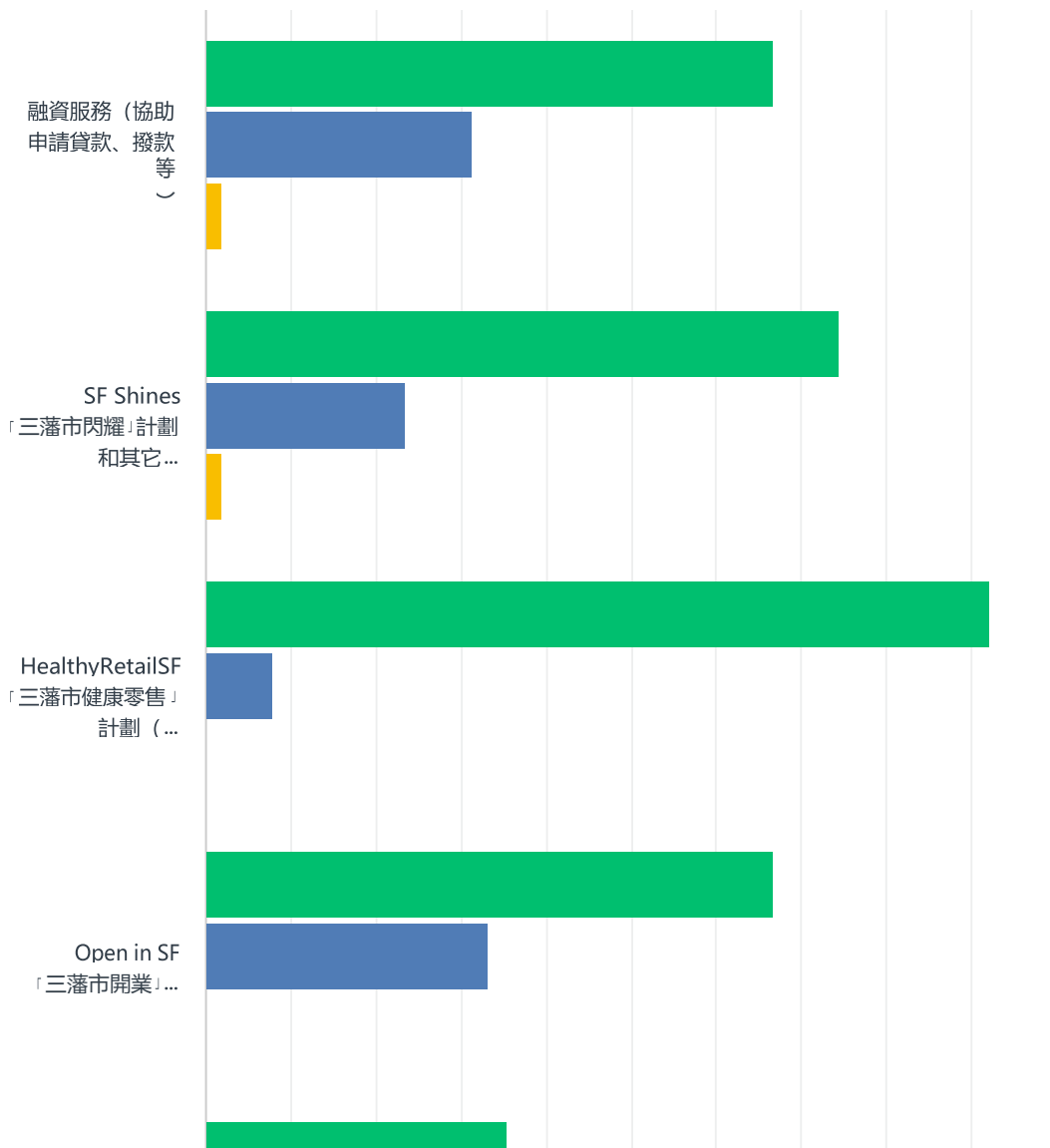
Q6 您的商業在三藩市僱用了多少名僱員?

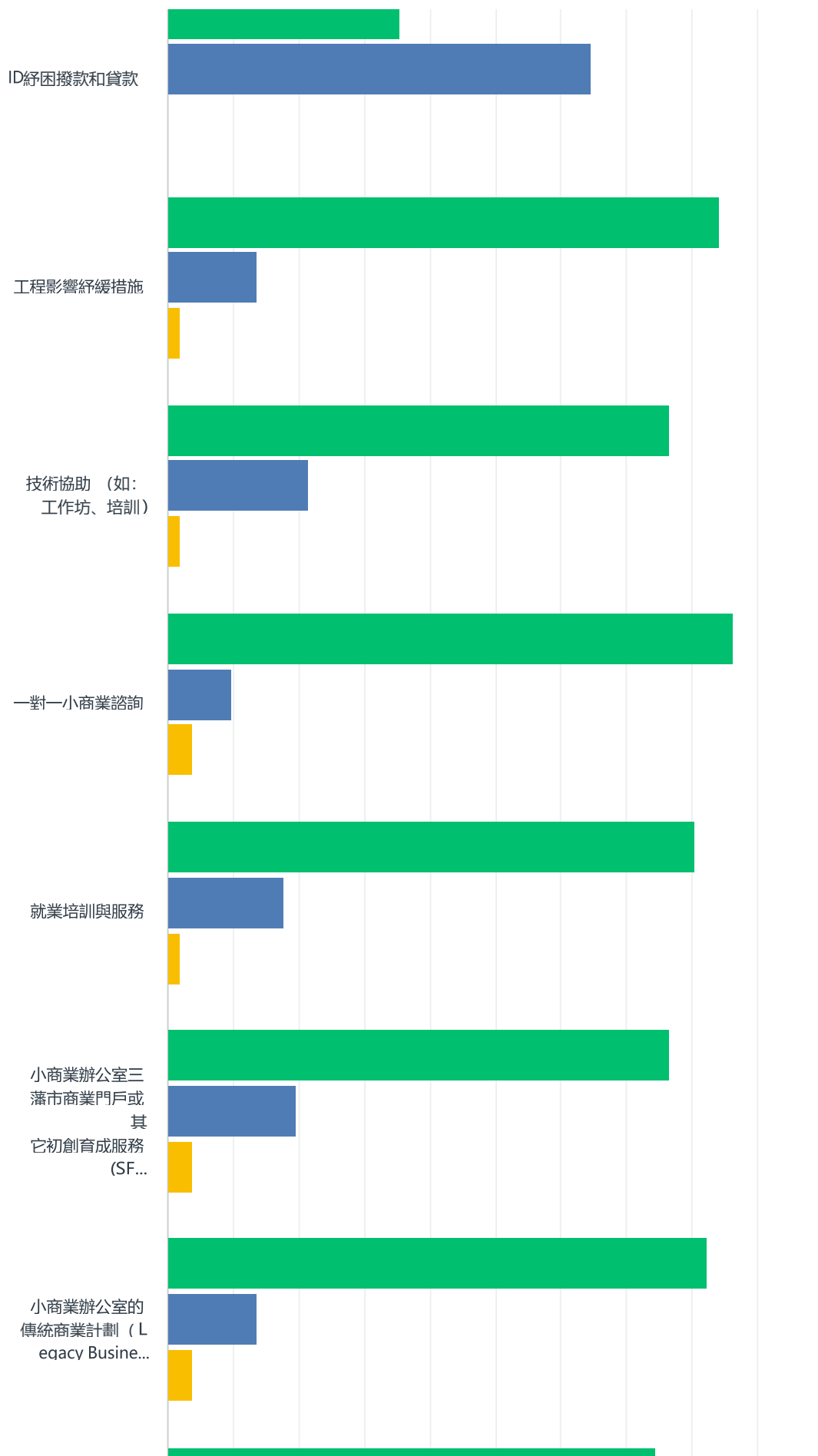
ANSWER CHOICES	RESPONSES
自僱	54.90% 28
1 – 10 人	41.18% 21
11 – 25 人	3.92% 2
26 – 50 人	0.00% 0
51 – 100 人	0.00% 0
100 人以上	0.00% 0
TOTAL	51

Answered: 51 Skipped: 0

Q7 您對經濟及勞動力發展辦公室 (OEWD)、小企業辦公室 (OSB) 及其非營利夥伴提供的下列小商業服務的熟悉程度: Asian, Inc., Children's Council of San Francisco, Excelsior Action Group, La Cocina, Lawyer's Committee for Civil Rights, Main Street Launch, Mission Asset Fund, Mission Economic Development Agency, Ocean Avenue Association, Portola Neighborhood Association, Renaissance Entrepreneurship Center, San Francisco LGBT Community Center, San Francisco Small Business Development Center (SBDC), Self-Help for the Elderly, SF Made, Inc., Southeast Asian Community Center, Southeast Asian Community Center, Start Small Think Big, Inc., Tenderloin Community Benefit District, Wu Yee Children's Services, Working Solutions, 等?

Answered: 51 Skipped: 0





經濟及勞動力發展辦公室 (OEWD) 小商業服務調查問卷

小商業辦公室提供有關發牌和許可證的技術援助

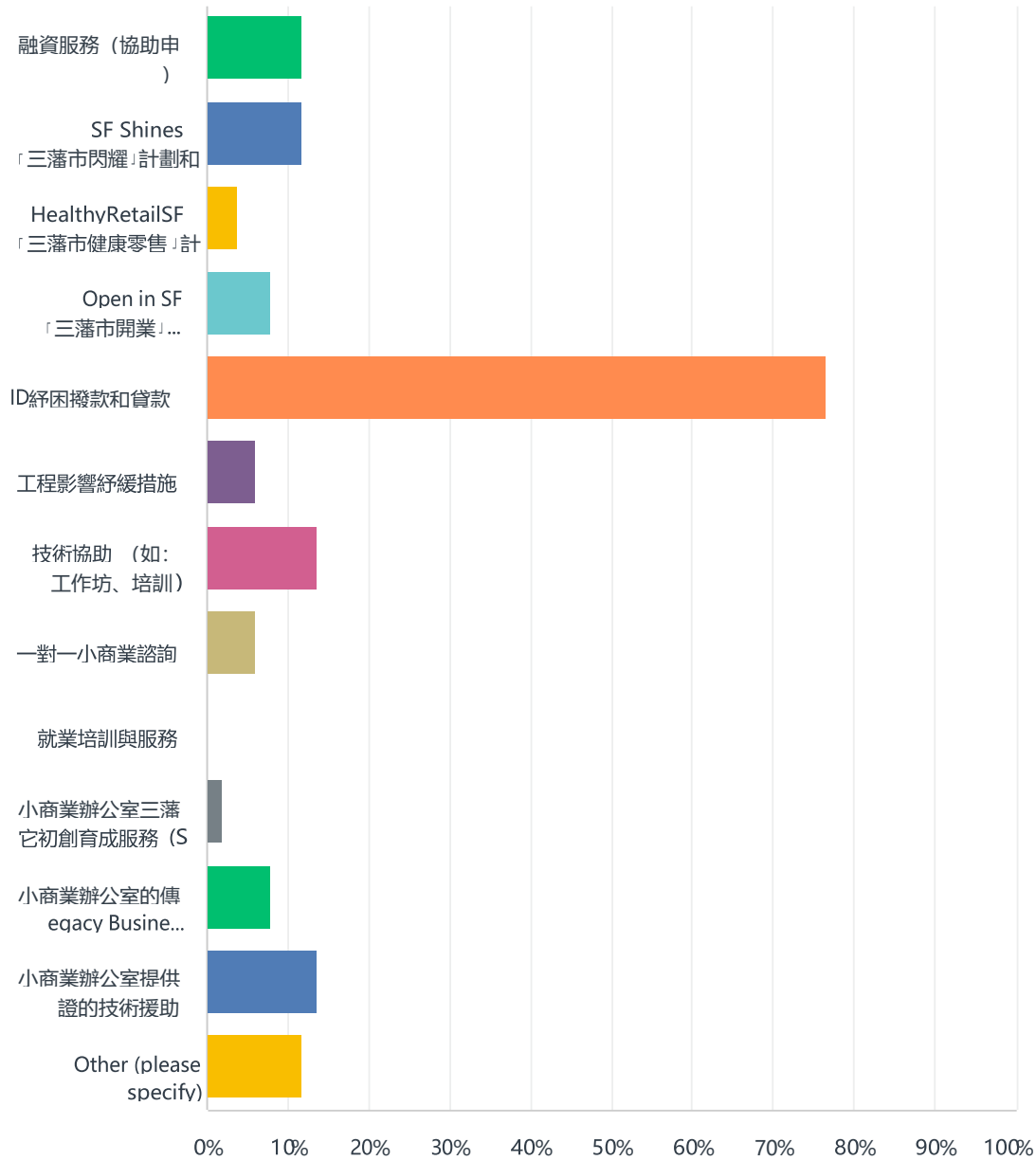
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

一點也不... 有些熟悉 非常熟悉

	一點也不熟悉	有些熟悉	非常熟悉	TOTAL	WEIGHTED AVERAGE
融資服務 (協助申請貸款、撥款等)	66.67% 34	31.37% 16	1.96% 1	51	1.35
SF Shines ☐三藩市閃耀☐計劃和其它店面改善撥款計劃	74.51% 38	23.53% 12	1.96% 1	51	1.27
HealthyRetailSF ☐三藩市健康零售☐計劃 (該計劃旨在增加角落店鋪的健康食物選擇)	92.16% 47	7.84% 4	0.00% 0	51	1.08
Open in SF ☐三藩市開業☐計劃以及其它許可證、檢查、區劃協助計劃	66.67% 34	33.33% 17	0.00% 0	51	1.33
COVID 紓困撥款和貸款	35.29% 18	64.71% 33	0.00% 0	51	1.65
工程影響紓緩措施	84.31% 43	13.73% 7	1.96% 1	51	1.18
技術協助 (如: 工作坊、培訓)	76.47% 39	21.57% 11	1.96% 1	51	1.25
一對一小商業諮詢	86.27% 44	9.80% 5	3.92% 2	51	1.18
就業培訓與服務	80.39% 41	17.65% 9	1.96% 1	51	1.22
小商業辦公室三藩市商業門戶或其它初創育成服務 (SF Business Portal of the Office of Small Business)	76.47% 39	19.61% 10	3.92% 2	51	1.27
小商業辦公室的傳統商業計劃 (Legacy Business Program of the Office of Small Business)	82.35% 42	13.73% 7	3.92% 2	51	1.22
小商業辦公室提供有關發牌和許可證的技術援助	74.51% 38	23.53% 12	1.96% 1	51	1.27

Q8 您使用過下列哪一項由經濟及勞動力發展局 (OEWD) 和小商業辦公室 (OSB) 提供的小商業服務，若有的話？ (選擇所有適用項)

Answered: 51 Skipped: 0



經濟及勞動力發展辦公室 (OEWD) 小商業服務調查問卷

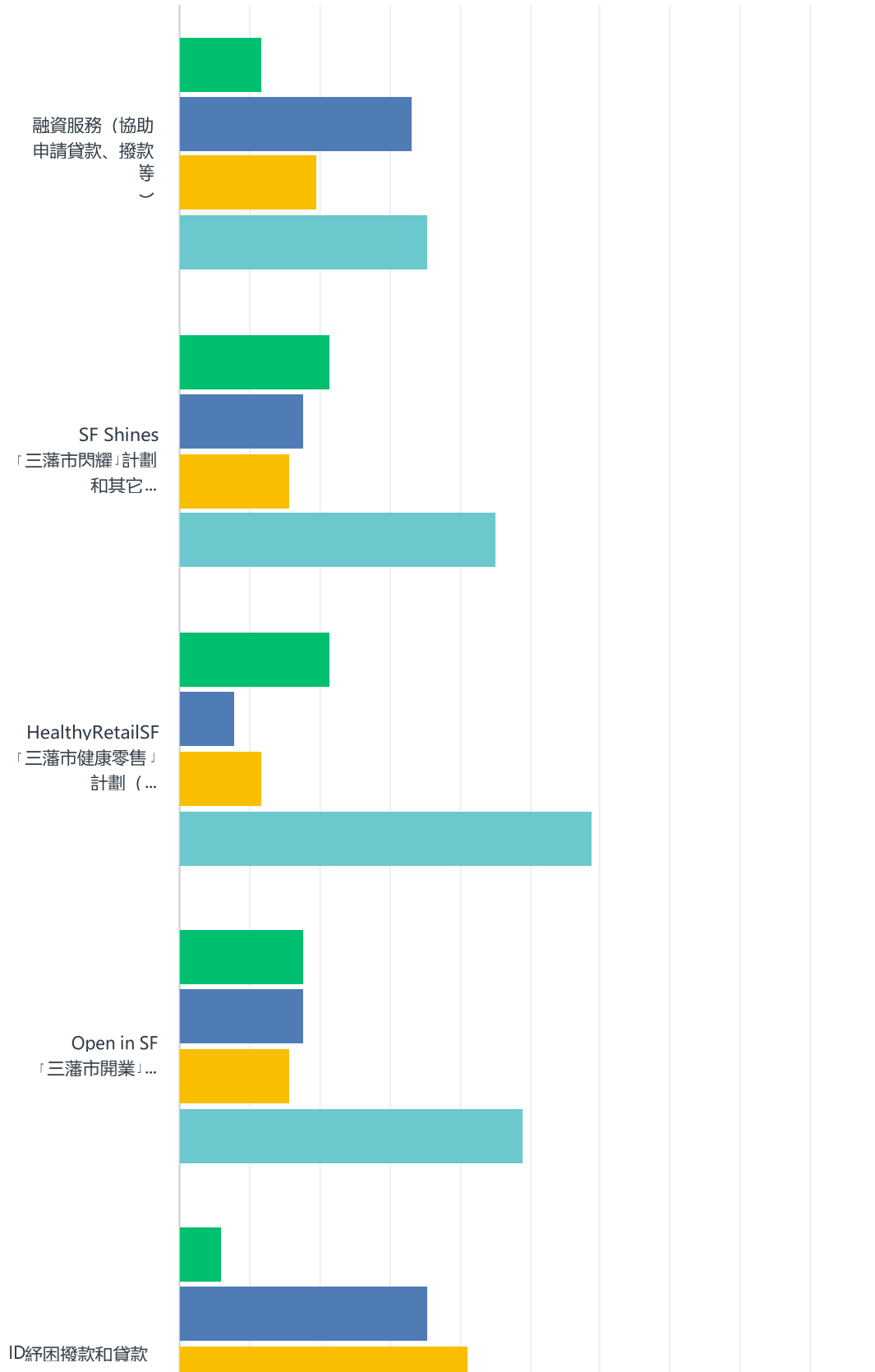
ANSWER CHOICES	RESPONSES	
融資服務 (協助申請貸款、撥款等)	11.76%	6
SF Shines □三藩市閃耀□計劃和其它店面改善撥款計劃	11.76%	6
HealthyRetailSF □三藩市健康零售□計劃 (該計劃旨在增加角落店鋪的健康食物選擇)	3.92%	2
Open in SF □三藩市開業□計劃以及其它許可證、檢查、區劃協助計劃	7.84%	4
COVID 紓困撥款和貸款	76.47%	39
工程影響紓緩措施	5.88%	3
技術協助 (如: 工作坊、培訓)	13.73%	7
一對一小商業諮詢	5.88%	3
就業培訓與服務	0.00%	0
小商業辦公室三藩市商業門戶或其它初創育成服務 (SF Business Portal of the Office of Small Business)	1.96%	1
小商業辦公室的傳統商業計劃 (Legacy Business Program of the Office of Small Business)	7.84%	4
小商業辦公室提供有關發牌和許可證的技術援助	13.73%	7
Other (please specify)	11.76%	6
Total Respondents: 51		

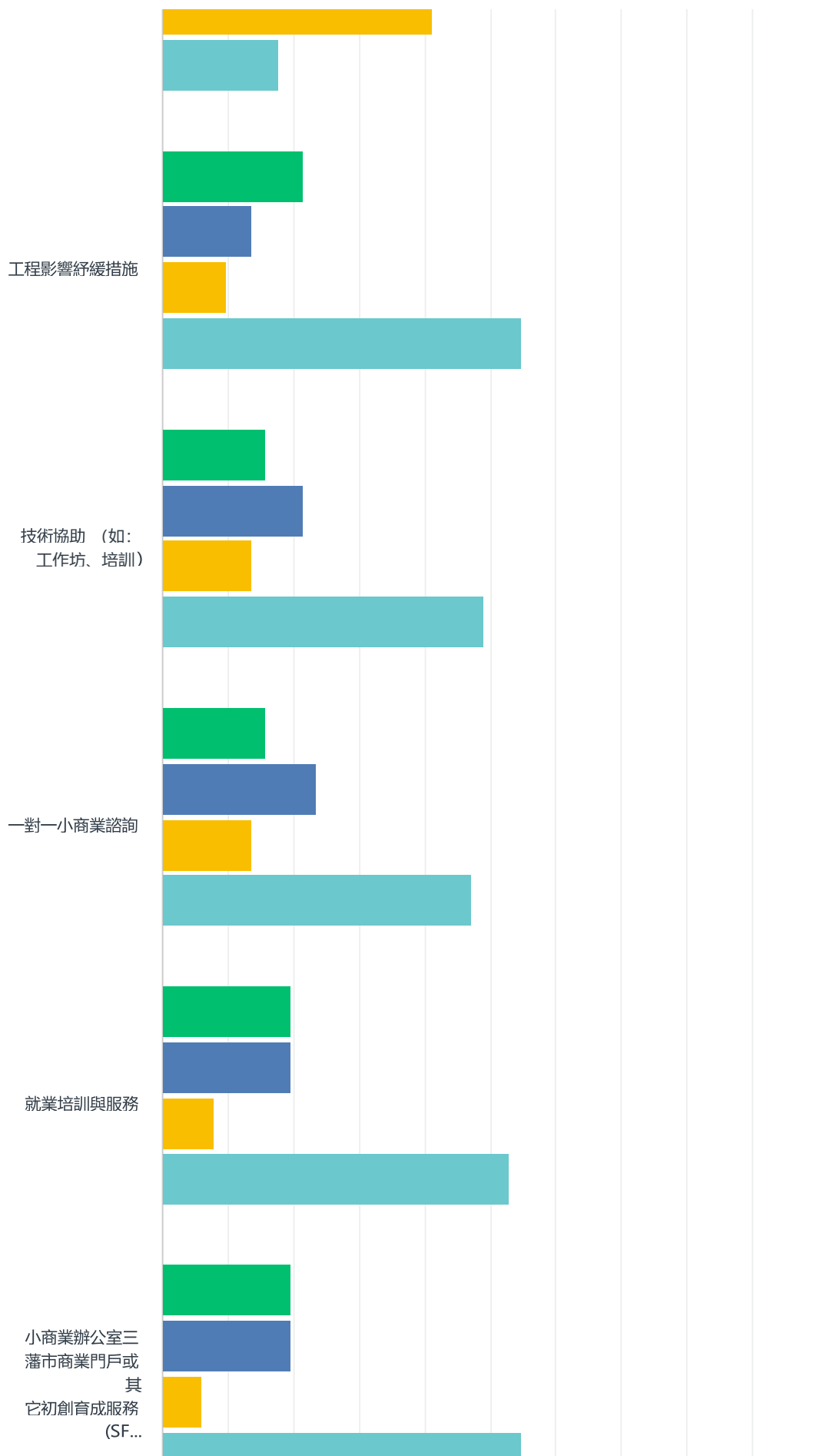
Q9 您是如何得知第 8 個問題您所勾選的服務?

Answered: 51 Skipped: 0

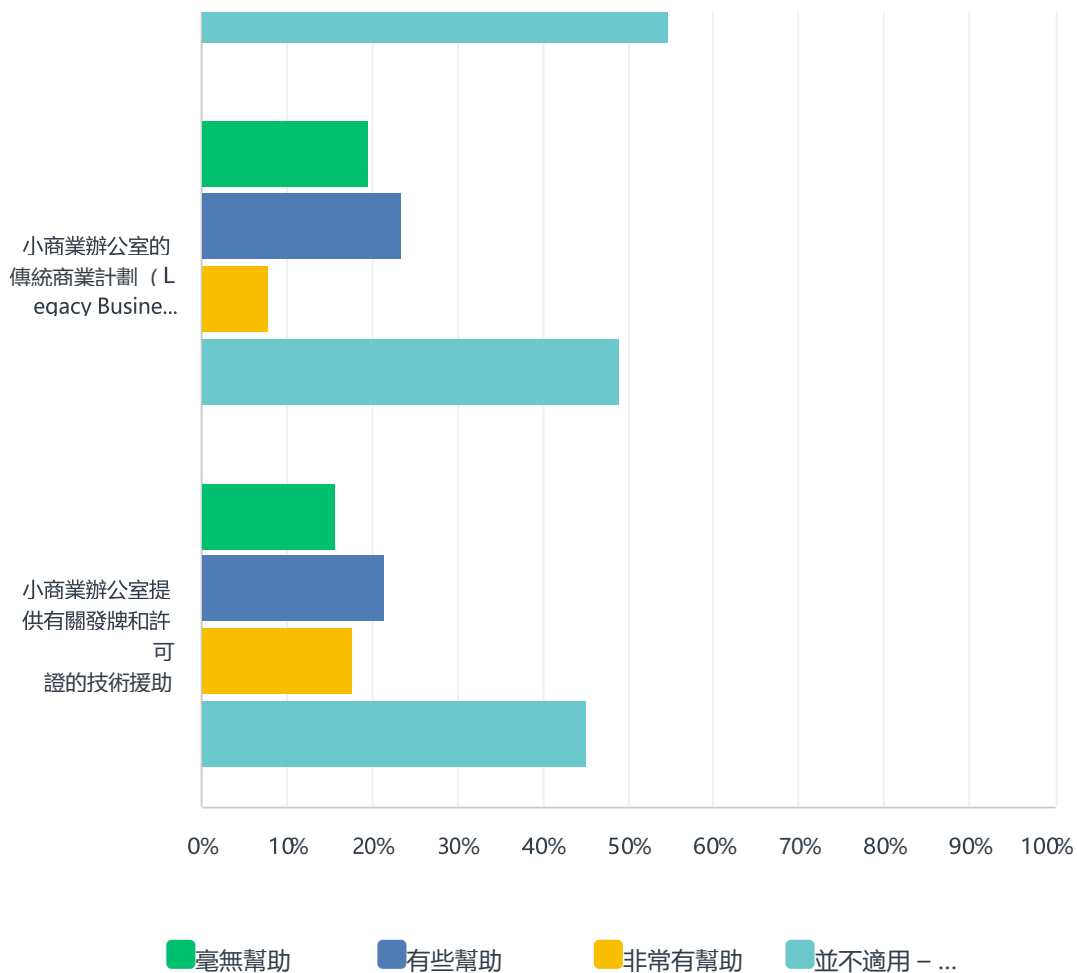
Q10 整體而言，提供這些服務給您的商業會有多大幫助？

Answered: 51 Skipped: 0





經濟及勞動力發展辦公室 (OEWD) 小商業服務調查問卷



經濟及勞動力發展辦公室 (OEWD) 小商業服務調查問卷

	毫無幫助	有些幫助	非常有幫助	並不適用 – 我沒有獲取這些服務。	TOTAL	WEIGHTED AVERAGE
融資服務 (協助申請貸款、撥款等)	11.76% 6	33.33% 17	19.61% 10	35.29% 18	51	2.12
SF Shines ☐三藩市閃耀☐計劃和其它店面改善撥款計劃	21.57% 11	17.65% 9	15.69% 8	45.10% 23	51	1.89
HealthyRetailSF ☐三藩市健康零售☐計劃 (該計劃旨在增加角落店鋪的健康食物選擇)	21.57% 11	7.84% 4	11.76% 6	58.82% 30	51	1.76
Open in SF ☐三藩市開業☐計劃以及其它許可證、檢查、區劃協助計劃	17.65% 9	17.65% 9	15.69% 8	49.02% 25	51	1.96
COVID 紓困撥款和貸款	5.88% 3	35.29% 18	41.18% 21	17.65% 9	51	2.43
工程影響紓緩措施	21.57% 11	13.73% 7	9.80% 5	54.90% 28	51	1.74
技術協助 (如: 工作坊、培訓)	15.69% 8	21.57% 11	13.73% 7	49.02% 25	51	1.96
一對一小商業諮詢	15.69% 8	23.53% 12	13.73% 7	47.06% 24	51	1.96
就業培訓與服務	19.61% 10	19.61% 10	7.84% 4	52.94% 27	51	1.75
小商業辦公室三藩市商業門戶或其它初創育成服務 (SF Business Portal of the Office of Small Business)	19.61% 10	19.61% 10	5.88% 3	54.90% 28	51	1.70
小商業辦公室的傳統商業計劃 (Legacy Business Program of the Office of Small Business)	19.61% 10	23.53% 12	7.84% 4	49.02% 25	51	1.77
小商業辦公室提供有關發牌和許可證的技術援助	15.69% 8	21.57% 11	17.65% 9	45.10% 23	51	2.04

Q11 若適用的話，您會作出的一項對類似您的商業所取得的服務更有幫助性的建議是什麼？

Answered: 51 Skipped: 0

Q12 您在三藩市經營小商業面臨的最大挑戰是什麼？請描述。

Answered: 51 Skipped: 0

Q13 若您有其它意見，請在此處提供（可選）。

Answered: 21 Skipped: 30

Q1 ¿Cuál es el nombre de su empresa u organización (solo para fines internos)?

Answered: 22 Skipped: 0

Q2 ¿Cuál es su número de cuenta comercial (Business Account Number)?

Su Business Account Number es un número de 7 dígitos. Si no conoce el número, puede buscarlo aquí: <https://data.sfgov.org/Economy-and-Community/Registered-Business-Locations-San-Francisco/g8m3pdis/data> (solo

para fines internos)

Answered: 19 Skipped: 3

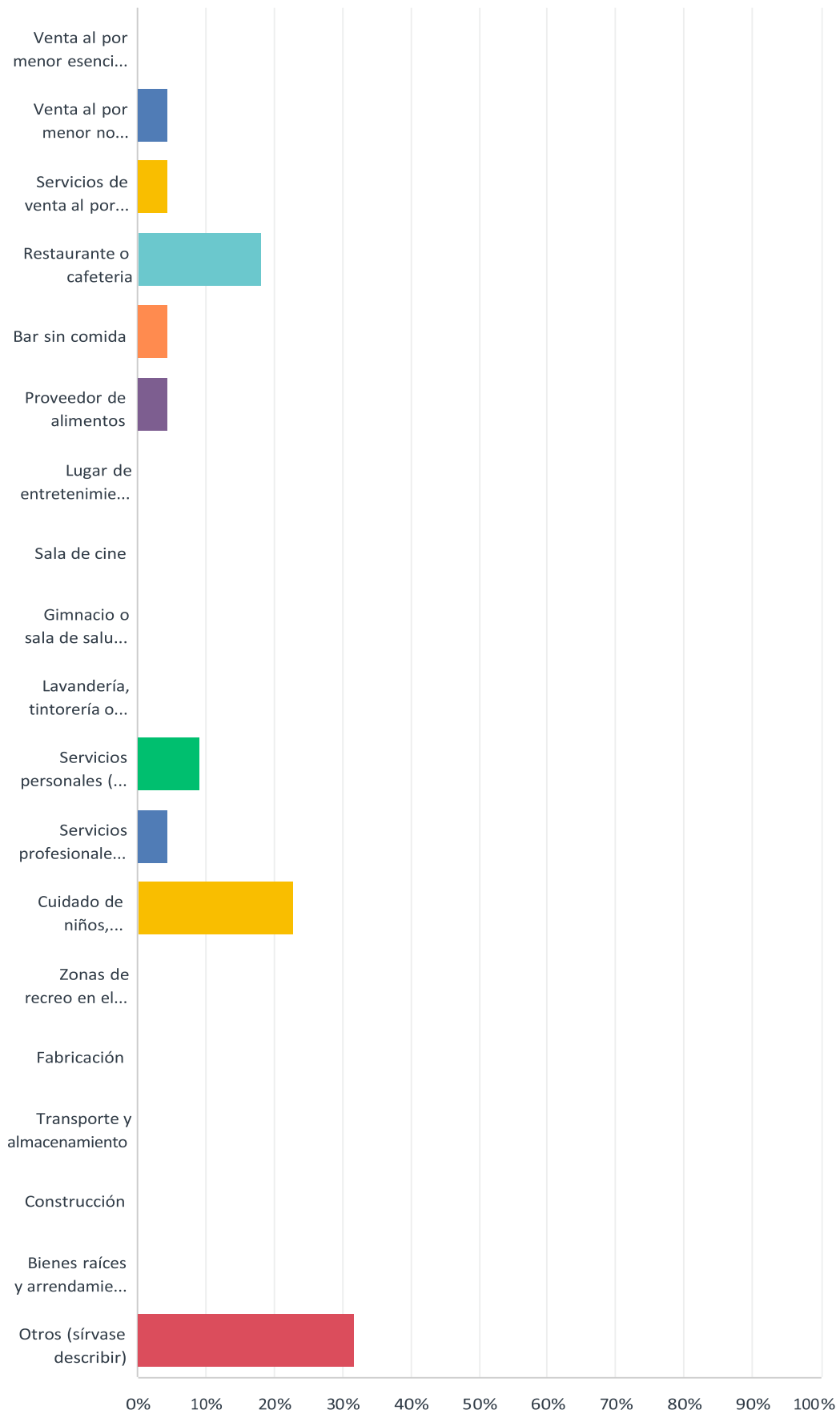
**Q3 ¿Cuál es la dirección de su negocio u organización (solo para fines internos)?
Si hay más de una ubicación indique la dirección del lugar principal.**

Answered: 22 Skipped: 0

Q4 ¿En qué industria se encuentra su negocio? (marque todo lo que corresponda)

Answered: 22 Skipped: 0

Encuesta de Servicios Para Pequeñas Empresas de la OEWD

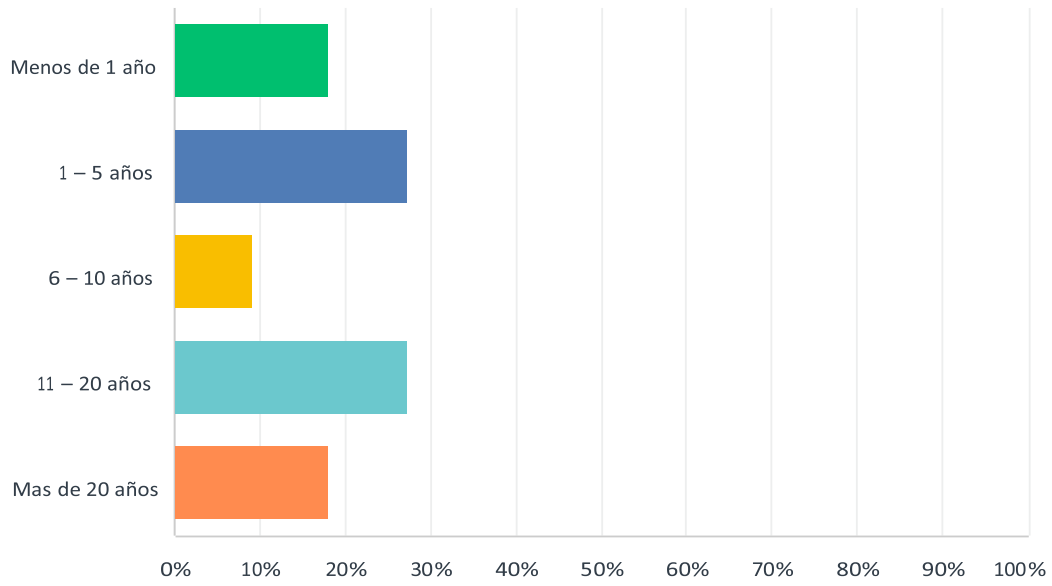


Encuesta de Servicios Para Pequeñas Empresas de la OEWD

ANSWER CHOICES	RESPONSES	
Venta al por menor esencial (p. ej., tienda de comestibles, ferretería, farmacia)	0.00%	0
Venta al por menor no esencial (p. ej., librería, tienda de ropa, tienda de regalos, floristería)	4.55%	1
Servicios de venta al por menor con bajo contacto (p. ej., taller de reparación, peluquero de perros)	4.55%	1
Restaurante o cafetería	18.18%	4
Bar sin comida	4.55%	1
Proveedor de alimentos	4.55%	1
Lugar de entretenimiento en vivo	0.00%	0
Sala de cine	0.00%	0
Gimnasio o sala de salud y bienestar	0.00%	0
Lavandería, tintorería o servicio de lavandería	0.00%	0
Servicios personales (p. ej., barbero, peluquería, salón de uñas, esteticista, establecimiento de masajes, tienda de tatuajes)	9.09%	2
Servicios profesionales (p. ej., consultor, diseñador, contador, seguros)	4.55%	1
Cuidado de niños, guardería o preescolar	22.73%	5
Zonas de recreo en el interior	0.00%	0
Fabricación	0.00%	0
Transporte y almacenamiento	0.00%	0
Construcción	0.00%	0
Bienes raíces y arrendamiento de alquiler	0.00%	0
Otros (sírvase describir)	31.82%	7
Total Respondents: 22		

Q5 ¿Cuánto tiempo ha estado operando su negocio en San Francisco?

Answered: 22 Skipped: 0



ANSWER CHOICES	RESPONSES
Menos de 1 año	18.18% 4
1 - 5 años	27.27% 6
6 - 10 años	9.09% 2
11 - 20 años	27.27% 6
Mas de 20 años	18.18% 4
TOTAL	22

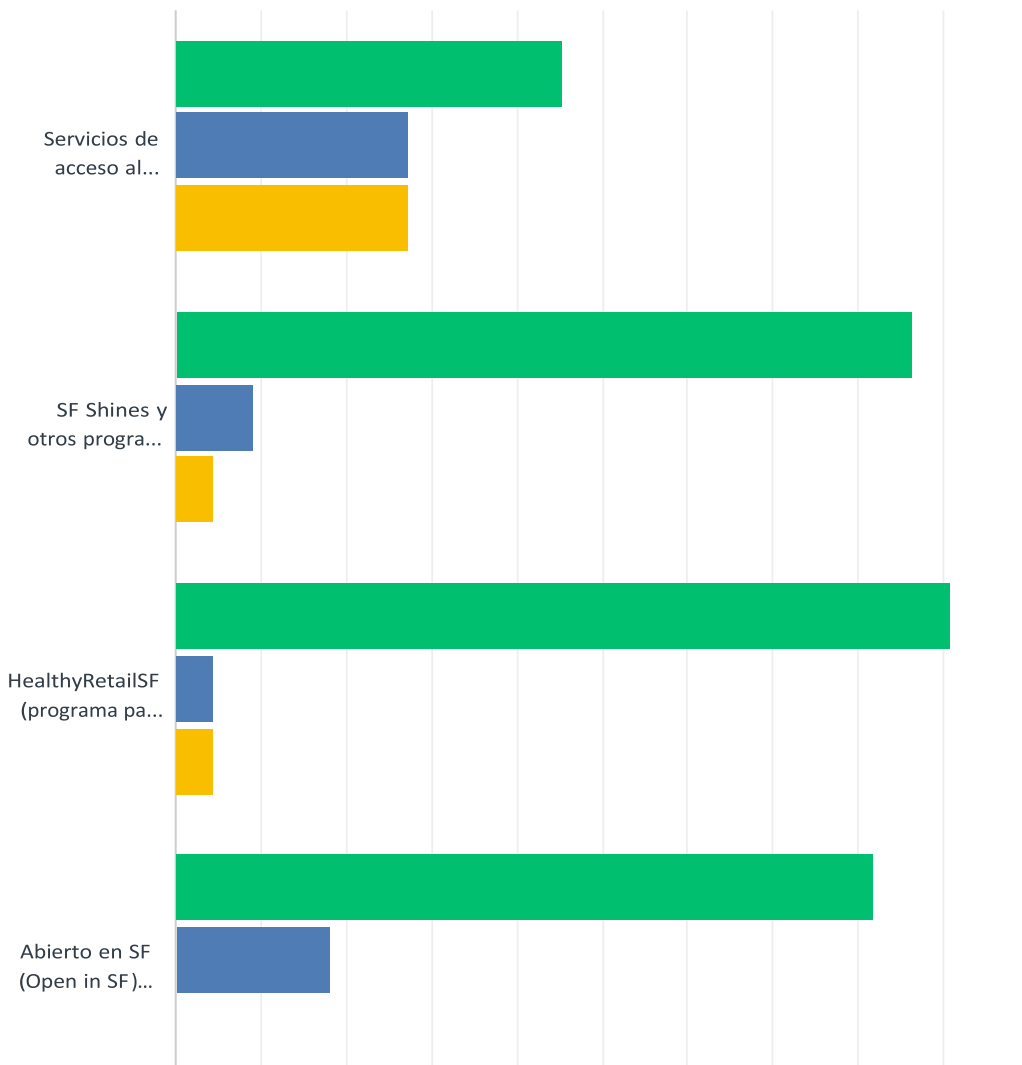
Q6 ¿Cuántos empleados emplea su empresa en San Francisco?

Answered: 22 Skipped: 0

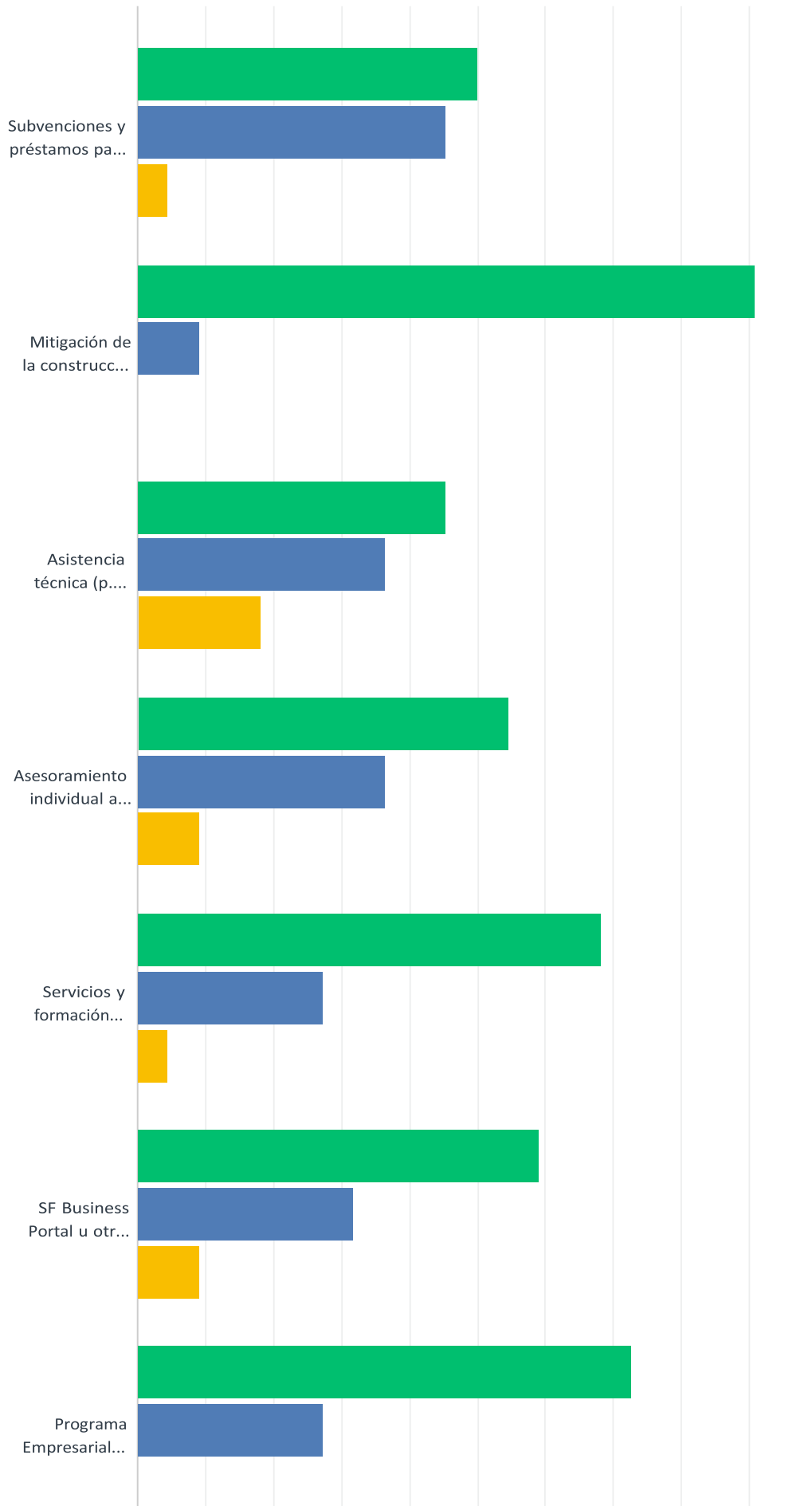
ANSWER CHOICES	RESPONSES
Trabajador independiente	40.91% 9
1 – 10	50.00% 11
11 - 25	9.09% 2
26 - 50	0.00% 0
51 - 100	0.00% 0
100+	0.00% 0
TOTAL	22

Q7 ¿Qué tan familiarizado está con los siguientes servicios para pequeñas empresas proporcionados por la Oficina de Desarrollo Económico y Laboral (OEWD), la Oficina de las Pequeñas Empresas (OSB), y sus socios sin fines de lucro: Asian, Inc., Children’s Council of San Francisco, Excelsior Action Group, La Cocina, Lawyer’s Committee for Civil Rights, Main Street Launch, Mission Asset Fund, Mission Economic Development Agency, Ocean Avenue Association, Portola Neighborhood Association, Renaissance Entrepreneurship Center, San Francisco LGBT Community Center, San Francisco Small Business Development Center (SBDC), SelfHelp for the Elderly, SF Made, Inc., Southeast Asian Community Center, Southeast Asian Community Center, Start Small Think Big, Inc., Tenderloin Community Benefit District, Wu Yee Children’s Services, Working Solutions, etc.?

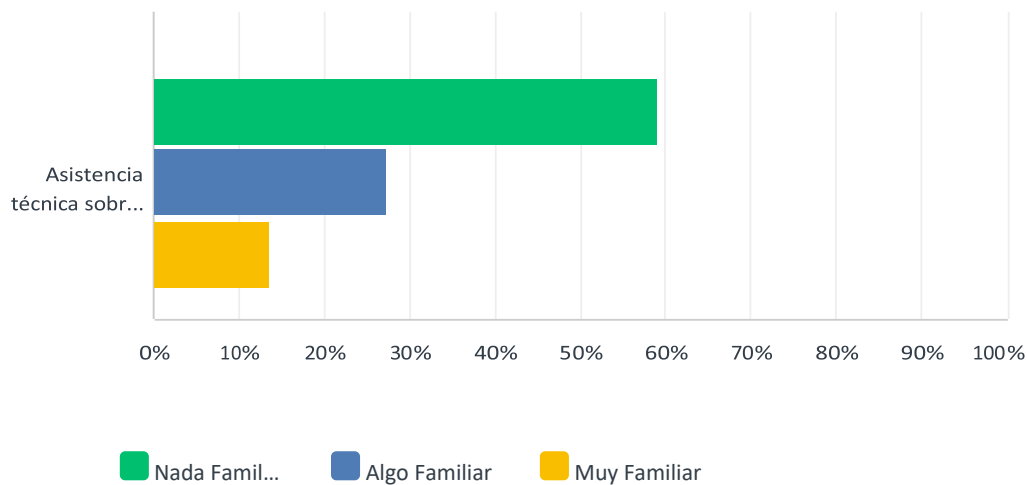
Answered: 22 Skipped: 0



Encuesta de Servicios Para Pequeñas Empresas de la OEWD



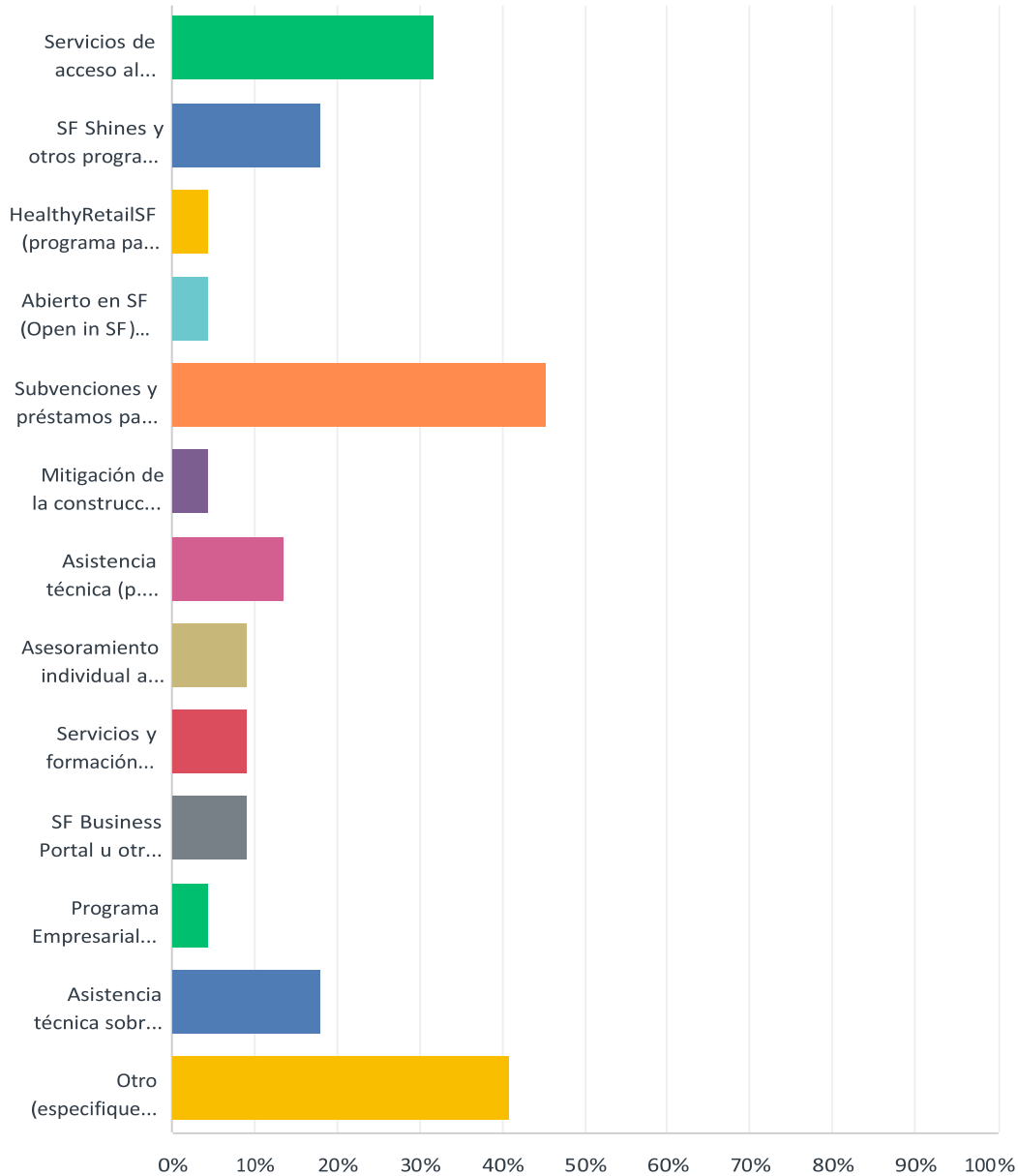
Encuesta de Servicios Para Pequeñas Empresas de la OEWD



	NADA FAMILIAR	ALGO FAMILIAR	MUY FAMILIAR	TOTAL	WEIGHTED AVERAGE
Servicios de acceso al capital (ayuda para solicitar préstamos, subvenciones, etc.)	45.45% 10	27.27% 6	27.27% 6	22	1.82
SF Shines y otros programas de subvenciones para mejorar la fachada del negocio	86.36% 19	9.09% 2	4.55% 1	22	1.18
HealthyRetailSF (programa para aumentar el acceso a opciones de alimentos más saludables en la tienda de la esquina)	90.91% 20	4.55% 1	4.55% 1	22	1.14
Abierto en SF (Open in SF) y otros permisos de construcción, inspección y programas de asistencia para zonificación	81.82% 18	18.18% 4	0.00% 0	22	1.18
Subvenciones y préstamos para ayuda del COVID	50.00% 11	45.45% 10	4.55% 1	22	1.55
Mitigación de la construcción para negocios afectados por la construcción de calles	90.91% 20	9.09% 2	0.00% 0	22	1.09
Asistencia técnica (p. ej., talleres, capacitaciones)	45.45% 10	36.36% 8	18.18% 4	22	1.73
Asesoramiento individual a pequeñas empresas	54.55% 12	36.36% 8	9.09% 2	22	1.55
Servicios y formación laboral	68.18% 15	27.27% 6	4.55% 1	22	1.36
SF Business Portal u otros servicios de incubadora para las nuevas empresas de la Oficina de Pequeñas Empresas (Office of Small Business)	59.09% 13	31.82% 7	9.09% 2	22	1.50
Programa Empresarial Heredado de la Oficina de Pequeñas Empresas (Legacy Business Program of the Office of Small Business)	72.73% 16	27.27% 6	0.00% 0	22	1.27
Asistencia técnica sobre licencias y regulaciones de permisos de la Oficina de Pequeñas Empresas (Office of Small Business)	59.09% 13	27.27% 6	13.64% 3	22	1.55

Q8 ¿Cuáles de los siguientes servicios para pequeñas empresas de OEWD ha utilizado, si los ha utilizado? (Marque todo lo que corresponda)

Answered: 22 Skipped: 0



Encuesta de Servicios Para Pequeñas Empresas de la OEWD

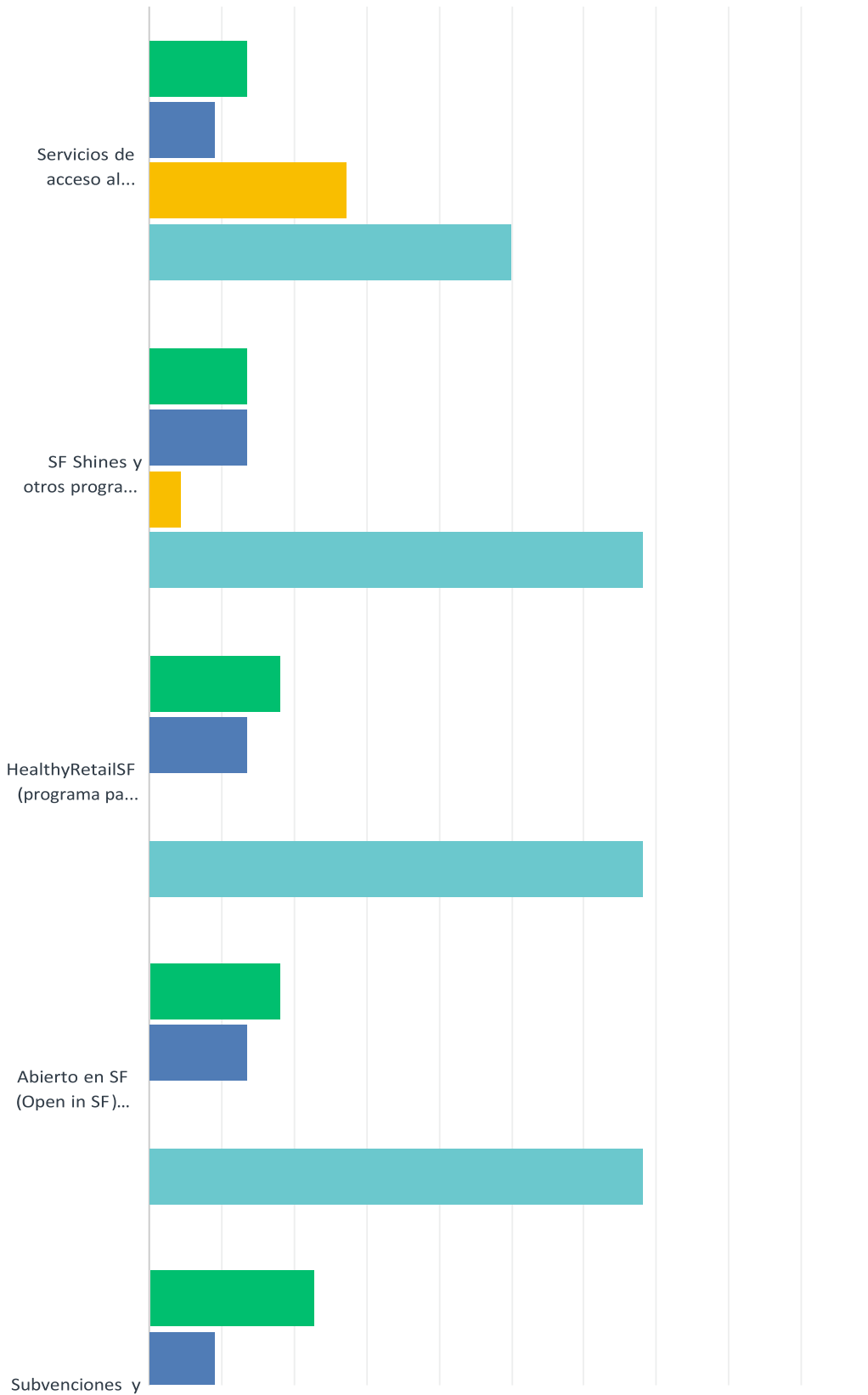
ANSWER CHOICES	RESPONSES	
Servicios de acceso al capital (ayuda para solicitar préstamos, subvenciones, etc.)	31.82%	7
SF Shines y otros programas de subvenciones para mejorar la fachada del negocio	18.18%	4
HealthyRetailSF (programa para aumentar el acceso a opciones de alimentos más saludables en la tienda de la esquina)	4.55%	1
Abierto en SF (Open in SF) y otros permisos de construcción, inspección y programas de asistencia para zonificación	4.55%	1
Subvenciones y préstamos para ayuda del COVID	45.45%	10
Mitigación de la construcción para negocios afectados por la construcción de calles	4.55%	1
Asistencia técnica (p. ej., talleres, capacitaciones)	13.64%	3
Asesoramiento individual a pequeñas empresas	9.09%	2
Servicios y formación laboral	9.09%	2
SF Business Portal u otros servicios de incubadora para las nuevas empresas de la Oficina de Pequeñas Empresas (Office of Small Business)	9.09%	2
Programa Empresarial Heredado de la Oficina de Pequeñas Empresas (Legacy Business Program of the Office of Small Business)	4.55%	1
Asistencia técnica sobre licencias y regulaciones de permisos de la Oficina de Pequeñas Empresas (Office of Small Business)	18.18%	4
Otro (especifique otra respuesta)	40.91%	9
Total Respondents: 22		

Q9 De los servicios que utilizó en la pregunta #8, ¿cómo se enteró de ellos?

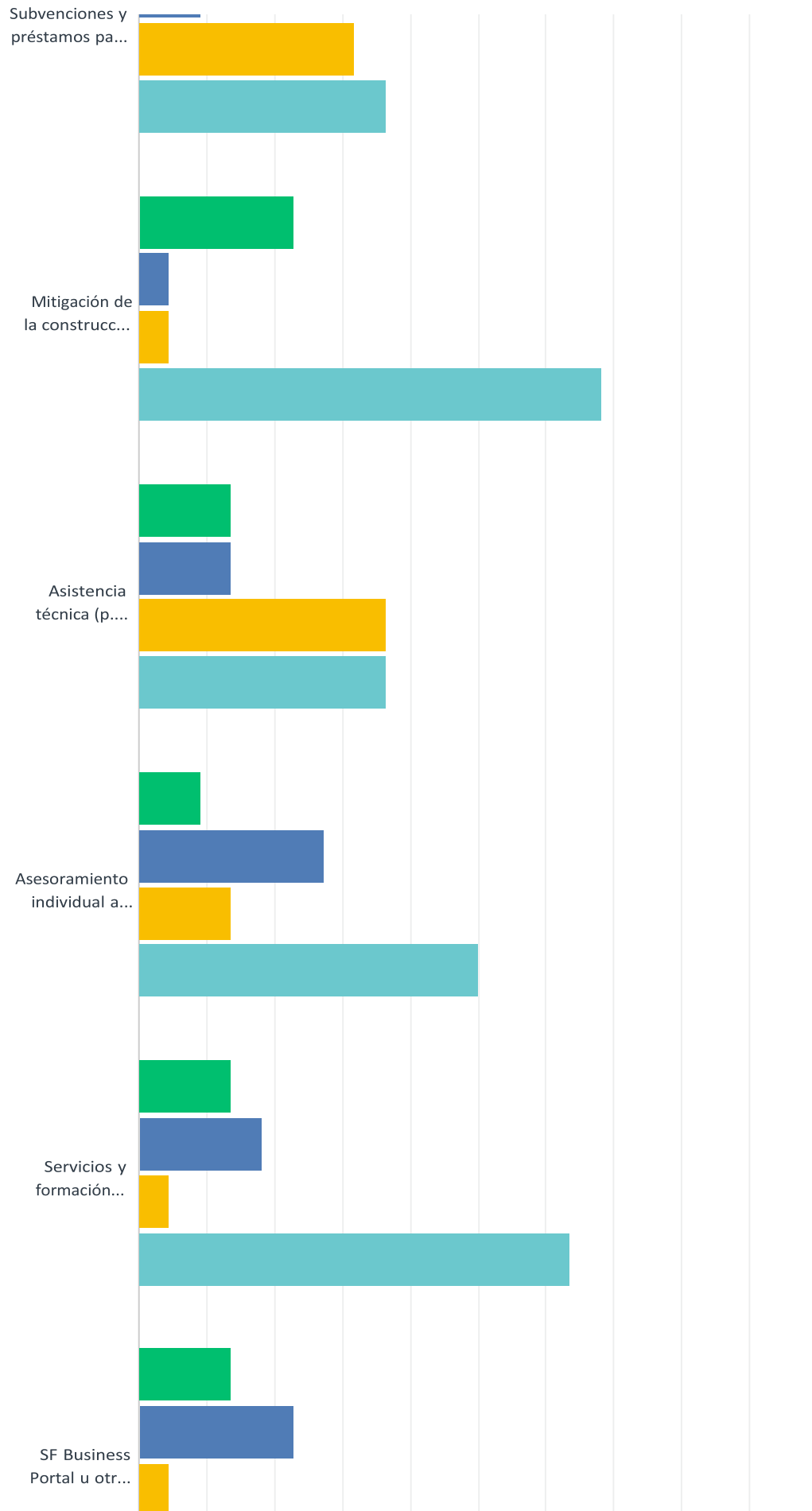
Answered: 22 Skipped: 0

Q10 En general, ¿qué tan útiles fueron los servicios prestados a su negocio?

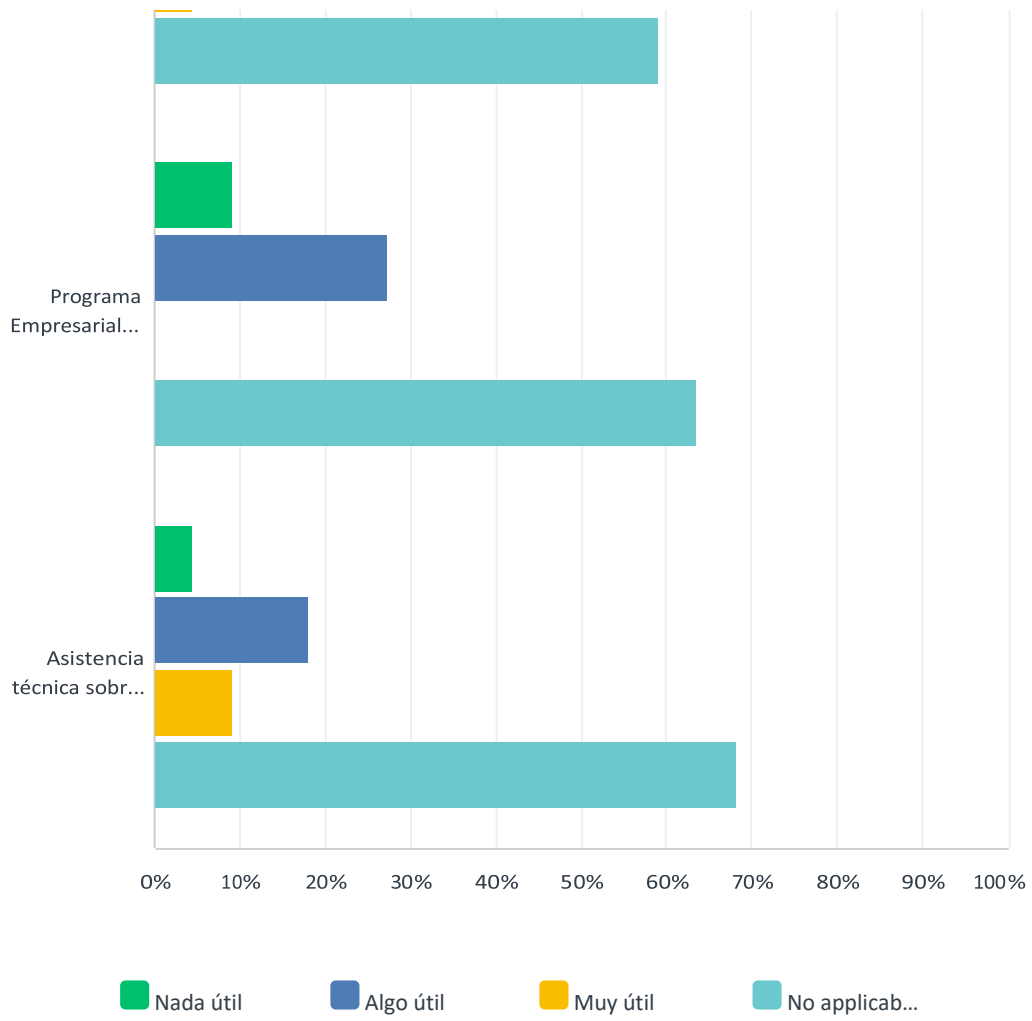
Answered: 22 Skipped: 0



Encuesta de Servicios Para Pequeñas Empresas de la OEWD



Encuesta de Servicios Para Pequeñas Empresas de la OEWD



Encuesta de Servicios Para Pequeñas Empresas de la OEWD

	NADA ÚTIL	ALGO ÚTIL	MUY ÚTIL	NO APPLICABLE - NO HE RECIBIDO ESTOS SERVICIOS.	TOTAL	WEIGHTED AVERAGE
Servicios de acceso al capital (ayuda para solicitar préstamos, subvenciones, etc.)	13.64% 3	9.09% 2	27.27% 6	50.00% 11	22	2.27
SF Shines y otros programas de subvenciones para mejorar la fachada del negocio	13.64% 3	13.64% 3	4.55% 1	68.18% 15	22	1.71
HealthyRetailSF (programa para aumentar el acceso a opciones de alimentos más saludables en la tienda de la esquina)	18.18% 4	13.64% 3	0.00% 0	68.18% 15	22	1.43
Abierto en SF (Open in SF) y otros permisos de construcción, inspección y programas de asistencia para zonificación	18.18% 4	13.64% 3	0.00% 0	68.18% 15	22	1.43
Subvenciones y préstamos para ayuda del COVID	22.73% 5	9.09% 2	31.82% 7	36.36% 8	22	2.14
Mitigación de la construcción para negocios afectados por la construcción de calles	22.73% 5	4.55% 1	4.55% 1	68.18% 15	22	1.43
Asistencia técnica (p. ej., talleres, capacitaciones)	13.64% 3	13.64% 3	36.36% 8	36.36% 8	22	2.36
Asesoramiento individual a pequeñas empresas	9.09% 2	27.27% 6	13.64% 3	50.00% 11	22	2.09
Servicios y formación laboral	13.64% 3	18.18% 4	4.55% 1	63.64% 14	22	1.75
SF Business Portal u otros servicios de incubadora para las nuevas empresas de la Oficina de Pequeñas Empresas (Office of Small Business)	13.64% 3	22.73% 5	4.55% 1	59.09% 13	22	1.78
Programa Empresarial Heredado de la Oficina de Pequeñas Empresas (Legacy Business Program of the Office of Small Business)	9.09% 2	27.27% 6	0.00% 0	63.64% 14	22	1.75
Asistencia técnica sobre licencias y regulaciones de permisos de la Oficina de Pequeñas Empresas (Office of Small Business)	4.55% 1	18.18% 4	9.09% 2	68.18% 15	22	2.14

Q11 Si es aplicable, ¿cuál es una recomendación clave para que los servicios que recibió sean más útiles para pequeñas empresas como la suya?

Answered: 22 Skipped: 0

Q12 ¿Cuál es el mayor desafío que enfrenta el manejo de una pequeña empresa en San Francisco? Por favor describa.

Answered: 22 Skipped: 0

Q13 Si tiene comentarios adicionales proporciónelos aquí (opcional).

Answered: 12 Skipped: 10