



The City of



# Economic Development

## MEETING NOTES

### San Diego Promise Zone

### Economic Activity Working Group

Wednesday, May 11<sup>th</sup> | 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, Border x Brewing, City of San Diego Council District 4, City of San Diego Council District 9, City of San Diego Economic Development Department, Diamond Business Association, Governor's Office of Business and Economic Development, Jacobs Center for Neighborhood Innovation, Kitchens for Good, Logan Heights Community Development Corporation, Office of Juan Vargas 51<sup>st</sup> Congressional District, Partnership for Environmental Progress, San Diego Regional Economic Development Corporation, San Diego Youth Commission

### Meeting Notes

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

- **Logan Heights CDC** is on their 6<sup>th</sup> week of the LEAP Program and has over 90% participation rate.
  - They are also running sidewalk vending workshops and a bookkeeping workshop as a part of their Walk This Way series.
- **MoHuman's** free internet pilot program has started in City Heights with 300 participants.
- **The SBDC Dream Grant** participants have started their trainings.
- **Accessity** is having its first in-person event, "Brewing the American dream", in partnership with Samuel Adams with speed coaching for people in the food and beverage industry, on June 14<sup>th</sup> in Mission Beach.
- The **San Diego Regional EDC's** Annual Dinner is back this June -- [more info here](#).
- The **Governor's Office of Business and Economic Development** is in the second stage of interviews for an economic development coordinator and will introduce them to the working group following selection.
- **Congressman Vargas** voted for funding that will help food and beverage businesses that have been impacted by the pandemic. Funding is geared towards businesses with 200 or fewer employers who have experienced 40% or more in lost revenue.
- **Youth Opportunity Pass Program** allows anyone under 18 years old to use MTS services for free through June 30<sup>th</sup>, 2023.

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

- **The Linda Vista Farmer's Market** (occurs every Thursday from 1:00 – 6:00 PM) is searching for volunteers and interns. [Apply here.](#)
- **Diamond CoWork** is holding Coffee and Connect on May 27 at 9:00 AM.

### Community Economic Resilience Fund (CERF)

Mark Polhemus, Governor's Office of Business & Economic Development (GoBiz)

- The CERF program intends to create more even development in key industries in regions that have historically not had equal opportunities. The program seeks to Promote regions up economic resiliency, equity and sustainable growth, support inclusive economic planning, and align and leverage federal and state funding opportunities.
- The program will be administered by the following agencies: Labor and Workforce Development, Governor's Office of Planning and Research, and the Governor's Office of Business & Economic Development. Total funding for this program is \$600 million across 13 regions.
- 2-Part Process
  - Phase 1: Comprehensive regional planning 13 regions, \$5million each, intensive community engagement and economic research phase will take approx. 18 months.
    - Priorities for research and planning: economic competitiveness, job quality, equity, sustainability (adequate pay for supporting a family, for example)
    - Analysis required: regional summary, labor market analysis, industry cluster analysis, holistic economic resiliency and transition strategy
  - Phase 2: Implementation upwards of \$500 million total
    - Projects that demonstrate community support, promote state climate goals, support labor standards and job quality, demonstrate clear role in regional strategy, complement existing funding sources.
- Timeline and next steps
  - December 2021: Release of finalized regions
  - December 2021: Draft guidelines for Planning Grants released for public comment
  - January 2022: Listening session webinar for public feedback
  - Feb-March 2022: Incorporate public feedback and solicitation drafting
  - Late April - May 2022: Release second round of guidelines & host listening sessions
  - May 23, 2022: Final planning phase solicitation released
  - July 25, 2022: Applications due
  - August 8, 2022: Announce awardees and begin contracting process
  - Fall/Winter 2022: Release solicitation implementation (rolling basis)

\* Dates subject to change

- Partner questions:
  - After the 18-month initial planning period, when will the dolling out of money stop?
    - Dollars will begin being distributed in 2023 until approximately 2026 or until funds are exhausted.
    - Giving out the \$ will start in 2023 approx to 2026 or until funds run out.
  - How will we ensure that all communities have a fair say and fair representation in this process? The regions are quite large.
    - Mark shared that there will be a third-party process evaluator to put together a framework that ensures equity.
- Contact Mark Polhemus at [mark.polhemus@gobiz.ca.gov](mailto:mark.polhemus@gobiz.ca.gov) with more questions, sign up for [email notifications here](#), and read the [Planning Phase Draft Guidelines here](#).
  - GoBiz is available to provide ongoing technical assistance and plan to include as many local organizations as possible.

### EDD Mid-Year Funding Update

Sean Karafin, City of San Diego's Economic Development Department

- Small Business Relief Fund
  - The fund was launched on March 25<sup>th</sup>, 2020 and exhausted by December 2020.
  - EDD still has \$400k
- Business relief and support in the COVID era
- March 25 2020 the city launched the first small business relief fund.
  - By December 2020 all of those funds had been spent.
  - The department still has 400K! If you know a business who has been denied traditional funding or loans, please reach out.
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Small Business Relief Fund				
Funding Source	Funding Amount	Relief Amount	Relief Type	Complete?
CDBG	\$1.5M	\$10,000	Forgivable Loan	Yes
Revolving Loan Fund	\$2.1M	\$10,000 - \$20,000	Low-Interest Loan	Yes
Former Enterprise Zone	\$550K	\$10,000	Grant	Yes
Private Donations	\$704K+	\$1,000 – \$11,000	Grant	Yes
CARES Act Fund	\$12.1+M	\$2,500 - \$10,000	Grant	Yes
CARES Act Fund – Strategic Alliance	\$700K	various	Grant	Yes
Revolving Loan Fund CARES Act	\$1.7+M	\$25,000 - \$95,000	Low-Interest Loan	Current

- Has there been any discussion about transitioning those unused revolving loan funds into grants under another CARES Act program?
  - Currently not able to do that with this chunk of money due to federal regulations
- ARPA capacity building micro grants
  - This includes technical assistance providers and other small business support

- Small Business and Nonprofit Relief Fund
  - In 2021, the City of San Diego in partnership with The San Diego Foundation deployed \$12M in relief.
    - Small Businesses: 1,360 funded with 69 intents to award
      - Total dollar amount awarded: \$7,140,000
    - Nonprofits: 168 funded with 24 intents to award
      - Total dollar amount awarded: \$4,012,000
  - Of the 1,360 businesses funded and the 69 intents to awards, 82.84% are BIPOC owned.
    - Promise Zone businesses at 19.96% and CDBG Areas at 45.31%
  - For the nonprofit sector, 168 received and cashed their checks and another 24 are in the final funding phase. Unfunded nonprofits total 166.
    - Promise Zone nonprofits received \$547,500.

### Economic Development Department Budget Overview

Xiomalys Crespo, City of San Diego's Economic Development Department

- **Department staff gave an overview of key programs within EDD**
  - Promise Zone
    - Became a Key Partner to SD Access 4 All and an increase in public wi-fi hotspots
    - Created a Community Navigators Pilot Project
    - New launched website with dashboard
  - Corporate partnerships
    - Cal Coast Credit Union as financial partner for five years
      - First-of-its-kind financial partnership to provide financial assistance to Promise Zone partners
    - Developed an innovative partnership with Deloitte to market Get It Done to other municipalities
    - Secured and coordinated thousands of Personal Protective Equipment donations for City public safety
    - Executed licensing agreement for Golf Division to create additional funding for the Parks and Rec. division
    - Currently working on three separate solicitations for partners
  - Grants and Financial Assistance:
    - Deployed \$1M for 1,000+ youth 16-24 to receive job training and employment
    - Microgrant Capacity Building Program supports community-based organizations with microgrants (\$20K)
    - Small Business and Nonprofit Relief Fund to distribute a total of \$12M
    - Temporary Outdoor Business Operations Grant
    - CARES Act Revolving Loan Fund – Over \$800,000 in loans have been awarded to local businesses
  - Successor Agency
    - 253 Housing Enhancement Loan Program (HELP) servicing

- San Diego Energy Equity Campus – Valencia Business Park
- East Village Quarter – Tailgate Park
- Affordable Housing and Grant Management
  - “Bridge to Home” Affordable Housing Fund \$33M in round one to seven projects
  - Housing Stability Assistance Program (HSAP) \$160M+ administered by San Diego Housing Commission
  - Additional CDBG Round of funding (two cycles) to prepare, prevent, respond to COVID-19
- City of San Diego is planning to re-launch business walks and management grants
- There are no longer CDBG funds to support connect 2 careers- please attend our jobs and education group to discuss strategies to continue to offer these services to youth
- Questions
  - Regarding get it done app in partnership with Deloitte – does the department want to sell this product to other cities to create revenue? Yes, that is an option and something the department is exploring
- All of this information is also available on the city website
- Partners should keep an eye on the upcoming budget cycle to see how this group can advocate for leveraging and reallocating funds.

#### Wrap Up and Adjourn

- Share any questions or feedback in the Promise Zone’s anonymous [Digital Comment Box](#).

#### **Next Meeting**

Wednesday, July 13<sup>th</sup>, 2022 | 2:30 – 4:00 PM

Via Zoom (Meeting ID: 160 198 7510)