



DATE: June 5, 2023

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.

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, the industry still faces a host of challenges, including supply chain disruptions, labor shortages, and evolving consumer behaviors.

To help support local businesses recover, the Economic Development Division 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. To be eligible, businesses must have been in operation for at least five years, have no current code enforcement violations, and hold an active and current business license.

Since the program's launch, the Economic Development Team has approved 11 businesses for funding, with the total amount of grant funding available being \$250,000. Businesses can receive grants starting at \$5,000, which will increase based on the needs of the business and the extent of the project proposed.

To maximize the impact on the participating businesses and also to improve the look and feel of the city's commercial corridors, the Economic Development Team created an architectural bench. The bench was made up of 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, five businesses completed their renovations, and six others are currently underway or close to completion. A complete list of participants can be found in Attachment II. At the June 5th CEDC meeting, staff will provide visual before and after examples of completed projects.

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 minor repairs and exterior improvements, such as lighting, signage, windows, and related city permit fees. The program budget is \$200,000.

To date, 19 businesses have participated in the program, with 18 of the 19 grantees being minority-owned small businesses. The businesses are spread throughout the City of Hayward and include restaurants, entertainment venues, salons, and martial arts gyms. The program helped these businesses update and renovate their establishments, making them more visually attractive and welcoming to customers. The intent of the program is to drive customers back to brick-and-mortar locations, helping to revitalize commercial corridors and

combat blight. At the June 5th CEDC meeting, staff will provide visual before and after examples of completed projects.

The program is still accepting new applications, and staff are actively recruiting eligible businesses. 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 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 Q3 of this year. The team will continue to review applications for the Restore and Reopen Program until the allocated funds have been fully utilized. The Council Economic Development Committee will continue to receive updates on the progress of these programs.

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, both programs have approved funding for eligible businesses to improve their facilities and adapt to the changing market conditions. The Restaurant Relaunch Program has \$22,000 remaining, while the Restore and Reopen Program has \$22,000 left in its budget. Staff is currently evaluating applications to obligate the remainder of these funds.

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