



DATE: December 2, 2024

TO: Council Economic Development Committee

FROM: Chief Economic Development Officer

SUBJECT: Hayward Upward Economic Recovery Plan: Program Review and Summary of Economic Impacts

RECOMMENDATION

That the Council Economic Development Committee receives updates on the completion of the Hayward Upward Economic Recovery Plan and associated programs.

SUMMARY

The America Rescue Plan Act of 2021 (ARPA), also known as the COVID-19 Stimulus Package, included over \$65 billion in direct federal relief to cities to address the economic and fiscal impacts of the pandemic and to assist in the recovery of local communities. The City of Hayward received approximately \$38 million in local relief from the federal government, and the City Council allocated \$2 million towards economic recovery programs to support local businesses and the resident workforce.

In June 2021, the Council Economic Development Committee (CEDC) and subsequently the City Council approved the creation of seven new programs that were to be implemented over a 3-year period. Those approved programs spun-off an additional 6 programs that were created to fill unique needs and embrace new opportunities that were identified during the implementation period.

At the December CEDC meeting, staff will provide a summary of these programs, quantify their economic impact and highlight their achievements, which include establishing best practices and model programs being utilized by other agencies.

BACKGROUND

The seven original programs, six spin-off programs and the allocated budgets for each are listed in Table 1 below.

Table 1: Hayward Upward Economic Recovery Plan

#	Original Program	Spin-Off Program	Total Budget Allocated
1	Open for Business	Hayward Live	\$250,000
		Hashtag Hayward	
2	Small Business Grants		\$100,000
3	Community Gift Card	Point Of Sale Grants	\$500,000
4	Restaurant Relaunch	Architect Bench Program	\$250,000
5	Restore and Reopen		\$200,000
6	Hire Hayward	Job Fair	\$300,000
7	Tuition Assistance	Innovation Festival	\$400,000
		TOTAL	\$2,000,000

All these programs have been completed with all funds fully allocated and distributed in accordance with federal requirements. Staff will provide an update at the meeting with statistics on the economic impacts of the programs, highlight businesses and residents served and outline potential next steps for extending these programs beyond ARPA funding.

DISCUSSION

Through these programs, the City of Hayward has been able to assist 179 businesses, over 2,700 employees and over 500 residents. The programs did not just provide one-time funding to these businesses and individuals, but rather provided opportunities for longer lasting impacts through marketing, physical improvements to customer areas, training to utilize social media, improved job skills to allow for upward movement in the labor force and connecting Hayward businesses to Hayward residents looking to fill high-paying, skilled-labor job opportunities.

ECONOMIC IMPACT

The Hayward Upward Economic Recovery programs positively impacted both the business and resident community. Though the initial funding of these programs was \$2 million, the economic impact has been significantly higher. Many of these programs have measurably increased customer visits and spending at the businesses. These programs created a multiplier effect on local spending. Studies produced by the US Small Business Administration, American Independent Business Alliance, Institute for Local Self-Reliance and as well as publications including *American Economic Review* and *Journal of Urban Economics*, consistently find that every dollar that is spent at a locally owned business, that dollar is recirculated between four and six times within the community. In addition, some of the programs assisted residents with finding higher paying jobs, which can help improve the long-term financial outlook for those residents and their families. Increased income allows for spending beyond the necessities of housing, food and utilities.

FISCAL IMPACT

The Hayward Upward Economic Recovery Plan was funded with the America Rescue Plan Act of 2021 (ARPA) resources. The programs were all implemented utilizing Economic Development staff and consultants funded through the General Fund that was previously allocated to those positions. No additional General Fund dollars were used for these programs.

Prepared by: Catherine Ralston, Economic Development Consultant

Recommended by: Paul Nguyen, Chief Economic Development Officer

Approved by:



Dustin Clausen, Interim City Manager