

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nanci Klein

**SUBJECT: SMALL BUSINESS
ADVISORY COMMITTEE**

DATE: November 17, 2023

Approved



Date

11/20/23

INFORMATION

The purpose of this information memorandum is to update City Council on the development of the Small Business Advisory Committee. The Office of Economic Development and Cultural Affairs (OEDCA) will launch the Small Business Advisory Committee (Committee) in November 2023 to be better connected to the opportunities and challenges that face the City's small business community, to strengthen San José's small business ecosystem, and to promote the interests of small businesses and entrepreneurs in the City.

The City Manager has appointed the following individuals to serve on the Committee for a three-year term commencing November 16, 2023, through November 15, 2026:

1. Professor Anuradha Basu
2. Chandra Brooks
3. Christina Bui
4. Daniel Fernandez
5. Jesus Flores
6. Ryan Gorospe
7. Mimi Hernandez
8. Charles Jones
9. Dennis King
10. Tony Lam
11. Azer Manashir
12. Tony Mirenda

BACKGROUND

San José has over 60,000 active businesses with a payroll of at least one person. In addition, there are an additional 20,000 non-payroll businesses. The number of active businesses is recognized by possession of a current City of San José business license. It is estimated that small businesses - defined as having the equivalent of up to 34 full-time employees - directly employ over 200,000 people and comprise 98% of all businesses in the City. Most small businesses are

privately owned, employ local people, and are vested in the success of a local neighborhood and industry sector.

Business license records indicate that over the past ten years, the number of new business licenses issued annually has exceeded the number closed. Entrepreneurship and creating a business have increasingly provided pathways for rising household income and wealth creation. On average a business located in San José maintains an active license at the same location for just under 11 years.

The 2022-2023 Adopted Budget directed staff on the OEDCA Business Development team to establish a new Small Business Advisory Committee, recognizing the importance of work undertaken during the COVID-19 pandemic and the leadership of the former Vice Mayor Chappie Jones. The Mayor's June Budget Message for Fiscal Year 2022-2023 stated:

“Greater City collaboration with small business-serving CBO’s will support their mission, yet the City can have even greater impact by convening helpful partners, such as local commercial banks, consultants, universities, CBOs, and other entities. Building a stronger interface, for example, between the ethnic chambers and lenders can ensure greater awareness by both on the use of Community Reinvestment Act dollars to benefit local immigrant-led entrepreneurs. I recommend that the City Manager convene the Small Business Advisory Committee four times annually...”

OEDCA staff consulted with relevant stakeholders and business support organizations on the purpose and direction of the new committee and is pleased to launch the Small Business Advisory Committee in November. The feedback received centered on the need to have a diverse range of business owners and organizations serve the small business community. This informed the drafting of the bylaws and application process.

ANALYSIS

The overall purpose of the Committee is to provide advice to City Council and staff that:

- Encourages the creation and sustainability of small businesses in San José;
- Informs program and policy work proposed or undertaken by the City of San José relevant to small businesses and the San José small business ecosystem;
- Fosters collaboration and partnership between business-related public, private, and nonprofit organizations in San José; and
- Promotes issues of interest and a greater understanding of the positive impact of small businesses across the diverse communities of San José, including the contributions small businesses make to strengthening the city's economy and long-term fiscal resiliency.

Committee Membership

Staff recognized the need to attract a broad range of business owners drawn by location, industry, or policy interest to participate in the Small Business Advisory Committee. Representation was sought not just from existing business organizations such as Chambers of Commerce but also local business associations, as well as larger organizations and stakeholders that influence the success of the small business community.

Four business groupings will form the initial membership of the Committee:

- A small business owner with a physical location in the City of San José;
- Chambers of Commerce or local business associations located in the City of San José;
- Business advice and support organizations actively engaged in San José's Business Owners Space partnership; and
- Large businesses, institutions, and stakeholders with a clear business and/or economic interest relevant to small business (i.e., a bank, philanthropist, etc.) and a commitment to San José.

The goal was to apply an equity lens to reflect the diversity of businesses in San José and, where possible, to ensure an equal number of representatives from the groups listed above with a maximum of 20 members. OEDCA staff reviewed all applications and conducted the necessary due diligence for Committee members on behalf of the City Manager.

To be eligible to apply, a small business must have been established for a minimum of five years with an active business license and a physical address in the City of San José. These three requirements must be met to be considered for membership of the Committee. Staff published an [application form](#) for potential committee members on the City Clerk's website.

For a business owner to represent a Chamber of Commerce or a local Business Association, the business owner must have secured the approval of the organization's Board of Directors. A senior staff member from a Chamber or Business Association could also apply, subject to approval by the relevant Board of Directors. If multiple individuals apply from the same business or organization, only one person will be approved by the City Manager to represent the interests of the business or business support organization.

Initially, the Committee will seek representation from the following neighborhood business associations: Alum Rock, Calle Willow, East Santa Clara, Japantown, Monterey Road, Alameda, Tully Road, and Willow Glen. As new local business associations are formed on Story Road/Little Saigon and Winchester Boulevard, representatives from these business associations will be encouraged to participate on the Committee.

The City of San José welcomed applications from large organizations that significantly influence small businesses, such as FDIC-approved banks/financial institutions, owners of commercial property, technology and related services, and philanthropic interests.

To date, the following Committee members have been vetted and approved.

1. Anuradha Basu, San Jose State University - Professor & Director of the Silicon Valley Center
2. Chandra Brooks, Scrublyfe Uniforms - Business Owner & Coach
3. Christina Bui, Love Me Knots Bridal - Business Owner & Chair, Tully Road Business Association
4. Daniel Fernandez, TMC Community Capital - Chief Executive
5. Jesus Flores, Latino Business Foundation - Executive Director & Business Owner
6. Ryan Gorospe, Hula Bar and Kitchen - Business Owner
7. Mimi Hernandez, Prosperity Lab - Executive Director
8. Charles “Chappie” Jones, Jones Enterprises - Business Owner
9. Dennis King, Enterprise Foundation - Executive Director
10. Tony Lam, Launch Your First - Business Owner & Investor
11. Azer Manashir, Bank of America - Senior Vice President Bay Area
12. Tony Mirenda, San Jose Chamber of Commerce - Interim Chief Executive

Vice Mayor Kamei and Councilmember Ortiz will serve as City Council liaisons to the Committee. As City Council liaisons, they will consider, support, and advocate for the interests of the small business community in San José.

Term of Appointment

The standard term of appointment to the Committee is three years with an option to extend for up to two more years upon approval of the City Manager. The maximum term of appointment is five years.

Meeting Schedule

Committee meetings shall be held quarterly, with additional meetings as necessary and agreed upon by the Committee. The proposed meeting dates for 2023-2024 are November 16, 2023, December 7, 2023, March 7, 2023, June 6, 2023, and September 5, 2024.

Annual Work Plan

OEDCA staff will propose an annual work plan to the Committee for approval. Additional work plan items and topics of interest will be added to the meeting agendas by agreement of the Committee during the calendar year.

Brown Act

The new Committee is a “legislative body” subject to the provisions of the Brown Act because it was created by the City Council as part of its 2022-2023 Adopted Budget.

HONORABLE MAYOR AND CITY COUNCIL

November 17, 2023

Subject: Small Business Advisory Committee

Page 5

EVALUATION AND FOLLOW UP

The work of the Small Business Advisory Committee will be incorporated into OEDCA's Business Development Division's annual report to the City Council Community and Economic Development Committee.

/s/

NANCI KLEIN

Director Economic Development and
Cultural Affairs

For questions, please contact Victor Farlie, Assistant to the City Manager, at (408) 535-8230 or victor.farlie@sanjoseca.gov.