




AARON PESKIN

MEMORANDUM

DATE: May 3, 2021

TO: Anne Taupier, Office of Economic & Workforce Development (OEWD),
Acting Director
Lisa Pagan, OEWD, Senior Manager
Jada Jackson, OEWD Invest in Neighborhoods, Project Manager

FROM: Supervisor Aaron Peskin 

RE: Hearing at Budget & Appropriations – Small Business Relief – 5/5/2021

Thank you for meeting with my office in preparation for my upcoming May 5th, 2021 hearing at Budget & Appropriations Committee (co-sponsored by Supervisor Haney in File No. 210350) on the City's small business relief efforts. In summary, the Office of Economic & Workforce Development (OEWD) was asked to provide a breakdown of public monies passed through OEWD for direct relief to small business within the larger context of the Department's overall budget.

By way of background, my office submitted a letter of inquiry to OEWD in April 2016 to better understand how OEWD selected grant recipients, particularly for the Invest in Neighborhoods program. Given that OEWD does not have an oversight body or transparent guidelines on selection criteria, there continue to be concerns and confusion surrounding everything from third-party contracting and maximization of staff capacity to the lack of direct support for small businesses. Inasmuch as some businesses have been displaced or waited as long as 3 years for relief funds specifically dedicated to mitigate harm caused by ongoing capital projects, relief delayed has too often been relief essentially denied.

Since 2016, my office has worked with former Director of OEWD, Joaquin Torres, to push for reforms to OEWD services and programming and ways to pivot OEWD's work to tackle the daunting task of COVID-19 recovery for San Francisco's small business community. My original hearing request directed the OEWD Director to report on the Department's equity plan for our city's economic recovery process, but as you know, Mayor Breed's new OEWD Director won't be starting until May 17th, some two months after her appointment, and well into the end of this year's budget process. Given this new information, it is my intention to ask that the Chair continue this specific portion of the hearing to the call of the Chair so that the incoming Director has an opportunity to

review community correspondence to the Mayor and the Mayor's Budget Office on expectations around equity.

For the purposes of the May 5th hearing, it would be helpful for the Department to focus on the past year's practices and allocations, in the interest of identifying any useful feedback that may further ensure small businesses are getting the maximum results from public funds. Specifically, as discussed:

- 1) Please break down the various OEWD programs that provide direct relief to small businesses (e.g., Invest in Neighborhoods, Crabber's Relief Fund, Construction Mitigation Fund, SF Music & Entertainment Venue Recovery Fund, Legacy Business Fund, etc.) versus OEWD programs that provide non-relief services (signage, street beautification, marketing, etc.). Please specify the names of programs and/or funds, the source of funds, and include the Department's staff point of contact for each source of relief.
- 2) For each OEWD program that provides direct relief to small businesses, how many grant recipients are there total and how much funding have they received?
- 3) What is the breakdown of small business relief by neighborhood, including historically economically-disadvantaged small business communities like SoMa Pilipinas, the Mission, the Tenderloin/Little Saigon, Chinatown, the Fillmore and Bayview/Hunter's Point?
- 4) How many grants have been received by small businesses that identify as immigrant-owned or that have a primarily monolingual owner and workers? How many small businesses have received grants that identify as having a woman as the primary owner?
- 5) What is the typical wait time from public noticing of an open application process to deployment of funds to recipients? (For example: Chinatown merchants have expressed frustration that the Construction Mitigation Fund set up in 2019 failed to disperse funds to merchants until April 2021, while one of the few Filipina-owned small businesses in the heart of Central Subway construction zone in SoMa Pilipinas was denied any local relief at all.)
- 6) What percentage of small business relief is passed on to workers, and does OEWD work with OLSE to understand what small businesses are in compliance with local labor laws?
- 7) Is OEWD currently funding any programming on its small business side that does not go to small businesses? (For example: What is the total budget for citywide general marketing and citywide promotions for small businesses? Could those funds be better repurposed for grants?)
- 8) How much of OEWD's budget is set-aside for administrative work? Is this for city staff time or third-party contracts?
- 9) How much of OEWD's budget is set-aside for the development of legislation and other policy advocacy?
- 10) What are the current terms of any third-party contracting with outside groups, like Main Street Launch?
- 11) Who selects the OEWD Community Panelists that help "decide funding recommendations for project proposals, per the Department's email sent out on February 25, 2021? Please further explain this body, its process and what a "project proposal" is, including source of funds. (I note that the top selling point from the Department to potential oversight members is that this is "a great networking opportunity", so would like to understand the safeguards in place to

ensure that funding goes to those who need it most and that prioritization does not favor those panelists with whom the Department has established a good "networking" relationship.)

- 12) In my last meeting with outgoing Director Torres, he agreed that the Department must and would be pivoting its programs and services to specific and direct COVID-19 relief, which would mean redistributing some funds from previous "feel-good" events into meeting the direct needs of merchants and workers who were unable to pay for rent, insurance, necessary repairs or salaries and benefits for staff. How has the Department implemented this directive during COVID-19 and what recommendations will staff provide to the incoming OEWD Director on how to ensure that the Department, in the absence of an oversight body, is implementing an equity-based economic recovery for the City, including restructuring OEWD's budget to meet the real needs of small businesses in San Francisco?
- 13) Is OEWD providing consultation services for small businesses seeking to apply for current and forthcoming federal and state relief opportunities (e.g., the Restaurant Revitalization Fund, which is seeking to prioritize small businesses owned by women, veterans, or socially and economically disadvantaged individuals)?
- 14) Please confirm where the OEWD Director position was noticed. (I note that I was unable to find the listing on the City's Human Resources Department jobaps.com/sf portal but may have missed its noticing.)
- 15) Please provide an updated Org Chart specifying the number of FTE employees allocated to each of the Department subdivisions set forth at owed.org/about-us.

Thank you for your continued openness to improving the City's services and programming for small businesses, especially during this difficult time.

Aaron Peskin
District 3, Supervisor

CC: Supervisor Haney, Budget & Appropriations Committee Chair