



**DATE:** October 29, 2018

**TO:** Council Economic Development Committee

**FROM:** Deputy City Manager

**SUBJECT:** Small Business Assistance Program Update

### **RECOMMENDATION**

That the Council Economic Development Committee (CEDC) accepts the program update.

### **SUMMARY**

The following report is an overview of ongoing efforts to assist small businesses located in the City of Hayward, specifically in the Tennyson Corridor and the Downtown Area.

### **BACKGROUND**

On July 18, 2017, the City Council adopted the Small Business Incubators and Job Creators program for the Tennyson Corridor and Downtown Area. This program would facilitate the rehabilitation of commercial sites in these two areas for the development of micro-enterprise small businesses. The businesses that are to be served under the program include either minority, women or low-income owned businesses with five or fewer employees. Qualifying businesses would be eligible to receive up to \$5,000 as part of a reimbursable grant for improving or growing their businesses.

On November 7, 2017, the City Council established the Small Business Façade Rebate Program. Under this program, the property owner or business tenant (with property owner authorization) can apply for a façade rebate for commercial businesses and property owners of up to \$5,000 in the Downtown and up to \$10,000 in the Tennyson Corridor. The rebate can be used for signs, paint, awnings, or cleaning. Approval of an application and completion of eligible work must be completed prior to rebate reimbursement.

### **DISCUSSION**

#### *Small Business Incubators and Job Creators Program*

For Fiscal Year 2018/2019, \$75,000 is currently available for the Small Business Incubators and Job Creators Program. These funds must be distributed to businesses meeting the requirements by the end of April 2019 to meet the reporting requirements for these federal dollars established by the federal Housing and Urban Development Department (HUD).

Using the practices of the Lean Innovation, staff has created an information piece and interest card that would be delivered during door to door visits to Tennyson businesses and advertised to Downtown businesses. Door to door visits will begin the first Friday of November and businesses will be screened and selected by December. The program was also promoted at the Latino Business Roundtable on October 26, 2018.

Based on the interest received, staff will implement the grant program that would issue up to \$5,000 in funds per business that meet the following requirements: must have five or fewer employees; must be located within the Tennyson corridor or in the Downtown; and must be a minority, woman or low income owned business. Businesses that are national or major chain stores, alcohol related, tobacco related, offices, gas stations, or those that have previously received façade improvement dollars will be excluded from the initial round of funding.

Dollars issued as part of the grant can be used for: the establishment, stabilization, and expansion of microenterprises; equipment upgrades; marketing materials; website presence; signage; exterior improvements; inventory purchases; technical assistance and advice; and business services to owners of microenterprises and persons developing microenterprises; and/or training and technical assistance or other support services to increase capacity of grantees to carry out microenterprise activities. Grants will be given out until the dollars are all expended on a first come, first serve basis for those that meet the qualifications. There is no repayment requirement for these dollars and would be issued as reimbursement for work completed.

#### *Small Business Façade Rebate Program*

For Fiscal Year 2018/2019, a total of \$100,000 in funds were allocated for the Small Business Façade Rebate Program through the CDBG program and an additional \$50,000 from Economic Development funds. Under the Small Business Façade Rebate Program, property owners and small businesses can apply for reimbursement of completed eligible projects that include washing/painting the building, replacement awnings, sign repair and replacement and property clean-up. All projects must meet the City of Hayward Design Guidelines and receive approval to proceed prior to work commencing. To date, four businesses along the Tennyson corridor have completed their projects and two businesses along B Street have been completed. Those businesses are as follows:

East Bay Wireless	27957 Leidig Court
Maria's Restaurant	27973 Leidig Court
Mary's Hair Salon	27965 Leidig Court
Sal's Tennyson Hardware	27949 Leidig Court
Dirty Bird	926 B Street
Satin Roses	1019 B Street

An additional seven businesses along Tennyson Road are expected to be completed prior to the end of the fiscal year. Five additional businesses along B Street have received approval for their design to move forward with their projects but have not completed the grant process for receiving reimbursement for the work, nor has work on the projects proceeded.

## **STRATEGIC INITIATIVES**

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structures services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goal and objective:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 2: Foster a sense of place and support neighborhood pride.

## **FISCAL AND ECONOMIC IMPACT**

The City Council approved \$350,000 for Small Business incentives as part of the FY 2018 Economic Development budget. In addition, CDBG funding also supports these programs. The small business incentives are intended to assist in the expansion and attraction of small businesses that create job opportunities for Hayward residents, and additional goods and services for our community along with implementation of the Tennyson Corridor and Complete Communities Strategic Initiatives and the Economic Development Strategic Plan.

*Prepared by:* Catherine Ralston, Economic Development Specialist

*Recommended by:* Jennifer Ott, Deputy City Manager

Approved by:



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Kelly McAdoo, City Manager