



DATE: February 5, 2024

TO: Council Economic Development Committee

FROM: Chief Economic Development Officer

SUBJECT: Hayward Upward Economic Recovery Plan Update: Restaurant Relaunch and Restore and Reopen Programs

RECOMMENDATION

That the Council Economic Development Committee receives updates on the progress of the Hayward Upward Economic Recovery Plan: Restaurant Relaunch and Restore and Reopen Programs.

SUMMARY

The Restaurant Relaunch and Restore and Reopen Programs are two ARPA-funded programs within the City of Hayward's COVID-19 economic recovery plan, which was reviewed by the Council Economic Development Committee in June 2021. These programs aim to support local restaurants and food businesses that have been negatively impacted by the pandemic by providing financial and technical assistance. The following report provides an update on the current state of the programs, their impact on the community, and proposed future actions. The staff presentation at the February 5th meeting will summarize program data and highlight the visual impacts of the grantee projects.

BACKGROUND

The COVID-19 pandemic dealt a devastating blow to the restaurant, retail, and service industries, forcing many businesses to temporarily or permanently shut down, resulting in significant job losses and revenue declines. Despite the lifting of restrictions and the reopening of businesses, these industries still face a host of challenges, including supply chain disruptions, labor shortages, and evolving consumer behaviors.

To help support local businesses during these difficult times, the City of Hayward launched two initiatives: the Restaurant Relaunch Program and the Restore and Reopen Program. These programs are made possible through funding from the American Rescue Plan Act (ARPA) and are designed to provide eligible businesses with financial assistance and technical support to update their operations. By revamping and improving their facilities

and incorporating outdoor dining options where applicable, these businesses can attract customers back into their brick-and-mortar establishments. These initiatives aim to provide businesses with the resources they need to not only recover from the pandemic but also thrive in the long term.

DISCUSSION

Restaurant Relaunch Program

The Restaurant Relaunch program was intended to help businesses renovate their facilities and create outdoor dining opportunities where applicable.

Since the program's launch, Economic Development staff approved 13 businesses for funding, with the total amount of grant funding available being \$250,000. Businesses can receive grants starting at \$5,000 which increases based on the needs of the business and the extent of the project proposed. Consistent with the City's commitment to equity and inclusion, all 13 businesses participating in the program are minority-owned.

To maximize the positive impact on the participating businesses while also improving the look and feel of the city's commercial corridors, the Economic Development Division created an architectural bench. The bench was made up of available architectural firms that worked with the participating businesses to create designs, obtain needed permits, identify contractors to complete the work, and manage the construction process. The cost of the architectural services was paid for by the grant funds provided through the program. To date, twelve businesses have completed their renovations, or are close to completion.

Approved projects have included a full reface of an existing building, refurbished outdoor dining area, new building signage, refaced freestanding signage, paint, new interior upgrades, and more. To qualify for the program, a business must have no current code violations and must have an active, current business license. A complete list of participants along with a project summary for each participant can be found in Attachment II.

Restore and Reopen Program

The Restore and Reopen Grant Program provides technical assistance to eligible businesses located within the City of Hayward to help them adapt to changing market conditions and consumer behaviors. The program offers a range of services, including marketing support, menu development, online ordering and delivery platform implementation, and business coaching. In addition, businesses can receive grants ranging from \$5,000 to \$15,000 for repairs and exterior improvements, such as lighting, signage, and windows, including the cost of related city permit fees. The program budget is \$200,000.

To date, 22 businesses have participated in the program, with 21 of the 22 being minority-owned. The businesses are spread throughout the entire City of Hayward and include restaurants, entertainment venues, salons, and retail stores. The program helped these

businesses update and renovate their establishments, making them more welcoming to customers. The program intends to drive customers back to brick-and-mortar locations, helping to revitalize commercial corridors and combat blight.

Approved projects have included interior improvements such as paint, flooring, seating, and other customer-facing items, new exterior signage, and exterior outdoor dining upgrades. To qualify for the program, a business must have no current Code Enforcement violations and must have an active, current business license. A complete list of participating businesses along with a brief project summary for each business can be found in Attachment II.

NEXT STEPS

The Economic Development Division is working diligently to complete the remaining projects for both the Restaurant Relaunch and Restore and Reopen Programs. Staff expects to exhaust the remaining budgets for both programs by the end of Q1 of this year.

FISCAL IMPACT

The Restaurant Relaunch and Restore and Reopen Programs have an allocated budget of \$450,000, with \$250,000 for the Restaurant Relaunch Program and \$200,000 for the Restore and Reopen Program. These funds were made available through the American Rescue Plan Act (ARPA) to assist the City of Hayward in its economic recovery from the COVID-19 pandemic.

As of the writing of this report, all funding in both programs have been appropriated.

Prepared by: Catherine Ralston, Economic Development Consultant
Daniel Mao, Economic Development Specialist

Recommended by: Paul Nguyen, Chief Economic Development Officer

Approved by:



Kelly McAdoo, City Manager