

September 17, 2020

Chris Dombrowski
Acting Director
GoBiz
1325 J Street, Suite 1800
Sacramento, CA 95818

Dear Chris:

We write on behalf of the City of San Jose and the Greater Downtown San Jose Economic Recovery Taskforce to provide feedback on how the state can best support small businesses during the pandemic.

As background, the City convened the Greater Downtown San Jose Economic Recovery Task Force, which is composed of local businesses in the following industry areas: Arts and Special Events, Faith Based and Community Spaces, Food and Beverage, General Retail and Services, Hotels and Hospitality, Large Employers and Property Owners, Performance and Entertainment Venues, and Personal Care. The Task Force provided recommendations to our City Council about various ways the City can support small businesses during the pandemic. As part of their recommendations, they highlighted the need for additional state support.

Specifically, the Task Force recommends:

- **Providing more clarity and certainty in the Statewide Blueprint for a Safer Economy, and ensure greater ease of use:** The Task Force generally sees the Blueprint as a great improvement over the previous state watchlist. In particular, the Blueprint provides a more transparent and clear framework for reopening. The task force also wanted to provide some feedback to the Blueprint:
 - **Arts and Entertainment Organizations:** Organizations like San Jose Taiko and San Jose Jazz encompass wide-ranging activities from youth and adult educational classes to performances. These types of organizations do not fit in well with the existing industries in the state Blueprint, and the task force requests that the state clarify their status.
 - **Convention Centers:** Convention Centers offer controlled environments where social distancing and event organizers can keep rigorous attendee documentation. These factors distinguish events held at convention centers from other kinds of mass gatherings, and we would ask that convention centers be allowed to reopen

with modifications in Tier 3. The convention industry also needs a longer lead time – roughly 3+ months to plan for re-openings due to standard event planning cadence.

- **Longer Lead Time:** Generally, our several sectors requested as much time as possible to transition from one tier to another (in particular when going from a less restrictive tier to a more restrictive one). Many of our businesses are investing thousands of dollars to comply with public health orders. Shifting mitigation efforts to respond to rapidly changing orders is very expensive, especially at a time when businesses are financially fragile.
- **Website Ease of Use:** Related to the comments on arts and entertainment organizations above, the search function on the website works well for business types, but is missing information on activities like gatherings, swimming, or events. These activities are still regulated, but it’s hard to know where to find those rules. Additionally, it would be helpful for the industry sectors to line-up better with the business type. For example, a body waxing studio is searchable in the “Can I open” lookup feature. However, to find the guidance for the studio, you would have to know that a body waxing studio is a personal care business. It would be helpful for the link to go directly to personal care guidance. Finally, it is still confusing to determine how the county and state rules overlap. A business can easily miss more stringent county rules. Having a comprehensive, “one-stop shop” with guidance would be helpful.
- **Financial Support for Businesses:** The Task Force appreciates the legislature and Governor signing SB 1447 (Bradford and Caballero) into law. Hiring tax credits like those in SB 1447 helps as businesses re-open and re-hire employees. The Task Force also appreciates the existing small business sales tax deferral program, and would like to see it continue.
- **Continue commercial eviction moratorium authority:** The City estimates that Santa Clara County’s commercial eviction moratorium protects 23,000 commercial tenants. The most vulnerable are micro businesses with fewer than 5 employees, since they have the lowest access to Federal stimulus dollars and liquidity. We encourage the Governor to extend the Executive Order that removes any state pre-emptions on commercial eviction moratoriums, so that local governments can continue to extend protections. Ideally, the state should extend the moratorium authority which currently expires on September 30, 2020 to the end of December or to align with the timing in AB 3088 (Chiu).

We appreciate the state’s support in helping our businesses navigate during the pandemic.

Sincerely,



Raul Peralez
Councilmember, District 3
Convener, Greater Downtown Task Force



Lee Wilcox
Chief of Staff
City Manager's Office



Wisa Uemura
San Jose Taiko
Co-Chair, Greater Downtown Task Force



Dalia Rawson
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Cache Bouren
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Former Co-Chair, Greater Downtown Economic Recovery Task Force

cc: San Jose Delegation
Che Salinas, Senior Advisor on Business and Economic Development, Office of
Governor Newsom