



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 4

Agenda Date: August 30, 2024

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on the \$33.9 million American Rescue Plan Act (ARPA) Small Business Implementation Plan.

SUMMARY:

The briefing will provide a status update on the programs in the ARPA Small Business Implementation Plan approved by the City Council in June 2022. A two-phased approach was used to help participating small businesses achieve long-term resiliency. Phase I is complete and prioritized recovery grant assistance. Phase II is underway and focuses on educational programs and access to capital assistance.

BACKGROUND INFORMATION:

On June 23, 2022, the City Council approved the ARPA Small Business Implementation Plan that included a two-phased approach. Phase I focused on deploying COVID Impact Grants to assist small businesses impacted by the pandemic. Phase II has focused on programs that support the

acumen and resiliency of small businesses through technical assistance and access to capital resources, thereby helping them adjust to the post-pandemic marketplace and build long-term resiliency. The Plan was approved after an extensive public input process led in collaboration with the Small Business Advisory Commission (SBAC) that included listening sessions and feedback forms.

The following programs began in July 2022 and will continue through December 2025. As of July 31, 2024, \$22.97 million (68%) has been spent.

Strategy/Program	Original Budget	Revised Budget	Actuals of 7/31/24
Access to Capital	\$20,625,000	\$23,582,630	\$21,667,551
Capacity Building	\$1,450,000	\$1,600,000	\$671,111
Ecosystem Enhancements	\$3,000,000	\$3,000,000	\$280,000
Localism	\$625,000	\$475,000	\$48,143
Geographic Placemaking	\$5,250,000	\$5,250,000	\$314,565
Total	\$30,950,000	\$33,907,630	\$22,981,370

ISSUE:

The Small Business Implementation Plan invests \$33.9 million in strategy/program areas of Access to Capital, Capacity Building, Ecosystem Enhancements, Localism and Geographic Placemaking. The briefing will provide program updates under each strategy/program area:

Phase II (All updates are as of July 31, 2024)

Access to Capital

Second Stage Cohort Program - Maestro Entrepreneur Center

Total Budget: \$362,000; Spent: \$206,175

The program is offered through a partnership with the Edward Lowe Foundation, a nonprofit dedicated to entrepreneurship for second stage companies. As part of the program, businesses receive individualized training, peer support, and leadership development. A total of 21 participants through two cohorts have graduated as of July 2024. Promotion for the third cohort will begin in August, with the curriculum starting in October 2024.

Small Business Construction Support Grants Program – LiftFund

Total Budget: \$1,459,168; Spent: \$729,584

The Small Business Construction Support Grant Program provides financial support in the form of grants to micro and small business owners whose businesses are located in an area impacted by long-term, City-initiated construction projects. The program supports for-profit small businesses with grants between \$5,000 and \$35,000. Applications for the program closed on July 15, 2024. A total of 108 applications were received. Award notifications began on August 2 and are expected to be completed by September 30.

Zero Percent Interest Loan Program – LiftFund

Total Budget: \$1,052,005; Spent: \$422,701

The program assists small businesses in strengthening financial standing, building credit, and growing their business. The program leverages ARPA, General Fund, and matching resources. The two-year program is a \$2 million investment over two years. Funding for the first year of the program has been exhausted. A total of \$2.5 million in capital was disbursed to 68 small businesses. The second year of the program will open October 1, 2024.

Microloans Program – LISC San Antonio

Total Budget: \$388,000; Spent: \$0

The program expands access to Kiva crowd funding platform. LISC is partnering with business development organization, Culturingua, will serve as a hub in growing a funding network, expanding access to zero interest microloans and promoting the availability of microloans in the community. LISC is engaged in contract negotiation with Kiva and Culturingua. The program is expected to launch in fall 2024.

Capacity Building

Digital Presence Program – Herospace Digital Consulting

Total Budget: \$550,000; Spent: \$460,864

The program is an online resource with educational content. Business owners can complete a digital competency questionnaire and receive a specialized report. Businesses who complete the survey are eligible for a one-hour consultation and free digital work, while funding is available. Over 380 businesses have taken the survey. Free work has been completed for 60 businesses with 55 more in progress. ARPA funds for the program have been exhausted. Free digital work for small businesses in construction zones is still available through General Fund dollars allocated to this program.

Small Business Support Program – San Antonio for Growth on the Eastside (SAGE)

Total Budget: \$432,000; Spent: \$162,500

The program provides a business health assessment to small businesses along with support and resources in fiscal management, business planning, and access to capital and an intensive program offered through the format of a peer cohort program. More than 40 eastside businesses received business health assessments in the first year of the program. SAGE will provide business health assessments to an additional 40 in the second year of the program. In September 2024, SAGE began its intensive support program in August with six participating businesses.

Back Office Support Network – LISC San Antonio

Total Budget: \$318,000; Spent: \$0

The program will develop a cohort of 50-60 professional back-office service providers to enhance and strengthen the small business community's network of resources, to include online guidance, better-informed navigators/outreach specialists and in-person events that will sustain an accessible support system for entrepreneurs and small business owners. The program is currently under development and expected to launch in November 2024.

Ecosystem Enhancements

Business Development Organization (BDO) Capacity Building – LISC

Total Budget: \$2,600,000; Spent: \$0

The City and LISC executed an amendment to the ARPA agreement on March 28, 2024 to invest in organizational capacity and leadership development for the BDO Alliance member executives and boards. A needs assessment was conducted to evaluate priorities in the areas of strategic planning; organization operations; board training and development; data collection and utilization strategy; and identify other funding. The outcome of the needs assessment is a prioritized plan to strengthen the organization. Each BDO is eligible for funding of up to \$260,000 toward operation and staffing expenses with initial funding eligibility starting after the completion of the needs assessment. Four of the six organizations have submitted reimbursement requests to LISC, who is currently reviewing the requests prior to funds distribution.

Compañeros Program – Prosper West San Antonio

Total Budget: \$400,000; Spent: \$280,000

Through the program, Prosper West aims to help businesses recover from the pandemic and build long-term resilience through personalized outreach, technical assistance, and access to resources, training, and capital. Prosper West reached the year-one goal to conduct outreach to 250 Westside businesses in May 2024 and have connected small businesses to \$100,000 in capital. They continue outreach to small businesses to meet the year-two goal of outreach to an additional 250 Westside businesses and are working toward connecting five businesses with public procurement opportunities.

Localism

Buy Local Program

Total Budget: \$475,000; Spent: \$48,143

The program objective is to promote the importance of locally owned, independent businesses. Supporting local businesses will recirculate more money in the local economy, preserve and celebrate local culture and neighborhoods, attract visitors, and maintain livable communities where the full diversity of residents can prosper. Funding to-date has been used for ongoing campaigns to establish a recognizable localism brand for San Antonio. Efforts also have been used to promote small businesses in construction zones through the “Buy Local Savings Pass” by connecting locals and visitors with businesses offering specials and discounts.

Geographic Placemaking

Revitalize SA: Corridor Leadership Program – Main Street America

Total Budget: \$1,000,000; Spent: \$182,868

For this program, EDD is collaborating with Main Street American (MSA) on the 9-month RevitalizeSA: Corridor Leadership Program (RCLP) approved by the Economic and Workforce Development Committee on June 28, 2023. RCLP will provide leadership and strategy training, via an orientation, opening 3-day retreat, four (4) leadership training days, and four (4) strategy training days focused on revitalization approaches. The program also includes two (2) sessions to support participants in developing Neighborhood CHANGE (Commercial Hub Advancement for

Neighborhood Growth and Change) Projects, which may provide up to \$10,000 in funding, as participants look to lead revitalization projects with an anti-displacement focus. RevitalizeSA will consist of two cohort classes of up to 20 participants each over two years. The first cohort of 18 participants completing training and is currently working on CHANGE Project development and implementation. The program showcase and graduation is scheduled for early November, and recruitment for the second cohort will begin in Fall 2024.

Outdoor Spaces Program

Total Budget: \$1,250,000; Spent: \$81,449

The Outdoor Spaces Program was established to provide small, locally owned, and independently operated food and drinking establishments with grants ranging from \$2,000 to \$10,000 to add or improve their outdoor spaces. Thirty-two (32) businesses were awarded a cumulative total of \$270,253.18. The average grant amount is \$8,445.41. All projects must be completed by September 2024. Unallocated dollars were transfer to the Façade Improvement Program.

Facade Improvement Program

Total Budget: \$3,000,000; Spent: \$50,248

The Façade Improvement Program was created to support aesthetic and functional upgrades for active small business spaces and associated building exteriors visible from the public right-of-way with grants ranging from \$5,000 to \$50,000. After reviewing applications, staff notified 87 businesses and 9 non-profit organizations of grant awards totaling \$3,640,115. All projects are anticipated to be completed by February 2025.

FISCAL IMPACT:

This item is for briefing purposes only.

ALTERNATIVES:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.