



Office of the City Manager

INFORMATION CALENDAR
September 13, 2022

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Eleanor Hollander, Economic Development Manager
Subject: Federal Economic Relief Spending in Berkeley

INTRODUCTION

The Office of Economic Development (OED) is pleased to share how federal funding from the CARES Act and American Rescue Plan Act (ARPA) were used to support local economic recovery.

CURRENT SITUATION AND ITS EFFECTS

Since March 17, 2020, when the City of Berkeley and six Bay Area counties issued health orders for residents to stay at home (“Shelter-in-Place”), and for all but a few essential businesses to cease operations, Berkeley businesses have experienced negative impacts from the COVID-19 pandemic. In the past two and a half years, the acute phase of the pandemic has receded; all businesses are permitted to operate, and the use of effective treatments and vaccines to prevent disease and reduce severity have become widespread and available to all those over six months of age.

However, as detailed in [2020 and 2021 citywide economic dashboards](#) published by the Office of Economic Development (OED), the pandemic has had widespread impacts on the economy overall, and more severe and prolonged impacts in certain sectors such as performing arts, tourism & hospitality, retail, and restaurants. As such, relief funding from the federal government has been designed to support small businesses (which comprise the vast majority of the Berkeley economy) and the industries in greatest need.

To support economic recovery in Berkeley, federal funding was allocated to the following:

- **Low interest rate loans to Berkeley small businesses:** In July 2020, the City of Berkeley’s existing Revolving Loan Fund (RLF) program was modified to accept \$814,000 of Economic Development Administration (EDA) Coronavirus Aid, Relief, and Economic Security (CARES) Act recovery assistance funding. CARES funding was used to establish a second loan fund, the COVID-19 Resiliency Loan Program (RLP), with a goal to provide low interest rate loans to

Berkeley small businesses negatively impacted by the COVID-19 pandemic. To date, RLP has provided \$520,000 to 11 businesses through 11 loans. Through work with Berkeley's Loan Administration Board, and the Federal Economic Development Administration (EDA), a sub grantee agreement was executed for a nimble certified Community Development Financial Institution, Working Solutions, to manage the fund on behalf of the city. This agreement immediately improved the experience for Berkeley's borrowers with seamless disbursement, and the ability to make online loan payments. Additionally, \$60,000 of American Rescue Plan Act (ARPA) funds were distributed to Working Solutions, to provide technical assistance and small business support to Berkeley's RLP participants.

- **Grants for arts organizations & festivals:** Funded by ARPA, Berkeley Arts Recovery Grants (BARG) for Organizations & Festivals provided one-time grants to all qualifying Berkeley-based nonprofit and fiscally sponsored arts organizations and festivals. BARG grants are being used to mitigate arts organizations' economic losses from COVID-19, implement COVID-19 prevention tactics, and procure consulting and marketing services to support organizations' future financial sustainability. In February and March 2022, 74 grant awards were dispersed totaling \$1,532,345, with individual awards ranging from \$3,000 to \$33,000, and an average grant award amount of \$20,734 per organization.
- **Grants for artists and cultural practitioners:** Also funded through ARPA, in May 2022, the Center for Cultural Innovation administered the Berkeley Arts Recovery Grants (BARG) for Artists & Cultural Practitioners on behalf of the City. This grant program distributed \$276,250 to 114 Berkeley-based artists, culture bearers, cultural practitioners, makers, specialized arts workers, and teaching artists. Awards ranged from \$1,250 to \$8,000 each and were prioritized to individuals from marginalized communities, as well as those with the highest percentage of income lost from arts and culture related-professions.
- **Grants for artists to create temporary public art on the theme of COVID recovery:** With the remaining ARPA funds (approximately \$125,000) set aside for arts community recovery, the Civic Arts Program plans to implement a second round of Berkeley Arts Works Projects (BAWP) grants. BAWP was an initiative first implemented in 2021, which provided artists financial opportunities during an economically challenging time, while also enhancing Berkeley's cultural and economic vitality through community-focused public art projects. The prior round of BAWP grants totaled approximately \$200,000 and was funded through the City's "Cultural Trust Fund" (Fund 148).
- **Funding for tourism and hospitality industry marketing and advertising:** In January 2022, \$500,000 of ARPA funds were provided to Visit Berkeley, the city's destination marketing organization (DMO) to support the hard-hit tourism and hospitality industries. With these funds, Visit Berkeley initiated the "Make Berkeley Your Bay Area Basecamp" digital advertising campaign, which featured ads in the AAA Northern California Digital TourBook, as well as on AAA.com, Expedia.com and Hotels.com. For all channels, ad clicks brought customers

looking for a place to stay in Northern California to an integrated landing page to book Berkeley lodging.¹ Additionally, from May – September 2022, Visit Berkeley is participating in an advertising campaign with Visit California and Expedia called “What If You Could” featuring banner ads on Expedia.com and hotels.com that targets California and West Coast travelers looking to stay in Northern California and brings them to a dedicated landing page to book Berkeley lodging. With the remaining ARPA funds, Visit Berkeley also plans to:

- Update and re-open their Visitor Information Center
- Create a new Berkeley tourism video and small videos on each Berkeley commercial district
- Sponsor the UC Berkeley Event Planner Certification Program
- Develop a Berkeley story on TravelZoo
- Sponsor two more banner campaigns targeting meeting planners via the California Society of Association Executives monthly e-newsletter and the Meeting Professionals International weekly e-newsletter.
- Do additional promotions and marketing for the *Berkeley Bucks* e-gift card program, which enables purchases at merchants throughout Berkeley.
- **Local business marketing and advertising:** The #DiscoveredinBerkeley business marketing campaign was launched in 2019 to, “inspire pride among Berkeley residents and business owners alike about the amazing commercial activity happening in the neighborhoods where they live and work, encourage local shopping, raise awareness of the business services offered by the City’s Office of Economic Development and enhance Berkeley’s reputation as a good place to do business.” In May 2022, \$12,500 of ARPA funding was allocated to Cityside, the publisher of the local independent online news publication, *Berkeleyside*, to support the creation of sponsored stories, banner ads, and graphics for social media and the DiscoveredinBerkeley.com website highlighting exceptional businesses in Berkeley. Remaining ARPA funds, in the amount of \$37,500 will be spent on events, social media, and additional media channels that will greater increase local businesses’ sales, visibility in the region, reputation, and community pride.
- **Equity-focused programming for the innovation sector:** Berkeley Ventures, Berkeley Values was launched in 2019 to align the growth of Berkeley’s innovation sector with the community values of diversity, equity and inclusion. Remaining ARPA funds, in the amount of \$20,000 will be spent on activities that engage Berkeley startup founders, funders, and STEM industry professionals to build a local economy that benefits our entire community. Programs being explored include: STEM CareerX Day tours for Berkeley High School students at local startups and innovation companies, developing a community of practice for Berkeley investors focused on implementing diversity, equity and inclusion (DEI) best practices, and a crowdfunding pitch competition for first-time, early stage, or

¹ Visit https://www.aaa.com/multimedia/Visit_Berkeley/index.html for an example of the Visit Berkeley campaign with Triple AAA.

underrepresented minority founders who would otherwise be lacking access to capital.

- **Business success planning for worker owned cooperatives:** Beginning in 2018, OED partnered with Project Equity to meet the local demand for business succession planning, and provide technical assistance to Berkeley's businesses wishing to transition to employee ownership. Remaining ARPA funds, in the amount of \$40,000 will be spent on a continued multi-year engagement with Project Equity. The funds will enable Project Equity to stay as an on-call advisor to businesses in Berkeley that want to transition to worker ownership. Project Equity's work will also implement strategies to measure business retention risk in Berkeley on an ongoing basis.

BACKGROUND

In addition to these programs supported by federal relief packages, OED employed and supported a number of other City- and donor-funded strategies to support economic recovery throughout the course of the pandemic.

- Cash grants through the Berkeley Relief Fund to small businesses and arts organizations
- Communicating regularly on health orders and covid-19 support opportunities with impacted businesses through a variety of formats and channels, e.g. city website including downloadable signs, email, newsletters, social media, phone calls, etc.
- Creating a temporary and permanent path for businesses to set up and operate parklets and other outdoor commerce locations
- Development of the BerkeleyHolidays.com online gift guide, gift fair, and corresponding #BerkeleyHolidays social media marketing campaign
- Deployment of the Berkeley Art Works Projects (BAWP) grant program, administered by OED's Civic Arts division, to provide financial opportunities for Berkeley artists during an economically challenging time, and enhance Berkeley's cultural and economic vitality through community-focused public art projects. Grants ranged from the micro (\$500) to \$10,000 for larger projects. The program challenged grantees to respond to one of the following themes through their project: Public health & wellbeing, Economic recovery & resilience, Community connection & belonging. To date, the BAWP grant program has provided close to \$200,000 in funding for 32 artists, performers, and community members to create temporary public art projects throughout Berkeley that bolster collective resilience and recovery from the effects of COVID-19. Installation of these projects throughout the city began in 2021 and will continue through 2022. A map of BAWP projects can be seen here: <https://www.berkeleyartworksprojects.org/map>.

These recovery efforts, paired with a variety of other targeted business outreach, engagement, and assistance, supports the City's Strategic Plan, advancing our goal to foster a dynamic, sustainable, and locally-based economy.

ENVIRONMENTAL SUSTAINABILITY

Many of the City's environmental sustainability goals are inextricably tied to the overall health of the City's economy. Staff believes that the continued pursuit of sustainable economic goals represents a strength and source of resilience for Berkeley.

POSSIBLE FUTURE ACTION

OED staff will, as directed by Council through previous and future referral items, partner with other City departments and community partners to implement programs and policies that foster a dynamic, sustainable, and locally-based economy, and assist in economic recovery throughout 2022 and beyond.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Actions that facilitate increased economic activity will increase revenues related to sales tax and property tax, and thus have a positive fiscal impact on the city.

CONTACT PERSON

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Attachments:

1: ARPA Spending to Support Economic Recovery



City of

BERKELEY

Office of Economic Development

ARPA Spending to Support Economic Recovery



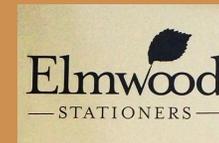
COVID-19 Resiliency Loan Program (RLP)

- July 2020 - City of Berkeley’s existing Revolving Loan Fund (RLF) program was modified to accept \$814,000 of Economic Development Administration (EDA) Coronavirus Aid, Relief, and Economic Security (CARES) Act recovery assistance funding.
- CARES Act grant used to establish a second loan fund, the COVID-19 Resiliency Loan Program (RLP) with a goal to provide low interest rate loans to Berkeley small businesses negatively impacted by the COVID-19 pandemic.
- \$60,000 of American Rescue Plan Act (ARPA) funds dedicated to Working Solutions, a certified Community Development Financial Institution to provide technical assistance and small business support to Berkeley’s RLP participants.

COVID-19 RLP Portfolio	Active Loans
Number of RLP Loans	11
RLP \$ Loaned	\$520,000

Source: Berkeley OED, January 2022

Current RLP Borrowers Include

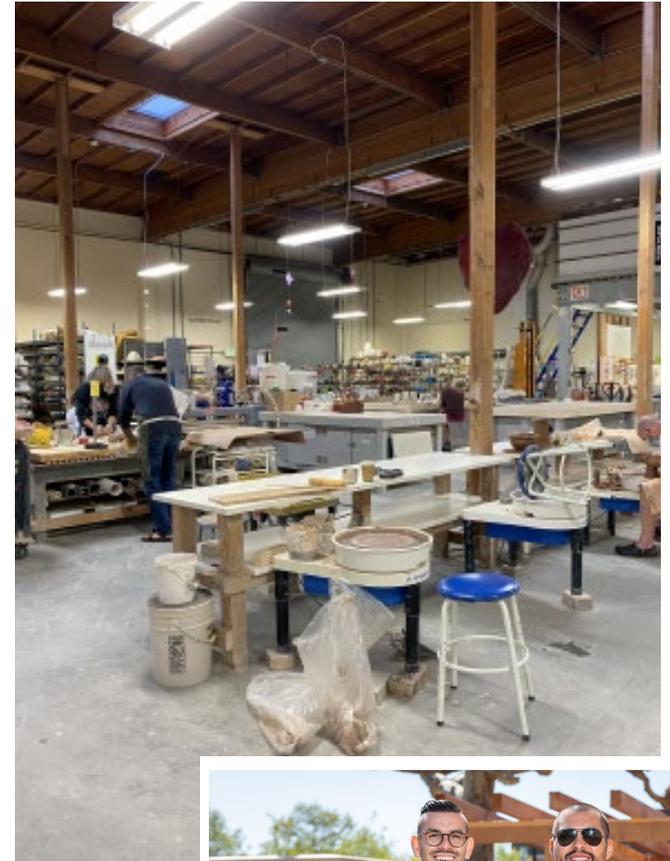


BARBARIAN

Berkeley Arts Recovery Grants Program



- 74 one-time grants, funded with ARPA dollars, to all qualifying Berkeley-based nonprofit and arts organizations and festivals
- Grant amounts ranged from \$3,000 to \$33,000, with an average award of \$20,734 per organization



Photos: BARG grantees. Berkeley Potters' Studio (2022) and Café Ohlone (2021).



Berkeley Arts Recovery Grants Program

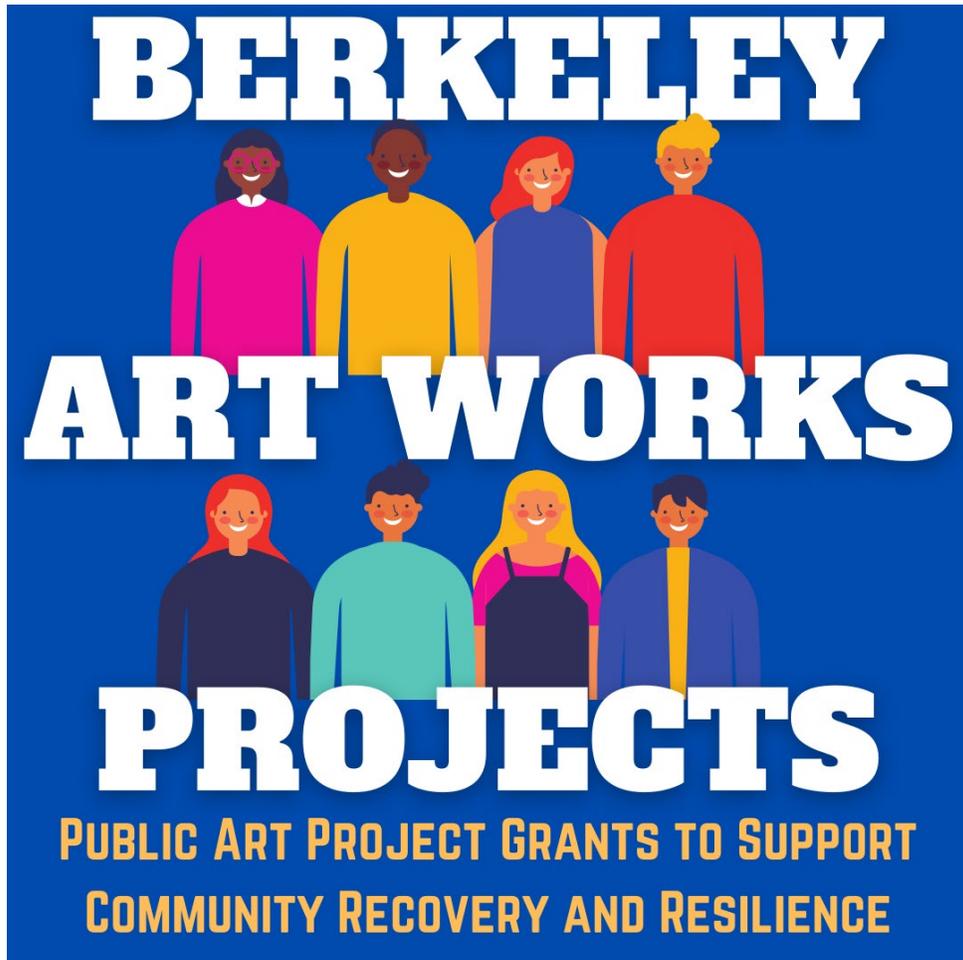
Berkeley Arts Recovery Grants for Artists and Cultural Practitioners



- \$275,000 in ARPA dollars made available as grants to Berkeley-based artists and cultural practitioners.
- Grant amounts range up to \$10,000 each.
- Funds administered on behalf of the City by the Center for Cultural Innovation.

- Grant applications opened on April 4, 2022
- Deadline to apply was May 4, 2022
- Grant awards disbursed in May and June of 2022.

Berkeley Art Works Projects (BAWP)



BERKELEY
ART WORKS
PROJECTS
PUBLIC ART PROJECT GRANTS TO SUPPORT
COMMUNITY RECOVERY AND RESILIENCE

- \$200,000 provided to date to 32 artists, performers, and community members to create temporary public art projects throughout Berkeley that bolster collective resilience and recovery from the effects of COVID-19
- Grants ranged from \$500 to \$10,000 for larger projects
- A second round of BAWP grants will be offered in late 2022.



Photos: BWAP projects - Moonstruck (left) and Ceci Bowman (above).



Support for tourism industry recovery



\$500,00 of ARPA funds were provided to Visit Berkeley, the city's destination marketing organization (DMO) to support the hard-hit tourism and hospitality industries.





Support for tourism industry recovery - AAA ad campaign

Click for AAA Member Discount

Make Berkeley Your Bay Area Base Camp

With seven AAA Diamond-rated hotels located in the heart of the San Francisco Bay Area, Berkeley is your best place to stay and play. This hip college city just across the water from San Francisco is day-trip close to Napa, Sonoma and Livermore wine country. From Berkeley, it's a big head start to Mendocino, Lake Tahoe, Yosemite, and all amazing NorCal destinations.

Pre and post, return to your "Bay Area Base Camp" for Berkeley's world-class dining and arts, buy-local shopping and outdoor adventures. We should mention: you may not want to go anywhere else, with all there is to do right here. Plan accordingly.

Visit Berkeley launched the "Make Berkeley Your Bay Area Basecamp" digital advertising campaign in 2022 which featured ads in the AAA Northern California Digital TourBook as well as on AAA.com. Ad clicks brought customers looking for a place to stay in NorCal to an [integrated landing page](#) to book Berkeley lodging.

Ad

Visit Berkeley **Make Berkeley Your Bay Area Base Camp**
Great rates and flavorful plates. Berkeley is the best place to stay and play.

Support for tourism industry – Visit California ad campaign



From May – September 2022, Visit Berkeley participated in an advertising campaign with Visit California and Expedia called “What If You Could” featuring banner ads on Expedia.com and hotels.com that targets California and West Coast travelers looking to stay in Northern California and brings them to a dedicated landing page to book Berkeley lodging.



#DiscoveredinBerkeley business marketing campaign

The 2021 campaign highlighted local businesses supporting environmental sustainability, social equity, local production, and artistic creativity.

- More than 2,750 users visited DiscoveredinBerkeley.com (87% were new visitors)
- Instagram @DiscoveredinBerkeley achieved 650+ followers (and the uses of #DiscoveredinBerkeley exceeded 3,300)
- 8 Berkeleyside articles generated 12,800+ page views & 1,000+ clicks on content within
- 21 Berkeleyside banner ads generated 609k+ impressions and more than 780 clicks



#DISCOVERED in BERKELEY

BERKELEYHOLIDAYS.COM Gift Guide

Spoil your friends and family over the holidays—and enable economic recovery —with coffeee from **Uncommon Grounds**.

Support local businesses this holiday season ▶



#DISCOVERED in BERKELEY

Woman owned **Darling Electric Salon**, a certified Green Business, uses only environmentally conscious products and works with beauty industry partners to generate useful products like fuel, trash cans, and construction materials from their salon waste.

Learn more about Berkeley's innovative businesses ▶



#DISCOVERED in BERKELEY

Brewers at **The Rare Barrel** in West Berkeley use fresh fruit to create the unique tastes for their sour beers.

Learn more about Berkeley's innovative businesses ▶



#DISCOVERED in BERKELEY

BERKELEYHOLIDAYS.COM Gift Guide

Spoil your friends and family over the holidays—and enable economic recovery —with jewelry or masks made by **Arbel Shemesh** at **ACCI**.

Support local businesses this holiday season ▶



#DISCOVERED in BERKELEY

Eating outside at **Imm Thai Street Food** in Downtown Berkeley is an authentic Thai dining experience.

Learn more about Berkeley's innovative businesses ▶



#DISCOVERED in BERKELEY

Spoil your friends and family over the holidays—and enable economic recovery —with a care package from **Scenic Made**.

Support local businesses this holiday season ▶



Berkeley Ventures Berkeley Values

- Berkeley Ventures, Berkeley Values (BV²) was launched in 2019 to align the growth of Berkeley's innovation sector with the community values of diversity, equity and inclusion.
- Remaining ARPA funds will be spent on activities that engage Berkeley startup founders, funders, and STEM industry professionals to build a local economy that benefits our entire community.



Pictured: A (BV²) Initiative - STEM X Career Day visit to Cell Valley Labs incubator space where about a dozen students from the Berkeley High School club of National Society of Black Engineers Jr toured the facilities and learned about fermentation, startup life, and a variety of STEM career pathways (April 2022).



Succession Planning & Worker Cooperatives

- OED’s continued partnership with Project Equity will help meet the local demand for business succession planning; and provide technical assistance to Berkeley’s businesses wishing to transition to employee ownership.
- Recovery funding will enable Project Equity to stay as an on-call advisor to businesses in Berkeley that want to transition to worker ownership, and will also help implement strategies to measure business retention risk in Berkeley.

{ Project Equity }

The Local Butcher Shop

“Selling to the employees and sustaining the legacy—without having to change our employee structure, change any farmers or ranchers, and continue to keep our community serviced with well-sourced meat—was a no-brainer.”

– Monica Rocchino, former owner



{ Project Equity }

Pictured: materials from Project Equity’s Presentation entitled, *“Berkeley as a national model for business retention through employee ownership”* delivered to Berkeley’s Land Use, Housing, and Economic Development Policy Committee (April 2022). The Local Butcher Shop opened in Berkeley, CA in 2011 and transitioned to employee ownership in 2021.

Project Equity’s Transition Process





City of

BERKELEY

Office of Economic Development (OED)

See the OED website for past Economic Dashboards and other economic reports:

<https://www.cityofberkeley.info/oed/reports/>

Contact OED for more information:

oedmailbox@cityofberkeley.info

