



Memorandum

TO: MAYOR LICCARDO

FROM: Councilmember Sylvia Arenas

SUBJECT: BUDGET DOCUMENT

DATE: May 25, 2022

Approved

Date

5/25/2022

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: District 8 Economic Vitality Small Business Grants

Amount of City Funding Required: \$150,000

This change is:

One-time Ongoing

Cost Estimate Number (if applicable): N/A

Proposal Description, including the reason for the need and anticipated outcomes (Please describe how the proposal will affect services for San José residents, community groups, businesses, etc.):

The Tully Road corridor from the 101 to the Capital Expressway is an extensive and active business district that generates substantial revenue to the city and provides significant resources to San Jose residents, particularly residents of the East Side. The district straddles two council districts and provides services to as much as half the city. The businesses that line Tully Road primarily consist of small immigrant based businesses that continue to struggle to keep their doors open as the rest of the city begins to recover from pandemic. After over two years, those that have held on to their small businesses have exhausted a patchwork of savings and loans—and are now faced with the difficult decision to close their doors from the inability to pay back outstanding rent.

Last year, we predicted this reality and worked swiftly to approve funding for an Eastridge/Tully Road Business Association Consulting Contract to help businesses organize neighborhood business associations which would allow them to have a voice and have better direct access to city services, as well as supporting effective collaboration between businesses.

While our Office of Economic Development, continues to provide small business support and grant opportunities, they are provided on a lottery selection process. To ensure that the momentum we've been investing in the development of the small businesses in District 8, including creating a foundation for the development of the Eastridge/Tully Road Business Association, I am requesting funding for the continued investment in the economic vitality of these small businesses by offering small grants ranging from \$1,000 to \$5,000 for small businesses in the Eastridge/Tully Road Business Association area and District 8 wide.

Funding Source

Essential Services Reserve:

Other (Please specify program/project/fund):

Department or Organization Contact

Please list the contact information for the individual that certified cost estimates contained within your recommendation:

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Department or Organization: Council District 8

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