



City of San Antonio

Agenda Memorandum

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Agenda Date: 6/1/2021

In Control: Economic and Workforce Development Committee

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Update on the Hospitality Grants Program that assists 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 businesses attempt to rebuild, the health and safety restrictions in place make it difficult to make up losses while retaining employees.

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 in which 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 surpassed the one-year anniversary of the pandemic closures, small businesses continue to be negatively impacted and work towards recovery, especially those in the hospitality industry.

In October 2020 Council Member Roberto Trevino initiated a Council Consideration Request (CCR) 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. Later that month, City Council approved \$14 million in funding for the program.

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. EDD also partnered again with LiftFund to administer the program and begin implementation. The grant application was open from March 15 - April 5 and LiftFund provided several resources to inform the community and provide technical assistance. These efforts included three informational webinars (in English and Spanish), a dedicated customer service phone line and the ability for small businesses to set up a one-on-one appointment for technical assistance and/or submission of required documents.

Additionally, the Economic Development team deployed a robust marketing campaign to encourage hospitality businesses to apply. These efforts included targeted outreach to eligible businesses in Council Districts that have been historically hardest to reach with the lowest participation in previous grant programs. These efforts included: postcards to local food permit holders, ads in various local and geographic based publications, social media, multiple e-blasts to economic development and community partners, presentations at community meetings and outreach to contacts, neighborhood associations, chambers of commerce and school districts.

Overall, the Hospitality Grants Program received 677 eligible applications; however only 500 were deemed eligible upon initial review. LiftFund began review and assessment of submitted documentation on April 6th and the first round of grant awards were distributed on May 17, 2021. This briefing will provide an update on the grant awards and a timeline for program completion.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.