

CITY OF DAVIS
2004-2005 COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION

Organization Name: Davis Downtown Business Association

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Total Proposal Request: \$14,675

On-going Support New Project

CDBG Eligible Category: Special Economic Development, Micro-enterprise

National Objective Compliance/Low and Moderate Benefit:

Area Benefit

Limited Clientele

City Council Identified Critical Needs:

1. Neighborhood Revitalization

Public Service

Non-Public Service

Beneficiary Information:

75 Total number of beneficiaries in the program

75 Total number of beneficiaries in programs served with CDBG funds

N/A Percentage of the CDBG beneficiaries with low/moderate incomes

\$195 Cost per CDBG beneficiary (CDBG Request/CDBG beneficiaries)

PROJECT NARRATIVE

a. Need

The City of Davis has long championed the small business owner. In an effort to create and keep wealth in the City, rather than to channel it outside of the city, City Councils past and present have encouraged small, locally owned business. Such businesses, however, face increasing pressures and demands to survive in a competitive atmosphere dominated by larger regional, national and international businesses.

Many individuals in Davis are interested in starting their own businesses yet do not know where to begin or how to make the business successful. Rather than allow them to start a business and then fail, at great personal expense, this program provides a solid footing for them in their business endeavors. This translates to jobs created and an overall stronger business community.

The program has, thus far, benefited over 240 participants through eleven nine-week sessions. The current session is filled to capacity.

b. Benefit

The program is an economic development program to improve micro-enterprise in the City of Davis. By providing existing and/or prospective small business owners with the tools they need to succeed in starting and growing their businesses, it is the intent of the program to create jobs in the community through successful business ventures. In some cases, participants in the program even determine that they are not prepared to start a business, thus preventing them from investing further money and time in a project that is not likely to be successful.

Having a thriving small business community translates into several positive aspects for the city and its residents. First and foremost, such a program creates jobs. Second, the businesses provide goods and services for the residents of the community. Finally, positive multiplier effects occur when small businesses thrive – the business owner, the employees, the residents and other customers of the business and the city all benefit from a healthy business environment.

c. Other Resources and Collaboration

Almost one-half of the total funding necessary to run the program is leveraged from the fees that participants pay. This investment is important to promote a sense of ownership by the participants in the course. Low to moderate income residents are able to have their fees waived or reduced.

Each of the three partner organizations (City, Davis Downtown Business Association, Small Business Development Center) provides in-kind support through various activities, including time, materials and outreach efforts. All participants of the course are introduced to representatives from each of the

organizations and may contact those representatives with questions/needs at any time.

Currently, there is no other organization providing this type of training in Davis to members of the Davis business community. This program seeks to fill a need in the business community to assist small business owners and help their businesses be successful. It is the intent of the program that the participants then create jobs and wealth in the community.

d. Organizational Capacity

This is a joint effort among the City of Davis (a municipality), the Davis Downtown Business Association (a non-profit association affiliated with the City of Davis), and the Greater Sacramento Small Business Development Center (affiliated with the Los Rios Community College District). Each partner has a strong and solid organizational structure, with resources adequate to administer and oversee the program.

A list of the Boards of Directors or equivalent has been attached to this application.

SCOPE OF SERVICES

a. **Project Description**

This project provides funding for three ten-week sessions of the Entrepreneurial Training Program. The City of Davis, in partnership with the Davis Downtown Business Association, and the Greater Sacramento Area Small Business Development Center, has provided this program since September of 1999. The program is currently in its eleventh session and has served 240 participants.

The program is a comprehensive ten-week course for Davis-based small businesses of five or fewer employees, home-based businesses and Davis residents who are planning to go into business on their own. The nine classes cover a broad area of subjects relative to small business, taught by experts in the field. Classes are designed to help the business owner strengthen their existing business, prepare the home-based business owner to move their business out of the home and help the first-time entrepreneur set up their business successfully. The program includes 27 hours of high intensity training and educational materials.

The program requests that participants pay a fee to attend the course. That fee for the 2004-2005 year will equal \$175 per person. The remainder of the program is subsidized by the CDBG funds. Low and moderate income persons may have all or part of their fee waived. The total cost per person to run the program is approximately \$370.

The program, while not a “traditional” CDBG program to benefit low and moderate income residents directly, does impact the community as a whole in a positive manner. As a method to encourage micro-enterprise, the program enhances the overall business community, providing jobs and goods and services for residents of the community.

b. **Target Group**

Because this program is an economic development program to encourage micro-enterprise, its target group includes anyone who lives in or plans to open a small business in the City of Davis. Businesses should have fewer than five employees. Program administrators encourage low to moderate income residents to participate and will waive fees for those persons. Residents or business owners who want to expand their small business may also participate in the course.

c. **Outreach**

The program has in the past had effective outreach and advertising through a variety of means. We will continue to update, print and disseminate brochures explaining the course to all holders of a City of Davis business license. In addition, the course is advertised in The Davis Enterprise and the program administrators work with The Enterprise to have them write an article about the course prior to the close of registration. In addition, brochures are available at the

City of Davis Finance Office and the Economic Development Coordinator, and the Davis Downtown Business Association. Program administrators encourage customers to consider the course.

Since the inception of the course, we have determined a need to provide more targeted outreach to attract persons with significant challenges who might benefit from the course. Such challenges may be physical or fiscal. During the eighteen months for which the three sessions of the course would run, we will be seeking additional ways to market to these populations. To illustrate, we have recently had some interest in the program from a visually impaired, low income individual who would like to take the next session of the class. We will need to work to provide transportation to and from class as well as a larger type book. (Her fee, as is regular practice, would also be waived.) It is marketing to these types of individuals which we would like to expand.

It appears that the outreach efforts are successful. The program often has greater interest than it does capacity.

TIMELINE

Workplan (Identify activities and completion dates)

<u>List Activity</u>	<u>Completion Date</u>
• Evaluation of past courses	Ongoing
• Prepare for Fall 2004 class (Line up instructors, prepare outreach materials, etc.)	July/August 2004
• Hold Fall 2004 class	Sept – Nov 2004
• Follow up from Winter 2003 class	August 2004
• Prepare for Winter 2005 class (Line up instructors, prepare outreach materials, etc.)	Nov/Dec 2004
• Hold Winter 2005 class	Jan – Mar 2005
• Follow up from Fall 2003	January 2005
• Prepare for Fall 2005 class	July/Aug 2005
• Follow up from Winter 2004	August 2005
• Hold Fall 2005 class (Line up instructors, prepare outreach materials, etc.)	Sept – Nov 2005

**CITY OF DAVIS
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
BUDGET SUMMARY**

Budget Category	Proposed Project	Other Sources (Program Income)	Total
Consultant/Contract Services (Instructor Fees and Evaluation of program)	\$7,000	\$3,000	\$10,000
Administration	\$ 900	\$2,100	\$ 3,000
<u>TOTAL PERSONNEL BUDGET</u>	<u>\$7,900</u>	<u>\$5,100</u>	<u>\$13,000</u>

Office Rent (Classroom space)	\$1,000	\$2,750	\$ 3,750
Books	\$2,725	\$ 2,525	\$ 5,250
Advertising/Outreach	\$1,000	\$ 650	\$ 1,650
Postage	\$0	\$ 2,650	\$ 2,650
Printing/Duplication	\$ 500	\$1,000	\$ 1,500
TOTAL NON-PERSONNEL BUDGET	\$5,225	\$9,575	\$14,800

TOTAL PROJECT BUDGET	\$13,125 (47%)	\$14,675 (53%)	\$27,800 (100%)
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*Copies of City of Davis Operating Budgets for 2002-2003, 2003-2004 and proposed 2004-2005 are on file with the City of Davis. Their large size makes them inappropriate attachments.

*Copies of the DDBA budgets have been attached.