



The City of



# Economic Development

## MEETING NOTES

### San Diego Promise Zone

### Economic Activity Meeting Minutes

Wednesday, March 9th, 2022 | 2:30 – 4:00 PM

Via Zoom | (Meeting ID: 979 7737 1015 Passcode: 486144)

**Working Group Goal:** Increase and improve access to capital, promote e-commerce systems, market neighborhoods, and improve infrastructure.

### In Attendance

Access Inc., Accessity, Asian Business Association, City of San Diego Council District 4, City of San Diego's Economic Development Department, COOK Alliance, International Rescue Committee, Jacobs Center for Neighborhood Innovation, Logan Heights CDC, Office of U.S. Representative Juan Vargas, Office of Mayor Todd Gloria, Partnership for Environmental Progress, Rodriguez Paletas, San Diego & Imperial SBDC Network, San Diego for Every Child, San Diego Futures Foundation, Second Chance

### Meeting Notes

#### Welcome, Agenda Review, and Partner Updates

- **California Rebuilding Fund:** 4.25% small business loans for businesses that were profitable in 2019. Please spread the word. This program has been operating for almost 2 years and the deadline is the end of June.

#### Voices of the Community

Rosa Rodriguez, Owner of Rodriguez Paletas

- Rosa started her paleta business during the pandemic to transition away from front line jobs and be able to spend more time with her family.
- Every year, Rodriguez Paletas host a fundraiser and backpack give away for homeless and low-income youth. They also do promotions and special events where they give away free ice cream as well as catering events and large events.
- Through the Jacobs Center, they were able to access resources and learn how to market and connect with people on social media. one barrier she experienced was permitting, documentation during COVID-19, and building her brand.
- Rosa emphasized the importance of the City and others to recognize small vendors and micro-businesses as legitimate businesses that deserve the same amount of support as larger brick and mortar businesses. These smaller businesses can be reached through events like Walk the Block and on social media.

Click the following links to stay connected to the San Diego Promise Zone

[Newsletter](#) | [Website](#) | [New Website](#) | [Email](#) | (619) 236-6700 | 1200 Third Ave, 14<sup>th</sup> Floor, San Diego, CA 92101

- Partners asked: what would have been helpful in starting your business and what resources did you need but did not know where to look for them?
  - Rosa shared that it would have been helpful if there was more information online to learn from, better access to 1-on-1 guidance, and improved communication from the government. Additionally, she suggested making information available on social media as many small businesses use it.
- Partners asked: How can the Promise Zone provide more support and how can the City of San Diego support businesses like yours better?
  - Rosa shared that street vendors face a lot of judgement and racism in their line of work because of people's preconceived ideas. It would be good for people to get to know their street vendors as people choose this job for many different reasons.
  - Resources and workshops on how to file permits, licenses, get insurance, and how the new ordinance will affect vendors need to be available in the community in a variety of languages and accessible to people with disabilities.
- Send any resources to Rosa through Instagram [@RodriguezPaletas](#).

#### City of San Diego Budget Overview

Charles Modica, Lisa Byrne, Jillian Kisse, Office of the Internal Budget Analyst

- Representatives from the office of the Independent Budget Analyst gave a crash course on the city budget process
- **It's important for residents of San Diego to be involved in the City Budget process. A budget is a statement of the city's priorities and how they intend to allocate resources to address pressing issues.**
  - Right now, The City's priorities include, public safety, infrastructure, encouraging economic development, climate action, libraries, parks and recreation and more.
- The IBA gave an overview of the operating Budget Process, the timeline can be viewed below, partners can review the presentation in more detail here. The proposed budget for Fiscal Year 2023 will be up for review in **APRIL 2022**

**FY 2022 Budget Development Timeline**

**City of San Diego Budget Development Process**

**FY 2023 Priorities Receiving Majority Support**

Operating Budget Priorities		Infrastructure Budget Priorities
• Environment and Climate Action	• Office of Labor Standards Enforcement	• Transportation and Mobility Safety
• Public Safety	• Public Banking Feasibility Study	• Streets
• Neighborhood Services	• Technical Support for IBA	• Sidewalks
• Human Capital and Employee Compensation	• Office of Race and Equity	• Stormwater
• Homelessness and Housing	• Commission on Police Practices	• Facilities
• Youth Services	• Digital equity	• Americans with Disabilities Act (ADA)
• Accessibility	• Small Business and Non-Profit Relief	
• Arts and Culture Programs		

Resource and Mitigation Priority
• Use of Excess Equity

**Opportunities for Public Input**

- **Contact the Mayor** and/or his staff during the development of Mayor's Proposed Budget (November-April)
- **Contact Councilmembers** at any point in the year, but especially:
  - September: when they identify capital project priorities prior to the Mayor's request for Councilmember CIP input
  - November: during Council's review of the Mayor's Five-Year Outlook
  - January: as Councilmembers develop their budget priority memos for the Mayor
- **Participate in public outreach process for CIP Projects** done every other year through your Community Planning Group (August/September)
- **Report needs** - Get It Done App, Department staff
- **Get involved** year-round in community planning, recreation committees, and other groups

**Opportunities for Public Input cont.**

- **May:**
  - Participate in Budget Review Committee hearings May 4<sup>th</sup>-10<sup>th</sup>; and evening City Council meetings May 4<sup>th</sup> and 16<sup>th</sup>
  - Attend Council District Town Halls or budget discussions
  - Contact Councilmembers prior to them sending their final budget priority memoranda to the IBA on April 29<sup>th</sup>
- **June 13<sup>th</sup>:** When City Council makes final budget decisions
- **Throughout the year:**
  - Review Mayoral or IBA budget reports released
  - Contact the IBA with any questions

- City funding that may be most useful to partners would fall under the Capital Improvements Program portion of the budget.
  - The budget is constantly changing and they're constantly adding funding so projects can move forward, but keep in mind that it takes years to spend funding that is added to CIP fund.
  - The most flexible funding sources fall under the general fund and infrastructure fund. These programs are relatively small. Projects that don't fit within other funding categories have to compete for funding.
  - The City's needs far exceed the funding available
- Questions
  - We've seen a fluctuation in federal funding to certain departments because of the pandemic. Is there available trends and data recording this trend that can be shared with the group?
    - The Small Business Relief Fund consists of federal funding that is administered through The City. Partners can review Operating Budget and Actual Expenditures and Revenues [here](#).

### County of San Diego Microbusiness Grant Program

Daniel Fitzgerald, San Diego & Imperial SBDC

- This grant is distinct from the County of San Diego's Business Grant.
- Eligibility requirements include:
  - Operating and profitable before 2019
  - Physically located in the City of San Diego
  - Did not receive the California relief grant
  - Examples of eligible businesses include people who rent a chair or booth in a salon, personal care businesses, hairstylists, DoorDash or Postmates drivers

- CDBG areas, Community of Reinvestment Act, County Live Well Areas, Promise Zone, and Opportunity Zones have priority
- Applications close on March 31<sup>st</sup>. [Learn more and access assistance here.](#)
- Funds are somewhat first come, first serve, but there are still plenty of funds available.
- Partners asked about the outreach efforts of the program and how they are reaching the people who need these funds.
  - The SBDC doesn't have a lot of control over outreach efforts as they County is overseeing the grant. They also may not expend all of the funds in the first round and are prepared to carry out a second round.
  - Also, since applications are oftentimes the biggest barriers to access, efforts to simplify the process, provide assistance, and make the application available on different device types have been made.
- Co-chairs shared that this working group is interested in ways to increase coordination between the City and the County.

#### Micro Enterprise Home Kitchen Enterprises

Karen Melvin, Food System Alliance, SD MEHKO Coalition

Roya Bagheri, COOK Alliance, SD MEHKO Coalition

- MEHKO, Micro Enterprise Home Kitchen Operations, builds upon the Cottage Food Law, permitting home cooks to legally sell most types of food directly to the public.
  - AB626, Homemade Food Operations Act, requires each county to opt into the law and authorize this type of food facility. San Diego County approved a 2-year pilot program in January 2022. Applications open on February 25<sup>th</sup>, 2022.
- Some of the benefits of MEHKO include:
  - Entry for lower-income individuals who otherwise could not afford to operate their own food business, a new pathway for entrepreneurship.
  - Safety guidelines and food management instruction for those without formal training.
  - The opportunity to test out restaurant ideas or to become a legal business.
- It costs less than \$1000 to start a MEHKO:
  - Initial annual permit \$588 (renewal is \$294)
  - Updated standard operating procedures review \$153/hour
  - Business license ~\$50
  - Insurance: ~\$400 (MEHKOs can sometimes be bundled with home insurance)
  - Food manager certification: \$100-200
  - Food safety supplies: \$0-100
- Limitations of MEHKO businesses are a maximum of 30 meals per day or 60 meals per week and no more than \$50,000 per year in verifiable gross sales. These ensure that MEHKOs and brick-and-mortar restaurants can coexist.

- The MEHKO Coalition is in the process of forming an education and outreach working group to provide resources for home chefs. There will be a six-month commitment to ensure the smooth rollout of the MEHKO program.
  - If you are interested in participating, contact Karen Melvin ([karen@sdfs.org](mailto:karen@sdfs.org)) or Roya Bagheri ([roya@cookalliance.org](mailto:roya@cookalliance.org)).
- For more information, visit:
  - [www.sdmehko.org](http://www.sdmehko.org)
  - [www.cookalliance.org](http://www.cookalliance.org)
  - [How to become a MEHKO in San Diego County](#)

#### Wrap Up and Adjourn

- [Digital Comment Box](#)

#### **Next Meeting**

Wednesday, April 13th, 2022 | 2:30 – 4:00 PM