City of San Antonio

Legislation Details (With Text)

File #:	21-3181
Type:	Staff Briefing - Without Ordinance
In control:	Economic and Workforce Development Committee
On agenda:	4/22/2021
Title:	Briefing and update on the Hospitality Grants Program to support businesses during the COVID-19 pandemic. [Alejandra Lopez; Assistant City Manager and Interim Director, Economic Development]?
Sponsors:	
Indexes:	
Code sections:	
Attachments:	

Date	Ver.	Action By	Action	Result

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Briefing and update on the Hospitality Grants Program that provides grants to businesses during the COVID-19 pandemic.

SUMMARY:

This briefing will provide an update on the Hospitality Grants Program approved by City Council to provide additional support to small businesses in the hospitality industry during the COVID-19 pandemic.

BACKGROUND INFORMATION:

The COVID-19 pandemic has caused widespread unemployment and led to the shuttering of businesses of all sizes across the country. The National Restaurant Association surveyed restaurants in November 2020 and results revealed that 87% of full-service restaurants averaged a 36% drop in revenue, and that 17% of restaurants nationally, or 110,000 businesses, closed permanently or long-term. As food & beverage

powered by Legistar™

businesses attempt to rebuild, the health and safety restrictions in place make it difficult to make up losses while retaining employees. Well-known local establishments have reported that they are losing long-time employees who cannot afford to wait out the existing COVID-19 restrictions.

In San Antonio, a study completed by Trinity University (Dr. Richard V. Baxter and Dr. Mary E. Stefl) in January 2019 evaluated the economic impact of San Antonio's hospitality industry, which includes restaurants and catering, lodging, entertainment and arts, and transportation businesses. The report revealed that in 2017, the industry included more than 140,000 employees. A majority of individuals work in the food and beverage sector.

To mitigate the issues of COVID-19 citywide, City Council adopted the Resiliency & Recovery Plan in June 2020 providing approximately $42.7 million in Small Business Support. These efforts included: $32 million for grants for micro businesses and non-profits, $2.6 million for arts grants, $1.9 million for personal protective equipment, $950,000 for outreach engagement, $200,000 for small business resource hubs and $5 million for on-the-job training stipends with small businesses. As we approach the one-year anniversary of the pandemic closures, small businesses continue to be negatively impacted, especially those in the hospitality industry.

As a result, Councilman Trevino initiated a Council Consideration Request (CCR) in October 2020 to examine the creation of a Food & Beverage Worker Relief Program to provide grants to businesses which will keep employees current on payroll and provide necessary living expenses to food and beverage employees during the pandemic. Economic Development Department (EDD) staff provided a recommendation to the Economic and Workforce Development Council Committee in February 2021 on the creation of a new Hospitality Grants Program in which City Council approved $14 million in funding for the program later that month.

ISSUE:

Based on experiences from the previous Resiliency & Recovery Plan micro business grant program, EDD staff updated the eligibility criteria, grant amounts, and the scoring criteria for businesses applying for a hospitality grant. To implement the program, EDD once again partnered with LiftFund to administer the program.

Grant applications were accepted from March 15 - April 5. This briefing will provide an update on the grant applications received, describe the marketing strategies and outcomes and a timeline for program completion.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

powered by Legistar™

This item is for briefing purposes only.