



DATE: May 26, 2022

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT: Update on COVID-19 Economic Recovery Restaurant Relaunch and Restore and Reopen Grant Programs

RECOMMENDATION

That the Council Economic Development Committee receives an update on the American Rescue Plan Act (ARPA) funded COVID-19 Economic Recovery Restaurant Relaunch and Restore and Reopen Façade Improvement Grant Programs.

SUMMARY

As part of the City of Hayward COVID-19 Economic Recovery efforts, \$250,000 was allocated from ARPA funding to implement the Restaurant Relaunch Grant Program and \$200,000 to implement the Restore and Reopen Façade Improvement Grant Program. This report provides a summary of the two grant programs and provides members of the Council Economic Development Committee (CEDC) with a progress update.

BACKGROUND

ARPA, also known as the COVID-19 Stimulus Package, included over \$65 billion in direct federal relief to cities in order to address the economic and fiscal impacts of the COVID crisis and to assist in the recovery of local communities. The City of Hayward received approximately \$38 million in local relief from the federal government to address the internal and external needs of the City associated with the COVID crisis. Approximately \$2 million has been allocated towards Economic Recovery efforts to support local businesses.

In June 2021, the CEDC reviewed the nine Economic Recovery programs to be implemented over 3 years to assist businesses adapt to the new changing economy. The nine adopted programs include: Hayward Open For Business Marketing Campaign, Together for Hayward Gift Card Program, Small Business Assistance Grant Program, Restaurant Relaunch Program, Façade Improvement Program, Get Digital Program, Hire Hayward Program, Earn and Learn Program, and the Tuition Assistance Program. Of the allocated \$2 Million, \$250,000 was designated for the Restaurant Relaunch Grant Program and \$200,000 for the Restore and Reopen Façade Improvement Program.

DISCUSSION

ARPA Restaurant Relaunch Grant Program

As one part of the larger COVID-19 Economic Recovery program, a total of \$250,000 was allocated for the Restaurant Relaunch Grant Program. This program is designed to create and enhance permanent and temporary parklets for outdoor dining, improve the exterior appearance of restaurants, reconfigure interior space to meet modern customer expectations and other improvements on an as needed basis for the participating businesses. The grant funds could assist with the purchase of furniture, outdoor heaters, umbrellas, landscape planters and other needed items. Businesses participating in the program can receive grants starting at \$10,000 that increase based on the needs of the business, the extent of the project proposed, and commitment of matching funds.

In order for a restaurant to qualify to participate in the program, the business must have been in operation at least 5 years, have no current Code Enforcement violations, and have an active, current business license.

ARPA Restore and Reopen Grant Program

The City of Hayward has a long history of offering façade assistance to businesses to help improve the visual presence. The Restore and Reopen Grant program allocates dollars that could be used for grants to assist businesses along the major commercial corridors. The funds could be used for repairs and exterior improvements including lighting, signage, windows, signs and related city permit fees. This program would help to combat blight and activates older dilapidated centers. Businesses participating in the program can receive grants starting at \$5,000 and will increase based on the needs of the business and the extent of the project proposed.

In order for a business to qualify to participate in the program, the business must have no current Code Enforcement violations and must have an active, current business license.

Architectural Bench and Project Management

Economic Development staff understands that in order for these two programs to have a maximum positive impact for the participating businesses, while also improving the look and feel of the City's commercial corridors, some professional design assistance would be needed. In January, the Economic Development Division released a Request for Proposals with the intent to create a bench of available architectural firms that would be available to work with the participating businesses to create designs, obtain needed permits, identify contractors to complete the work and manage the construction process. Four firms responded to the RFP and are under contract with the City of Hayward to provide these services. At the May 26 CEDC meeting, staff has invited one of the architecture firms to provide a brief presentation on the aesthetic goals that the program seeks to create. Approved projects will meet the

businesses needs for post-pandemic layouts, while incorporating elements of modern, bold and impactful design.

As businesses are selected to participate in the program, a project proposal is sent to each of the firms to bid on the design and project management of the project. Once selected, the architectural firm will meet with the business to identify the needed improvements and move the project forward. The cost of the architectural services is paid for by the City using the ARPA funds.

Application Period

On February 4, 2022, Economic Development staff opened the application period for both of these programs. Emails were sent to all restaurants and retailers in which the city had an email, as well as articles in The Stack newsletter, and the Chamber of Commerce newsletter. A business had to request an application be sent to them rather than an open link on the City's website. This process allowed staff to clarify the program with the follow up email that the grant is only for making physical improvements to the business. This program is different than the previous Small Business Assistance Grants, which covered items such as inventory and utility costs. A total of 64 applications were requested, and 21 applications were returned requesting participation. The application period closed on May 5, 2022.

While not required, the application did ask if the business would be willing to put up any matching dollars towards the improvements to assist with the project. This information will be used to help prioritize those project that receive funding as not all applications will be able to be assisted through the program. Other key selection criteria include geographic distribution of the awardees, prioritizing legacy businesses, and ethnicity and ownership characteristics of business-owners.

Next Steps

Staff are reviewing the applications and will be selecting restaurants to participate in the Restaurant Relaunch program and Restore and Reopen program. Once the initial selection is made based on meeting the program criteria staff will send out project bid notifications to the architectural bench to begin the design process. It is anticipated that 8 – 10 businesses will be served under each program.

ECONOMIC IMPACT

The dollars offered under these two programs allow these small businesses to make necessary improvements to continue to attract customers to their places of business. In addition, the additional service of the architect and project manager allows the small business owners to focus on running their business rather than diverting their attention to the construction projects.

FISCAL IMPACT

The funds used for both grant programs are allocated through Federal dollars the City has received through the ARPA program. No General Fund dollars are used for the grants. The only fiscal impact for the City is the staff time needed to implement the program which includes business outreach, processing and selection of applications, coordination with the bench of architects, verification of completed work and receipts, and issuing payments.

Prepared by: Catherine Ralston, Economic Development Specialist

Recommended by: Paul Nguyen, Economic Development Manager
Jennifer Off, Assistant City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is written over a horizontal line.

Kelly McAdoo, City Manager