

MEMORANDUM

Office of the City Manager



DATE: October 27, 2020
TO: Mayor and Council
THROUGH: Steve McHarris, City Manager *Steve McHarris*
FROM: Alex Andrade, Economic Development Director
SUBJECT: **Milpitas Microenterprise Grant Program Update**

Background

On August 4, 2020, the City Council approved the Milpitas Microenterprise Grant Program with the purpose of aiding local businesses experiencing negative impacts to the pandemic and economic crisis. The grant program is funded by \$200,000 of Community Development Block Grant (CDBG) funds, which requires that grant funds benefit low- and moderate-income persons (LMI). The City Council selected Enterprise Foundation to act as the Grant Program's fiscal agent and administrator.

Update on Grant Program

The grant program's application period was open between August 14-21. Staff promoted the grant program via a press release, Constant Contact messaging to the business community, social media, Chamber of Commerce (including various ethnic Chambers), and social organizations.

On the application deadline, Enterprise Foundation initially received 182 qualified grant program applications. Staff conducted due diligence and partnered with various departments for compliance checks on the applications during the week of August 24-29 to verify that applicants had been in business for at least three years; operate out of a brick-and-mortar commercial storefront (no home-based businesses); did not exceed more than \$2 million in net adjusted income in the past two years, have an active business license, did not have code enforcement issues, met the LMI requirement and have been a microenterprise with five or fewer employees. After staff's review, the list was reduced to 80 applications due to some applicants not meeting one or more of the eligibility requirements.

A lottery with 80 applicants was held on August 31, 2020. Staff utilized Randon.org to randomly select and rank each applicant. Staff read aloud each of the 38 conditionally selected grantee lottery numbers. This was followed by reading aloud the remaining lottery numbers, resulting in those ranked 39-80 being placed on a waiting list. The lottery was video recorded and the results can be seen [here](#).

In the weeks that followed, the conditionally selected lottery winners and those waitlisted were contacted by Enterprise Foundation as part of their "discovery session." The discovery session included sharing information about free technical assistance provided by the Silicon Valley Small Business Development Center (non-profit and part of Enterprise Foundation). The free technical assistance offered to all 80 applicants includes additional access to capital, marketing strategies, guidance on employee-related issues, and overall business management to reduce costs and improve efficiencies.

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During that time, Enterprise Foundation experienced delays due to many applicants not submitting the required documentation, being over-income, being disqualified, not responding at all, or withdrawing their applications. At this point, Enterprise Foundation has tapped into all 80 applicants regardless of ranking. The breakdown is as follows:

36	Approved (the last 2 are expected to be fully qualified soon)
12	Over-income (salary above LMI requirement or business exceeded threshold)
3	Disqualified
23	Non-responsive/Unable to Reach
3	Applicant Cancelled
3	Waitlist
80	Total Applicants

On October 5, 2020, the City wired funds for the first 25 of the 38 grantees that fully qualified while Enterprise Foundation's due diligence process for the remaining applicants continued. As of October 15, 2020, 23 of the first 25 grantees have received their checks along with a congratulatory letter that reiterated how important their participation is to the local business community. It is expected that Enterprise Foundation will issue an invoice to the City next week for the remaining 13 grants.

Below is a list of the 38 grantees that have been fully qualified.

	Microenterprise Name	Email Address
1.	Healthworks Chiropractic	DrLyons@HealthworksChiro.com
2.	Drop N Go Cleaners	connievuong012@gmail.com
3.	C Sharp Video Productions	christine@csharpvideo.com
4.	Prisha Pediatrics, Inc.	drnegandhi@prishapediatrics.com
5.	Annette Tuazon Personal Training Studio	Netzon7@comcast.net
6.	Hair Plus Service, Inc.	kimhairplus@gmail.com
7.	Donut Basket	minhtam1022@yahoo.com
8.	Hair by Eunice	Adidastruelove@yahoo.com
9.	Admin Networks, Inc.	ryan.lui@adminnetworks.com
10.	Fuh Yi Trading, Inc.	rubbychou888@yahoo.com

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11.	Nail L'amour	lindap0515@yahoo.com
12.	Cheng Jie Yang Dental	ydtl1699@yahoo.com
13.	Great Hair	greathairtt@sbcglobal.net
14.	Edubest DBA Best Brains	sylviasra@gmail.com
15.	Fantasy Hair Incorporated	thomasdaters@sbcglobal.net
16.	Prismatic Signs	tim@prismatic.com
17.	Image Cuts	huongnguyenjss@gmail.com
18.	Phung Nguyen Lac	phunghello@yahoo.com
19.	JMD COMPANIES LLC dba Seema Beauty Salon	seema@seemabeautysalon.com
20.	Kason Travel	eva_exu@hotmail.com
21.	Kathlyn Le	lekathlyn@gmail.com
22.	Gulu Learning Academy	karen_gulu@yahoo.com
23.	Apple Salon Hair & Nails	canuhuso@yahoo.com
24.	Legends Barbershop, LLC	mike@legends.life
25.	Beausejour Hair and Nails	squach910@gmail.com
26.	Road Runner Glass	paul@roadrunnerglass.biz
27.	Famous Design	evazhu5791@gmail.com
28.	RM Consulting and Logistic Services, Inc.	rmunsayac@hotmail.com
29.	M and G Motorworks	meventocilla@sbcglobal.net
30.	Black Cat Comics, LLC	francie@black-cat-comics.com

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31.	Arte Boutique	ldelara600@gmail.com
32.	Strait Ace Learning Center, LLC (Star Academics)	Vincentkmlee@hotmail.com
33.	Park Victoria Professional Services	remibroker@gmail.com
34.	WanDa All in One Services	karengingfeng@yahoo.com
35.	Peace & Beauty	peace.beauty@yahoo.com
36.	Chez Christina	toast2life46@gmail.com
37.	Milan Sweet Center	mukund296@gmail.com
38.	Adroit College	jaekukeunhee@gmail.com

Source: City of Milpitas Business License

To better understand the grant program's effectiveness, staff is collaborating with Stanford University. The Stanford undergraduate student cohort from the Urban Studies Department is currently evaluating the grant program, which consists of a survey to all grantees and follow-up with interviews. In addition, a spatial analysis illustrating microenterprise grant recipient locations; key demographic and income characteristics of grantee business districts; and legacy information on how the business districts have evolved between the 2008 Great Recession and the present economic crisis is included. The student team will present their findings to the Economic Development and Trade Commission on November 9, 2020.