



City of San Antonio

Agenda Memorandum

File Number: 23-193511

Agenda Item Number: 4

Agenda Date: August 22, 2023

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing and possible action on the Façade Improvement Grant Program funded by the American Rescue Plan Act (ARPA) State & Local Fiscal Recovery Funds (SLFRF).

SUMMARY:

This is a briefing on the status of the Façade Improvement Grant Program. Additionally, updated eligibility areas will be presented along with the potential timeline impact for awarding funds should eligibility areas be updated.

BACKGROUND INFORMATION:

On June 23, 2022, City Council approved the ARPA Small Business Implementation Plan. The Implementation Plan includes a two-phase approach, with the first phase focused on COVID Impact Grants, while the second phase included a variety of initiatives, including programs focused on geographic placemaking. City Council allocated \$5.25 million in ARPA funding for these placemaking initiatives, including \$3 million for a Façade Improvement Program, \$1.25 million for an Outdoor Spaces Program, and \$1 million for a Corridor Program Pilot.

The Façade Improvement Grant Program supports business owners in making façade and building improvements facing and visible to the public right-of-way. Owners or tenants (with written approval of tenant's property owner) in an eligible geography may apply for funding, if the building was owned prior to January 1, 2021, or the tenant has been in business at the location prior to January 1, 2021.

Applicants are eligible for grants ranging from \$5,000 to \$50,000, with matching amount based on the equity score of the business location. Projects in an area with a Combined Equity Score of 2 – 6 will be eligible for up to 75% of approved project costs up to the maximum grant amount. Projects located within a Combined Equity Score are of 7 – 10 will be eligible for up to 90% of approved project costs up to the maximum grant amount. To address access to capital and savings-based challenges, the grant disbursement schedule provides for 25% of total grant funding upfront, with the remaining 75% disbursed based on project milestones.

The Small Business Advisory Commission was briefed on the Façade Improvement Program February 14, 2023, and the Economic and Workforce Development Committee (EWDC) on February 28, 2023. Additionally, the Economic Development Department (EDD) provided a memo on the status of the Façade Improvement Grant Program to Mayor and City Council on March 20, 2023. The program launched on July 10 and as of August 18, 14 applications have been submitted and 206 are in the system in process. The application deadline is September 8.

ISSUE:

EDD staff developed the eligibility areas for the Façade Improvement Grant Program with input from the Planning Department and Public Works. The identified areas seek to leverage existing Council-approved planning documents and corridors impacted by City-initiated, long-term construction zones.

The current eligible program areas are:

- World Heritage Buffer Zone (except Centro PID, Market Square, La Villita, and Downtown River Walk);
- Priority Corridors identified in SA Tomorrow Sub-Area Plans and Regional Center Plans;
- Northeast Corridor (NEC) Revitalization Program Area; and
- Applicant sites within 500 feet of City-initiated construction zones with projects scheduled to last 12 months or longer.

EDD staff received a request to add three corridors to the program that are not currently eligible:

- Fredericksburg Road from Woodlawn Avenue to Club Drive
 - Includes Deco District
- Donaldson Avenue from Wilson to St. Cloud
 - Jefferson Village, a small hub with several legacy businesses
- Culebra Road from Camino Santa Maria to Roanoke Avenue
 - Adjacent to St. Mary's University

Updating the eligibility areas at this phase of the program would impact the implementation timeline, starting with extending the application deadline to provide for sufficient outreach, engagement, and application submission training for businesses in new eligibility areas. Marketing materials and the application system would need to be updated to include the new areas. Overall, this change would result in extending the application deadline from September 8 to October 31 and delay disbursement of funding to businesses from October to December.

FISCAL IMPACT:

Funds for the program are earmarked from the American Rescue Plan Act (ARPA) – State and Local Fiscal Recovery Funds (SLFRF). These funds must be obligated by December 2024 and spent by December 2026. There is no fiscal impact to the General Fund.

ALTERNATIVES:

An entirely new application process could be conducted, governed by different geographic eligibility criteria. However, this could invalidate the applications received through this current process, resulting in increased work for small businesses to access these funds.

RECOMMENDATION:

Staff proposes a revised program timeline should the Economic and Workforce Development Committee make modifications to the current program eligibility areas for the Façade Improvement Grant Program.