



ARPA Fiscal Recovery Funds for Small Business Support

Presented by Ana Bradshaw, Assistant Director,
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Economic and Workforce Development
Committee

May 24, 2022



Plan Development

Council Committee provides policy direction to City staff to develop a plan that:

1. Identifies a COVID-19 impact
2. Includes programs/ strategies that will benefit community members affected by the impact identified in Step 1
3. Defines desired equitable outcomes with metrics to measure those outcomes
4. Provides a not-to-exceed, 4-year implementation plan



ARPA Spending Examples - Denver

Business Recovery - \$10.1 Million

- Business Impact Opportunity Grants: \$5 M
- Entrepreneurship Support: \$2 M
- Downtown Support Seasonal Activation, Tourism Activation, Vacant Retail Activation: \$2.5 M
- Small Business Program Navigators: \$600K



Denver Business Impact Opportunity Fund

- One-time grant awards range from \$7,500 to \$15,000 based on annual gross revenue
- Three types of grants
 - Stabilization
 - Activation
 - Anti-Displacement
- Must either be located in a pre-qualified area OR in an industry experiencing 8% employment loss from pre-pandemic levels
- Technical assistance provided



ARPA Spending Examples Other Cities

Chicago: Commercial Corridors and Neighborhood Activation Program - \$67 M

- Provide grants and business support services to revitalize commercial corridors, support new small business owners, local artists involved in beautification projects

Austin: Community Navigator Program - \$500 K

- Help support local businesses, non-profits, and creative professionals with application and technical assistance for local, state, and federal relief projects

San Jose: Latino Business Foundation - \$75 K

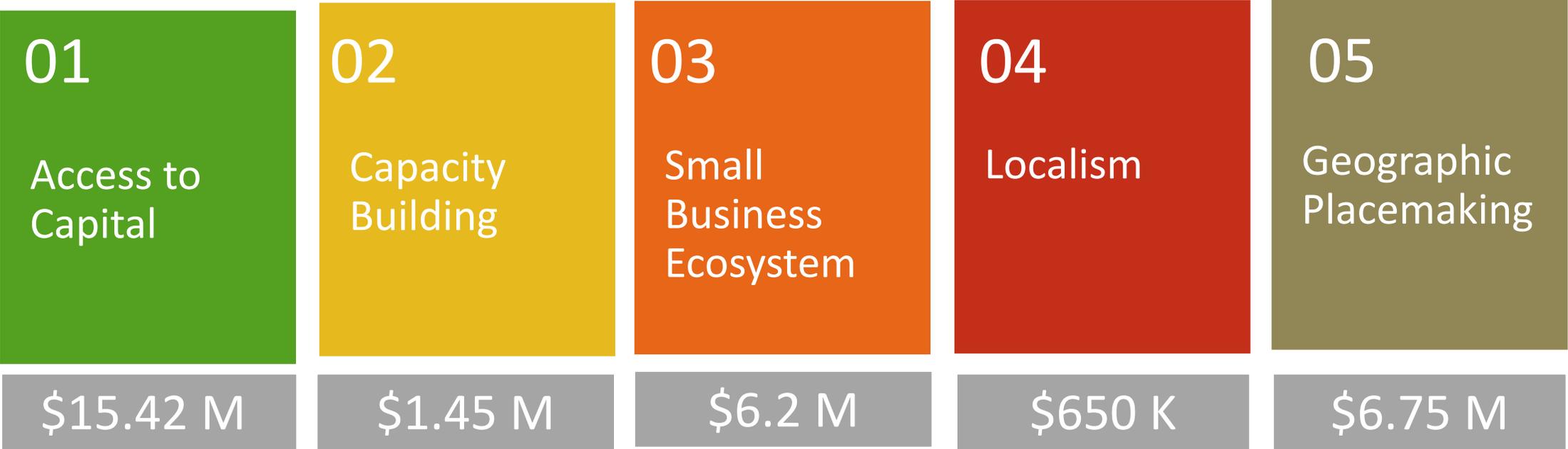
- Operating grant for community partnership to stand up a small business center in hardest hit areas

South Dakota: FAST Launch Grants - \$125 K

- Provides between \$1,500 - \$10,000 to entrepreneurs
- Includes educational components like a start-up boot camp and business plan development assistance

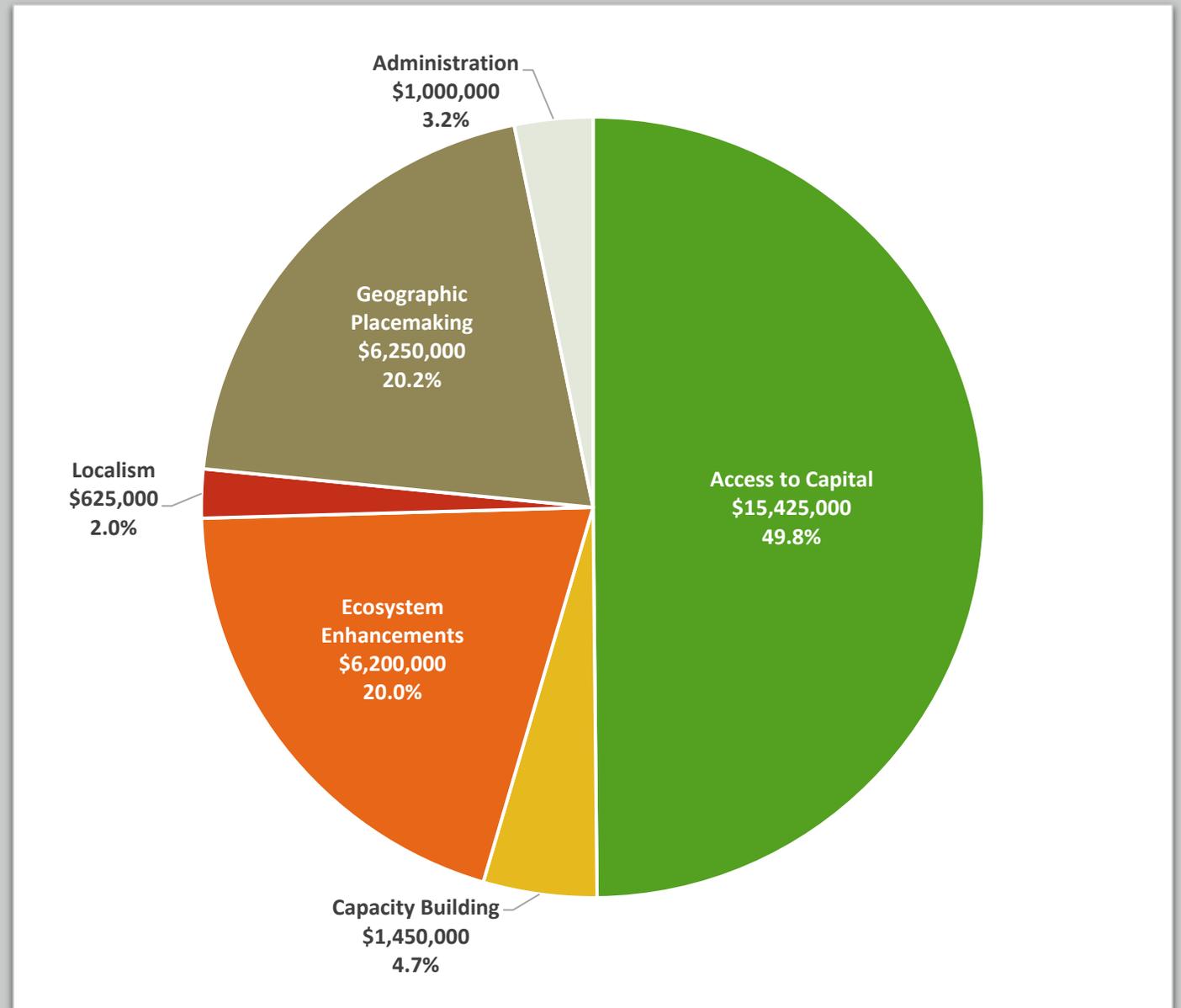


Small Business Advisory Commission Identified Priorities & Recommended Investments*



*Recommend \$1.0 Million allocation to support EDD program administration

ARPA Small Business Recommended Plan - \$30.9 Milion



COVID-19 Impact	Strategies/ SBAC Priority	Program	Equitable Outcomes	Performance Indicators	Amount (in Millions)
Impact of pandemic accelerates trends in small business digital inclusion, access to flexible financial capital, technical assistance, and space needs	Access to Capital	Hard-Hit Industry Grants	Increased opportunity and access to capital for underserved groups with a focus on Black- and Latino-owned businesses	<ul style="list-style-type: none"> Jobs created Jobs retained 	\$11.5 M
	Capacity Building	Web Presence Program	Identify and address structural barriers to create opportunities for business owners	<ul style="list-style-type: none"> Revenue 	\$0.4K
		Launch SA Improvements	Coordinated and sustainable small business ecosystem that serves as a safety net during future economic downturns	<ul style="list-style-type: none"> Program Participation Participant Business Failure Rate 	\$0.3 K
	Geographic Placemaking	Operation Facelift 2.0	Strengthening the connection between people and the places they share	<ul style="list-style-type: none"> Revenue Corridor Investments Jobs created Jobs retained 	\$3.0 M
		Outdoor Spaces Program			\$1.25 M
		Corridor Program Pilot			\$2.0 M

COVID-19 Impact	Strategies/ SBAC Priority	Program	Equitable Outcomes	Performance Indicators	Amount
Small Businesses, in particular Black- and Latino-owned, have disproportionately lower access to financial capital to sustain or grow operations during the pandemic	Access to Capital	Growth Fund	<p>Increased opportunity and access to capital for underserved groups with a focus on Black- and Latino-owned businesses</p> <p>Identify and address structural barriers to create opportunities for business owners</p>	<ul style="list-style-type: none"> • Jobs created • Jobs retained • Revenue 	\$3.0 M
Business Development Organizations struggle to reach businesses to provide assistance	Ecosystem Enhancements	Implementation of Pillars Identified in the SA Ecosystem Report	<p>Increased opportunity and access to capital for underserved groups with a focus on Black- and Latino-owned businesses</p> <p>Identify and address structural barriers to create opportunities for business owners</p>	<ul style="list-style-type: none"> • \$ Leveraged from other funding sources • Capital demand • CDFI Loans • Bank Loans 	\$6.0 M
		Ecosystem Resources Mapping	Coordinated and sustainable small business ecosystem that serves as a safety net during future economic downturns	<ul style="list-style-type: none"> • Philanthropic Support for BDOs • Other funding support for BDOs 	\$0.2 M
Small Businesses without adequate back-office functions struggle to access recovery funding and other assistance programs	Capacity Building	Back Office Support Program	Identify and address structural barriers to create opportunities for business owners	<ul style="list-style-type: none"> • Jobs created • Revenue 	\$0.75 M

COVID-19 Impact	Strategies/ SBAC Priority	Program	Equitable Outcomes	Performance Indicators	Amount
Secondary effects of the impact of pandemic on hospitality industry felt by other small business sectors due to lack of local demand	Localism	Buy Local Implementation	Support for production and consumption of local goods while promoting local history, culture and identity	<ul style="list-style-type: none"> • Buy local multiplier • Shift in consumer behavior and sentiment 	\$0.25 M
		Buy Local - Operations Support			\$0.375 M
Small Business were required to exhaust any reserves to remain in operation during the pandemic	Access to Capital	Emergency Fund	<p>Increased opportunity and access to capital for underserved groups with a focus on Black- and Latino-owned businesses</p> <p>Identify and address structural barriers to create opportunities for business owners</p>	<ul style="list-style-type: none"> • Jobs retained • Cash reserve buffers 	\$0.925 M

Access to Capital

Provide access to flexible capital that meets the needs of small businesses at every stage

Strategy	FY 22	FY 23	FY 24	FY 25	Total
Grants for Hard-Hit Industries	\$2.25 M	\$9.25 M			\$11.5 M
Growth Fund* (Loans and/or Grants)			\$1.5 M	\$1.5 M	\$3 M
Emergency Fund* (Loans and/or Grants)		\$425 K	\$300 K	\$200 K	\$925 K
Total					\$15.4 M



*Recommend solicitation process

Grant Program Design

- Priorities
 - Equity Focused
 - Targeted
 - Business Viability
- Simple application process
- Provide technical assistance/capacity building along with funding
- Grant eligibility and criteria to be approved by City Council along with implementation plan

Capacity Building

Small businesses grow to their greatest potential.

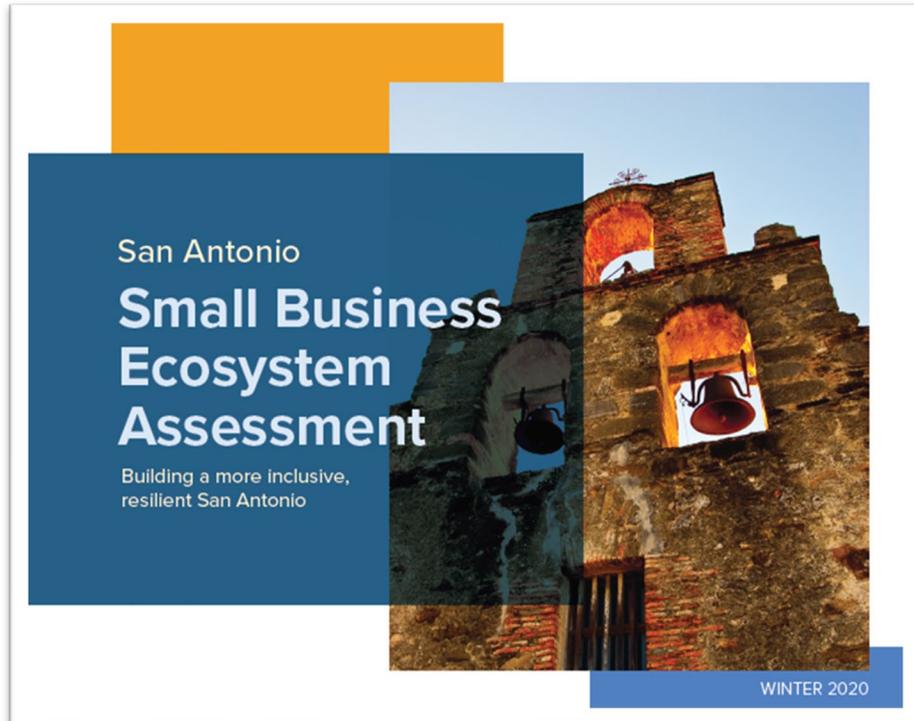
Strategy	FY 22	FY 23	FY 24	FY 25	Total
Launch SA Improvements			\$300 K		\$300 K
Back Office Support Program*		\$400 K	\$250 K	\$100 K	\$750 K
Web Presence Program*		\$200 K	\$125 K	\$75 K	\$400 K
Total					\$1.45 M



*Recommend solicitation process

Small Business Ecosystem

Develop a stronger, more resilient small business ecosystem



Strategy	FY 22	FY 23	FY 24	FY 25	Total
Implementation of Pillars Identified in the SA Ecosystem Report ^{1*}		\$3 M	\$2 M	\$1 M	\$6 M
Ecosystem Mapping*		\$150 K	\$25 K	\$25 K	\$200 K
Total					\$6.2 M

¹ Access to Flexible Capital; Sustainability and Resiliency; Access and Networks; Ecosystem Coordination

*Recommend solicitation process

Localism

Foster growth of demand for locally-made products and services and the Implementation of finding from ongoing assessment of buy local initiatives



Strategy	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Buy Local Implementation*		\$250 K				\$250 K
Buy Local – Operation Support*			\$200 K	\$125 K	\$50 K	\$375 K
Total						\$625 K

*Recommend solicitation process

Geographic Placemaking

Create places where people want to be



Strategy	FY 22	FY 23	FY 24	FY 25	FY 26	Total
Operation Facelift 2.0*		\$1 M	\$1 M	\$1 M		\$3 M
Outdoor Spaces Program*		\$750 K	\$500 K			\$1.25 M
Corridor Program Pilot*			\$1 M	\$1 M		\$2.5 M
Total						\$6.75 M

*Recommend solicitation process



SBAC Feedback

- Staff reviewed draft proposal with SBAC on May 10
- Current proposal reflects SBAC feedback
 - One combined grant program
 - Increased allocation for EDD Program Administration
- Commission Action
 - Unanimous vote to support staff's proposal, with amendment to combine the grant programs
 - Unanimous vote to recommend that City Council prioritize allocation of grant funding in light of urgent small business needs

Next Steps

- Staff and the Small Business Advisory Commission recommend approval of the ARPA for Small Business Implementation Plan by EWDC
- June 10: EWDC briefing on grant eligibility and criteria
- June 23: City Council consideration of the ARPA for Small Business Implementation Plan and grant eligibility and criteria
- July-November: Grant program administration



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