



SMALL BUSINESS ADVISORY BOARD

Meeting Notice and Agenda

TUESDAY, February 24, 2026

In-Person Meeting, 8:15 a.m. – 9:30 a.m.

Location: Civic Center Plaza, 14th Floor Conference Room –
1200 3rd Ave, San Diego, CA 92101

Chair: Austin Evans | **Co Vice Chairs:** Natasha Salgado and Sunny Lee

Board Members: Austin Evans, Brandon S. Johnson, Christian Gomez, Jenna Hanson, Juliet Terramin, Michael Sovacool, Natasha Salgado, Sarah Mattinson, and Sunny Lee.

Staff Liaisons: Alex Southard and Sean Karafin.

Public Comment

Public Comment on an Agenda Item: If you wish to address the Board on an item for today's agenda, please complete and submit a speaker form before the Board hears the agenda item. You will be called at the time the item is heard.

Written Comment through Webform: In lieu of in-person attendance, members of the public may submit their comments using a webform <https://www.sandiego.gov/boards-and-commissions/public-comment>. If using the web form, indicate the agenda item number you wish to submit a comment for. Instructions for word limitations and deadlines are noted on the web form. On the web form, members of the public should select Small Business Advisory Board.

Public Comment on Matters Not on the Agenda: You may address the Board on any matter not listed on today's agenda. Please complete and submit a speaker form. However, California's open meeting laws do not permit the Board to discuss or take any action on the matter at today's meeting. At its discretion, the Board may add the item to a future meeting agenda or refer the matter to staff or committee. Individuals' comments are limited to three minutes per speaker. At the discretion of the Chair, if a large number of people wish to speak on the same item, comments may be limited to a set period of time per item.

Requests for Accessibility Modifications or Accommodations

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meetings and offering public comment as noted above, may be made by contacting Sean Karafin at 619-236-6700 or sdbusiness@sandiego.gov. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters, require different lead times, ranging from five business days to two weeks. Please keep this in mind and provide as much advance notice as possible in order to ensure availability. The City is committed to resolving accessibility requests swiftly in order to maximize accessibility.

Requests for translation services to offer public comment may be made by contacting Sean Karafin at 619-236-6700 or by email to sdbusiness@sandiego.gov. The City is committed to addressing language translation requests swiftly to maximize public participation.

- Item 1: Call to Order (Chair Evans)
- Item 2: Roll Call (Chair Evans)
- Item 3: Action: Approval of January Meeting Minutes (Chair Evans)
- Item 4: Presentation on the San Diego Workforce Needs and Assets Data Tool from Teddy Martinez with the San Diego Workforce Partnership
- Item 5: San Ysidro Business Improvement District Advisory Committee (Liaison Southard)
- Item 6: Action: Election of New Chair (Chair Evans)
- Item 7: Action: Draft Advising Letter (Chair Evans)
- Item 8: Staff Report
 - a. Economic Development Department (Liaison Southard)
- Item 9: Board Member Discussion
 - a. Suggested items for future meetings
- Item 10: Non-Agenda Public Comment
- Item 11: Adjournment



SMALL BUSINESS ADVISORY BOARD

Meeting Minutes

TUESDAY, January 27, 2026

8:30 a.m. – 10:00 a.m.

Location: Civic Center Plaza, 14th Floor Conference Room –
1200 3rd Ave, San Diego, CA 92101

Chair: Austin Evans | **Co Vice Chairs:** Natasha Salgado and Sunny Lee

Board Members: Austin Evans, Brandon S. Johnson, Christian Gomez, Jenna Hanson, Juliet Terramin, Michael Sovacool, Natasha Salgado, Sarah Mattinson, and Sunny Lee.

Staff Liaisons: Alex Southard and Sean Karafin.

- Item 1: Call to Order (Co Vice Chair Lee)
- Meeting was called to order at 8:37 AM.
- Item 2: Roll Call (Co Vice Chair Lee)
- In Attendance: Brandon S. Johnson, Christian Gomez, Jenna Hanson, Juliet Terramin, Sarah Mattinson, and Sunny Lee.
 - City Staff: Sean Karafin, Alex Southard, Nick Stephens, and Viridiana Quintana.
 - Guests: Daniel Enemark.
 - Members of the Public: Irma Soria and Jennifer Medeiros.
- Item 3: Non-Agenda Public Comment
- None.
- Item 4: Action: Approval of December Meeting Minutes (Co Vice Chair Lee)
- With a motion by Juliet Terramin and a second by Jenna Hanson, the Board voted to approve the December 2, 2025 minutes.
 - Yes: Brandon S. Johnson, Christian Gomez, Jenna Hanson, Juliet Terramin, Michael Sovacool, Sarah Mattinson, and Sunny Lee.
 - Abstain: Sarah Mattinson.
 - Absent: Austin Evans and Natasha Salgado.
- Item 5: Action: Approval of 2026 Meeting Calendar (Co Vice Chair Lee)
- With a motion by Sarah Mattinson and a second by Brandon S. Johnson, the Board voted to approve the 2026 Meeting Calendar.

- Yes: Brandon S. Johnson, Christian Gomez, Jenna Hanson, Juliet Terramin, Michael Sovacool, Sarah Mattinson, and Sunny Lee.
- Abstain: None.
- Absent: Austin Evans and Natasha Salgado.

Item 6: Discussion: FY27 Councilmember Budget Memorandas

- The board reviewed each Councilmember’s budget memos and discussed budget priorities that align with the board.
- Conversations were had regarding the impact and return on investment that small businesses contribute to San Diego.
- Interest was raised in learning more about the vacant property tax.
- Priority items identified include:
 - Infrastructure like streetlights improvements/repairs
 - Public safety – homelessness
 - Pursuing state and federal grants
 - Small Business Enhancement Program funding

Item 7: Presentation from Dr. Daniel Enemark with the Policy & Innovation Center on Economic Climate Projections

- Dr. Enemark, Chief Economist with the Policy and Innovation Center, presented on 2026 economic climate projections for San Diego.
- The Policy and Innovation Center is a local organization that was founded in 2021 with the support of the San Diego Foundation, the County of San Diego, and the Bookings Institution.
- The Center’s core areas of focus are economy, environment, and community.
- In last 50 years, the number of firms in San Diego more than doubled.
- About half the workforce works for large firms.
- The unemployment rate in San Diego is currently higher than the US rate.
 - Impacting factors can include the changes to tariffs and the ability to delivery competitive pricing as well as immigration enforcement and the affects it has had on the workforce.
- Data shows minority owned businesses are at a disadvantage when accessing lines of credits, programs, etc.
- The Regional EDC shares small business resources and information on a regular basis including the following data points:
 - Job growth is flat but 1/3 of small businesses expect to increase hiring.
 - Challenges with hiring qualified staff.
 - Significant number of small businesses plan on leaving the County.
- The largest industry in San Diego is professional and business services but it is also a declining industry.
- Questions were asked and conversation followed.
 - Access to economic opportunities should be increasing and more people joining the labor market to increase workforce talent.

- Discussions around alleviating burden on small businesses in relations to the high regulations and taxes.
- An assessment of state and local regulations might help prioritize what is actually needed.
- The annual Economic Roundtable San Diego will take place February 5th from 8:30-11:30AM at the University of San Diego.

Item 8: San Ysidro Business Improvement District Advisory Committee (Liaison Southard)

- Alex Southard shared an update on the San Ysidro BID activities.
- At the December meeting, the newly elected board approved the Executive Officer Positions Role Descriptions and elected the following slate:
 - Board President/Chair – Jose Alfredo Ripa
 - Vice President/Chair – Norman Jester
 - Secretary – Carol Kang
 - Treasurer – Mami Levy Wilton
- The board also approved the Financial Report to Date and signing a Memorandum of Understanding with APEX for business trainings.
- In the January meeting, the board heard presentations from a speaker with CalNonprofits Insurance Services and the U.S.-Mexico Border Philanthropy Partnership.
- A draft FY27 San Ysidro BID Budget was shared with the group which reflects spending primarily on the services agreements with Civic Community Partners and Hearts & Hands Working Together.
- The tentative schedule for FY27 BID Budgets is Economic Development and Intergovernmental Relations Committee on March 4, City Council on April 7, and the Noticed Public Hearing on May 12.

Item 9: Staff Report

- a. Economic Development Department (Liaison Southard)
 - Alex Southard provided an update from the Economic Development Department.
 - Sean Karafin shared there has been an update to the Brown Act at the State level primarily involving virtual meetings flexibility. This update requires local action which City Council has not yet taken.
 - Effective January 1, the City's minimum wage increased from \$17.25 to \$17.75 an hour. The change is in accordance with the City's Earned Sick Leave and Minimum Wage Ordinance, approved by voters in 2016. Please visit the Compliance Department webpage for more information: www.sandiego.gov/compliance/minimum-wage.
 - The Small Business Advisory Board currently has two vacancies on the board. Interested business owners or small business advocates can apply online. The board currently meets in-person on the 4th Tuesday of each month. Feel free to share with others and visit the SBAB website for more information: <https://onboard.sandiego.gov/board/3397>.

- Our department fields inquiries daily primarily through sdbusiness@sandiego.gov. The inbox is always covered, and we work as a team to respond to inquiries in a way that's as helpful as possible. For the month of December, 40 business-related inquiries were received with an 95% response rate within 2 business days.

Item 10: Action: Draft Advising Letter (Co Vice Chair Lee)

- With a motion by Sarah Mattinson and a second by Jenna Hanson, the Board voted to draft an advising letter regarding the board's FY27 budget priorities which will be reviewed at the February meeting.
 - Yes: Brandon S. Johnson, Christian Gomez, Jenna Hanson, Juliet Terramin, Michael Sovacool, Sarah Mattinson, and Sunny Lee.
 - Abstain: None.
 - Absent: Austin Evans and Natasha Salgado.

Item 11: Board Member Discussion

- a. Suggested items for future meetings
 - Sarah Mattinson suggested creating a list of all required employer workplace postings that encompasses requirements from agencies of all levels.
 - Alex Southard shared the San Diego Workforce Partnership will present on workforce and small business trends at the February meeting.

Item 12: Adjournment

- The meeting was adjourned at 10:01 AM.

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January 28, 2026

City Administration Building
202 C Street
San Diego, CA 92101

Re: FY27 Budget Priorities and the Role of Small Businesses in Economic Stability

Dear Mayor and Members of the City Council,

On behalf of the Small Business Advisory Board, we appreciate the opportunity to provide input as the City advances development of the Fiscal Year 2027 budget. Small businesses are foundational to San Diego's economic health, neighborhood vitality, and long-term fiscal sustainability. As you consider difficult budget decisions, we respectfully urge that small business impacts be explicitly considered across policy areas including public safety, homelessness response, infrastructure investment, and economic development.

Small Businesses Benefit the City

Small businesses are a primary driver of local economic activity and public revenue.

- Small businesses represent approximately 98 percent of all businesses in the City of San Diego
- They employ roughly half of the city's private-sector workforce, contributing significantly to household stability and consumer spending
- Visitor-serving and neighborhood businesses are critical contributors to Transient Occupancy Tax (TOT), sales tax, and permit and licensing revenue, which fund essential City services

Healthy commercial corridors also reduce vacancy, deter blight, and support public safety outcomes by keeping streets active and well-maintained.

Homelessness Impacts Small Businesses

The Small Business Advisory Board recognizes homelessness as a humanitarian crisis requiring coordinated, service-based solutions. We also note its direct impact on small businesses and employees.

- Business owners and frontline staff are often the first to experience the effects of homelessness on sidewalks, storefront access, sanitation, and customer perceptions
- Persistent Street conditions can reduce foot traffic, limit operating hours, and increase maintenance and security costs
- Small businesses are disproportionately affected due to limited staffing and financial reserves

Investments in homelessness prevention, outreach, shelter, and behavioral health services not only support individuals in crisis but also stabilize business corridors and reduce downstream enforcement and cleanup costs.

Reducing Costs and Increasing Revenues

SBAB supports a balanced approach that both reduces avoidable costs and protects long-term revenue.

Cost reduction strategies

- Emphasizing prevention and early intervention over punitive enforcement
- Coordinating infrastructure projects to minimize prolonged impacts on business corridors
- Providing technical assistance to reduce repeat violations and administrative burden

Revenue protection and growth

- Supporting small businesses so they remain open, compliant, and revenue-generating
- Avoiding new or increased fees that disproportionately impact small operators
- Leveraging tourism and non-resident revenue sources rather than shifting costs to local businesses

Healthy businesses are revenue generators, not cost centers. Retention is often more fiscally efficient than replacement.

Small Business Enhancement Program (SBEP)

The Small Business Enhancement Program is one of the City's most effective tools for aligning economic development with compliance, equity, and neighborhood health.

SBEP supports:

- Business compliance assistance that reduces enforcement costs
- Technical advising that improves business survivability and job retention
- Multilingual and culturally competent outreach in communities of concern
- Corridor-based support during infrastructure projects or economic disruption

SBAB encourages the City to continue funding SBEP and to more clearly position it as a core economic resilience and revenue-protection program, rather than solely a compliance resource.

Small businesses are integral to public safety, homelessness response, infrastructure success, and fiscal stability. As the City navigates significant budget challenges, the Small Business Advisory Board urges continued investment in programs and policies that keep businesses open, compliant, and thriving.

We appreciate your leadership and welcome continued collaboration to ensure the FY27 budget reflects the essential role small businesses play in San Diego's economy and neighborhoods.

Respectfully,

Small Business Advisory Board
City of San Diego

From: City of San Diego Official Website <NoReply@sanidiego.gov>

Sent: Thursday, February 12, 2026 10:04:07 PM

To: Commissions Public Comment <CommissPublicComment@sanidiego.gov>; Karafin, Sean <SKarafin@sanidiego.gov>; Southard, Alex <ASouthard@sanidiego.gov>

Subject: [EXTERNAL] Webform submission from: Meeting Agenda Public Comment

Submitted on Thu, 02/12/2026 - 22:04

NAME:

Gary Wonacott

EMAIL:

[REDACTED]

ADDRESS:

[REDACTED]

San Diego, California 92109

PHONE NUMBER:

[REDACTED]

BOARD OR COMMISSION:

Small Business Advisory Board

MEETING DATE:

2026-02-12

COMMENT TYPE:

Non-Agenda Comment

AGENDA ITEM NUMBER:

COMMENTS:

POLICY MEMORANDUM

To: Command Staff, City Leadership, Council Offices

From: Gary Wonacott, Community Impact Analyst

Subject: Economic and Community Impacts of STR Proliferation in Mission Beach

Date: February 12, 2026

SUMMARY

This memorandum documents significant community-level impacts associated with the transition from traditional summer-winter rentals to year-round whole-home short-term rentals (STRs) in Mission Beach. The data indicates a substantial loss of long-term residents, destabilization of the local

business environment, and seasonal population vacuums that affect public safety, economic activity, and neighborhood cohesion.

BACKGROUND

From before 1974 through approximately 2010, Mission Beach maintained a stable rental ecosystem consisting of 400-500 summer/winter rentals. These units operated under a predictable model:

- * 9-month leases to students, workers, and long-term residents
- * Weekly summer rentals at approximately 4× the monthly rate
- * Near-100% occupancy year-round

This system supported a consistent residential population and a reliable customer base for local businesses.

Beginning around 2010, the introduction of Airbnb-style platforms triggered a rapid conversion of these units into year-round whole-home STRs.

KEY FINDINGS

1. STR Proliferation and Population Displacement

- * Between 2010 and 2018, STRs increased from 400-500 units to approximately 1,800.
- * During the same period, 2,500-3,000 long-term residents were displaced.
- * This represents one of the most significant population losses in any San Diego neighborhood.

2. Seasonal Occupancy Collapse

Despite being "year-round" rentals, STR occupancy is highly seasonal:

- * Summer 2025 occupancy: ~86% (AirDNA)
- * Winter 2025 occupancy: below 50%

This creates a winter population vacuum in a neighborhood that previously maintained full occupancy year-round.

3. Economic Impact on Local Businesses

Mission Beach contains 145 local small businesses, many of which historically relied on the stable winter population.

Current conditions show:

- * Up to 40% revenue decline in winter months (per South Mission Beach grocery employee)
- * Reduced foot traffic
- * Fewer year-round customers
- * Increased business volatility

The shift from long-term residents to seasonal visitors has created an economic environment that many businesses describe as unsustainable.

4. Regulatory Delays

- * STR regulations were passed by the City Council in 2021.
- * Implementation did not occur until 2023.
- * During this gap, STR activity continued to expand unchecked.
- * COVID-19 disrupted tourism but did not cause the structural changes

documented here.

IMPACT ASSESSMENT

The combined effects of resident displacement, seasonal STR vacancy, and declining winter commerce have created:

- * Reduced neighborhood stability
- * Increased property turnover
- * Seasonal "ghost town" conditions
- * Strain on local businesses
- * Greater demand for police response during peak tourist months
- * Lower community engagement

CONCLUSION

Mission Beach is experiencing the worst of both worlds:

- * Thousands of displaced residents, and
- * Hundreds of STRs sitting empty for months at a time

The resulting instability has directly harmed local businesses and weakened the neighborhood's year-round economic foundation.

The City Council, having authorized the current STR framework including Tier 4 whole-home STRs, bears responsibility for addressing these impacts.

Corrective action is necessary to restore community stability, support local businesses, and ensure Mission Beach remains a viable residential and commercial district.