



City of San Antonio

Agenda Memorandum

File Number:20-3814

Agenda Item Number: 1.

Agenda Date: 6/23/2020

In Control: Economic and Workforce Development Committee

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

COVID-19 Community Recovery and Resiliency Plan Small Business Support Pillar Strategies

SUMMARY:

This item provides a briefing on the implementation of the small business support strategies included in the COVID-19 Community Recovery and Resiliency Plan approved by City Council on June 4, 2020. These strategies include financial support for micro businesses, nonprofit and art organizations, targeted door-to-door engagement with micro businesses, financial support for small businesses to provide on-the-job training opportunities for residents, the provision of personal protective equipment and safety supplies to micro businesses and supporting place based and virtual small business resources hubs.

BACKGROUND INFORMATION:

City Council approved the COVID 19 Recovery and Resiliency Plan on June 4, 2020. The plan was developed around the five Guiding Principles of: 1) Public Health and Safety; 2) Equity; 3) Braided Funding; 4) Community Resilience and 5) Well-being.

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, which will review the implementation plans for each strategy in their assigned pillar. The Economic and Workforce Development Committee will review the Workforce Development and Small Business Support pillar strategies. The strategies included in the Small Business pillar are:

- Financial support for micro businesses via grants ranging from \$10,000 to \$75,000 to businesses with 20 or less employees;
- Financial support for on-the-job training opportunities for small businesses with 500 employees or

less;

- Provision of protective equipment and safety supplies for micro businesses;
- Door-to-door engagement with up to 5,000 micro businesses;
- Support for virtual and place-based financial recovery and resilience resource hubs for small businesses;
- Financial support for artists and arts nonprofit organizations.

On June 2, 2020, the Economic and Workforce Development Committee received a briefing on the COVID-19 Community Response and Recovery Plan to include the outcomes associated with the Small Business Support strategies, as well as potential funding levels associated with each item.

ISSUE:

Staff will provide a briefing on the implementation plan associated with the small business strategies included in the COVID-19 Community Recovery and Resiliency Plan. This briefing will include the expected outcomes, implementation partners and associated budgets, grant applicant process overview, equity and engagement strategies and major milestones for each of the strategies included in this pillar.

Small Business Support

The Small Business Support efforts include grants to small businesses, purchase and distribution of protective equipment and on-the-job training support. The City of San Antonio plans to partner with LiftFund to administer grants to micro businesses ranging from \$10,000 to \$75,000 based on the following eligibility criteria:

- operate within the city limits prior to August 1, 2019 with plans to continue operations;
- negatively affected by COVID-19 after March 1, 2020;
- have 20 or less employees;
- demonstrate a revenue loss of at least 15%;
- annual revenue of less than \$2 million; and
- not in receipt of a grant through the LiftFund/Bexar County program.

With equity as a Recovery and Resiliency Plan guiding principle, the Economic Development Department is working with the Office of Equity to layer the Equity Atlas as part of the eligibility criteria to ensure grants are distributed to micro businesses in areas with high percentages of racial diversity and most impacted by poverty.

Various existing place-based economic development organizations provide small business services, including San Antonio for Growth on the Eastside (SAGE), Westside Development Corporation (WDC), Southside First (SSF) and the Maestro Entrepreneurship Center. In addition, Launch SA serves as a virtual clearinghouse of information and resources for entrepreneurs and small business owners. Approved funding will be made available to these organizations to augment their services and programming to address the substantial recovery and resiliency technical assistance needs in our small business community.

In late April, the City procured \$2 million in protective equipment that was distributed to more than 5,000 businesses and nonprofits at the Alamodome on May 27, 2020 to assist those small business negatively affected by COVID-19 after March 1, 2020 to prepare for reopening. EDD is currently working to distribute remaining supplies to Council offices to assist with distribution. Lastly, small businesses with less than 500 employees will be able to access up to \$5 million in on-the-job training support to supplement their human resource needs while providing valuable workforce development opportunities for residents.

Small Business Engagement

The Small Business Support strategy includes \$1.3 million to conduct robust engagement with the goal of providing direct outreach to 5,000 businesses. EDD will work with San Antonio Economic Development Foundation to create partnership agreements with local community development groups such as San Antonio for Growth on the Eastside (SAGE), Westside Development Corporation (WDC), Southside First (SSF) and Centro to conduct door-to-door business engagement and connect businesses with available resources. The Women's Business Center and Launch SA will develop training for the various outreach teams to ensure they effectively engage with businesses and are fully aware of available resources.

Arts Grant Support

The Department of Arts & Culture has developed funding criteria to provide \$2.6 million in grants to individual artists and non-profit arts organizations impacted by COVID-19. The implementation plan includes \$600,000 in grants for individual artists and \$2 million in grants for non-profit arts organizations. This briefing will include grant eligibility information and the application process. Artists' and non-profits must demonstrate businesses interruption and/or lost revenue as a result of the COVID-19 public health pandemic.

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 - \$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

RECOMMENDATION:

Staff seeks input from the Committee on the implementation plan for the Small Business Support strategies included in the COVID-19 Community Recovery and Resiliency Plan.