



ECONOMIC VITALITY COMMITTEE REPORT

January 21, 2021
Economic Development

TITLE: OVERVIEW OF THE CITY'S BUSINESS ASSISTANCE PROGRAM

Businesses are an integral part of the Pleasanton community, from the jobs they provide for residents to the essential services and amenities supported by the revenues they generate. Business continuity was severely affected when the COVID-19 pandemic necessitated temporary closures and restrictions. To assist in retaining businesses that were experiencing financial loss of income due to the pandemic, the City developed a framework for a Business Assistance Program designed to share information and resources, and provide relief to local businesses so they can bridge the gap until allowed to reopen and fully operate. The program is aligned with the goals and objectives of the City's Economic Development Strategic Plan, which specifically identifies economic health and long-term resilience as a priority area so the City can continue to provide high quality public services and amenities for the benefit of the community.

On April 15, 2020, the City Council approved the Business Assistance Program framework, which includes the following four key program elements:

- Four-month deferral of Transient Occupancy Tax (TOT) payments without incurring penalties;
- City Utility Waiver and Deferrals to waive late fees and initial deposits for water and sewer accounts;
- Creation of a \$3 million Business Support Fund to provide zero-interest, short-term loans to small businesses; and
- Business Communication and Promotion

The following serves as an update to the Business Assistance Program, including additional actions, activities and programs the City engaged in to support its businesses.

Transient Occupancy Tax Penalties Waiver

Transient Occupancy Tax (TOT) quarterly payments were due on March 31, 2020 for the January-February-March quarter, and June 30, 2020 for the April-May-June quarter respectively. To allow the hotels to utilize the collected funds for near-term operating costs and employee retention due to loss of revenues, this program element suspended fines, penalties and interest for TOT payments as imposed by the Pleasanton Municipal Code. Both quarterly payments were due in full to the City on July 31, 2020.

As Pleasanton is a city partner along with Danville, Dublin and Livermore in administering the Tri-Valley Tourism Business Improvement District assessment that funds Visit Tri-Valley, to be similarly in alignment regarding TOT payment collection, each of the four jurisdictions waived associated penalties and allowed the deferral of TOT payments as noted. Four Pleasanton hotels provided a written request for the waiver to the Director of Finance.

City Utilities Penalties Waiver and Deposit Deferral

To provide relief of certain payments to help residents and businesses remain in place during this local emergency, the City is allowing the deferral of City utility new account deposits and waiving fines and penalties on existing accounts based on loss of income due to COVID-19 for *residential* and *commercial* customers during this emergency period. The new account deposits are suspended and applied to the utility bill and will be due to the City at the time the local emergency declaration is lifted; for reference, the required deposit amounts are:

- Residential - \$200 deposit
- Commercial and Irrigation - \$300 deposit
- Multifamily Residential - \$700 deposit

Late charges on existing City utility accounts are waived throughout the local emergency declaration period (and will not be recovered by the City) and service will not be shut-off.

Business Support Fund

The Business Support Fund launched on May 8, 2020, providing zero-interest, unsecured, short-term (24-months) loans of up to \$2,500 – and \$2,900 in downtown – to independently or locally owned micro-enterprise, restaurants and retail businesses located in Pleasanton, to assist them in remaining solvent during the COVID-19 emergency. The loan funds may be used for operating capital including lease and mortgage payments and payroll toward retaining employees.

To be eligible, micro-enterprises, restaurants and retail businesses must have a physical restaurant or retail location in Pleasanton, have an active City of Pleasanton Business License as of March 1, 2020 and be in good standing with the City. Businesses must submit supporting documentation demonstrating loss of revenue/income of greater than 25% due to COVID-19 and action taken to secure federal or state financial assistance.

Businesses not initially eligible to request assistance through this fund included lending and investment institutions and insurance companies, non-profit entities, hotels, professional services, home-based businesses, and illegal or otherwise prohibited uses.

After three months since the loan program launched, only \$215,800 had been approved to assist 82 eligible businesses. Given the slow pace of reopening, businesses

continued to face financial hardships and needed continued relief. The Economic Development staff returned to City Council on August 18, 2020, with a status of the Business Assistance Program and a request to modify the program to provide impactful assistance to businesses including expanding eligibility pertaining to employee count and business type, and increasing loan amounts. The City Council approved the addition of professional services as an eligible business type, lengthened the repayment period from 24 months to 36 months, and increased loan amounts as follows:

- \$10,000 loan amount (\$10,800 for downtown) for **micro-enterprise businesses employing 2-10 employees**
- \$20,000 loan amount (\$21,600 for downtown) for **businesses employing 11-25 employees**

Businesses previously approved are eligible to request the higher loan amount based on their business location and employee count. A summary of application activity is as follows:

	Downtown	Outside Downtown	Citywide
Applications Submitted	45	93	138
Applications Approved	43	78	121
Total Funding Approved	\$576,100	\$727,500	\$1,303,600
Funding Declined by Business	\$13,700	\$55,000	\$68,700
Applications Waiting for Final Docs	4	1	5
Applications Completed for Payout	40	65	105
Total Paid to Date	\$540,800	\$622,500	\$1,163,300

Final loan documents are expected for five (5) businesses equaling \$71,600. Four (4) applications are currently under review. Fourteen (14) approved businesses declined the loan totaling \$68,700 in funds. Seventeen (17) businesses were not approved based on ineligible business type or not meeting minimum or maximum employee count.

The following is a summary of applications **received** based on business type:

Business Type	Outside Downtown	Downtown	Total
Auto / Computer / Construction	9	2	11
Daycare / Homecare	5	0	5
Entertainment / Instructional	16	5	21
Fitness	6	3	9
Home-based / Virtual / Remote*	10	0	10
Hotel*	1	0	1
Personal Services	11	6	17
Professional Services	10	3	13
Restaurants	17	22	39
Retail	6	6	12
Total	91	47	138

*Business type not eligible

Communication and Promotion

Outgoing communication with the business community is vital to ensure that businesses are aware of available resources and programs as well as updates to the Alameda County health order and business openings. This is accomplished using the following mechanisms:

City Business Webpages

- **COVID-19 Business Support** – This is the primary page that provides information on health order updates and links to the County website. Additionally, updates are made as needed to keep businesses informed about financial and assistance programs from federal and state as well as employment resources from state and county. Links to the other pages are also located on this page. www.cityofpleasantonca.gov/eddcovid
- **Shop Small, Support Local** – This page provides information for the community regarding Shop Small, Support Local campaigns, including the partnership with the Pleasanton Downtown Association as well as citywide Support Local initiative. Links to www.inPleasanton.com, Pleasanton Open for Business website, Tri Valley To-Go campaign, and the Pleasanton Dining Guide are also on the page.

- **Open for Business** – This page provides resources for businesses that are open or preparing to open. The City collaborated with Bludot to create an Open for Business website for businesses to provide updated business information and for users to find businesses easily using the map-based site. We currently have 437 businesses in the database.
<https://open.bludot.io/cities/pleasanton>

The City created signage to help the community identify business services during COVID-19. Additionally, while face coverings are mandatory based on the County order, businesses can post the No Mask, No Service sign to remind customers to wear a face covering while at their establishment. Tabletop signage was provided to restaurants to display while outdoor dining was permitted. Business can submit a request for signage through a link provided on the webpage. www.cityofpleasantonca.gov/openforbusiness

The Pleasanton Downtown Association, in collaboration with the City and Pleasanton Chamber of Commerce assembled a Rebound Toolkit to assist business in developing plans for a safe and successful reopening.
<http://admin.cityofpleasantonca.gov/civicax/filebank/blobdload.aspx?BlobID=34743>

- **Webinars** – This page provides a schedule of upcoming webinars on a variety of topics that can provide information for businesses. The list is updated frequently.
http://admin.cityofpleasantonca.gov/gov/depts/ed/covid_19_business_support/webinars.asp
- **Business Support Fund** – This page provides the online application portal link for businesses to apply for the loan, a tutorial on how to apply, Frequently Asked Questions, and overview of the fund program.
www.cityofpleasantonca.gov/eddsupportfund

These webpages are updated frequently to provide current and relevant information.

COVID-19 Business Resources Newsletter

The electronic newsletter directed to Pleasanton-based businesses is sent weekly or sometimes twice a week, to share updates, resources and information related to COVID-19. Forty-three (43) issues have been sent to approximately 3,400 business license holders. There is a consistent open rate of 30%. Past issues are accessible at <https://us13.campaign-archive.com/home/?u=1752b86e6098907a42057e416&id=b12054aecf>.

inPleasanton.com Social Media

Promotion of restaurants, retail and other businesses is accomplished using inPleasanton.com's social media platforms including Facebook, Instagram and Twitter. We also share pertinent city information provided by other city platforms, including City of Pleasanton, Pleasanton Police Department, Livermore Pleasanton Fire Department, and Library & Community Services.

Social media platforms have the following audience numbers:

- Facebook – 2,035 followers, 1,908 page likes
- Instagram – 1,219 followers
- Twitter – 572 followers

Local/Regional Communication and Information-Sharing

- **Pleasanton Business Organization Partners Coordination**
A bi-weekly call with the Pleasanton Chamber of Commerce president, Pleasanton Downtown Association director, Visit Tri-Valley president and Hacienda general manager.
- **Tri-Valley Community Representatives Coordination**
A bi-weekly call with Tri-Valley city economic development staff, chamber presidents, Downtown Association directors, and Visit Tri-Valley president.
- **Visit Tri-Valley Community Call**
Visit Tri-Valley hosts a call for Tri-Valley city economic development staff, chamber presidents, downtown association directors, hotel managers and other local representatives to provide information and updates relating to regional and local tourism.
- **Alameda County Public Health Department Call**
A bi-weekly call with city economic development staff in Alameda County and ACPHD Policy Director to obtain updates of local COVID-19 data, Regional Stay At Home Order, business reopening/restrictions, and business support.
- **East Bay Economic Development Directors Coordination**
Initially a bi-weekly, now monthly call hosted by East Bay Economic Development Alliance with economic development staff, chambers, and other business organization representatives.

Additional Business Support Actions, Activities and Programs

Pivoting Your Business Webinar

On May 13, 2020, the City partnered with the Pleasanton Chamber of Commerce and Pleasanton Downtown Association (PDA) to host a free webinar to highlight Pleasanton businesses that have pivoted their business model in response to COVID-19. Former Mayor Jerry Thorne was joined by Chamber President & CEO Steve Van Dorn, PDA Executive Director Tiffany Cadrette, Economic Development Manager Lisa Adamos and the following businesses:

- Matt Greco, Owner of Salt Craft
- Joe Jewell, Executive Director for Inklings Coffee & Tea
- Wendy Schulte, Owner of Good Common Sense Naturals
- Mojgan Tehranian, Owner of Yoga Barn of Pleasanton
- Rebecca Bargilis-Ruzich, Studio Manager of Yoga Barn of Pleasanton

- Ellen Pensky, CEO & Co-Founder of Bumblebee Marketing Services

Over eighty (80) participants called in to hear inspiring stories and helpful tips from Pleasanton businesses.

Temporary 15% Fee Cap by Third-Party Food Delivery Services

On October 6, 2020, the City Council adopted an urgency ordinance, which establishes a temporary 15 percent cap on commission charges by third-party food delivery services on Pleasanton restaurants during the COVID-19 pandemic. The ordinance expires one (1) year from the effective date, or upon the termination of the local state of emergency, whichever occurs first, or as otherwise terminated, or extended by the City Council.

Shop Small, Support Local Campaign

In partnership with the Pleasanton Downtown Association (PDA), the *Shop Small, Support Local* campaign was created to highlight downtown businesses and educate the community on the contributions small businesses make to Pleasanton. The PDA solicited participation from downtown businesses to sign up and provide specials for customers. The campaign launched in mid-November with twenty-one (21) participating downtown businesses. A list of participating businesses and campaign information is accessible at www.pleasantondowntown.net/shopsmall.

The City sponsored the cost of campaign graphic design, as well as purchased 2,000 commemorative tote bags for the PDA to distribute to participating businesses. The tote bags were given to customers at the discretion of participating businesses, however most had a minimum purchase requirement. The City also purchased 1,000 mugs for the PDA to sell with proceeds reinvested into programs and campaigns to support the downtown. The mugs are for sale for \$12.99 on the PDA website and at Towne Center Books and Clover Creek, yielding a potential amount of \$12,990 for reinvestment in the downtown.

The campaign was promoted on social media as well as in weekly business and community newsletters and on the City's Support Local webpage at www.cityofpleasantonca.gov/supportlocal.

While a focus was highlighted in the downtown district through the partnership with the PDA, the *Support Local* message was promoted throughout the City to support all Pleasanton small businesses. Messaging continues to be communicated to support local, primarily using social media.

Alameda County CARES Grant Program

The City partnered with Alameda County and other Alameda County cities in providing financial assistance to businesses as part of the Alameda County CARES Grant Program. In mid-November, the Alameda County Board of Supervisors established the Alameda County CARES Grant Program by redirecting \$5 million in CARES Act funds for a small business grant program in response to the economic, health and safety

impacts of the COVID-19 pandemic. The program provided eligible businesses a one-time grant of \$5,000.

The Board of Supervisors also authorized the redirection of up to \$3 million in additional funds for cities in Alameda County as matching funds to expand the available pool of funds to support additional small business grants in participating cities. The City of Pleasanton committed \$100,000 toward the city match pool, providing for \$200,000 total for Pleasanton businesses.

East Bay Economic Development Alliance administered the program and reported that over 7,700 applications were received countywide. The two-week application period took place from November 16–30, 2020. Grant recipients were notified on December 24, 2020 with checks mailed shortly thereafter. About 1,900 businesses throughout Alameda County received grant assistance totaling approximately \$9.5 million.

Since the number of grant applications submitted exceeded available funding levels, grants were awarded by lottery. Three hundred seventy-five (375) eligible Pleasanton businesses were initially placed in the city's lottery for the available \$200,000. Businesses that were not chosen in the city's lottery were then placed in the County lottery. One hundred nine (109) Pleasanton businesses were awarded grants, representing a total of \$545,000.

Economic Development staff will continue to work on the Business Support Fund program to administer loans to small businesses and the Communication and Promotion element to ensure that businesses are informed about County health order updates, financial assistance, and other resources as well as promote businesses to the community. As opportunities become available to engage in additional activities or programs, staff will evaluate for consideration.

ACTION: RECEIVE UPDATE ON THE CITY'S BUSINESS ASSISTANCE PROGRAM