

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

SUBJECT: SMALL BUSINESS ENHANCEMENT PROGRAM (SBEP)
POLICY NO.: 900-15
EFFECTIVE DATE: March 13, 2014

BACKGROUND:

In 1995, the City Council established the Small Business Enhancement Program (SBEP) with an annual General Fund appropriation equivalent to \$20 per small business (businesses with 12 or fewer employees) registered with the City. The purpose of the SBEP is to provide continuing support to small businesses in recognition of their vital economic, employment, service, and cultural roles, and their importance in sustaining and revitalizing older commercial neighborhoods and adjoining residential areas.

Administered by the Economic Development Division's Office of Small Business, SBEP has significantly enhanced the City's partnership with the Business Improvement District (BID) associations, strengthened the network of non-profit business assistance organizations, and has provided a broad range of direct assistance programs for San Diego's small businesses.

PURPOSE:

The purpose of this Policy is to provide recommendations for reinvestment of general fund revenue generated by local small business activity to support and further develop San Diego's small businesses, enhance commercial neighborhoods, and partner with non-profits in these efforts. This policy includes funding guidelines to facilitate flexible budgeting and expenditure processes. The allocation guidelines are intended to support new program development or innovation within the prescribed categories along with support for existing relevant programs so as to provide greater benefit to the small business community.

POLICY:

It shall be the policy of the City Council, as part of the City's annual budget process to provide and appropriate funds for a specific staffing commitment and to appropriate a specific dollar amount for SBEP. The appropriation amount shall be based on the number of registered (small) businesses from the fiscal year preceding the budget development fiscal year so that the overall budgeted SBEP allocation stays consistent with the growing number of businesses to be served but does not fall below the historic baseline of \$1.6 million. Any unused funds shall be carried forward to the following fiscal year for SBEP.

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1.) Allocation Guidelines

Funding shall be provided for citywide programs and for Business District programs. The types of uses for these funds include but are not limited to the following:

Citywide

Storefront Improvement Program- Incentives and Design Services
Services, Information, and Projects
Citywide Small Business Enhancement Grants
Public Sector Contracting Business Development

Business Districts

City Fees and Services Offset
BID Management Support
Micro-Districts and Commercial Neighborhoods (Grants/In-kind Services)
Technical Assistance
Non-profit, Board, and Staff Development
Formation Fund (Revolving)

2.) Implementation, Accountability, and Reporting

To ensure program accountability, to accommodate varying needs from year to year, and to provide some flexibility, the following procedures shall be utilized:

- a.) Proposed uses for the fiscal year shall be provided to the relevant Council Committee (presently the Budget & Finance Committee) as part of the Department's budget presentation each year.
- b.) Funding dedicated to BID Management Support shall be set no lower than 22.5% of the non-personnel amount of the annual program budget.
- c.) Actual expenditures and reported outcomes by SBEP funding recipients shall be included in a memorandum provided to the relevant Council Committee within 150 days of fiscal year end.

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- d.) Staff support needed for program implementation is to be budgeted at an amount sufficient to provide program implementation and administration.
- e.) Funding for grants shall be made based on a competitive process. Staff shall seek input from volunteer panelists from relevant boards or organizations on the competitive funding requests as appropriate. Recommended funding amounts shall be determined by City staff based on the process and available funds subject to approval by the Mayor or designee.
- f.) Recommended funding methodologies for allocations to non-profit business associations under contract with the City to manage the Business Improvement Districts may be based on the consensus of a majority of these non-profits.
- g.) The allocation guidelines shall sunset in five years from adoption, unless modified or expressly extended by the Mayor and Council.
- h.) All staffing levels and funding of the SBEP delineated herein are subject to the Charter-mandated roles of the City Council and the Mayor in the City's budget process as pertains to the City's General Fund.

HISTORY:

Adopted by Resolution R-291758 - 06/08/1999

Amended by Resolution R-304314 - 11/13/2008

Amended by Resolution R-308776 - 03/13/2014