



City of San Antonio

Agenda Memorandum

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In Control: Economic and Workforce Development Committee

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 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 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. 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 an implementation update on August 4, 2020.

ISSUE:

Staff will provide an update on the implementation plan associated with the Small Business and Workforce Development Strategies included in the COVID-19 Community Recovery and Resiliency Plan. 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. 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. City staff also provided each Council District with marketing materials regarding the grant application to be distributed to their constituents. LiftFund 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.

All submitted applications were reviewed between July 28 and August 31 for scoring and validated utilizing a matrix created by the City 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, utilization of 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. Grant award notifications and fund disbursement began in late August 2020 and will run through end of September 2020.

After review of grant application scores, the City provided LiftFund an initial funding recommendation list for validation and to provide the grant award amount for each business. Although each grant category has an established maximum amount, LiftFund is calculating the grant award amount based on review of revenue losses since March 1 to ensure compliance with the CARES Act. The initial funding list recommended grants for approximately 500 businesses totaling up to \$15 million. LiftFund is expected to finalize review and validation before August 28 and will begin disbursing grant awards by September 1. Economic Development staff are preparing the second funding list to expend the fund balance which will include business grants, nonprofit grants and businesses that will receive loan forgiveness grants. All grant award notifications and disbursements are expected to be completed by September 30, 2020.

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. The grant application deadline was July 30 and staff is in the process of reviewing and scoring applications with the goal of disbursing funds on or after September 30, 2020.

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. These outreach organizations have completed an initial set of trainings, and begun their outreach work, which includes direct business engagement and connecting businesses with available community resources to support business recovery and ongoing resiliency. Outreach efforts will continue through December.

Virtual and Place-Based Hubs

In addition to direct outreach to small and micro businesses, another Small Business Support Strategy includes the investment in virtual and place-based / physical recovery and resiliency hubs. Funding will support needed 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. All partner agreements were executed in August, and the partners are currently finalizing technology and equipment purchases, while providing ongoing services and support to the small business community.

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. Workforce Solutions Alamo and SA Works are collaboratively identifying eligible small business to participate in the program, and all Workforce Development Recovery Strategy primary agencies will work collectively to identify and refer eligible residents for subsidized-on-the-job training. The program launched on August 31, 2020.

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 remaining supplies not distributed at the Alamodome were divided among the various City Council Districts for distribution within their districts with events running during month of July and August. Through these efforts, a total of over 7600 businesses in San Antonio have received PPE. Surplus supplies were collected from council offices during week of August 24 and will be distributed in equal parts to four economic development 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.

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 race/ethnicity, gender, 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 launched on August 31, 2020 as staff worked with the primary agencies through the past few months to complete the following:

- Partner agreements;
- Standardized intake, assessment, and referral process - Six of seven primary partner agencies (Workforce Solutions Alamo, Alamo Colleges District, Project Quest, Restore Education, Family Service, and Chrysalis) may perform participant intake. During this process, the primary agencies will determine participant eligibility, perform participant assessments, and capture participant demographic information to assess aspirational goals. This standardized process, which is being built out through an online system, will ensure the participant experience is uniform and services are provided equally;
- Marketing plan - Performed in partnership with Workforce Solutions Alamo, the Workforce Develop Pillar marketing efforts will focus on eligible residents in the City's census tracts that have an Equity Matrix Score of 8, 9, or 10, people of color, women, veterans, formerly incarcerated, disabled, homeless, elderly, and/or experiencing poverty. The marketing efforts will include door-to-door engagement, virtual and call-in events, social media, robocalls, neighborhood associations, billboards, VIA bench and shelter and inside the bus advertising, community organizations and churches, and other various efforts;
- Standardized reporting and public reporting templates - Ensure outcomes can be assessed on a bi-weekly basis; and
- Catalog of eligible trainings and educational courses - Allows program participants and case managers to better understand available trainings and educational courses to meet intended program outcomes and participant interests

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.