

Small Business Construction Support Grants Program



CITY COUNCIL B SESSION
February 28, 2024
Presented By: Ana Bradshaw
Economic Development Assistant Director

Background: Past Programs



FY 22 COVID Impact Grants

- **\$15.64 M** in ARPA funds awarded
- **135 of the 524** recipients received \$10,000 construction impact supplement

FY 23 COVID/ Construction Recovery Grants

- **\$2.45 M** in ARPA funds awarded
- **91** small business recipients
- **\$26,856** average grant award

FY 23 Construction Mitigation Program

- **\$400,000** allocated
- Construction toolkit
- Free signage program
- Targeted marketing support
- Dedicated Business Outreach team

Council Consideration Request



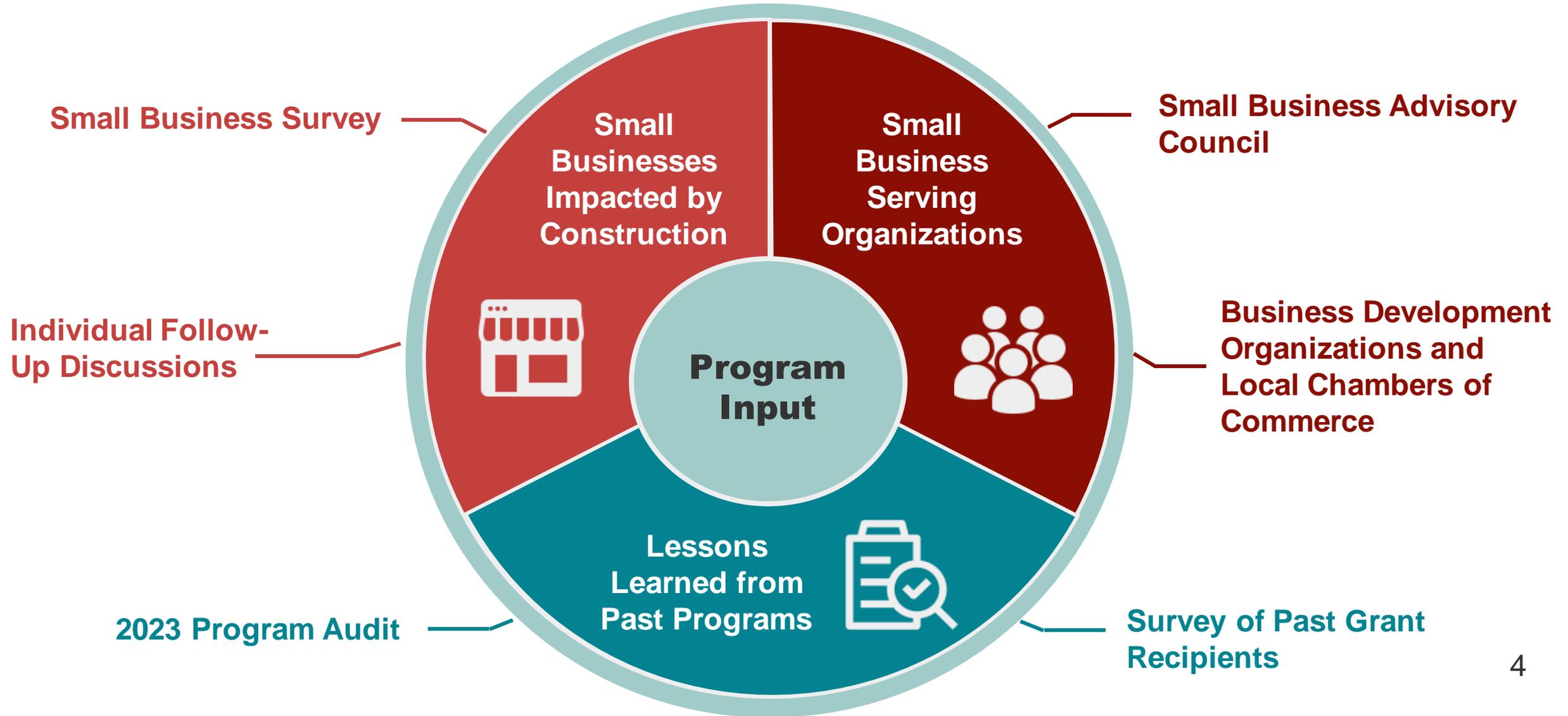
GOAL: Mitigate negative impacts of City-initiated construction projects on pre-existing small businesses

Date: July 7, 2023

Subject: Creation of a grant fund to aid small businesses affected by construction delays

Budget: \$1.4M in ARPA funds identified to fund potential program

Engagement and Feedback



Feedback Received



Financial Need

- Surveyed businesses anticipate using grant funds for **payroll, rent or mortgage**, or for **supplies/ inventory**.
- Past recipients used grant funds for rent or mortgage, payroll, and utilities.

Program Administration

- Sense of **urgency** – receiving funds as soon as possible is businesses' top priority.
- Need for **simplicity** – a simple application and clear program criteria are also a top priority.

Program Criteria

- **Longer and/or delayed** construction projects.
- **Pre-existing businesses** should be prioritized.
- Consider, but not prioritize, businesses who received assistance previously.

Small Business Construction Support Grants Program

OVERVIEW

- \$1.4 million total funding
 - \$1.28 million direct grants
 - \$175K administrative fee
- Cash grants ranging from \$10,000 to \$35,000, based on actual reduction in net income
- Administered in partnership with LiftFund
- Prioritize pre-existing businesses that have been most financially impacted by long projects, and have not yet received City assistance

Eligible Projects

PROJECT CRITERIA



Major, City-initiated construction zone



Planned duration of at least 12 months



Ongoing as of February 1, 2024

Project/Area	CD	Estimated Businesses*	Started
Alamo (Area Streets)	1	68	June 2020
Broadway Street Corridor	1, 2	207	July 2020
Bulverde Road Phase 1	10	23	May 2021
Zona Cultural Streets - <i>Commerce, San Saba, Santa Rosa</i>	1	236	January 2022
Gevers Drainage	3	27	June 2022
South Presa	3	42	September 2022
South Alamo Street	1	30	December 2022
Bynum Avenue Phase 2	4	12	February 2023

*Source: Data Axle business intelligence tool; 2024.

Eligible Businesses



BUSINESS CRITERIA

- Established in current location as of January 1, 2022
- Minimum \$10,000 gross sales in 2023
- Must have experienced \$10,000 reduction in net revenues in 2023 when compared to 2022
- Retail or service business that requires customer foot traffic for operations
- Meet U.S. Small Business Administration's size standards for small businesses for 6-digit NAICS code
- Be in operation and not filed for bankruptcy at time of application
- Grant applicant must be majority owner of business

EXCLUSIONS

Businesses cannot be in the following categories:

- Gambling/gaming businesses;
- Franchisors;
- Sexually oriented businesses;
- Payday & auto loan providers;
- Liquor stores; and
- Businesses in which a City employee or officer has a financial interest, *as defined in Sec. 2-53 of the City's Ethics Code*

Scoring Criteria

Applications will be scored according to **assessed need**.

Funds will not be disbursed on a first-come, first-served basis.

Construction Project Duration	
36 months or more	20
19 – 35 months	10
18 months or less	0
Prior Assistance Received <i>2023 and/or 2022 Grants</i>	
No prior assistance received	15
Net Revenue Loss (2023 vs. 2022)	
50% or greater	20
30% or greater	10
10% or greater	5
Pre-Existing Business	
> 5 years before construction start	25
2 – 5 years before construction start	15
< 2 years before construction start	5
Equity Atlas – Income-Only Scores	
4 – 5	20
3	10
1 – 2	0

Grant Amounts

Grant awards will be based on **actual** reduction in income

Applicants may be eligible for up to 100% of the reduction in net income in 2023 compared to 2022 up to \$35,000



\$10,000

Minimum Grant Award

\$35,000

Maximum Grant Award

Eligible Uses of Grant Funds

ELIGIBLE USES

- ✓ Working capital
- ✓ Machinery and equipment
- ✓ Payroll/health care benefits
- ✓ Contract labor
- ✓ Supplier payments
- ✓ Rent, lease or mortgage payments (business property only)
- ✓ Utility payments (business property only)
- ✓ Cost of critical business operations

INELIGIBLE USES

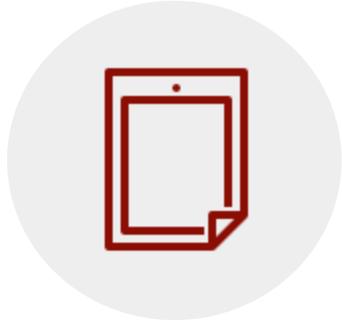
- ✗ Distributions to owners/investors
- ✗ Acquiring other assets

Program Timeline

*Ongoing: continued
coordination with
SAWS and CPS.*



Marketing and Outreach



Distribute Program Information

- Public webpage with all program information
- Social media posts
- Share materials with small business serving organizations and Council offices



Outreach to Eligible Corridors

- Postcard mailed to eligible addresses
- Block walking in-person outreach
- Phone calls and emails to businesses in eligible corridors



Information Sessions

- Host at least two information sessions (prior to application opening and during application period) with live translation



Application Days

- Host at least two application days, providing technical assistance in high-density areas

2024 Construction Grants Program



CITY COUNCIL B SESSION
February 28, 2024
Presented By: Ana Bradshaw
Economic Development Assistant Director