



# City of San Antonio

## Agenda Memorandum

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**Agenda Item Number:** 4.

**Agenda Date:** 8/4/2020

**In Control:** Economic and Workforce Development Committee

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Alejandra Lopez

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

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

### **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 that was 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 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 up to \$75,000 for 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.

The strategies included in the Workforce Development Pillar are:

- Workforce training and support services with a focus on high demand jobs;
- Emergency childcare supports for working families.

Staff presented the implementation plan associated with the Workforce Development and Small Business Support recovery strategies to the Economic and Workforce Development Committee on June 19 and June 23, 2020, respectively. This briefing included the expected outcomes, implementation partners and their associated budgets, program process overview, equity and engagement strategies, and major milestones.

## **ISSUE:**

Staff will provide an update on the implementation of the Small Business and Workforce Development strategies included in the COVID-19 Community Recovery and Resiliency Plan. This briefing will include the 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 efforts include grants to micro 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 December 30, 2020.

#### City Recovery Grant Program

The City partnered with LiftFund to administer approximately \$24.7 million in grants to micro businesses based on the following eligibility criteria:

- Operate within the San Antonio 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.

The grant application opened on Monday, July 13 and closed on Monday, July 27 at 5:00pm. During this time, EDD deployed several marketing strategies to encourage businesses and non-profits to apply. These efforts included: mailing postcards to businesses located in targeted areas, social media advertising, a robo call to targeted businesses, radio ads, digital and print ads in the San Antonio Express News, Rivard Report, La Prensa, SA Observer, Southside Reporter and multiple e-blasts to Blackbook Dictionary membership. All marketing collateral and ads were designed in English and Spanish. Additionally, staff coordinated with San Antonio for Growth on the Eastside (SAGE), Westside Development Corporation (WDC), Southside First (SSF) and Centro to assist with application submission. LiftFund also provided a customer service line, technical assistance and facilitated five webinars (in English and Spanish) to assist with the application process.

At the conclusion of the application period, LiftFund reported a total of 3,154 applications received requesting \$118.7 million in funding.

The application review period is July 28 - August 25. With equity as a Recovery Plan guiding principle, all submitted applications will be reviewed and scored utilizing the Equity Scoring Matrix created by the City and reviewed with the Economic and Workforce Development Committee in June. The matrix focuses on three attributes: business/non-profit location and the corresponding Equity Atlas combined score; business owner's race, ethnicity, gender and veteran status; and access to other COVID financial assistance. The Equity Scoring Matrix was designed to ensure resources are directed to those business with the greatest need. LiftFund will provide the City a recommended list of businesses and non-profits to fund for validation. Once validated, award notifications and disbursement of funds will occur from August 26 - September 30. Opportunities to accelerate the review process, while remaining aligned with CARES Act funding requirement, are being explored.

#### 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. These outreach organizations will undertake direct business engagement and connect businesses with available community resources to support recovery and ongoing resiliency. 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. Agreements with the partners have been finalized and outreach efforts will begin in August and continue through December.

The outreach organizations also provided grant application assistance to small businesses seeking help in completing applications for the City's Recovery Grant Program noted above. This included in-person assistance upon request, assistance in gathering required information, understanding the application and associated processes, and the completion and submission of applications.

#### Virtual and Place-Based Hubs

In addition to direct outreach to small and micro businesses, the Small Business Support pillar also includes an investment in virtual and place-based recovery and resiliency hubs. This investment will support the purchase of needed technology and equipment to serve an increased number of small businesses seeking services, both in-person and digitally, such as 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, SSF, and the Maestro Center, while Launch SA and the Maestro Center will be providing virtual hub services in both English and Spanish. Agreements with the partners have been finalized, and the physical and virtual hub services began in August and will continue through December.

#### Personal Protective Equipment

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. 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 remaining supplies not distributed at the Alamodome were divided among the various City Council Districts for distribution within their districts at a later time. It is estimated that approximately 10,000 small businesses in San Antonio will have benefitted from purchased equipment once this initiative has concluded.

#### Arts Grant Support

The Department of Arts & Culture has developed funding criteria to provide \$2.6 million in grants to individual

artists and non-profits 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. Artists and non-profits must demonstrate business interruption and loss of revenue as a result of the Covid-19 health pandemic. Grants for individual artists are a maximum of \$5,000 and non-profit grant values are based on a matrix of their size of budgets and their losses. As of July 31, 154 applications have been received for individual artists who have a stated loss of more than \$1.6 million. For non-profits, 48 applications with a stated loss of more than \$9.5 million were received. Applications will be reviewed and evaluated by a panel of staff and San Antonio Arts Commission members.

### **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.

To support this effort, the City has partnered with SA Works to establish relationships with businesses and industry specific business organizations (e.g. BioMed SA and Cybersecurity SA) to identify job sector growth opportunities, current and upcoming job openings, on-the-job opportunities, and employer skill set demands that will be shared with the training and education providers.

Equity-based aspirational goals for residents to be served through this program have been established and include demographic characteristics, previous job placement, and residence (in relation to the City Equity Atlas), as well as other factors such as poverty, veteran, justice involvement status. The primary agencies responsible for the Workforce Development strategies include Workforce Solutions Alamo, Alamo Colleges, Project QUEST, Family Service, Restore Education, Chrysalis Ministries, and SA Works. While the Workforce Development strategies utilizes some CARES Act funding that must be expensed before December 30, 2020, the majority of the strategies are funded through the City's General Fund which allows the program to function through September 30, 2021.

The program is expected to launch in mid-to-late August 2020. Staff is currently working with the primary agencies to complete the following:

- Finalize agreements;
- Develop standardized intake, assessment, and referral process;
- Develop a marketing plan;
- Develop standardized reporting and public reporting templates; and
- Develop a catalog of eligible trainings and educational courses.

### **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:**

Staff seeks feedback from the Committee on the implementation status for the strategies under the Small Business Support and Workforce Development Pillars included in the COVID-19 Community Recovery and Resiliency Plan.