

Attachment J

Economic Development Category

Staff Reports

**FY 2020/21 & FY 2021/22 CDBG PROGRAM  
ECONOMIC DEVELOPMENT (ED) CATEGORY**

**APPLICANT:** Contra Costa Child Care Council

**PROJECT NAME/NUMBER:** Road to Success Program  
20-01-ED

**PROJECT SERVICE AREA:** Urban County (with emphasis on Richmond/North Richmond, San Pablo, Rodeo, Crockett, El Sobrante, Bay Point, Brentwood and Pacheco)

**PROJECT OUTCOME:** Provide recruitment, training, and ongoing support services to 90 low- and moderate-income persons so they can sustain their licensed family day care business or receive a childcare license to open and operate a new licensed family daycare business (microenterprise).

**TOTAL PROJECT COST:** **\$308,350**

**AMOUNT REQUESTED:** **\$90,000**

**AMOUNT RECOMMENDED:**

<b>FY 2020/21:</b>	<b>\$90,000</b>
<b>FY 2021/22:</b>	<b>\$90,000</b>

**RECEIVED IN FY 2019/20:** **\$85,000**

**CONDITIONS OF APPROVAL:** The Council's CDBG contract will be a "pay per accomplishment" contract, in which most of the CDBG funds will be contingent with the Council's performance for meeting their contractual goal. Of the \$85,000 recommended, \$17,000 is exclusively for the marketing and loan programs that may be available to clients.

**PROJECT DESCRIPTION/ANALYSIS:** The Contra Costa Child Care Council (Council) has over 30 years of experience developing and improving the quality of family childcare in the County. The Council's mission is to provide leadership to promote and advance quality care and early education.

The Council will provide technical assistance and training opportunities including basic business skill training in marketing, book-keeping, contracting, and business taxes to clients who are interested in developing micro-enterprises as a Family Day Care Provider. Business-specific training including childcare licensing requirements, working

effectively with parents, and childcare curricula is also provided. Post-licensing technical assistance, a minimum of 12 hours, focuses on the business aspects of operating a family childcare business aimed at sustaining or expanding the micro-enterprise. Assistance will focus on marketing, record keeping, taxes, child development training workshops, and on-site visits. This program has received CDBG funding since FY 1997/98.

Over the many years with CDBG funding, the Council had focused to assist low-income persons obtain a childcare license to open and operate a new child care business within their homes. However, with the economic realities still facing the various communities of the County, the focus of the Council's program will shift more to the need of sustaining the existing family childcare businesses that were previously created while continuing efforts to assist in the development of newly licensed family childcare businesses. This approach will help protect the childcare business's investment in their business start-up costs, work with and adjust to fewer resources, and maximize dollars to serve more clients in need of economic development and microenterprise assistance. This shift in focus will have the Council assist 90 existing childcare businesses or microenterprises and create 8 new licensed childcare businesses/microenterprises.

To assist in retaining quality providers, the Council will perform the following:

- Provide ongoing technical assistance and support to licensed former participants
- Conduct four training workshops covering topics such as discipline, complying with ADA, age-appropriate activities and serving children of different ages
- Sponsoring an annual conference incorporating workshops on a wide range of child development topics
- Distribute "tip sheets" on a wide range of health, safety and child development topics

Specific strategies to help maintain sustainable family childcare microenterprises will include: 1) assisting childcare businesses to better market their services (business cards, brochures, flyers, web sites, networking, attending community events); 2) advising and assisting participants to do market research to make good business decisions and implement better business practices like competitive pricing and more flexible hours (expand hours of operation); and, 3) increasing their business practices and childcare services that are culturally sensitive and offer more quality care and early education.

The Council will recruit potential participants in the following ways:

- Distribute posters in targeted neighborhoods, and seek referrals from community groups. Outreach will be done in several languages including Spanish and Farsi
- Distribute recruitment notices to CalWorks participants through the Employment and Human Services Department

- Conduct three Business Start-up workshops each month
- Conduct three “Learning Through Play” workshops each month that provide a basic overview of child growth and development, caring for groups of children and developmentally-appropriate activities for young children
- Perform site visits to potential client’s homes to assess the home’s potential for a family day care business

The program is eligible, feasible, timely, and consistent with Consolidated Plan goals to foster micro-enterprise development. The Council has been successful in reaching quantitative goals to assist clients to open their business as licensed childcare providers and to provide technical assistance to existing licensed providers.

## **EVALUATION CRITERIA**

1. **CONSOLIDATED PLAN PRIORITY:** Economic Development: Reduce the number of persons below the poverty level, expand economic opportunities for very low- and low-income residents and increase the viability of neighborhood commercial areas [CD-5].
2. **CDBG ELIGIBLE ACTIVITY:** Microenterprise and small business assistance [24 CFR 570.201(o)]
3. **NATIONAL OBJECTIVE:** Benefiting very low- and low-income persons [24 CFR 570.208(a)(2)(iii)]
4. **TARGET POPULATION AND DEMONSTRATED NEED:** The program is intended to provide low- and moderate-income persons with an opportunity to maintain or start a microenterprise as a licensed in-home childcare provider. Participants in the program are provided with classes that introduce them to basic business strategies and skills to establish, maintain, and grow their business.

While the program is available County-wide, the program is targeted to communities that are both economically depressed and/or have the greatest shortage of childcare supply, specifically Richmond/North Richmond, San Pablo, Rodeo/Crockett, El Cerrito, and El Sobrante in West County; Brentwood and Bay Point in East County, and Pacheco in Central County. The business of family childcare offers a unique opportunity for persons to develop their own small businesses in their own homes. A career in family childcare can allow a person to stay home with their own children and still earn money to support their families. Furthermore, given the dramatic need for childcare, including affordable childcare, in the County, family childcare is a career which offers stable employment. According to the 2015 Child Care Portfolio, published by the California Child Care Resource and Referral Network, 66 percent of

children ages 0-12 in Contra Costa have parents in the labor force, but only 30 percent of these children have a licensed childcare opening available to them. There continues to be a shortage in the supply of childcare for infants/toddlers under the age of two despite the demand (39% of child care referral requests to the Contra Costa Child Care Council is for infant/toddler care). According to the Portfolio report, 82 percent of child care requests for children ages 0-5 are for full-time care in Contra Costa. Thirteen (13) percent of Contra Costa's children ages 0-5 live in poverty (2014 data). For many residents, incomes are not keeping pace with the cost of living in the County, which includes childcare costs. As Contra Costa families work to make ends meet, childcare costs can consume 49 percent of wages for a parent earning \$42,216 per year with one preschooler and an infant/toddler in child care. For a family earning the County's median annual income, childcare costs for two young children make up 22% of the family's budget. For a parent earning minimum wage to make \$18,720 per year, housing costs alone make up 109% of his or her budget with a preschool education/child care another 58% above. The average cost of full-time care for infants/toddlers (under the age of two) in childcare Centers ranges from \$1,200 to \$2,000 per month. Additional data shows that childcare is a great way of providing adequate revenue for childcare business owners. Target communities including Richmond/North Richmond, San Pablo, and Bay Point, also have high levels of unemployment and underemployment. The project has a secondary benefit in that it increases the availability of childcare for others entering the workforce in the targeted communities, which is often cited as one of the barriers to employment.

## 5. FINANCIAL ANALYSIS:

		# Clients Served	\$ Per Client Served
CDBG Funds Recommended	\$90,000	90	\$1,000
Total Program Amount	\$308,350	150	\$1,869
CDBG % of Total Budget	29%		
Required Match – 50%	\$45,000		
Amount Secured	\$0		
Leverage*	\$2.63		
*Does not include other CDBG funds from other jurisdictions.			

The CDBG funds will be used to pay for staff costs, including taxes/benefits. In addition to CDBG funds from other jurisdictions, the State Department of Education primarily funds the remainder of the program budget.

6. **EXPERIENCE AND CAPACITY:** The Council has been providing assistance to childcare providers and parents since 1976 and first received CDBG funds in FY 1996/97 to deliver services to assist childcare providers to maintain their license. Since FY 1997/98 the Council has received CDBG funding to implement the “Road to Success” program and has been successful in meeting and exceeding goals. The Council has also submitted required reports in a timely manner. The Council’s Resource and Referral Counselors have several years of professional experience in the field of family day care and are well qualified to administer and carry out the program.
7. **PROJECT READINESS AND TIMELINESS:** This is an ongoing program that is fully staffed.
8. **PAST PERFORMANCE:** The Council has demonstrated the ability to complete and exceed programmatic objectives in past program years. As of the second quarter for the current fiscal year, the program assisted 74 Urban County residents open and/or maintain a family daycare business. For the most recent completed fiscal year (2018/19), the Council met its contractual goal of assisting 85 low- and moderate-income persons so they can sustain their licensed family day care business or receive a childcare license to open and operate a new licensed family daycare business (microenterprise).

As with all programs that are recommended CDBG funds under the Economic Development category, CDBG staff is recommending a “pay per accomplishment” contract with the Council for FY 2020/21 and FY 2021/22, in which most of the CDBG funds will be contingent on the Council’s performance in meeting their contractual goal.

9. **ENVIRONMENTAL/HISTORIC PRESERVATION/RELOCATION/PREVAILING WAGE ISSUES:** None.

**FY 2020/21 & 2021/22 CDBG PROGRAM  
ECONOMIC DEVELOPMENT (ED) CATEGORY**

**APPLICANT:** Loaves and Fishes of Contra Costa

**PROGRAM NAME/NUMBER:** Culinary Training Program  
20-02-ED

**PROGRAM SERVICE AREA:** Martinez

**PROGRAM OUTCOME:** Provide a free 12-week introductory Culinary program for individuals interested in the culinary industry and experiencing barriers to employment to 30 low-income Urban County residents at the Loaves & Fishes Martinez Dining Room.

**TOTAL PROGRAM COST:** **\$81,972**

**AMOUNT REQUESTED:** **\$30,000**

**AMOUNT RECOMMENDED:**

<b>FY 2020/21:</b>	<b>\$30,000</b>
<b>FY 2021/22:</b>	<b>\$30,000</b>

**RECEIVED IN FY 2019/20:** **N/A**

**CONDITIONS OF APPROVAL:** The CDBG contract award is contingent on Loaves and Fishes acquiring Memorandum of Understandings (MOU) guaranteeing employment with a restaurant or various restaurants after completion of the 12-week course.

**PROGRAM ANALYSIS:** Loaves and Fishes of Contra Costa (LFCC) is a non-profit agency whose mission is to provide community based food programs and partner services that focus on basic needs in nourishing lives. Since 1983, Loaves and Fishes has served over 4.5 million meals to thousands of hungry people through the LFCC Dining Rooms throughout Contra Costa County.

LFCC offers three, free 12-weeks introductory culinary program for individuals interested in the culinary industry and experiencing barriers to employment. Training will take place at the Martinez Dining Room, located at 835 Ferry Street in Martinez. This training program teaches basic culinary skills needed to qualify as a candidate for a starting position with the Culinary Industry. LFCC's vision is to provide better

preparation opportunities for students to obtain jobs that will lead to true careers and financial independence. Students will be introduced to the robust Culinary Arts program at Diablo Valley College, and provide help in obtaining jobs in the culinary field. LFCC's has a professionally trained chef on staff that has nearly a decade of experience teaching culinary arts with a Masters Degree in education that provides the instruction and training during the 12-week course. During the 12 weeks, the students will be trained on:

- Week 1: Safety and Sanitation, Knife Skills
- Week 2: Knife Skills and Salad Preparation
- Week 3: Soups and Sandwiches
- Week 4: Roasting and Sautéing
- Week 5: Braising and Poaching
- Week 6: Resume and job searching skills
- Week 7: International Cuisine
- Week 8: International Cuisine
- Week 9: Bulk Food Production
- Week 10: Offsite Catering
- Week 11: Mystery Basket (challenges in the kitchen)
- Week 12: Buffet and Banquet Service, Graduation

After 12 weeks, the students will receive a certificate of 144 hours of culinary training and will have their Safety and Sanitation License (ServSafe Certification) required by law for all food related service workers. As part of the training, the students will gain experience cooking for more than 100 people and serving a plated meal to 40 to 60 people.

If funded by CDBG, LFCC will have signed MOU's with Culinary Industry employers who agree to hire students that have completed the 12-week course. The Culinary Arts training program fits perfectly into the Loaves and Fishes mission because it provides the students a second chance for employment, while giving back to their community by cooking the hot meals served to clients at the Martinez Dining Room. The program is eligible, feasible, and timely.

## **EVALUATION CRITERIA**

1. **CONSOLIDATED PLAN PRIORITY:** Prevention Services for the Homeless [H-2].
2. **CDBG ELIGIBLE ACTIVITY:** Special Economic Development Activities [24CFR 570.203(c)].



3. **NATIONAL OBJECTIVE:** Benefiting very low- and low-income persons [24 CFR 570.208(a)(2)(iii)]
4. **TARGET POPULATION AND DEMONSTRATED NEED:** The program targets very low- to low-income individuals who are experiencing barriers to employment. Students are being recruited from recovery programs, foster care, probation office, alternative high schools, and homeless shelters. The community need and issue is homelessness and unemployment. According to Contra Costa Health Services, in 2019, one out of every six people in Contra Costa and in California are food insecure, meaning these individuals or families struggle with unemployment or do not have enough income to cover their expenses. Many people are living paycheck to pay check and with housing being so expensive, unemployment can result in homelessness very quickly.

5. **FINANCIAL ANALYSIS:**

		# Clients Served	\$ Per Client Served
CDBG Funds Recommended	\$25,000	30	\$833
Total Program Amount	\$81,975	30	\$2,732
CDBG % of Total Budget	30.5%		
Required Match – 50%	\$12,500		
Amount Secured	\$0		
Leverage*	\$2.28		
*Does not include other CDBG funds from other jurisdictions.			

County CDBG funds will be used to pay salaries for the culinary program Director and Program Assistant. The majority of the funding and food donations is from foundations, corporations, institutions, individuals, grants, and community partners. Based on LFCC's funding history, they will secure sufficient funds through fundraising, corporations, and foundations to carry out the program.

6. **EXPERIENCE AND CAPACITY:** The Executive Director has primary oversight of the program and requested funds are allocated to staff salaries. The Culinary Training Program has been running since 2016 and is the first time this program has applied for CDBG funds. LFCC has been providing meals to the homeless and low-income families in since 1983 and has been funded by the CDBG program for the Martinez Dining Room since 1995.

7. **PROGRAM READINESS AND TIMELINESS:** This is an ongoing program that is fully staffed.
8. **PAST PERFORMANCE:** This is the first year LFCC will be receiving CDBG funds for the culinary training program. LFCC's Martinez Dining Room has received with CDBG funds in the Public Service category for many years, consistently meeting their goals, and submitting reports in a timely manner.
9. **ENVIRONMENTAL/HISTORIC PRESERVATION/RELOCATION/PREVAILING WAGE ISSUES:** Public Service activities are exempt from environmental review.

**FY 2020/21 & 2021/22 CDBG PROGRAM  
ECONOMIC DEVELOPMENT (ED) CATEGORY**

**APPLICANT:** Opportunity Junction

**PROJECT NAME/NUMBER:** Administrative Careers Training (ACT)  
(Formerly Job Training and Placement Program)  
20-03-ED

**PROJECT SERVICE AREA:** East County (Primarily Antioch)

**PROJECT OUTCOME:** To provide training and job placement assistance to 10 low-income persons, leading to economic self-sufficiency through careers in the administrative field.

**TOTAL PROJECT COST:** \$859,933

**AMOUNT REQUESTED:** \$100,000

**AMOUNT RECOMMENDED:**

FY 2020/21:	\$100,000
FY 2021/22:	\$100,000

**RECEIVED IN FY 2019/20:** \$100,000

**CONDITIONS OF APPROVAL:** Opportunity Junction's CDBG contract will be a "pay per accomplishment" contract, in which most of the CDBG funds will be contingent with Opportunity Junction's performance for meeting their contractual goal.

**PROJECT DESCRIPTION/ANALYSIS:**

Opportunity Junction is a 501(c)(3) nonprofit agency dedicated to helping low-income Contra Costa County residents obtain and retain good jobs. Opportunity Junction achieves this goal by providing training, support services, employment experience, and employer introductions. Clients are supported throughout their journey to employment and are provided service even after they have completed their program.

Opportunity Junction's Administrative Careers Training (ACT) program will expand economic opportunities for over 50 low-income persons through administrative training and career development. The ACT program will train and provide job placement assistance to at least 10 Urban County clients and at least 3 of those clients will be guaranteed placement into employment under contract with the agency's employer Partners. Opportunity Junction proposes to provide a 12-week program that has two components – Life Skills and Hard Skills. Life Skills training includes many team-building exercises and covering goal-setting, overcoming obstacles, managing change, self-care, business and workplace skills (including a half-unit college credit class taught in partnership with Los Medanos College), and public speaking. Hard Skills training includes computer and academic skills, with a focus on business English/writing, business math, keyboarding, word processing, spreadsheet applications, database

design and management, desktop publishing, and internet design. Much of the hard skills training leads to Microsoft Office Specialist certifications in various Microsoft software applications.

After training is complete, participants receive up to four months of paid on-site training on the Opportunity Junction work floor to gain real world job experience. Once participants are ready to leave the work floor, they are provided with job placement assistance. In order to ensure that students acquire on-the-job experience, Opportunity Junction has established partnership agreements with some local agencies and companies to create employment opportunities for students and program alumni. Participants are also provided case management and retention services to assist them in maintaining employment. Follow-up services include mentoring, assistance with transitional issues, and an alumni club. Participants are tracked and supported for up to 18 months.

There is a strong need for training and placement services in East County.

The program is eligible, feasible, timely, and consistent with the Consolidated Plan goals to provide job training and economic opportunities to lower-income persons. Requested funding will be allocated to staff salary.

## **EVALUATION CRITERIA**

1. **CONSOLIDATED PLAN PRIORITY:** Economic Development: Reduce the number of persons below the poverty level, expand economic opportunities for very low- and low-income residents and increase the viability of neighborhood commercial areas [CD-5].
2. **CDBG ELIGIBLE ACTIVITY:** Special Economic Development Activities [24 CFR 570.203(c)].
3. **NATIONAL OBJECTIVE:** Benefiting very low- and low-income persons [24 CFR 570.208(a)(2)(i)(B)].
4. **TARGET POPULATION AND DEMONSTRATED NEED:** The program will expand economic opportunities for 3 low-income persons through administrative job training and career development. According to California EDD, from 2016-2026, there will be more than 48,000 East Bay job openings in the administrative occupations that pay a living wage and do not require a 4-year college education. The target population is unemployed or underemployed Urban County residents in east Contra Costa County. The need for the program is particularly acute in these communities, which comprise one of the epicenters of the new Suburban Poverty. According to the State's Economic Development Labor Market Information (EDD LMI), the unemployment rate is significantly higher in east Contra Costa than in Contra Costa County as a whole. In Bay Point, the unemployment rate is 5.3%, almost twice the Contra Costa County rate of 2.6%. In Pittsburg, 3.1% are unemployed, and in Antioch, the unemployment rate is 3.3%.

## 5. FINANCIAL ANALYSIS:

		# Clients Served	\$ Per Client Served
CDBG Funds Recommended	\$100,000	10	\$1,000
Total Program Amount	\$859,933	40	\$21,498
CDBG % of Total Budget	12%		
Required Match – 50%	\$50,000		
Amount Secured	\$100,000		
Leverage*	\$7.60		
*Does not include CDBG funds from other jurisdictions			

The proposed operating budget anticipates grants from a number of foundations and corporations. Opportunity Junction is also applying for CDBG funding from Antioch and Pittsburg. The County's CDBG funds would primarily be used for rent.

6. **EXPERIENCE AND CAPACITY:** Opportunity Junction was established in 1999 (as Opportunities for Technology Information Careers) by a consortium of private businesses, local government agencies, and community-based organizations and has placed many Urban County participants into permanent employment paying an average of \$27,000 annually plus benefits. Recently, they have transitioned to a focus on the administrative occupation, as it provides more opportunities for those lacking traditional 4-year college education. Program staff has been with the organization for many years and have exhibited exemplary performance in operating this program for many years.
7. **PROJECT READINESS AND TIMELINESS:** This is an ongoing program that is fully staffed.
8. **PAST PERFORMANCE:** Opportunity Junction has demonstrated the ability to complete and exceed programmatic objectives within the program year. For FY 2018/19 the program placed 2 Urban County residents in jobs with a set contract, just shy of their contractual goal. This year, they are on track to meet their goal. As with all programs that are recommended CDBG funds under the Economic Development category, CDBG staff is recommending a "pay per accomplishment" contract with Opportunity Junction for FY 2020/21 and FY 2021/22, in which most of the CDBG funds will be contingent on Opportunity Junction's performance for meeting their contractual goal. Opportunity Junction has been timely in submitting all necessary quarterly reports.
9. **ENVIRONMENTAL/HISTORIC PRESERVATION/RELOCATION/PREVAILING WAGE ISSUES:** None.

**FY 2020/21 & 2021/22 CDBG PROGRAM  
ECONOMIC DEVELOPMENT (ED) CATEGORY**

**APPLICANT:** Renaissance Entrepreneurship Center

**PROJECT NAME/NUMBER:** Renaissance Richmond  
20-04-ED

**PROJECT SERVICE AREA:** Richmond

**PROJECT OUTCOME:** Intensive small business/microenterprise training and technical assistance to 45 unduplicated lower-income individuals who own a small business/microenterprise or wish to start-up a small business/microenterprise.

**TOTAL PROJECT COST:** \$330,419

**AMOUNT REQUESTED:** \$45,000

**AMOUNT RECOMMENDED:**

<b>FY 2020/21:</b>	\$45,000
<b>FY 2021/22:</b>	\$45,000

**RECEIVED IN FY 2019/20:** \$45,000

**CONDITIONS OF APPROVAL:** Renaissance Entrepreneurship's CDBG contract will be a "pay per accomplishment" contract, in which most of the CDBG funds will be contingent with Renaissance Entrepreneurship's performance for meeting their contractual goal..

**PROJECT DESCRIPTION/ANALYSIS:** Renaissance Richmond of Contra Costa County will deliver comprehensive training and support services to assist 45 unduplicated low-income residents of Richmond and Contra Costa County to develop the technical and "soft" skills, confidence, and networks needed to succeed in small business ownership. Clients will, in turn, start and grow sustainable small businesses, creating and retaining jobs for themselves and other residents, supporting them to achieve economic mobility, build assets, and create better futures. Specifically, Renaissance Richmond will deliver:

- **Intensive Training:** At the heart of Renaissance Richmond's program is intensive small business training offered as 4-9 week (12-27 hour) practical, hands-on classes on the introductory and business planning levels. All classes are taught by Renaissance-trained small business consultants, staff and industry experts using award-winning curriculum. Clients graduate with the skills, confidence, and a network of like-minded entrepreneurs needed to succeed.
- **Women's Programs:** Women-focused programs empower women with technical skills, networks, mentors, and confidence. They include women-focused business training and empowerment classes, facilitated networking, and support groups.

- **Workshops:** Skill-building workshops in marketing, finance, and technology increase business knowledge and provide networking opportunities.
- **Individual Consulting:** One-on-one consulting supports clients in sales, marketing, management, and operations.
- **Access to Capital:** Individual technical assistance helps clients become better financial managers of their businesses and is complemented by loan packaging to help clients secure capital from banks, nonprofit loan funds, and private sources.
- **Networking:** In addition to the networks clients build in their training classes, meet-ups provide facilitated peer support groups to help graduates to encourage and learn from each other at every stage of business development.
- **Access to Markets:** Pop-up marketplaces and other events connect Renaissance graduate businesses with potential clients and new markets.

All services will be delivered at the Renaissance Richmond Center located in the Iron Triangle at 1500 MacDonald Avenue and through off-site training at the Richmond Chamber of Commerce and the Contractor Resource Center.

The program is provided at no or low cost to the participant. Ongoing networking and support is also available during business startup and long-term business operations.

The program is eligible, feasible and timely and consistent with Consolidated Plan goals to foster micro-enterprise development and small business development. Renaissance Richmond provides a valuable service to existing and prospective small businesses in the Urban County.

## **EVALUATION CRITERIA**

1. **CONSOLIDATED PLAN PRIORITY:** Economic Development: Reduce the number of persons with incomes below the poverty level (annual income below \$31,743), expand economic opportunities for extremely-low, very-low, and low-income residents, and increase the viability of neighborhood commercial areas by providing job training/job placement services and technical assistance to microenterprises and small businesses. [CD-5].
2. **CDBG ELIGIBLE ACTIVITY:** Micro-enterprise and small business assistance [24 CFR 570.201(o)].
3. **NATIONAL OBJECTIVE:** Benefiting very low- and low-income persons/micro-enterprise assistance [24 CFR 570.208(a)(2)(iii)] and job creation [24 CFR 570.208(a)(4)(i)].
4. **TARGET POPULATION AND DEMONSTRATED NEED:** Renaissance Richmond will support low-income residents of Richmond and Contra Costa County who own or wish to own a small business/microenterprise. Clients will be men and women, with services provided in both English and Spanish. In Contra Costa County, the overall poverty rate is 8.6%. In the City of Richmond, women are 22 percent more likely to live in poverty than men are. Women, people of color, and immigrants are

disproportionately affected by unemployment and face the greatest barriers to traditional economic opportunity due to systemic barriers compounded by bad or no credit history, debt, language barriers, and lack of access to quality education. Small business ownership is recognized as one of the surest routes to economic mobility for people who face barriers to traditional employment due to income level, gender, race, immigration status, or former incarceration. Small businesses create employment for the business owners themselves, create jobs for local residents, fill blighted vacancies, and contribute to the social and economic vibrancy of the community.

**5. FINANCIAL ANALYSIS:**

		# Clients Served	\$ Per Client Served
CDBG Funds Recommended	\$45,000	50	\$9000
Total Program Amount	\$330,419	550	\$600
CDBG % of Total Budget	12.71%		
Required Match – 40%	\$18,000		
Amount Secured	\$0		
Leverage	\$6.87		

The County's CDBG funds will be used primarily for staff costs. The rest of the program budget will be funded by a combination of foundations, corporations, and Renaissance Richmond funds.

6. **EXPERIENCE AND CAPACITY:** Renaissance Richmond is one of the few microenterprise development organizations in Contra Costa County that provides comprehensive bi-lingual language small business training and support services – from ideation to business planning and growth – that directly addresses the challenges and barriers low-income individuals face as they strive to achieve economic self-sufficiency. Renaissance Richmond has been providing microenterprise services since 2008. They partner with other microenterprise development organizations in the County to provide access to capital and business consulting services along specific commercial corridors and to support more advanced small business owners in expanding their businesses.
7. **PROJECT READINESS AND TIMELINESS:** The current program is fully staffed and programs are operating efficiently.
8. **PAST PERFORMANCE:** During FY 2018/19, the program exceeded their contractual goal, serving 76 clients, where 42 was their goal. As of the 2<sup>nd</sup> Quarter of the current fiscal year, Renaissance is on track to meet their goal. Program staff has been timely with submissions and reporting.

CDBG staff is recommending a “pay per accomplishment” contract with Renaissance Entrepreneurship for FY 2020/21 and FY 2021/22, in which most of the CDBG funds will be contingent with Renaissance Center's performance for meeting their



contractual goal. Renaissance Center has been timely in submitting quarterly reports and quarterly demands/invoices.

9. **ENVIRONMENTAL/HISTORIC PRESERVATION/RELOCATION/PREVAILING WAGE ISSUES:** None.

**FY 2020/21 & 2021/22 CDBG PROGRAM  
ECONOMIC DEVELOPMENT (ED) CATEGORY**

**APPLICANT:** West Contra Costa County Business Development Center

**PROJECT NAME/NUMBER:** Emerging Entrepreneurs Program (Previously Strengthening Neighborhood Economies Program)  
20-05-ED

**PROJECT SERVICE AREA:** West County (with emphasis in Richmond/North Richmond, San Pablo, Rodeo and)

**PROJECT OUTCOME:** To provide technical assistance and support to 50 existing businesses or persons wishing to open a business as a way to create/retain jobs.

**TOTAL PROJECT COST:** **\$275,600**

**AMOUNT REQUESTED:** **\$85,400**

**AMOUNT RECOMMENDED:**

<b>FY 2020/21:</b>	<b>\$85,400</b>
<b>FY 2021/22:</b>	<b>\$85,400</b>

**RECEIVED IN FY 2019/20:** **\$77,152**

**CONDITIONS OF APPROVAL:** The BDC's CDBG contract will be a "pay per accomplishment" contract, in which most of the CDBG funds will be contingent with the BDC's performance for meeting their contractual goal.

**PROJECT DESCRIPTION/ANALYSIS:** The West Contra Costa Business Development Center (BDC) is a nonprofit corporation with a proven track record of successfully fostering entrepreneurship, particularly within communities striving for economic revitalization. The BDC's goal is to help businesses grow, create job opportunities, and generate a renewed sense of economic activity in the communities of West Contra County. The BDC, through its "Emerging Entrepreneurs Program" proposes to provide comprehensive business assistance to at least 50 existing and prospective small businesses/micro-enterprises located in West County with emphasis in the Richmond/North Richmond, San Pablo, Rodeo communities. The BDC's Emerging Entrepreneurs Program provides the platform and the necessary support to help individuals formalize and grow their food ventures. The Emerging Entrepreneurs Program offerings will include:

- Food Business Incubator: Offers clients a shared-use commercial kitchen space with access to cooking equipment, storage space and critical business support.

- **Business Assistance:** Individualized support at the start-up and growth stages, including business feasibility, strategic planning, regulatory guidance, marketing assistance, and access to capital.
- **Education and Training:** Our specialized training covers essential industry information and key business topics, providing clients with the information and tools to effectively develop their food ventures.
- **Access to Capital:** Through our partnerships with local lenders, we help our clients obtain the financing they need to start and operate their business.
- **Regulatory Guidance:** We guide clients through industry requirements and help them navigate the cumbersome permitting and licensing process.
- **Scholarships:** Because start-up capital is a key issue for entrepreneurs, scholarships in our partners' names are given to select clients that are prepared to launch their businesses. These clients have access to an average of 3 months of kitchen use as they work to develop their products and customer base.
- **Mentoring Program:** By offering valuable business knowledge and industry insights, experienced mentors will support clients in two key areas: daily operations and market opportunities.
- **Access to Markets:** To address an area that entrepreneurs indicate as needing the most help with, we will identify and facilitate market opportunities for clients to promote and sell their products through, including farmers' markets, pop-up shops, online marketplaces, and community events.

The overall program is eligible, feasible, and timely. The BDC has received CDBG funds for many years.

## **EVALUATION CRITERIA:**

1. **CONSOLIDATED PLAN PRIORITY:** Economic Development: Reduce the number of persons below the poverty level, expand economic opportunities for very low-and low-income residents and increase the viability of neighborhood commercial areas [CD-5].
2. **CDBG ELIGIBLE ACTIVITY:** Micro-enterprise and small business assistance [24 CFR 570.201(o)]
3. **NATIONAL OBJECTIVE:** Benefiting very low- and low-income persons/micro-enterprise activity [24 CFR 570.208(a)(2)(iii)]

4. **TARGET POPULATION AND DEMONSTRATED NEED:** The program will help expand economic opportunities to at least 50 low-income persons who have started or are planning to start a business located in West County. In West County, it is estimated that one out of five people lack a high school degree. More alarming is that the unemployment rate in some West County neighborhoods is at or above 20 percent. The BDC will work to facilitate new economic opportunities for low-income persons through successful small business/microenterprise development and operation.

The need for small business/microenterprise assistance has been well documented. Studies have shown that a large percentage of small businesses and microenterprises fail within the first five years of start-up due to a lack of supportive services. Recent research identified over 3,000 micro-enterprises in West County. These businesses play a significant role in the economy and create a significant number of jobs. Business development is a critical ingredient in attaining financial security and small business creation is a mechanism for economic mobility, particularly for minorities, immigrants, and the economically disadvantaged.

The BDC will primarily target existing businesses and persons wanting to open a business in West County with particular emphasis on Richmond/North Richmond, San Pablo, Rodeo, Pinole, and Hercules. The BDC will reach merchants, potential new merchants, residents, and community leaders through disseminating materials in the community (libraries, community organizations, schools, and business associations); sending out mailers to target neighborhoods, press releases to local media, including West County Times, Contra Costa Marketplace, Chamber of Commerce newsletters, and Spanish Language media.

5. **FINANCIAL ANALYSIS:**

		# Clients Served	\$ Per Client Served
CDBG Funds Recommended	\$85,400	50	\$1,708
Total Program Amount	\$244,800	50	\$4,896
CDBG % of Total Budget	35%		
Required Match – 50%	\$42,700		
Amount Secured	\$40,000		
Leverage*	\$1.87		
*Does not include other CDBG funds from other jurisdictions.			

The County's CDBG funds will be used for staff costs. The BDC has secured \$40,000 for the program and is currently working to secure other funding commitments for FY 2020/21. The BDC has, in the past, been very successful in securing the funds needed to operate the program and they typically do not request funding from their corporate and foundation sponsors until the end of May or early June. Based on the BDC's previous history, County CDBG staff expects the BDC to

raise and secure the necessary funds for the program.

6. **EXPERIENCE AND CAPACITY:** The BDC has been in operation since 1995. The current Executive Director has managed the BDC for approximately 19 years and has significant experience working with small businesses as well as a background in non-profit administration. The BDC has qualified staff and uses specialized consultants to assist in delivering services.
7. **PROJECT READINESS AND TIMELINESS:** The BDC has been funded with CDBG funds for over ten years and has the experience and required staff to operate this program.
8. **PAST PERFORMANCE:** In FY 2018/19 the BDC provided technical assistance and support to 48 existing business or persons wishing to open a business, exceeding their contractual goal. As of the 2<sup>nd</sup> quarter of the current fiscal year, the BDC is on pace to meet their contractual goal, assisting 24 existing or prospective small business/microenterprise owners.

CDBG staff is recommending a “pay per accomplishment” contract with the BDC for FY 2020/21 and FY 2021/22, in which most of the CDBG funds will be contingent with the BDC’s performance for meeting their contractual goal. The BDC has been timely in submitting quarterly reports and quarterly demands/invoices.

9. **ENVIRONMENTAL/HISTORICAL PERSERVATION/RELOCATION/PREVAILING WAGE ISSUES:** None