



City of San Antonio

Agenda Memorandum

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Agenda Date: January 11, 2023

In Control: City Council B Session

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on the COVID/ Construction Recovery Grants Program.

SUMMARY:

This briefing will provide an overview of the proposed COVID/ Construction Recovery Grants program that seeks to address issues associated with major City-funded construction projects on small businesses in commercial corridors.

BACKGROUND INFORMATION:

As many small businesses were recovering from the COVID-19 pandemic, some San Antonio small businesses were faced with additional challenges as a result of construction projects undertaken by the City in commercial corridors.

Past efforts by the City have assisted small businesses impacted by long-term construction projects. In 2014, City Council approved a program to provide \$225,000 in utility-assistance loans to businesses along the Blanco Road 2007 Bond Program project. Five applications were received, with four being deemed eligible. An amount of \$13,140 in loans was disbursed from the total available program funds. Additionally, City Council allocated \$17 million in ARPA funding in FY 2022 towards the COVID Impact Grants Program. Grant applicants in 19 designated construction

zones that met eligibility requirements were eligible to receive a \$10,000 construction impact grant supplement. As of January 3, 2023, 117 applicants received the supplement.

Most recently, City Council approved \$400,000 in the FY 2023 General Fund Budget for the Economic Development Department (EDD) to develop a construction mitigation pilot program to help businesses navigate these challenges. The Economic and Workforce Development Committee was briefed on the proposed program during the December 16, 2022 meeting and requested staff identify options to provide financial support to impacted small businesses, in addition to the proposed mitigation program.

ISSUE:

Staff will brief the City Council on a proposed grant program for small businesses with store front operations within commercial corridors where major, ongoing City construction projects are being undertaken. The briefing will include the program eligibility, which will focus on businesses within 14 corridors where construction began between January 2020 and June 2022. The briefing will also include the scoring criteria to review applications, along with the timeline for implementation.

To fund this grant program, staff has identified \$2.25 million in ARPA funding allocated for increased access to capital for small businesses. A total of \$3 million was allocated by City Council for this purpose and a competitive solicitation process to award these funds is currently underway. Staff recommends \$750,000 remain available to support proposals received in response to the solicitation.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

Should City Council provide favorable feedback on the proposed program during this briefing, City staff recommends implementing the COVID/ Construction Recovery Grants program under the authority previously given to the City Manager under the ordinance adopting the ARPA Spending Framework.