



Memorandum

TO: MAYOR LICCARDO

FROM: Councilmember Donald Rocha

SUBJECT: BUDGET DOCUMENT

DATE: May 24, 2017

Approved

Don Rocha

Date

5/24/17

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: Grant Program for the Ethnic and Minority Chambers of Commerce

Amount of City Funding Required: \$ 50,000

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

At the October 24, 2016 CED meeting, Economic Development staff presented options as to how the City could enhance outreach and support for small business within San Jose. One of their recommendations was to establish a grant program for ethnic and minority chambers of commerce in the amount of \$50,000. Here's how staff describes the program proposal in their staff report:

Staff recommends that Council consider grant agreements with local ethnic and minority chambers of commerce, starting on a one year pilot basis. These organizations have the small business community connections, technical expertise, and language/cultural competencies to effectively provide feedback from the business community and to provide additional support for San Jose small business growth including underserved sections of the San Jose small business community.

Those local ethnic and minority chambers of commerce which are actively engaged with the City's small business programs and have fulfilled contract obligations to the City in the past are most likely to successfully contribute to the City's objectives. Staff believes that effective services could be delivered for a total of \$50,000 annually. To further build for success, grant agreements to these local ethnic and minority chambers would be scaled appropriately by organization size. Compensation would be based on documented performance and written reports.

The scope of services would center upon areas of particular interest to City Council and could include the following:

- Secure feedback from small businesses on topics identified by City Council or the City Manager. For example, this might include assistance from these organizations on how to best promote City procurement opportunities, as well as seeking small business feedback regarding proposed changes to the City's contracting and procurement process. Such input would be obtained through focus groups, surveys, one-on-one executive management interviews, etc.
- Provide one on one consultancy to strengthen the ability of existing small businesses to effectively compete for and secure new procurement and sales opportunities with various government and private entities.
- Organize workshops in such areas as:
 - Doing Business with San Jose how to navigate the permitting process, pay the San Jose business tax, and develop and prepare to finance business plans,
 - Accessing Capital how to find and secure sources of funding to implement a business plans, and
 - Hiring and Growing Your Business how to successfully prepare for hiring employees, and recruit and retain staff.
- Provide one on one counseling to businesses in financial distress and at risk of downsizing.

With this memo I am recommending the implementation of staff's above proposal. I believe San Jose should do more to reach out to and support small business. Partnering with our ethnic chambers would allow the City to leverage their existing network and more effectively communicate with small business.

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund):

Department or Organization: Office of Economic Development

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

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