

OFFICE OF ECONOMIC DEVELOPMENT & CULTURAL AFFAIRS Quarterly Report - May 2022

The following reports reflect blog posts and other activities and communications by the department over the previous quarter.



Tackling Commercial Rent Debt - San Jose's new Small Business Grant Program

Blogpost



The City of San Jose is launching its second round of grants to small businesses, funded by the American Rescue Plan and administered by Enterprise Foundation, a subsidiary of Access Small Business Development Center (SBDC). The grant program's budget is \$2.5 million, and the grants will range from \$5,000 to \$15,000, to be used for paying outstanding commercial rent debt. The grant application period is from May 3 through May 30, 2022. Approximately 300 business will receive a grant, and the grants will be awarded by a lottery rather than first-come, first-served so that all eligible businesses have the same chance of an award. Applications are accepted at the Enterprise Foundation/AccessSBDC site.

The lottery approach is just one of the features of this program that the City/SBDC partnership developed after analyzing the barriers that prevented the most vulnerable businesses from applying to previous pandemic-related loan and grant programs. The purpose of this round of grants includes not just helping business owners who took advantage of the rent moratorium, but to help the landlords, many of whom are momand-pop property owners. Supporting the commercial real estate market is essential for San Jose's full recovery.



San Jose Projects Report

The updated <u>list of ongoing projects</u> is now available, along with the <u>interactive map</u>.

The listed projects have an outsized impact towards fulfilling the our-City's goals for housing, employment, and placemaking. It's not a comprehensive list of all projects on file with the City, but they do represent large, complicated, and/or critical projects for the City. This list reflects slightly more than 8,000 residential units and 6.58M square feet of office space currently under entitlement review, and we have 2,762 residential units and 5.15M square feet of office under construction.

Since the December 2021 update, four projects have been added:

- Imwalle's Stockton Office Tower (250 Stockton with 1.3M square feet of office
- Coleman Highline submitted their final office building (288,000 sf at 1185 Coleman)

Blogpost

- Westbank submitted a 319 residential unit/ 12,000 sf commercial project for 323 Terraine (formerly the site of Block H/North San Pedro Tower 3/NSPT3
- A Master Planned Development Permit and tentative map was submitted for the Flea Market to review demolition of the existing Flea Market and review the grading, utilities, and roadway and to subdivide the property. Additional permits will be required for future buildings.

The report includes an <u>interactive map</u> that provides a guide to the location of the projects.



Work2future partners with Facebook on internships to help small businesses with digital marketing

Blogpost

Meta/Facebook and work2future are launching the Career Connections program for the summer of 2022. The program is designed to offer paid summer training for young jobseekers on their way to a digital marketing careers, and matching them with local small businesses who need help with increasing their online presence. Those interested in internships can apply now online, May through August 2022. They will receive training, mentoring, connections to new professional networks and resources, and real job experience.

Small businesses and non-profits will benefit from hands-on help from Facebook-trained digital marketing interns at no cost, a \$500 Facebook/Instagram ad credit and exclusive training and support.

OEDCA's BizWalks cover the City, reveal needs

With the onset of the COVID-19 pandemic, OEDCA had to expand our services and communications to serve the small businesses as they were the most impacted by the pandemic-related public health orders. Although we created a new website for COVIDrelated business information, and started multilingual social media, email outreach and a series of business support webinars, we found that we needed new communications tactics to overcome two major barriers in the small business world -- language and digital engagement. Many of our most threatened small-business owners are not proficient in English, and may not be active users of email, websites and other technological communications channels. To address this need, by the time retail businesses were able to open again, OED had launched the BlzWalk series.

As of the end of May, 20 walks have been completed, at least one in each Council District.

We are collecting information from the businesses visited on each walk, to capture a sense of the relative recovery in the area, to record insights into the significance of federal and state loan/grant programs and to understand the challenges each area faces. It must be noted, however, that our records of these walks are far from projectable and are anecdotal.

Many businesses from all parts of the city shared concerns about safety, crime and blight, and OEDCA' Business Development team is working on including contact info to get help for those urgent issues in webinars, flyers, social media and other channels.

Business owners can get real estate help from new City of

Blogpost





San Jose program

Small business owners in San Jose can get help with landlord/tenant issues through a new initiative supported by the Office of Economic Development & Cultural Affairs.

The program consists of two elements: a toll-free hotline - 888-664-0882 - offering callers one-on-one assistance with an expert, and an interactive online workshop series that explores basic concepts in commercial real estate. It's all offered in three languages: English, Spanish and Vietnamese. The first webinar was held March 20. Recordings of the webinar can be found on our YouTube channel.

The City's partner is Start Small Think Big Inc., a nonprofit that provides small business assistance including financial planning, legal assistance, marketing and more.



OEDCA co-hosts meeting with Flea Market vendors

On February 23, 2022, the Office of Economic Development & Cultural Affairs (OEDCA) joined the Berryessa Flea Market Vendors Association to host an open, multi-lingual meeting and resource fair for vendors at the Flea Market. Attended by about 150 vendors, the open-air meeting was an important milestone in the City's work related to the San Jose Flea Market, which is located on 60 acres of privately held land slated for redevelopment.

On June 29, 2021, the City Council approved the San Jose Flea Market Southside Rezoning. A major focus of the Council discussion was the vendor community: how to support them while allowing transit-oriented development adjacent to San Jose's only BART station to proceed. When approving the rezoning, the City Council directed staff to work with and support the Flea Market vendors, as plans to redevelop the site advance. This included payment by the property owner of \$500,000 for staff to set up a Flea Market Advisory Group and Vendor Transition Fund, as well as to complete an economic assessment of the existing market to inform future work. In the future, the property owner is required to contribute an additional \$4.5 million to the Fund, and the City has earmarked another \$2.5 million for the Fund, for a total of \$7 million.

OEDCA is responsible for ensuring the City is fully involved in supporting the Flea Market vendors through and beyond the development process initiated by the property owners of the Flea Market. The goal is to help the vendors sustain their businesses into the future and support development of the next version of the Flea Market. See the <u>City of San Jose Flea Market page</u> for more details.

At the meeting, OEDCA Director Nanci Klein and Berryessa Flea Market Vendors Association President Roberto Gonzalez provided background on the work so far and the next steps. The meeting was held in-person to accommodate the vendors, and included live, simultaneous interpretation service in Spanish and Vietnamese.

The technical assistance organizations that set up tables and met with vendors at the event were: Prosperity Lab, Latino Business Foundation, Small Business Administration (SBA), Elevate Community Center, Small Business Development Center/Hispanic Chamber of Commerce, TMC Community Capital, LUNA (Latinos United for a New America), and SOMOS Mayfair.

After the presentations, staff conducted small-group meetings in Spanish, English and Vietnamese, to be able to answer questions and get feedback from vendors.

Blogpost

The biggest concerns expressed by the vendors included uncertainty about their short-term futures as cost of doing business at the Flea Market increases, and the long-term issues of the current property being developed.



County announces grants for very small businesses

In March, Santa Clara County launched a grant program for micro-businesses with less than \$50,000 in gross revenue in 2019 if they qualified:

- Were in business in 2019
- Are negatively impacted by COVID-19
- Had less than \$50,000 in total revenue in 2019
- Have fewer than five employees
- Are still operating or will reopen in 2022

The online application was available in English, Spanish, or Vietnamese at

<u>www.AccessSBDC.org</u>. Applications were accepted in two phases and awards were by lottery.

Blogpost



Downtown Springs into 2022 - Guest blogpost, Rick Jensen, SJDA

Blogpost

The effects of the COVID pandemic have been severe for most businesses, yet in downtown San Jose, hope springs eternal. Fresh signs of optimism are sprouting throughout the city center, just as winter turns to spring.

One of the encouraging signals comes from Boston Properties and CPP Investments, who announced Feb. 16 that construction has resumed on the first phase of their Platform 16 development in Downtown West after nearly two years of limbo.

On March 4, 2020, Mayor Sam Liccardo led a joyful groundbreaking ceremony for the 1.1 million square-foot speculative office project at 440 W. Julian St. Less than two weeks later, the pandemic shutdowns began and construction was halted.

Other commercial development news included the Urban Community announcement of work starting on a Park Habitat; glass going up at 200 Park Avenue office building by Jay Paul Company; and Adobe continues construction on its north tower project. Residential projects reaching completion include MIRO, and 188 W. St. James.

News from the hospitality sector included exciting additions to the San Pedro Square area - San Jose Social - and SoFA – Mama Kin in the venerable Café Strich location.

For updates, <u>subscribe</u> to Downtown Dimension.

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