

# Economic Recovery & Workplan Update

September 27, 2021

Community & Economic Development Committee  
**Office of Economic Development and Cultural Affairs**



The **strength** of the economic recovery largely depends largely on **what you do, where you are, and what opportunities and resources** are available to you.



# Health Conditions Provide Runway for Recovery – or Retraction



Photos: AACJ  
vaccination events

Santa Clara County has among the highest vaccination, and lowest case rates, in the nation.

**83%** of residents  
12+ with at  
least 1 dose

**10.6** cases per 100K  
residents (42 =  
U.S. average)





# Progress and Plateau Follow Re-Opening

## Percent Change in All Consumer Spending

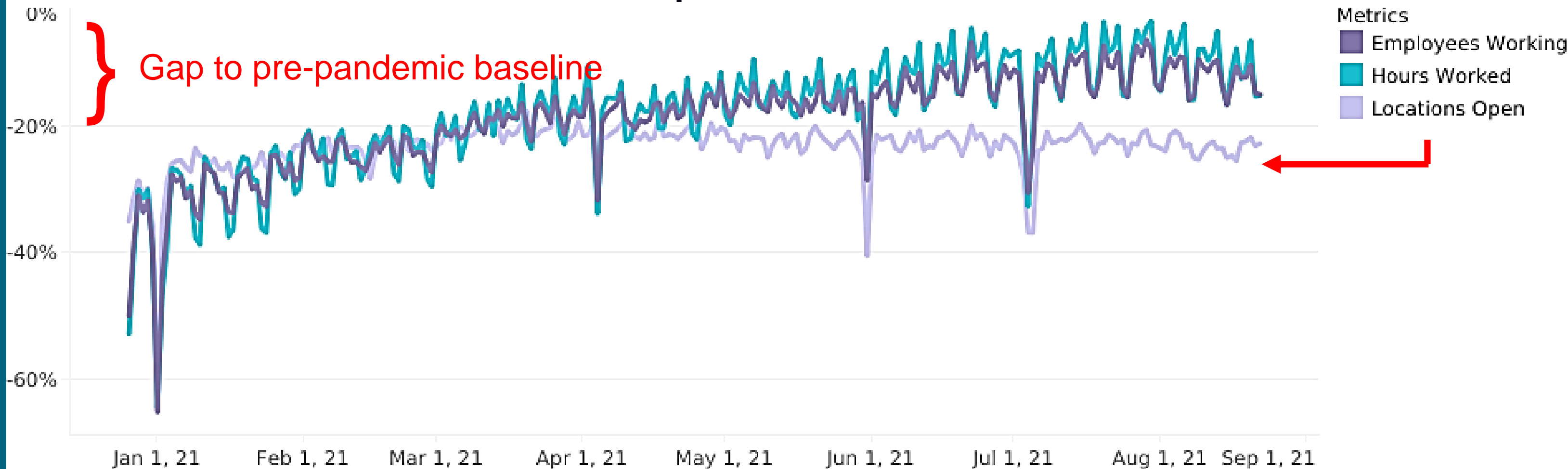
As of Sept. 5 2021, total spending in San Jose by all consumers increased by 23% compared to January 2020



San Jose-area consumers are spending again, led by expenditures in grocery, retail and health care.

Data: TrackTheRecovery.org

## Percent of San Jose-Area Businesses Open

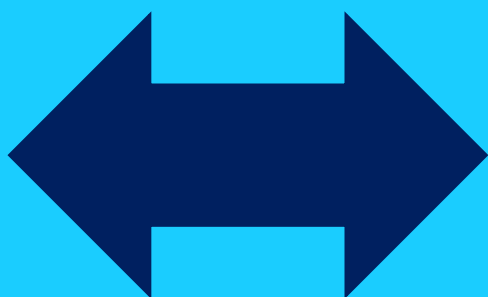


The percent of area businesses that are open, compared to January 2020, is still down ~20% and has plateaued.

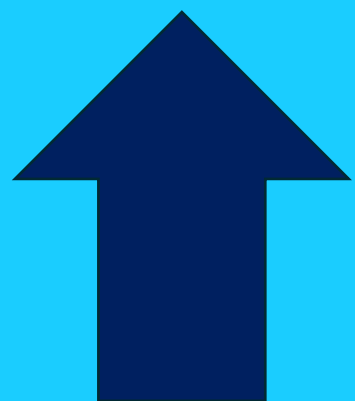
Data: HomeBase



# R&D, Industrial, Commercial Real Estate Sectors Holding Up...



**Industrial** vacancy still tight at 4.5%, up ~1% YoY



**R&D** vacancy up 2.8% YoY, returning to 2018 levels

**\$2.4B**

Investment sales '21 YTD (vs \$2.9B '19 YTD)



86 Montecito Vista project, 82,000 SF Class A industrial

# ...But Office Sector Showing Cracks, Retail Vacancies Up, & WFH Going Strong



Kastle Back-to-Work Barometer of Workplace Occupancy

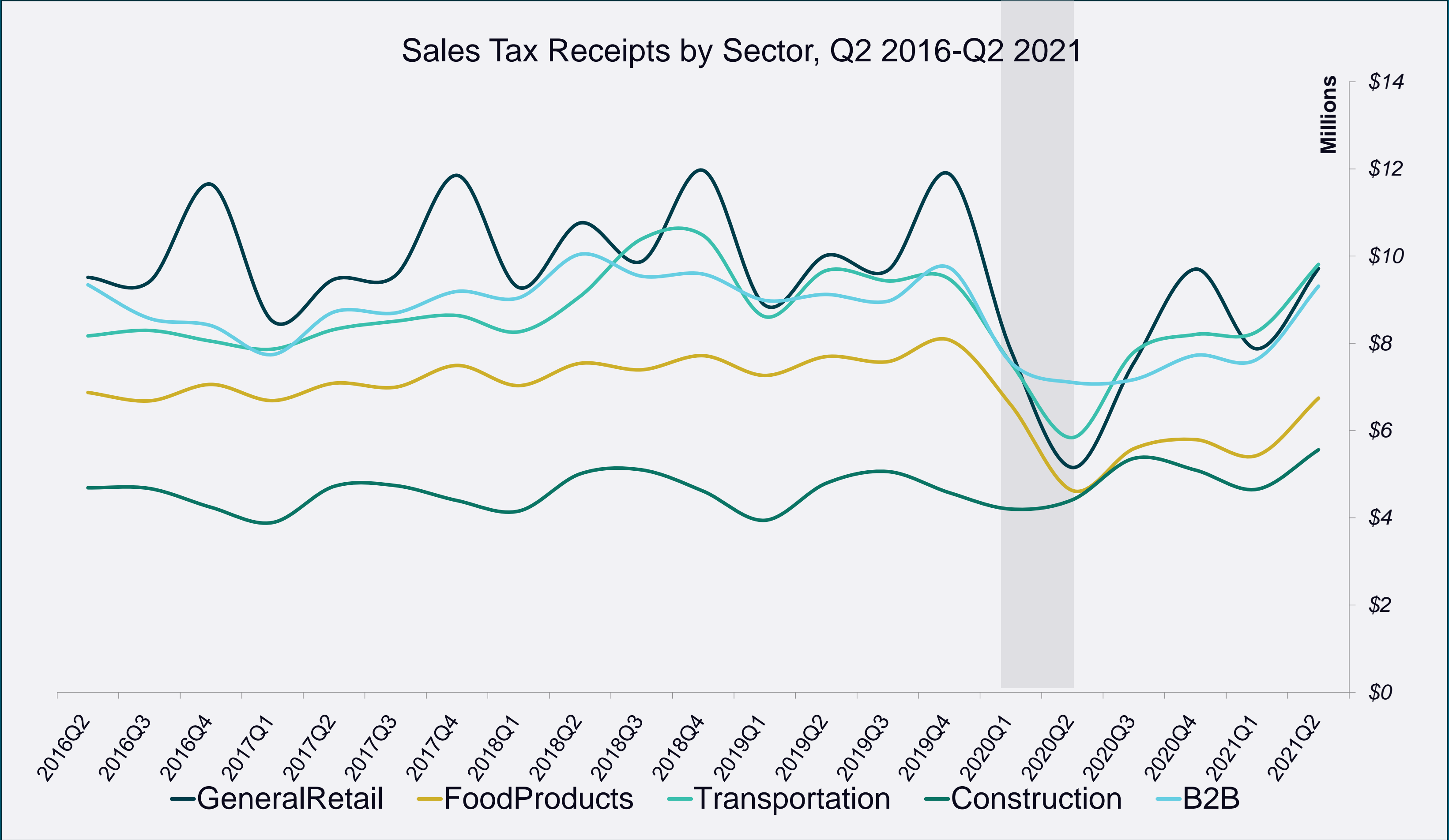
	Wed 9/8	Wed 9/15	% Change
New York metro	19.5%	28.1%	8.7% ▲
Philadelphia metro	29.0%	34.2%	5.1% ▲
Houston metro	45.4%	40.5%	4.9% ▼
Washington D.C. metro	28.1%	31.3%	3.2% ▲
Dallas metro	42.6%	45.7%	3.1% ▲
Chicago metro	28.0%	30.9%	2.9% ▲
Average of 10	30.9%	33.6%	2.7% ▲
San Jose metro	23.4%	26.0%	2.6% ▲
Los Angeles metro	28.8%	31.1%	2.3% ▲
Austin metro	45.2%	47.4%	2.1% ▲
San Francisco metro	19.0%	20.9%	1.9% ▲

Source: Kastle Systems Keycard Data





# Sales Tax Gap: Receipts Recovering Overall, but Sectors Lag



% Change in Sales Tax, YE Q2 2021  
Compared to YE Q2 2019:



30%



Restaurants



31%



Gas Stations



26%



Apparel Stores

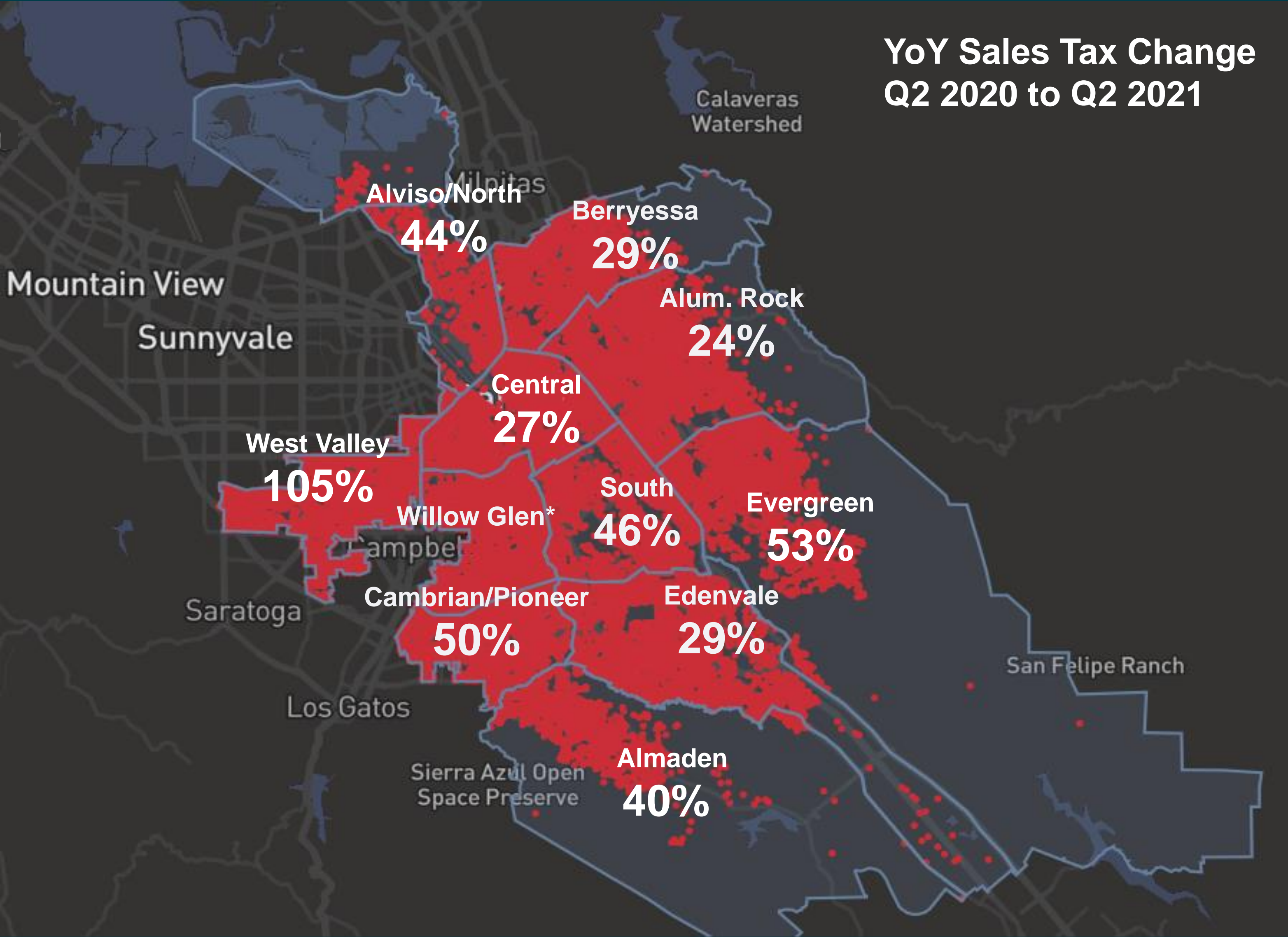


12%



Building Materials

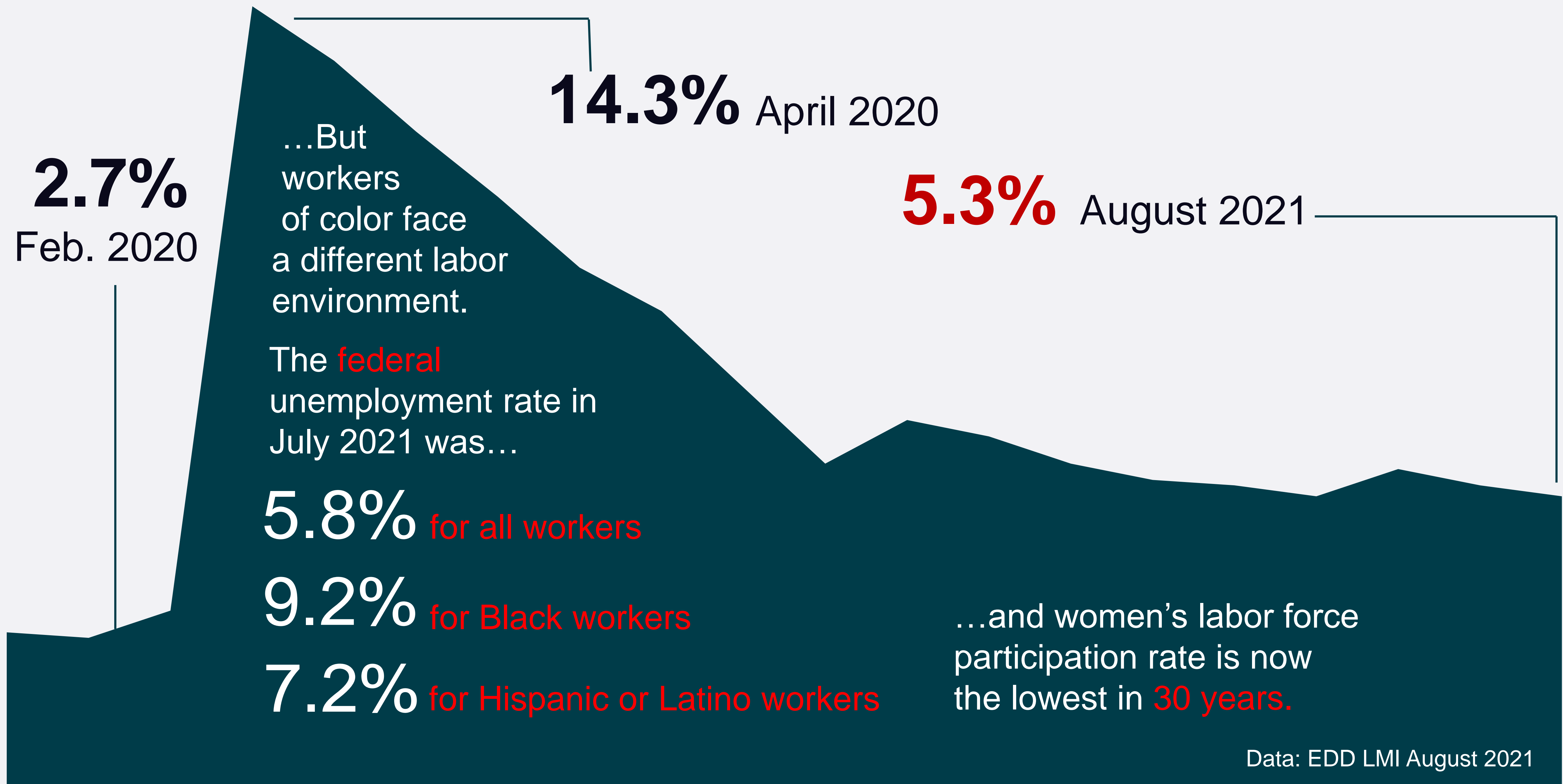
# Sales Tax Recovery Underway, but Uneven Progress



\*Data reporting issue delayed accurate Willow Glen figure.



# San Jose's Unemployment Rate Declined Sharply, then Plateaued...





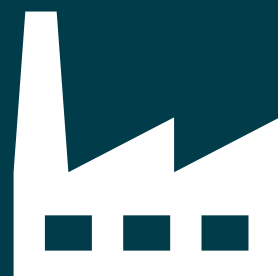
# Jobs Recovered by Industry

Some  
Sectors  
Recovered  
All Jobs  
Lost...



Information

100%+



Manufacturing

100%+

...While Others Are  
Lagging Behind



Transportation &  
Warehousing

100%



Construction

87%



Retail Trade

56.8%



Education &  
Health

46.8%



Leisure & Hospitality

42.7%



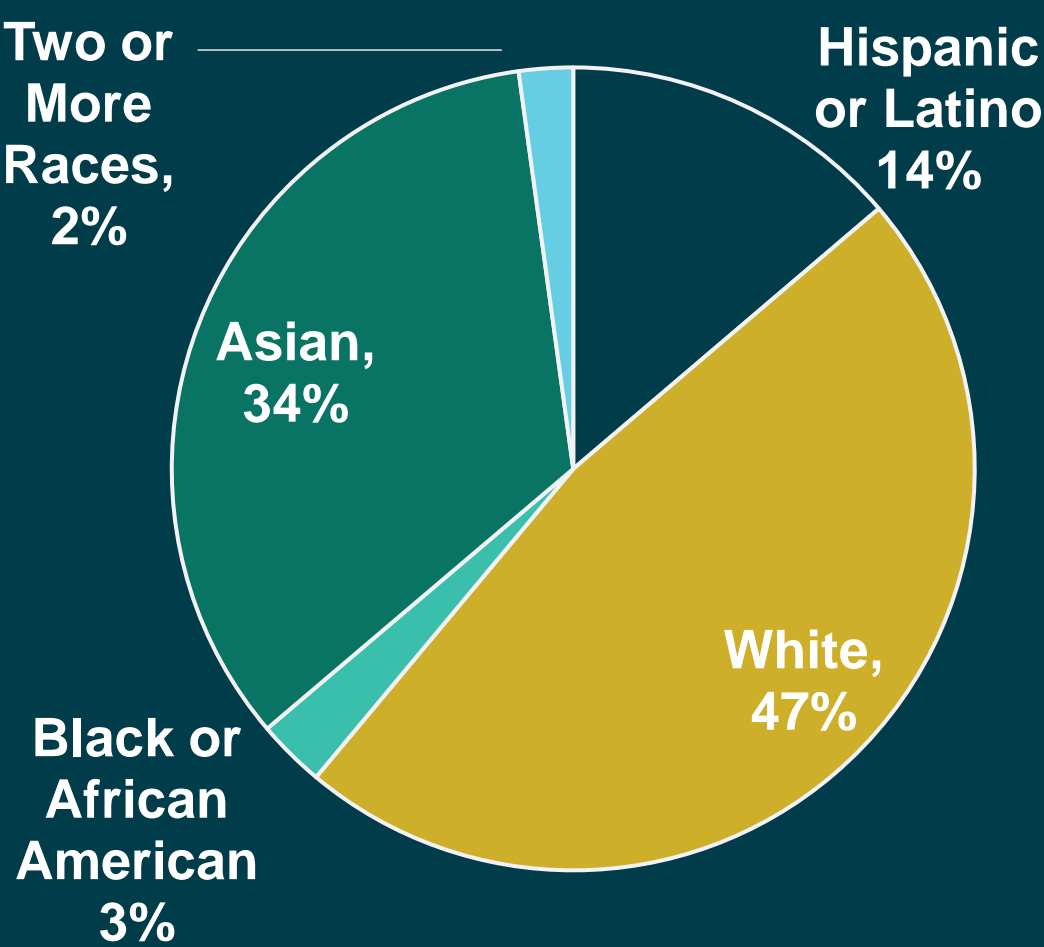
Government

0%



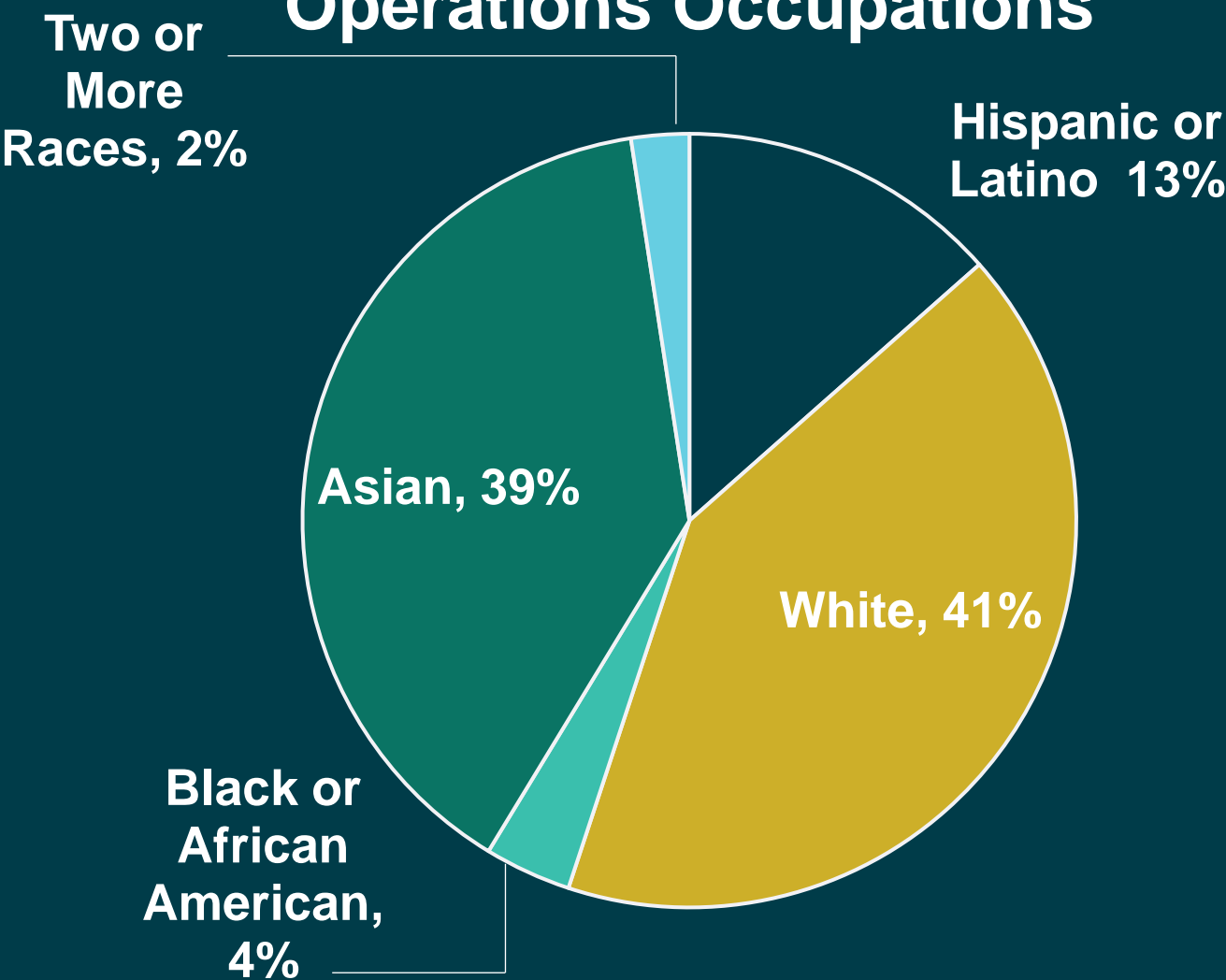
# Lagging Sectors Include a Large Workforce of People of Color

## Management Occupations



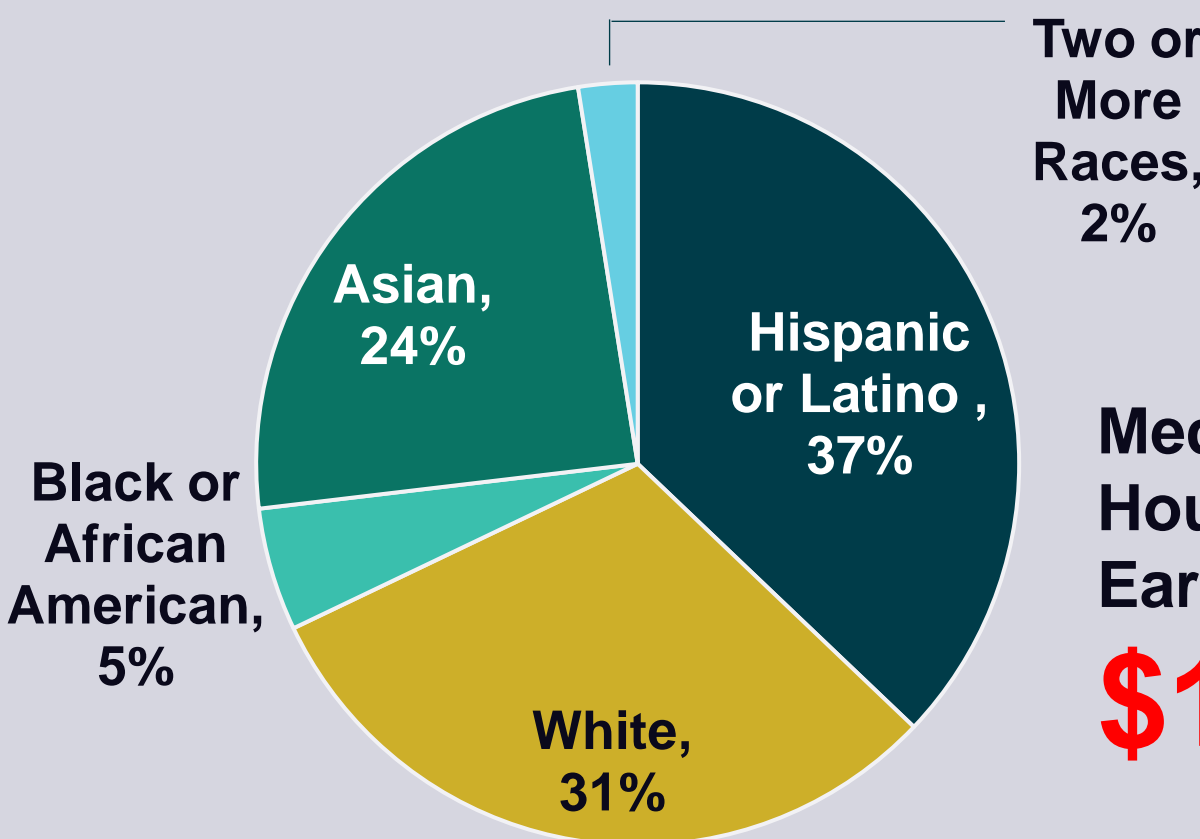
Median  
Hourly  
Earnings:  
**\$84.23**

## Business and Financial Operations Occupations



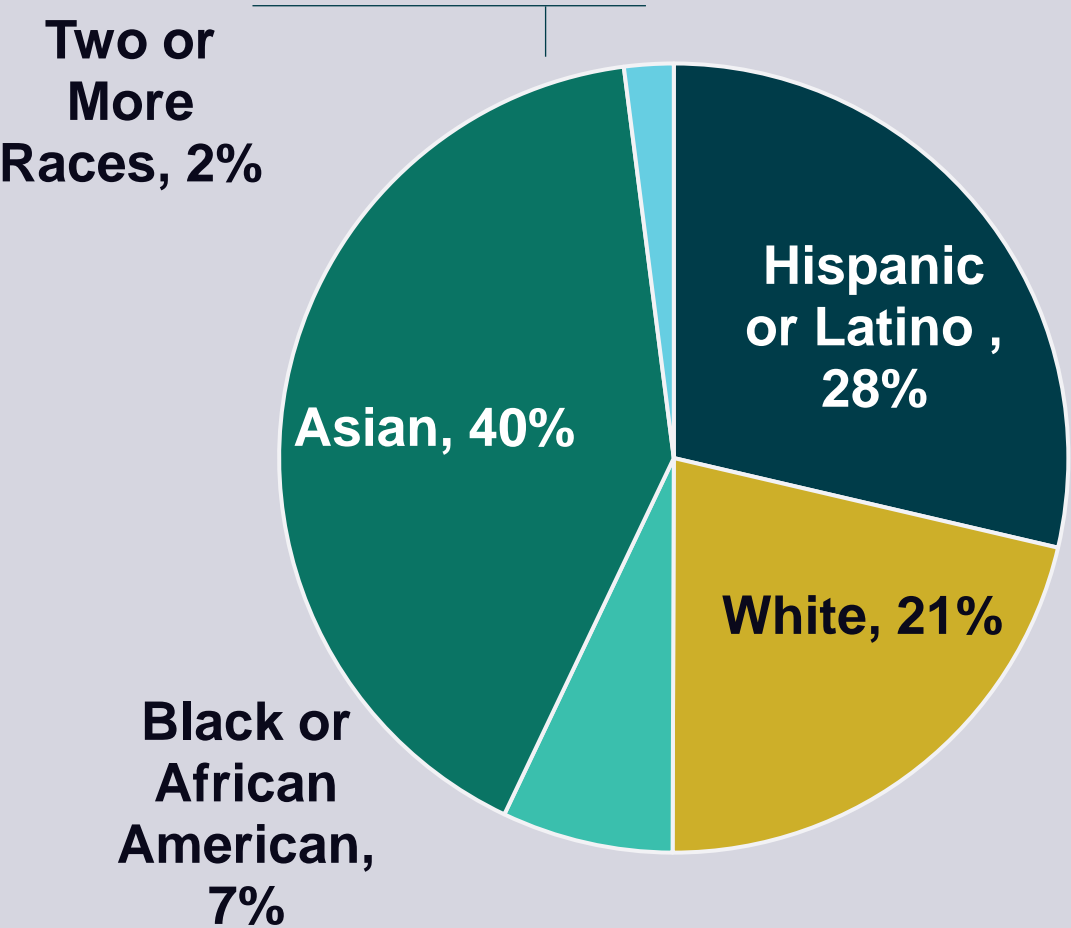
Median  
Hourly  
Earnings:  
**\$47.58**

## Food Preparation and Serving-Related Occupations



Median  
Hourly  
Earnings:  
**\$15.80**

## Healthcare Support Occupations



Median  
Hourly  
Earnings:  
**\$16.20**



# Federal Business Relief Was Effective, but Missed Many Micro Businesses

**\$2.4B**



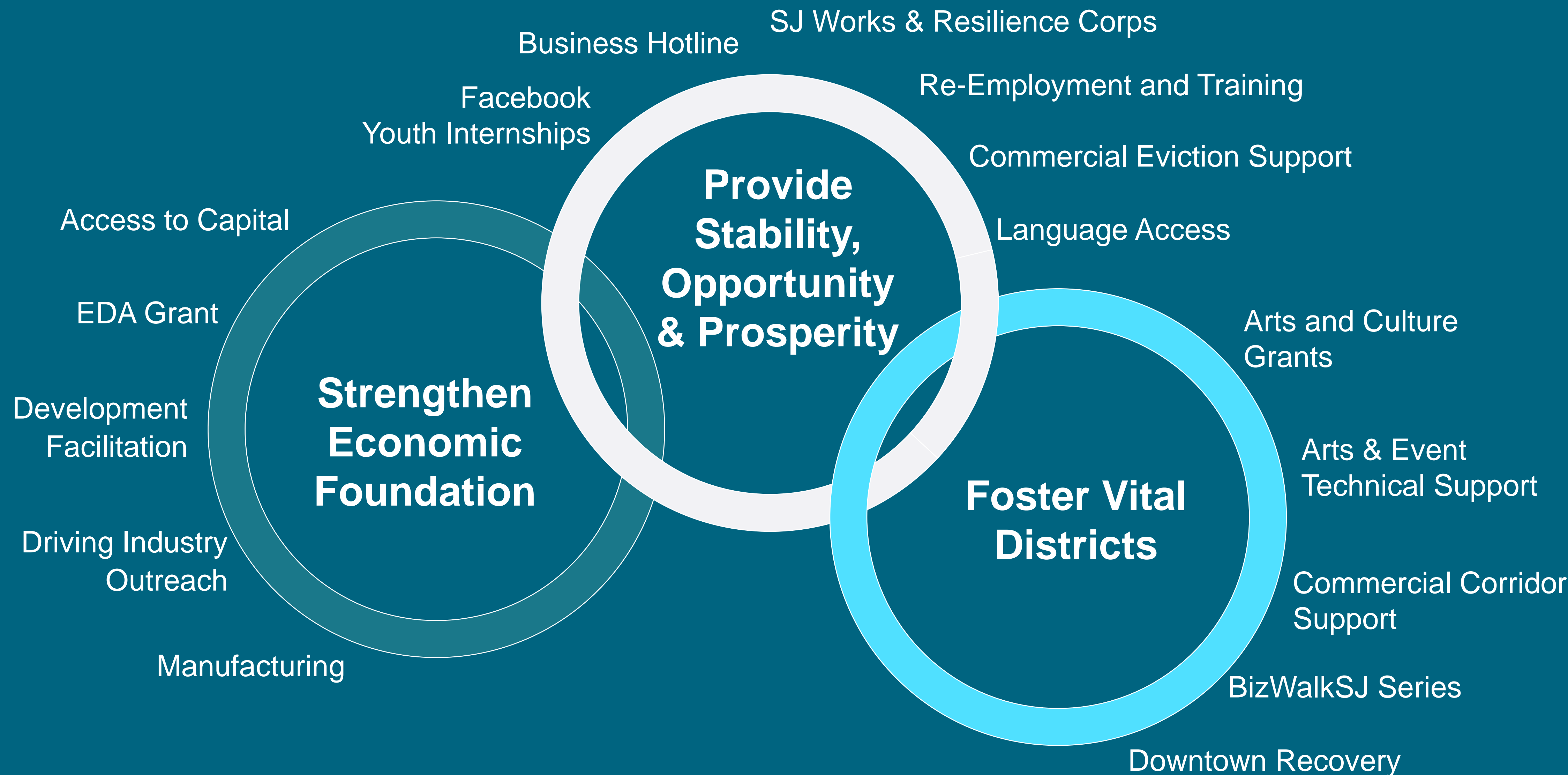
reached San Jose  
businesses

Only **20%** of sole proprietors and **34%** of microbusinesses (2-9) received PPP, compared to **88%** of 10-to-35 employee and **73%** of 35+.

Wide disparities in PPP funding exist across geographies, with **lower participation rates** in underserved neighborhoods.



# Recovery Activities Through September 2021





# Outreach and Support Since March 2020

**3 million**

e-mails to businesses with critical information

**226** cultural arts grants provided or currently underway



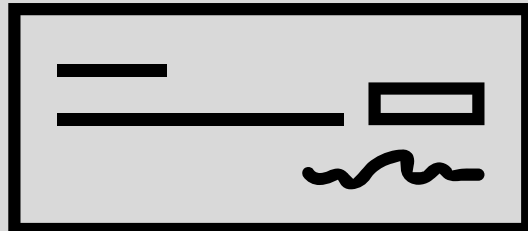
multilingual business resource flyers mailed to businesses in targeted zip codes



**250** WARN responses impacting **30,000** workers



**1,500+** inbound calls/emails to Biz Support Hotline and inbox



**\$6.09** million in grants to **499** SJ businesses owned by low/moderate-income residents

**3,500**

attendees at City webinar workshops

**\$1.17M** secured from a federal grant for Small Business + Manufacturing Recovery Initiative



# Lessons Learned from COVID Outreach

1. Professional help needed
2. Language access is key
3. Go beyond digital outreach
4. Focus on microbusiness and underserved neighborhoods
5. Build up local business ecosystems/networks
6. Financial access = survival
7. Get creative with economic tracking
8. Uncertainty as key safety net provisions end





# OEDCA Economic Recovery Workplan – Citywide

WORK AREA	Economic Stabilization	Development	Conventions, Tourism, and Destination Marketing
OBJECTIVES	<div>1. Counter corporate Bay Area exodus coordinating with GoBiz.</div> <div>2. Facilitate opportunities for strategic uses, including manufacturing and retail.</div> <div>3. Support return-to-work efforts to recapture the economic impact of office workers.</div>	<div>1. Facilitate construction projects currently underway or due to start to maintain momentum in the development market.</div> <div>2. Launch project attraction initiative and promote development tools such as site mapping and consolidated fee information.</div> <div>3. Implement changes to policies to ensure support of development goals</div>	<div>1. Retain/attract international, national and regional events and visitors to the convention center in partnership with Team San Jose.</div> <div>2. Maintain San Jose’s global position for key high-tech conferences and a destination for leisure and business activity.</div> <div>3. Drive hotel use and recover hospitality jobs that have been displaced.</div>
LEAD	Business Development	Business Development	Cultural Affairs

# OEDCA Economic Recovery Workplan - Neighborhood

WORK AREA	Business Support Capacity Building - BoostBiz SJ!	Business Support Capacity Building – BoostBiz SJ!, Continued	Arts + Culture Assistance
OBJECTIVES	<div>1. Continue to foster and strengthen relationships with a variety of business support organizations</div> <div>2. Implementation of the Economic Development Administration grant.</div> <div>3. Support the development of stronger/new neighborhood business districts.</div>	<div>1. Provide direct support to enhance the City’s technical assistance portfolio.</div> <div>2. Increase targeted capacity building in business support organizations</div>	<div>1. Support the sustainability of non-profit art and cultural organizations and creative entrepreneurs.</div> <div>2. Support the return of safe arts and cultural events as critical to the recovery.</div> <div>3. Provide high-quality public art experiences that engage local artists and community.</div>
LEAD	Business Development	Business Development	Cultural Affairs



# OEDCA Economic Recovery Workplan – Individual

WORK AREA	Workforce Development & Career Pathways	Business Education and Guidance - BoostBiz SJ!	Small Business Support - BoostBiz SJ!
OBJECTIVES	<ol style="list-style-type: none"> <li>1. Place adults and youth into paid work experience - Resilience Corps &amp; San Jose Works.</li> <li>2. Enhance employer engagement and employee opportunities.</li> <li>3. Move work2future client services site closer to people in need.</li> </ol>	<ol style="list-style-type: none"> <li>1. Connect business to available resources.</li> <li>2. Support community vaccination goals and health-and-safety guidance as it emerges.</li> <li>3. Enhance business data collection and interpretation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide access to resources and support.</li> <li>2. Support businesses in commercial corridors better market themselves.</li> <li>3. Help first-time entrepreneurs to start up.</li> <li>4. Small business grants</li> <li>5. Flea Market vendor assistance</li> </ol>
LEAD	work2future	Business Development	Business Development

# The Teams

## Business Development

Bigge Yilmaz  
Blage Zelalich  
Elisabeth Handler  
Emily Lipoma  
Jerad Ferguson  
Joe Hedges  
Melina Iglesias  
Nathan Donato-Weinstein  
Sal Alvarez  
Vic Farlie

## Cultural Affairs

Brian Clampitt  
Emily Sevier  
Kerry Adams-Hapner  
Leonela Torres  
Lynn Rogers  
Mary Rubin  
Michael Ogilvie  
Sherina Guimmond  
Tina Iv

## work2future

Huong  
Jeff Ruster  
Monique Melchor



# Thank You

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