CED AGENDA: 3/28/16
ITEM: D(2)

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

FROM: Jeff Ruster

SUBJECT: SMALL BUSINESS SUPPORT STRATEGY

DATE: March 14, 2016

Approved Kim Walesh Date March 21, 2016

RECOMMENDATION

Accept staff's report on services provided by the City and its partners to support the startup, growth, and retention of small businesses in San José.

BACKGROUND

Importance and Variety of Small Businesses

Small businesses provide nearly half of the jobs in the San José economy. San José has 56,500 small businesses with 35 or fewer employees, including those self-employed and operating from home, which employ an estimated 48% of all jobs in San José.

The following table provides a detailed breakdown of San José businesses by size and employment. Using Employment Development Department (EDD) data, small businesses employ an estimated 188,400. Medium and large businesses are estimated to employ 204,200.

San José Firms and Employment by Size

Firm Size Full Time Equivalent (FTE)	Firms		Employment	
	Number	Share	Number	Share
Small Businesses (1-35 FTE)	56,500	98%	188,400	48%
Medium/Large Businesses (36+ FTE)	1,100	2%	204,200	52%
Total Businesses	57,600		392,600	

Source: City of San José, February 2016, California Employment Development Department Q1 2015
Firm numbers and share are based on registered businesses in the City of San José's business tax (BT) directory. It does not include commercial landlords, residential landlords, mobile home parks, or out of town businesses.
Employment is estimated from EDD information.

It is important to note that new businesses account for a significant share of net new job creation. A 2010 Office of Economic Development work2future Small Business Research Report found

that over a 14-year period nearly 40% of jobs were created from new businesses that were less than one year old.

An additional important role that small business plays for many San José residents is the opportunity to become their own employer. Starting a business represents an attractive pathway to economic self-sufficiency that can be a strategy to moving individuals out of underemployment or unemployment and onto a path to the middle class. Creating and supporting such small business-based career pathways is particularly important given the limited expansion of middle income jobs anticipated in the upcoming years in the San José area.

Diversity of Small Businesses

A factor significantly influencing the City's approach to supporting small business is the simple reality that small businesses are not a homogeneous group. Companies range from the serial entrepreneur and high growth businesses (gazelles), to the family-based, mom-and-pop owned businesses, as well as the tens of thousands of San José sole proprietors offering services such as accounting, catering, house cleaning, legal consulting, landscaping, and everything in between.

San José's small businesses represent a diverse range of industries, as illustrated in the following chart. Sectors with high numbers of small businesses include construction, retail trade, professional and business services, health services, restaurants, personal consumer services, and other services.

It is important to note that small business owners face significant time and resource constraints and need intuitive, 24/7 resources and roadmaps to quickly secure the information and support they need to start and grow their businesses.

At the same time, given the respective resource needs of small businesses, their awareness and ability to access these resources, the role that the City can play to foster the growth of these diverse businesses varies significantly.

In recognition of these dynamics, in 2013 the City formalized a small business strategy which emphasizes prudent utilization of technology, the development of strategic partnerships, and the targeted application of staff and City resources. This strategy is led by the Office of Economic Development (OED), but includes services in the City Manager's Office of Immigrant Affairs, and the Planning, Building, and Code Enforcement; Library; Public Works; Finance; Airport; and Environmental Services Departments

ANALYSIS

Given the diverse, extensive and constantly changing needs of small businesses, the City must maintain a flexible and adaptive approach in terms of its role as a *direct service provider* and also as a *connector of partner resources* to meet their specific demands. As such, the City continually integrates stakeholder input through a variety of listening mechanisms described further within this document to identify and address resource gaps, and service duplication; make process improvements; and address challenges facing the diverse local small business community.

Additionally, the City has a role as a purchaser of goods and services and as a regulator/policy setter. However, the focus of this memo is principally on the City's role as a connector to partner resources and as a direct service provider.

The City has a role as a **connector to partner resources** to meet small business needs. Examples include:

- BusinessOwnerSpace.com Network of 40 Service Partners (See Attachment A)
- Site/Space Selections and Zoning Information Online Tools
- Neighborhood Business Districts and Business Associations
- Mentoring, Small Business Basics Workshops and Business Training
- "Your Business Coaching Center" Online Permit Resource Tool

As a **direct service provider**, the City also offers direct services to small businesses such as:

- Small Business Ally Program
- Toll-free BOS Referral and Translation
- Outreach to High-Potential Growth Companies
- Financial Assistance Programs
- Library-Based Support Services
- Small Business Contracting and Procurement Opportunities
- work2future Hiring Assistance and On-The-Job Training
- Creative Entrepreneur Project – Training, Grants and Incentive Funding

It should be noted that despite the scale and diversity of small businesses in our community, only 2.5 full-time equivalents (FTE) are currently dedicated towards supporting small businesses. In addition to the full-time Small Business Ally positions in PBCE, 1.5 additional FTEs provide small business support services on behalf of the City in OED. Approximately 0.5 FTE is supported by the General Fund through OED's Business Development Team, with all staff support for BusinessOwnerSpace.com - equivalent to 1.0 FTE - funded through the Federal Workforce Innovation and Opportunity Act (WIOA) and needing to assure a regional focus. In addition to the above-described 2.5 FTE, 1.0 additional FTE for the Vietnamese speaking Small Business Ally has been funded. This position is expected to be filled shortly.

Notwithstanding City staff limitations, through the application of the small business strategy the City and its partners are able provide a comprehensive set of services to address small business needs.

Current Menu of Small Business Services

The extensive menu of programs and services provided by the City of San José and its partners serve and facilitate support for the broad range of entrepreneurs and small businesses in San José as well as provide a way to receive input on service and delivery needs. These programs have formed the core of the City's small business strategy and have supported tens of thousands of small businesses in recent years.

- <u>BusinessOwnerSpace.com Network of 40 Service Partners</u>
  City Small Business Research Reports from the work2future division of the Office of Economic Development (OED) have revealed that businesses need access to a wide range of services offered at all hours and that businesses lack familiarity with existing resources. Consequently, in 2007 the City created BusinessOwnerSpace.com (BOS), a partnership of 40 different organizations and City Departments that support small businesses (see Attachment A). Current resources available through the BOS network include business planning, marketing, e-commerce and information technology support, hiring, procurement assistance, and tax preparation assistance, all offered at little or no cost to small businesses. Additionally, the BOS website is being streamlined and revamped to include Spanish and Vietnamese translations.

  Three major BOS Business Events focused on small business concerns were held on May 29, November 13, and November 17, 2015. On May 29, the City Hall Rotunda hosted the Fourth Annual Summit on Entrepreneurship and Innovation for 250 attendees, followed by "Take Center Stage" on November 13th at the Mexican Heritage Plaza with nearly 100 attendees.

On November 17, 2015 a Small Business Saturday Proclamation by the City Council brought nine Neighborhood Business Associations together.

These events have promoted and provided awareness, mentoring, education and networking opportunities to our small business community in coordination with BOS partners, including leveraged resources and translation services. Past topics have included youth entrepreneurship, leveraging social media, access to capital, and entrepreneurship and innovation.

Since July 1, 2015 BOS partners have provided 49,245 free or low cost services to businesses and entrepreneurs. This represents 164% of this fiscal year's goal of 30,000 partner services.

Historically, the Federal Workforce Innovation Opportunity Act funds have been the principal funding source for BOS operations and staffing. However, during this current year City Council approved $50,000 of non-personnel General Fund to support the upgrade of the BOS website, the translation of key technical guidance and collateral materials, and also the costs of holding various community outreach seminars and workshops.

Website: http://www.businessownerspace.com

- Mentoring Assistance for Immigrant Small Business
  Silicon Valley Talent Partnership (SVTP), working with OED and the San José Downtown Association, kicked off Small Business Ignite, a private/public partnership to create a training, mentoring and networking platform for small businesses wishing to expand and thrive in San José. Through this program 50 mentees were matched with 20 mentors, including employees from EY, HootSuite and SP2 Communal Bar, for a combined 1,200 hours of mentor-mentee instruction in English, Vietnamese, and Spanish. The next cohort of mentoring begins in March 2016.

- Toll-free BOS Referral and Translation
  Limited-English-speaking business owners can be served through the BOS toll free number, using immediate third-party translation services for business inquires. Started in April 2015, this service has been promoted via BOS newsletters, website and marketing materials, as well as through the Office of Economic Development's sjeconomy.com website.

- Small Business Ally Program
  A primary example of targeted staffing support and cross-department collaboration is the Small Business Ally program, where the staff is located within the Planning, Building, and Code Enforcement (PBCE) Department and funded through OED. The Small Business Ally serves as a point of contact to support smaller businesses through the permitting process. In addition, program staff works closely with the San José Downtown Association (DTA) and other business groups to facilitate direct referrals to the City for permitting requests. The DTA has a staff member to work in close coordination with the Small Business Ally to inform small businesses about the permitting process. In the first six months of this fiscal

year, more than 750 San José businesses received general assistance with City and County development process inquiries through the Ally program and 2,100 since the program was initiated in 2013. Services are available in English and Spanish, and a Vietnamese language speaker is being hired.

- "Your Business Coaching Center" Online Permit Resource Tool
  work2future, funded by a Small Business Administration grant, lead a citywide effort to develop a web-based small business permitting and business tax tool. Your Business Coaching Center website is an online, user-friendly interface to help small business owners understand and move through the City of San José's permitting process. Since the website was launched in summer 2014, the website has had more than 35,500 unique visitors. Your Business Coaching Center has Google translation services available in Spanish and Vietnamese.

- Small Business Basics Workshops with Spanish and Vietnamese Support
  Started in July 2015, the City of San José, work2future, the Silicon Valley Small Business Development Center, and AnewAmerica began offering a series of workshops. The workshops, now entitled "Basics for Doing Business in San José," are targeted to entrepreneurs and small business owners. City staff from the Small Business Ally program, Finance Department, OED, work2future, and BOS partners provided information sessions with multilingual (Spanish and Vietnamese) staff to help build business aspirations and understanding of City processes. Topics included getting through the start-up phase, planning and permitting, Business Tax Certificates, securing business loans, scaling up to meet new demand and increasing sales. Handouts in Spanish and Vietnamese for "Immediate Steps to Starting your Business" and "Typical Steps for Small Business Permitting and Inspections" were also available. Evaluations of the value of the workshops from the 140 attendees have been overwhelmingly positive and have included suggestions for future topic, venues, activities and events.

  Given the success of the Small Business Basics Workshops, the City is working to take these programs "on the road" into the community including a District 10 community meeting scheduled for March 24, a workshop on April 20, 2016 in conjunction with CommUniverCity, and another in May with assistance from Somos Mayfair.

- work2future Hiring Assistance and On-The-Job Training
  Small businesses in San José and surrounding communities looking to expand can rely on work2future and its partners to provide quality recruitment-related assistance. Businesses are able to use these no-cost programs to hire workers including job seekers looking to reenter the workforce or advance their careers. Services include:
  - Job Postings
  - Job Fairs
  - Special Recruitments
  - Labor Market Information
  - Customized and On-the-Job Training Cost Reimbursement
  - State and Federal Hiring Tax Credits Information

In 2014-2015 work2future provided or participated in 126 recruitment events and 8 large job fairs with over 6,000 announced or posted job openings for over 70 employers. work2future-affiliated recruitments and job fairs drew over 5,200 attendees.

In addition, work2future's on-the-job training program offers small businesses a way to expand at a lower cost. This business-focused program connects employers with pre-screened applicants who meet or exceed the company's defined needs. With no obligation, the company hires only those candidates that match their expectations and is able to train those employees according to the level of need. work2future will reimburse the business for up to 50% of the salary of the trainee up to a total reimbursable amount of $6,000 per new hire.

Website: http://www.work2future.biz

- Library-Based Support Services
  San José Public Library (SJPL) Works is developing a collaborative space and technology sharing area for small businesses and job seekers on the third floor of the Martin Luther King (MLK) library, where 2,000 square feet is being transformed into a career and business resources center. San José library patrons will be able checkout laptops and tablets, hold meetings and attend workshops. OED, work2future, and other BOS partners are participating on the advisory board to provide guidance and feedback as well as partnering to provide services within the space. Funding from the Knight Foundation, Institute of Museums and Libraries, Sobrato Foundation, Silicon Valley Bank, and the City of San José will help to build out the space as well as assemble a business and career collection that includes materials in Spanish and Vietnamese.

- Creative Entrepreneur Project – Training, Grants and Incentive Funding
  Led by the Office of Cultural Affairs (OCA), the Creative Entrepreneur Project (CEP) seeks to improve the opportunity landscape for artists of all disciplines and arts-based businesses. The primary goal is to enrich San José's cultural vibrancy and enhance its creative economy by actively providing support to artists (across all disciplines in both the non-commercial and commercial arenas) living or working in San José. San José has been a national leader in recognizing the important cultural and economic value of arts-based businesses and offering programs to support this element of the creative economy.

  The City enhances support for creative entrepreneurs and the commercial creative sector through professional development grants, incentive funds, training and convening. Through City funding and a partnership with the Center for Cultural Innovation, creative entrepreneurs can apply for funding to build administrative and business skills, strengthen the economic sustainability of an arts practice or grow or stabilize an arts-based business through the Creative Capacity Fund and Creative Industries Incentive Fund (CIIF). Over four cycles of CIIF, 28 arts-based businesses have received a total of $120,000, funded in part through a partnership with the Surdna Foundation. A total of $40,000 was granted to 9 arts-based commercial businesses in early 2016 to support projects between $2,000 and $8,000. The next CIIF cycle is anticipated to begin in Fall 2016. Creative entrepreneurs can apply for Creative Capacity Fund awards on a monthly basis. The OCA also provides technical assistance workshops such as "The Business of Art," aimed at strengthening business knowledge.

  Websites: http://www.sanjoseculture.org/index.aspx?NID=4312 ; http://www.cciarts.org/

- Financial Assistance and Tax Incentives
  OED, other City Departments, and BOS partners work together to ensure that businesses are aware of the various financial assistance programs available to small businesses. These include:
  - **Conservation Programs**: The City and partners offer a range of incentives to encourage small businesses to lower their costs through conservation. Among these are:
    - Silicon Valley Energy Watch – This partnership with PG&E is among a range of programs to support energy efficiency improvements.
      Website: http://www.sanjoseca.gov/index.aspx?NID=1501
    - Property Assessed Clean Energy – Under this program, San José property owners lower their energy and/or water costs by financing efficiency upgrades through attaching this cost to their property tax bill.
      Website: http://www.sanjoseca.gov/index.aspx?NID=4383
  - **Storefronts Grant Initiative:** The City is also encouraging retail small business growth through the Storefronts Initiative, which aims to fill vacant storefronts in Downtown and Neighborhood Business Districts. Eligible small businesses leasing vacant spaces have been able to offset the cost of City permit processing fees, sewage connection fees, and construction taxes. Last year, 13 awards were made. By the end of this fiscal year 10 additional awards of up to $13,500 will have been made.

- Site/Space Selection and Zoning Information Online Tools
  The Office of Economic Development has an on-line resource that leverages technology to help companies identify available business locations. The site selection web site allows small businesses to access what are otherwise premium services on Loopnet to identify potential San José locations based on area, price, size and other variables. With the assistance of a broker familiar with San José, this tool helps small businesses to more easily secure appropriate space to match their needs.

  Website: http://www.sanjoseca.gov/index.aspx?NID=872

  The City also provides a 24/7 webpage for entrepreneurs and small business owners to identify zoning designations for potential locations.

  Website: http://www.sanjoseca.gov/index.aspx?NID=1769

- Neighborhood Business Districts and Business Associations
  San José is home to many small business associations, from technical and interest groups to ethnic chambers of commerce to neighborhood business districts (NBDs). The City leverages and supports the work of these groups, some of which are active BOS partners, by providing current information of interest to businesses and coordinating activities where appropriate. As part of the 2015-2016 budget, grants were given to each of eight NBDs and the Berryessa Business Association (see Attachment B) to promote activities, community vitality, and retail strength. The City has worked with these and other NBDs to promote consumer awareness of these retail areas as part of a shop local effort called Shop San José

(www.shopsanjose.biz), which has included supporting the national Small Business Saturday effort.

- Alum Rock Avenue - Santa Clara Street Business Support
  In fall 2015, staff responded to businesses requesting assistance regarding the impacts of the prolonged bus rapid transit construction project by the Valley Transportation Authority on the Alum Rock and East Santa Clara Street neighborhood business districts. OED staff participated in business outreach activities in partnership with the Mayor and Councilmember Carrasco, Silicon Valley Chamber of Commerce, and Silicon Valley Small Business Development Center, to survey the impacts to businesses and potential need for financial assistance.

  In response, the VTA established a public information office, a marketing campaign, and the Small Business Sustainability Program to provide expedited financial assistance and support to eligible impacted businesses. OED staff worked collaboratively with VTA and Small Business Development Center staff to provide outreach to businesses along the impacted project route for the Small Business Sustainability Program. Staff continued to work collaboratively with VTA to install banners along the corridor to encourage residents and travelers along the project corridor to "Shop, dine, enjoy and thrive in Alum Rock." BOS partners and work2future conducted extensive outreach to Alum Rock and Santa Clara Street businesses to market business services as well as the November 13th "Take Center Stage" event held at Mexican Heritage Plaza. Staff will continue to work with the newly formed Alum Rock Santa Clara Street Business Association to develop a work plan to implement a business improvement district in FY 2016-2017.

- Outreach to High-Potential Growth Companies
  Driving industries are critical to the vitality of the local economy, given the related job and revenue generation. Industries of particular focus include information and communications technologies, software and data, health technology, and advanced manufacturing. Areas of additional interest also include outreach to downtown businesses and the development community, such as brokers, architects and landowners. Roughly 15% of the OED's business visits target high-growth small businesses in driving industries to connect them to the services or support they need, such as permitting assistance, business assistance programs, access to space, or workforce recruitment.

  Retaining and growing these high-potential small businesses strongly stimulates economic vitality in San José as the businesses move through phases of accelerated growth. Relationships with senior representatives at target companies establish direct lines of communication and assist in the accumulation of business intelligence. Team members leverage these relationships to draw attention to available resources that can help strengthen companies, flag at-risk businesses that require assistance, and ensure that public programs meet local business needs. OED has already met with approximately 250 companies this fiscal year, most of which are in driving industries or directly support these industries.

- Small Business Contracting and Procurement Opportunities
  The City is currently focused on many efforts to increase small business participation and awareness of future contracting work and opportunities to provide services throughout the

City. As a part of that effort, the Department of Public works is leading a team of several City departments in developing an initial analysis of Council Priority #3 "Local Hiring/Local Business/Apprentice Utilization Program", and #14 "Disadvantaged Business Enterprises" to determine the next steps in program and policy development to further encourage contracting with local, small and disadvantaged businesses. Council Priority #3 is on the workplan to report back to the City Council in May 2016 while staff will report back on Council Priority #14 to the Community and Economic Development Committee (CEDC) in June 2016.

The City continues to innovate to encourage small business participation. The Finance Department's Purchasing division has eliminated minimum qualification requirements to submit a bid that may be unnecessarily restrictive for a small business (such as years in business, number of customers, etc); eliminated bid and performance bond requirements unless required by law; and, when feasible, is breaking larger requirements into smaller bid packages. Public Works has utilized the flexibility of bidding minor public works (under $100,000) contracts to improve outreach and increase opportunities for small business to participate, including eliminating bid bond requirements not requiring performance bonds for contracts under $25,000.

In addition, a goal has been set for quarterly staff participation of both Purchasing and Public Works in small business outreach events. These events are typically hosted by public agencies or non-profits, and are designed to bring small business sellers and public agency buyers together to share information about upcoming bid opportunities and "how to do business with the City."

Existing systems and policies which promote small business participation in City contracting include:

- Promotion of opportunities and increased notification, through Bidsync and other avenues, to small business registrants when their goods and/or services are a match to the City's postings. The Bidsync system also supports connections between interested bidders ("primes") and potential small business "subcontractors."
- Implementation of the City's local preference policy which is worth as much as 10% of total points for local, small businesses when goods and services are being bid.
- Application of Disadvantaged Business Enterprise (DBE) goals. The City is committed to attracting and enhancing the participation of disadvantaged businesses, minority-owned businesses, woman-owned businesses and other small and local businesses in its contracts. The City works proactively to outreach to the contracting community as well as follow best practices to ensure that DBEs have an equal opportunity to receive and participate in contracts.

In addition, the San José Minority Business Development Agency, a core BOS partner, offers assistance to minority-owned companies looking into certification or otherwise pursuing contract opportunities with government agencies or large corporations. Services are available in English, Spanish, and Chinese.

Targeted Support for Immigrant Small Business Owners

The 2015 City Small Business Research Report found that 60% of San José small business owners are from racial or ethnic minority backgrounds. Overall, nearly 51% of San José small business owners are immigrants, with 10% having been in the country for fewer than 10 years. Some 30% of immigrant small business owners report that they do not speak English well. Spanish, Vietnamese, Chinese, and Korean are the main native languages spoken by 90% of those with limited English skills.

In addition, the study found that minority and immigrant entrepreneurs play a critical role because they are more likely to hire employees with limited skills. In this way, new workers learn valuable skills, gain a foothold in an industry, and become self-sufficient wages earners.

The following table summarizes the number and percentage of San José small businesses, their employment and the minority or immigrant ownership status.

San José Immigrant Small Business Overview

San José Firm Types	Number of Firms	Share of Firms
Total Small Business (≤ 35 employees)	56,500	98% of All Businesses
Minority-owned	33,900	60% of Small Businesses
Immigrant-owned	28,800	51% of Small Businesses
Limited English *(self-identified)*	8,500	15% of Small Businesses 30% of Immigrant Businesses

Sources: February 2016 City update of Keen Independent Research, estimates based on information from American Community Survey, City of San José Finance Department, and California EDD ES-202 Report.

Based on the results of the study and beginning in 2015, the City's Small Business Strategy was augmented to include a new initiative targeted at increasing the access of immigrant business owners to existing programs.

- Progress in Supporting Immigrant Small Businesses
  The following is an update on efforts to build the infrastructure to increase access for immigrant small business owners over the past year.

  - **Mentoring** helps immigrant small business owners and other small business owners get individualized assistance and guidance in their own language.
    - Professional mentoring support in Spanish and Vietnamese to immigrant small businesses is available through Silicon Valley Talent Partnership's San Jose Small Business Ignite program. The program has matched 50 mentees with 20 mentors for a combined 1200 hours of mentor-mentee instruction in English, Vietnamese, and Spanish. The next cohort of mentoring is scheduled to start March 2016.
    - Other BOS partners such as AnewAmerica, Minority Business Development Agency (MBDA), and Small Business Development Center (SBDC) also provide non-English-language guidance to small businesses.

- **Workshops** on small business basics provide more details about topics of interest to immigrant small business owners.
  - Started July 2015, monthly workshops at City Hall introduced regional partners providing business formation services and City Staff providing Business Tax and permitting regulation information to small business owners. These sessions highlight topics of interest to immigrant small business owners and leverage Vietnamese- and Spanish-speaking staff from the City and BOS partners to address the needs of attendees. 98% of respondents indicated that they were satisfied or very satisfied with the workshops. Workshops are planned for April 20, 2016 (Roosevelt Community Center), and mid-May, 2016 (Mayfair Community Center).
- **Large-scale events,** such as business resource fairs with multilingual support, provide networking, mentoring, and informative presentations to further small business endeavors, and build wider awareness of business assistance services available to immigrants and others. Simultaneous translation into Vietnamese and Spanish is made available to boost immigrant business access.
  - May 29, 2015 – 4th Annual Summit on Entrepreneurship and Innovation, with nearly 250 business representatives attending.
  - October 15, 2015 – The City and other BOS partners took advantage of the opportunity to talk with business attendees at Festiv'ALL. Nearly 2,000 attended the event.
  - November 13, 2015 – The Mexican Heritage Plaza hosted a BOS small business event "Take Center Stage" and had nearly 100 business representative attendees.
- **Outreach and communication** are important to let more immigrant small business owners know about the resources available to them.
  - CommUniverCity has agreed to help promote business assistance services and host a workshop on April 20, 2016.
  - Somos Mayfair has agreed to help promote business assistance services. Discussions are underway for them to host a workshop in May 2016.
  - Staff has leveraged community events such as Tet Festival and town hall meetings organized by Councilmembers Manh Nguyen (District 4) and Tam Nguyen (District 7) to get the word out about business services available. Discussions are underway with additional Council Offices to address immigrant business needs.
  - Councilmembers have generously been active supporters of events by letting their constituents know about the services available through newsletters, and ongoing community meetings.
  - Promotion of events through Vietnamese- and Spanish-language publications and news releases in those languages has connected more immigrant small business owners with those events.
  - Work has begun on updated Your Business Coaching Permitting Center (www.sanjoseca.gov/index.aspx?NID=3457) and BOS (www.businessownerspace.com) websites which will include improved translation functionality.

- **Translation support** beyond that listed in the previous bullets further supports immigrant small business owners' ability to access business assistance services.
  - Providing business assistance in 20 languages over the phone through a translation service for immigrant businesses through BusinessOwnerSpace.com toll-free hotline at (877) 880-1222.
  - Translating small business technical and informational guides (e.g., "Typical Steps for Small Business Permitting and Inspections"), and marketing materials into Spanish and Vietnamese.
  - Hired work2future staff to provide Vietnamese-language support to small businesses.
  - PBCE is in the process of hiring a Vietnamese-speaking staff person for the Small Business Ally program.
  - Incorporated immigrant and minority business owners as a target group in the development of SJPL Works. This new public library program is acquiring multi-lingual materials for a collaborative space at the Martin Luther King Library which will include programs to support entrepreneurship.
- **Enhanced partnerships** with existing BOS partners have resulted in greater availability of services for immigrant small business owners
  - Focusing and scaling partnerships with organizations with multi-lingual business services proficiency such as AnewAmerica, Minority Development Business Agency, Small Business Development Center, Silicon Valley Talent Partnership, and business associations has made it possible that offer a wider variety of workshops and counseling support.

City Mechanisms to Listen and Respond to Small Business

Through multiple feedback/listening mechanisms, City and partner staff listen and respond to the needs of the small business community. Those mechanisms range from statistically relevant research and survey work, to input from one-on-one conversations, to group inquiries conducted by City as well as similar interactions by the extensive network of BusinessOwnerSpace.com partners (BOS).

Listening Mechanisms

"Listening" Channels	Related Programs	Sample "Listening" Outcomes
Surveys and Research	Minimum Wage Survey BOS Client Surveys City Small Business Research Reports Creative Entrepreneur Project	Better understanding of the impacts of a minimum wage change Development of "Your Business Coaching Center" Creation of new initiatives to support immigrant businesses Strategies to grow and stabilize the needs of creative entrepreneurs and arts-based businesses

Listening Mechanisms (cont.)

"Listening" Channels	Related Programs	Sample "Listening" Outcomes
One-on-One Conversations with Small Businesses	Immigrant Business Outreach BOS Toll Free Line w/ Translation OED Business Outreach Direct Services (e.g., Small Business Ally, Storefronts Initiative) Targeted Business Outreach to work2future Priority Sectors	Creation of new small business guides on specific topics like "Immediate Steps to Starting a Business" – (Span. and Viet.), and "Typical Steps for Small Business Permitting and Inspections" (Viet.) New event topics for inclusion in future events
Focus Groups, Council District Community Meetings, and Special Event Consultation and Feedback	Small Business Events (BOS Events, City Small Business Basics Workshops, Small Business Ignite, work2future Trainings for Small Business, Procurement Trainings) Neighborhood Business Districts and Small Business Associations Immigrant Focus Groups Public Events OED Broker Event	New event topics for inclusion in future events Identification of barriers to immigrant entrepreneurs such as language and specific topic areas Work has begun to evaluate funding options to revitalize the Alum Rock neighborhood business district
Partners (Surveys & Research, One-on-One Conversations, Focus Groups…)	BOS Steering Committee Meetings Silicon Valley Economic Development Alliance (SVEDA)	BOS website improvements Speakers on new topics of interest to businesses Identification of Potential Service Gaps (e.g., Tightening commercial market is resulting in more home-based businesses)

- Looking Ahead – Next 12 Months

  The following are initiatives and special events upcoming in the next 12 months.
  - 5th Annual Summit on Entrepreneurship and Innovation: May 6, 2016
    On May 6, 2016, the City will be joined by the Small Business Administration in a celebration of National Small Business Week. Between 250 and 300 attendees are expected for the 5th Annual Summit on Entrepreneurship and Innovation. The event will include a nationally streamed keynote speech by Maria Contreras-Sweet, a member of President Obama's cabinet and a successful entrepreneur from Mexico, to acknowledge the important role of immigrant entrepreneurs.

- Next "Small Business Basics" Workshops: April 20, 2016 and May 2016
  With the success of the City's *Basics for Doing Business in San José* workshops held at City Hall since June 2015, the next step is to offer them elsewhere in the community. Workshops are planned for April 20, 2016 (Roosevelt Community Center), and May, 2016 (Mayfair Community Center). Other opportunities are being identified, particularly in neighborhoods with significant immigrant populations.
- Launch Updated BusinessOwnerSpace.com Website in Spanish and Vietnamese: May 6, 2016
  Revamping the BusinessOwnersSpace.com website has been undertaken and the new site is scheduled to launch during Small Business Week in May 2016. The goal is to streamline information, update the look and feel, and add a user-friendly referral tool to help users connect with appropriate resources. The website will be available in English, Spanish and Vietnamese.
- San José Public Library Works (SJPL Works)
  SJPL Works is in the process of building out a collaborative space and developing a collection of multi-lingual resources for small businesses and job seekers. The project on the Martin Luther King Library 3rd floor is going through the permitting and construction process and is expected to launch in the next six months to a year.

CONCLUSION

While this listing of programs to support small business growth is extensive, the City and its partners continue to pursue listening channels and to identify new ways to sustain service delivery to address evolving small business community needs through innovative arrangements and the enhanced use of technology. Continued emphasis will be placed on addressing the needs of immigrant businesses to ensure that they have access to business services as described in this document.

COORDINATION

This memo was coordinated with the Planning, Building, and Code Enforcement, Airport, Finance, Library, and Public Works Department.

/s/
JEFF RUSTER
Director of Strategic Partnerships
Office of Economic Development
City Manager's Office

For questions please contact B.J. Sims, Division Manager, at (408) 794-1129.

Attachments
A: BusinessOwnerSpace.com Partners
B: City-Supported Neighborhood Business Districts

Attachment A

BusinessOwnerSpace.com Partners

The Office of Economic Development's work2future program established the collaborative BusinessOwnerSpace.com (BOS) partnership in 2007. The group continues to cross-market member programs and builds momentum and commitment from its 40 partners while connecting with additional members to address changing City strategies.

As a key component of the City's Economic Strategy, BOS and its partners in 2014-2015 served or connected with over 52,000 business clients and entrepreneurs. The BOS website provides a wide range of entrepreneurship information and connects visitors with partners that cover topics of interest to small businesses.

BusinessOwnerSpace.com Partners by Services Provided:

Access to Capital:
Bank of America, Community Bank of the Bay, Meriwest Credit Union, Opportunity Fund, Pacific Community Ventures, Tech CU, SpartUp and Wells Fargo.

Advice on how to access legal, planning, policy, regulations and event activities information:
Alliance For Community Development; AnewAmerica; Better Business Bureau; City of San José Departments of Planning, Building, and Code Enforcement, Finance, Library, Public Works, Police, Environmental Services, and Office of Economic Development; Filipino American Chamber of Commerce of Santa Clara County; FranNet; Internal Revenue Service; Hispanic Chamber of Commerce of Silicon Valley; San José Silicon Valley Chamber of Commerce; San José State University Career Center; Santa Clara Valley Transportation Authority; SBDC; SCORE; Silicon Valley Black Chamber of Commerce; and work2future.

Intensive Technical Assistance for business planning, counseling, training:
AnewAmerica; Downtown Association; Japantown, Berryessa, and the Alameda Business Associations; City of San José Departments of Planning, Building and Code Enforcement, Finance, Public Works, Police, Environmental Services, and Office of Economic Development; Foothill Community College; FranNet; Hispanic Chamber Of Commerce of Silicon Valley; Internal Revenue Service; Minority Business Development Agency; San José State University – Silicon Valley Center For Entrepreneurship; SBDC; and SCORE.

Human Resources:
State of California Employment Development Department, San José Evergreen Community College District (Workforce Institute), San José State University Career Center, and work2future.

Attachment B

City-Supported Neighborhood Business Districts

San José has provided FY2015/16 grant funding to the following Neighborhood Business Districts and Associations to promote activities, community vitality, and retail strength:

- Berryessa Business Association
- East Santa Clara Street Business Association
- Japantown Business Association
- Luna Park Business Association
- Story Road Business Association
- The Alameda Business Association
- West San Carlos Street Neighborhood Business Association
- Willow Glen Business Association
- Winchester Business Association