



City of San Antonio

Agenda Memorandum

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Agenda Item Number: {{item.number}}

Agenda Date: April 6, 2023

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

An update on small business grant programs funded by the American Rescue Plan Act (ARPA) State & Local Fiscal Recovery Funds (SLFRF).

SUMMARY:

The Small Business COVID Impact Grants Program provided direct cash assistance to small businesses recovering from the long-term effects of the pandemic. The program concluded on January 13, 2023 with full disbursement of \$15.6 million in funding.

Additionally, there will be an update on the Construction Recovery Grants program, which was created to provide direct cash assistance to small businesses impacted by City-funded infrastructure improvements in San Antonio.

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 providing Access to Capital through the Small Business COVID Impact Grants Program. A total of \$17 million in ARPA SLFRF was designated for the creation of this program and an additional \$625,000 was designated for outreach and technical assistance efforts. EDD worked in partnership with Liftfund for the administration of the program.

EDD partnered with the business development organization (BDO) partner agencies Southside First Economic Development Council, Prosper West, Centro San Antonio, Culturingua, Maestro Entrepreneur Center, and San Antonio for Growth on the Eastside to ensure targeted outreach, marketing, and technical assistance were provided to small business owners who were eligible to apply for COVID Impact Grants.

The Program had a specific set of criteria that included:

- Business must be in an industry that experienced at least 5% employment loss locally
- Business must show a reduction in gross revenues in 2020 and 2021 when compared to 2019
- Business must meet a minimum of 20% reduction in gross revenues from 2019 to 2021

Additional eligibility criteria, such as location within the City of San Antonio, also applied.

The maximum grant award a business could receive was based on a reduction in gross revenue.

Reduction in Gross Revenue 2019-2021	Maximum Grant Amount
25% - 34.9%	\$15,000
35% - 44.9%	\$25,000
45% or Greater	\$35,000

An additional amount of \$10,000 was available to businesses located within major, City-initiated construction zones for projects started between October 1, 2019 and December 31, 2021.

ISSUE:

The application period for the Small Business COVID Impact Grants program was between August 1 to August 22, 2022. Extensive outreach and marketing were conducted by BDO partners, EDD and LiftFund starting in July and through the closing of the application period resulting in 4,021 applications started but not submitted and a total of 1,404 applications received.

The COVID Impact Grants program concluded on January 13, 2023. In total, 521 small businesses were funded totaling \$15.6 million in awarded grants. The average grant amount was \$29,942. Businesses in 19 construction zones were eligible for an additional \$10,000 supplement after additional vetting to determine the impact to business. Of 160 of the businesses located in construction zones that received grants, 135 received an additional \$10,000 supplement.

In addition, staff will provide an update on the recently established Construction Recovery Grant

program to include the implementation plan and marketing/ outreach efforts. The City Council was briefed on the creation of this program at the January 11, 2023, “B” Session which will be funded by a redirection of \$2.25 million in ARPA SLFRF allocated for increased access to capital for small businesses. EDD will again work in partnership with LiftFund to administer the program targeted at 15 identified corridors impacted by construction.

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.