

# City of San Antonio

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Title: Update on the COVID-19 Community Recovery and Resiliency Plan regarding the Small Business

Support and Workforce Development Pillars. [Carlos J. Contreras, III; Assistant City Manager;

Alejandra Lopez, Director, Economic Development]

Sponsors:

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Alejandra Lopez

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

Update on the Small Business Support and Workforce Development Pillars within the COVID-19 Community Recovery and Resiliency Plan.

#### **SUMMARY:**

This item provides an update on the status of the implementation of the Small Business Support and Workforce Development Pillars and their associated strategies included in the COVID-19 Community Recovery and Resiliency Plan approved by City Council on June 4, 2020.

#### **BACKGROUND INFORMATION:**

City Council approved the COVID-19 Recovery and Resiliency Plan on June 4, 2020. The strategies associated with this Plan are categorized into four pillars: Workforce Development, Housing Security, Small Business Support, and Digital Inclusion. Each of the four pillars was assigned to a City Council Committee and staff presented the implementation plan associated with the Small Business Support and Workforce Development Recovery Strategies to the Economic and Workforce Development Committee on June 19, 2020 and June 23, 2020. These briefings included the expected outcomes, implementation partners and their associated budgets,

program process overview, equity and engagement strategies, and major milestones. The Committee also received implementation updates on August 4, 2020 and September 2, 2020.

#### **ISSUE:**

This briefing will include status of partner contracts, the implementation of various programs associated with the strategies, and a timeline of deliverables to implement and complete all strategies.

### **Small Business Support Pillar**

The Small Business Support strategies include grants to small businesses, small business engagement, on-the-job training support, purchase and distribution of protective equipment, and arts grant support. These efforts utilize federal CARES Act funding that must be expensed before the deadline of December 30, 2020.

#### Micro Business Grants

The City partnered with LiftFund to administer approximately \$24.7 million in grants to micro businesses. The grant application opened on Monday, July 13 and closed on Monday, July 27, at which time LiftFund reported a total of 3,154 applications received. Review of all submitted application began immediately and continued through August and early September. Applications were validated and ranked based on three factors: location and associated City Equity Atlas combined score; ownership demographics; and access to other COVID-19 funding. With equity as a guiding principle under the Recovery and Resiliency Plan, using the City's Equity Atlas as part of the scoring and application review process ensures grants are distributed to micro businesses in areas with high percentages of racial diversity that are most impacted by poverty.

The City originally identified 706 businesses and 68 non-profits to receive grants and LiftFund began issuing grant award notifications on September 4. LiftFund has notified the City that several of the identified businesses and non-profits were not eligible for grant award following verification of documentation. EDD identified an additional 551 businesses for grant award pending LiftFund's review to select for award. The City will continue to work with LiftFund until all funds are expended. Additionally, 62 businesses have been identified to receive Buydown Loan Forgiveness grants for up to ten months of payments. LiftFund has also started informing these borrowers and requested documentation to confirm eligibility, as these businesses did not submit grant applications. All grant award notifications and funds disbursements are expected to be completed by mid-October 2020.

### **Arts Grant Support**

The Department of Arts & Culture developed funding criteria and a process to provide \$2.6 million in grants to individual artists and non-profits arts organizations impacted by Covid-19. The implementation plan included \$600,000 in grants for individual artists and \$2 million in grants for non-profit arts organizations. Artists' and non-profits were required to demonstrate business interruption and loss of revenue as a result of the COVID-19 health pandemic. The grant application deadline was July 30. Review and scoring applications is complete and funds have been disbursed as follows: 130 individual artists will receive a total of \$608,319 and 47 agencies will receive a total of \$2,000,000. Additional funding has been received from Donate to the Art in the amount of \$2,531 and \$6,158 from Council District 7 City Council Project Funds (CCPF) to cover all grants.

### Small Business Engagement

The City has partnered with the San Antonio Economic Development Foundation (SAEDF) and local community development organizations, including San Antonio for Growth on the Eastside (SAGE), the Westside Development Corporation (WDC), Southside First (SSF) and Centro to conduct a robust small and micro business engagement program, with the goal of providing direct outreach to 5,000 small businesses by December 31, 2020. As part of this strategy, the City also partnered with Launch SA, the Women's Business

Center, and LiftFund to provide training and financial technical assistance services. The outreach organizations continue their work, which includes direct business engagement and connecting businesses with available community resources to support business recovery and ongoing resiliency. The partners will also undertake a second set of trainings from September 30 to October 7 for staff hired following the orientation training offered. Outreach efforts will continue through December and metrics are being gathered for presentation in November.

### Virtual and Place-Based Hubs

An additional Small Business Support Strategy includes the investment in virtual and place-based / physical recovery and resiliency hubs. Funding will support technology and equipment investments to serve an increased number of small businesses seeking services, both in-person and digitally, along with trainings, identification and navigation of online resources, virtual mentoring, and webinars to further business capabilities, recovery, and improved resiliency. Physical hubs will be located within the offices of SAGE, WDC, Southside First, and the Maestro Center, while Launch SA and the Maestro Center will provide virtual hub services in both English and Spanish. The partners are currently finalizing technology and equipment purchases, while providing ongoing services and support to the small business community. Metrics on programming and businesses served are being gathered for presentation in November.

### On-the Job Training Support

The Small Business Support Pillar provides subsidized-on-the-job training with local small business employers with 500 employees or less, in existence prior to August 1, 2019, and that have a confirmed open full-time job opening associated with the position. This initiative, which also supports strategies in the Workforce Development Pillar, involves placement of approximately 1,000 unemployed residents in on-the-job training with subsidized stipends to provide residents with career pathways leading to increased earnings. As of September 28, 2020, Workforce Solutions Alamo, in collaboration with SA Works, has signed agreements with 23 local small businesses offering 136 on-the-job training opportunities. Workforce Solutions Alamo is now working to identify participants that meet the needs of the employers per various assessments, and both Workforce Solutions Alamo and SA Work continue to market this opportunity among our business community.

### Personal Protective Equipment

In late April, the City procured \$2 million in protective equipment that was distributed to businesses and nonprofits at the Alamodome on May 27, 2020. This equipment was purchased to help small business mitigate the health risks associated with COVID-19 as they reopened their business post the local and statewide closure policies that were set to expire. The surplus PPE was divided among City Council for distribution within their districts during July and August. Through these efforts, to date over 6,500 businesses in San Antonio have received PPE. The initiative has now moved into a third phase with remaining supplies begin distributed partner organizations conducting door-to-door outreach.

### **Workforce Development Pillar**

Up to 10,000 eligible City residents will receive skills and career assessments followed by short-term, long-term and on-the-job training in career pathways that promote wage growth. High school equivalency preparation will also be available and residents receiving this education and training will also receive wraparound support, such as childcare and/or stipends, to reduce barriers and ensure programmatic outcomes are achieved. The primary agencies responsible for the Workforce Development strategies include Workforce Solutions Alamo (WSA), Alamo Colleges, Project QUEST, Family Service, Restore Education, Chrysalis Ministries, and SA Works. Below is a summary of updates since the program launched on August 31, 2020:

### City Residents Interested, Enrolled, and Training in the Program

As of September 23, 2020, over 1,500 City residents have contacted 311 or a partner agency to express interest

in the program, of which over 100 have enrolled in the program and nearly 50 have started training. Of the near 1,400 remaining City residents interested in the program, the partner agencies are working to verify and gather eligibility documentation, perform assessments to determine aptitude and interests, and provide a referral to the appropriate training provider. Moving forward, reports will be submitted from the primary workforce partner agencies to the Economic Development Department on the 1<sup>st</sup> and 20<sup>th</sup> of each month starting October 1, 2020.

### **Marketing Plan and Active Efforts**

Marketing efforts for this program target residents in the City's census tracts that have an Equity Atlas score of 8, 9, or 10, people of color, women, veterans, formerly incarcerated, disabled, homeless, elderly, and/or experiencing poverty. Efforts also include door-to-door engagement such as joint marketing with the Financial Housing and Recovery Center (FHRC) that highlights job training support on door hangers and in-person surveys that will reach 30,000 residents. Additional efforts include robocalls and text messages to residents who received Emergency Housing Assistance Program funds, as well as virtual, call-in, and job fair events, social media, neighborhood associations, billboards, VIA bench and shelter and inside the bus advertising, community organizations and churches, and other various efforts.

### City and Primary Workforce Partners Intake Process/Capacity

Each primary workforce partner's intake capacity, as well as a new City initiated customer relationship management system is highlighted below:

### City of San Antonio

EDD coordinated with 311 and ITSD to create a customer relationship management system to capture participant data and track the assessment and training referral process. This system allows 311, the FHRC, or any partner to quickly perform participant intake and place the resident in a queue for follow up. This system will also provide for better data collection and tracking regarding resident interest, timely partner agency follow up, participant enrollment, and reasons for not enrolling. This information will facilitate data-informed adjustments and recalibrations as the program continues is ramp up phase.

### Workforce Solutions Alamo

WSA hired additional staff and purchased additional hardware and licenses to manage the new and unprecedented call volume generated from community interest in the program. Since resident concerns were reported, phone lines have remained operational, an automated phone triage system to more effectively direct incoming calls and a web intake process has become available. At this time, over 200 residents can undergo the initial intake process per day. To further enhance these efforts, WSA is expected to award a contract for a call center operation to manage capacity.

### Alamo Colleges District

Alamo Colleges District performs intake by utilizing a call center that directs interested participants to fill out an initial inquiry form through their website in which an Alamo Colleges advisor will follow up to complete the initial intake process and confirm eligibility. The call center can manage approximately 300 calls per day and the Alamo Colleges advisors can provide intake for 30 residents per day. Alamo Colleges District has the potential to increase staff at the call center or available advisors to accommodate workload, if needed.

### **Project Quest**

Project QUEST performs intake via phone and directs residents to their website to sign up for information sessions offered four times a week, which can be expanded if needed. After the information session, Project QUEST performs the initial intake process once they determine the appropriate program fit for the resident. Project QUEST can manage 100 calls per day.

### Additional Delegate Agencies

Restore Education, Family Service and Chrysalis Ministries performs intake primarily by phone. They do not currently have a web-based intake process but indicated they can accommodate such functionality should it become

necessary. Collectively, the additional delegate agencies can manage around 100 calls per day.

#### **ALTERNATIVES:**

This item is for briefing purposes only.

#### **FISCAL IMPACT:**

The total budget for the Small Business Support Pillar is \$38.1 million. The budget for the execution of these strategies was approved by City Council on June 4, 2020. The funding levels associated with each strategy are listed below:

- Micro businesses grants \$27 million
- On-the-job training opportunities for small businesses and City residents \$5 million
- Protective equipment and safety supplies \$2 million
- Door-to-door engagement \$1.3 million
- Virtual and place-based financial recovery and resilience hubs \$200,000
- Arts grant support \$2.6 million

The total budget for the Workforce Development Pillar is \$75 million. The budget for the execution of these strategies was approved by City Council on June 4, 2020. The funding levels associated with each strategy are listed below:

- Participant intake, referral, wraparound support and career navigation \$6.8 million
- Participant training and education \$13.6 million
- Participant stipends \$44.1 million
- Business intelligence \$0.24 million
- Program outreach and monitoring \$0.22 million
- Childcare subsidies \$10 million

### **RECOMMENDATION:**

This item is for briefing purposes only.