



City of Huntington Beach

File #: 26-178

MEETING DATE: 3/3/2026

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Travis Hopkins, City Manager

VIA: Jennifer Villasenor, Director of Community Development

PREPARED BY: Christopher Kennedy, Economic Development Project Manager

Subject:

Approve the Surf City Small Business Digital Grant Program

Statement of Issue:

City Council is asked to review and approve the Surf City Small Business Digital Grant Program, a competitive initiative designed to strengthen the digital capacity and economic vitality of Huntington Beach brick-and-mortar businesses. If approved, the program will award \$1,000 grants to 15 small businesses, helping them expand their online presence, increase customer engagement, and grow in today's digital marketplace. The program would provide a combination of structured digital marketing training and direct financial assistance and be administered by the City in partnership with the Orange County-Inland Empire Small Business Development Center (OCIE SBDC).

Financial Impact:

The proposed \$15,000 investment, funded through the City's Economic Development budget (10080101.75300), will provide fifteen Huntington Beach small businesses with \$1,000 grants each to support digital marketing initiatives. The total cost of the program is fully budgeted and requires no additional appropriations.

Recommended Action:

Approve the Surf City Small Business Digital Grant Program; and authorize the City Manager or his designee to execute up to fifteen (15) individual \$1,000 grant agreements on behalf of the City and disburse funds to participating businesses upon successful completion of program requirements.

Alternative Action(s):

Modify the Surf City Small Business Digital Grant Program requirements, or deny approval of the program, and decline to authorize the City Manager to execute grant agreements or disburse funds.

Analysis:

The OCIE SBDC is a federally funded, regional organization offering free training, consulting, and

resources to help small businesses grow. In late 2025, it surveyed over 1,200 businesses across Orange, Riverside, and San Bernardino counties, identifying customer acquisition as a top challenge.

Many businesses reported difficulty reaching new customers, building a digital presence, and using marketing tools, with nearly 20% conducting no marketing at all. The survey also highlighted operational and financial pressures, including rising costs, uneven cash flow, staffing challenges, and limited access to affordable financing, making revenue growth and customer engagement critical.

These findings underscore the need for targeted digital marketing support. In response, the City proposes the Surf City Small Business Digital Grant Program to strengthen the digital capacity and economic vitality of local brick-and-mortar businesses. The program specifically focuses on brick-and-mortar commercial businesses that contribute directly to commercial corridor vitality, neighborhood foot traffic, and local sales tax generation. The program offers a combination of structured digital marketing training with direct financial assistance. Similar OCIE SBDC-led digital training and grant programs have been implemented in other Orange County cities, such as Lake Forest and San Clemente, demonstrating the replicability and favorable results of this model at the local level.

Program Components:

- Virtual group training sessions
- One-on-one consulting with SBDC advisors
- Curriculum focused on “Creating a Digital Presence”

Participants will learn to improve online discoverability, optimize Google Business profiles, leverage Facebook and Instagram, develop marketing content, launch paid advertising campaigns, and measure performance using analytics.

Eligible businesses that complete the program will receive a \$1,000 grant to implement a paid digital advertising campaign developed with a SBDC consultant. Funds must be used exclusively for approved digital advertising and will be issued in a single payment upon program completion.

As part of the City’s Economic Development Strategic Plan to retain and grow local businesses, funding has been allocated to support 15 qualifying businesses. The cohort size of 15 is intentionally modest to align with the \$15,000 budget allocation while enabling high-quality, individualized training and consulting. A smaller cohort also allows staff and SBDC advisors to deliver more personalized support and to evaluate program outcomes before considering future expansion.

Eligibility Requirements:

- Brick-and-mortar commercial business located in Huntington Beach
- Current City business license and in good standing
- 2-25 full-time equivalent employees (including the owner)

The 2-25 employee range targets small, growth-oriented businesses that are large enough to meaningfully benefit from digital marketing investments, yet small enough to lack dedicated marketing staff. This focus ensures that resources are directed to those businesses most likely to see measurable improvements in online visibility, customer engagement, and revenue.

Applications will be reviewed for completeness and eligibility by the SBDC, with final verification in coordination with the City. If demand exceeds funding, participants will be selected via lottery to ensure fairness and transparency.

The program includes two virtual training sessions followed by a final in-person session. Participants who complete all sessions, including one-on-one consulting, will receive their grant at the conclusion of the in-person training. Applicants must verify that funds will be used solely for paid digital advertising; any other use is strictly prohibited.

Administrative responsibilities for the City will be limited. The OCIE SBDC will manage application intake, eligibility screening, training delivery, participant consulting, and quality assurance. City staff responsibilities will primarily include program coordination, verification of business license status and good standing, execution of grant agreements, and processing of payments. This level of staff involvement represents a modest time commitment that can be accommodated within the existing staffing resources.

Enhanced online visibility, targeted outreach, and data-driven strategies such as SEO and social media advertising are expected to increase customer traffic, sales revenue, and long-term business sustainability. By improving competitiveness and strengthening individual business performance, the program supports local economic vitality and contributes incrementally to overall sales tax base stability. Based on the program's structure, anticipated benefits, and alignment with City goals, staff recommends approval of the Surf City Small Business Digital Grant Program.

Environmental Status:

Pursuant to CEQA Guidelines Section 15378(b)(5), administrative activities of governments that will not result in direct or indirect physical changes in the environment do not constitute a project.

Strategic Plan Goal:

Goal 1 - Economic Development, Strategy A - Develop an updated economic development strategy to ensure business retention, local investments and job growth.

Attachment(s):

1. Grant Agreement and Program Guidelines
2. PowerPoint Presentation