



ARPA Fiscal Recovery Funds for Small Business Support

Presented by Brenda Hicks-Sorensen,
Economic Development Director

City Council "A" Session

June 23, 2022



Today's Council Action

Staff recommends approval of the following items:

1. ARPA Small Business Implementation Plan - \$30.95 Million
 - Phase 1: COVID Impact Grants
 - Phase 2: All Other Components
2. Criteria for \$17 Million COVID Impact Grants program
3. Contract with LiftFund to administer grants program



Recovery and Resiliency Plan - Small Business Support - \$49.9 Million

- Micro Business Grants: \$32 M
- Hospitality Grants - \$14 M
- PPE Distribution - \$2 M
- Door-to-Door Engagement - \$922K
- Virtual and Place-based Hub - \$200K
- Small Business On-the-Job Training* - \$792K

* Managed by Workforce Development



Implementation Plan

Process



Fall 2021: SBAC Listening Sessions (3) and Small Business Feedback Form



December 2021: SBAC identifies priority areas for future ARPA investments



February 2022: City Council approves ARPA funding allocations: Small Business \$30.95 Million

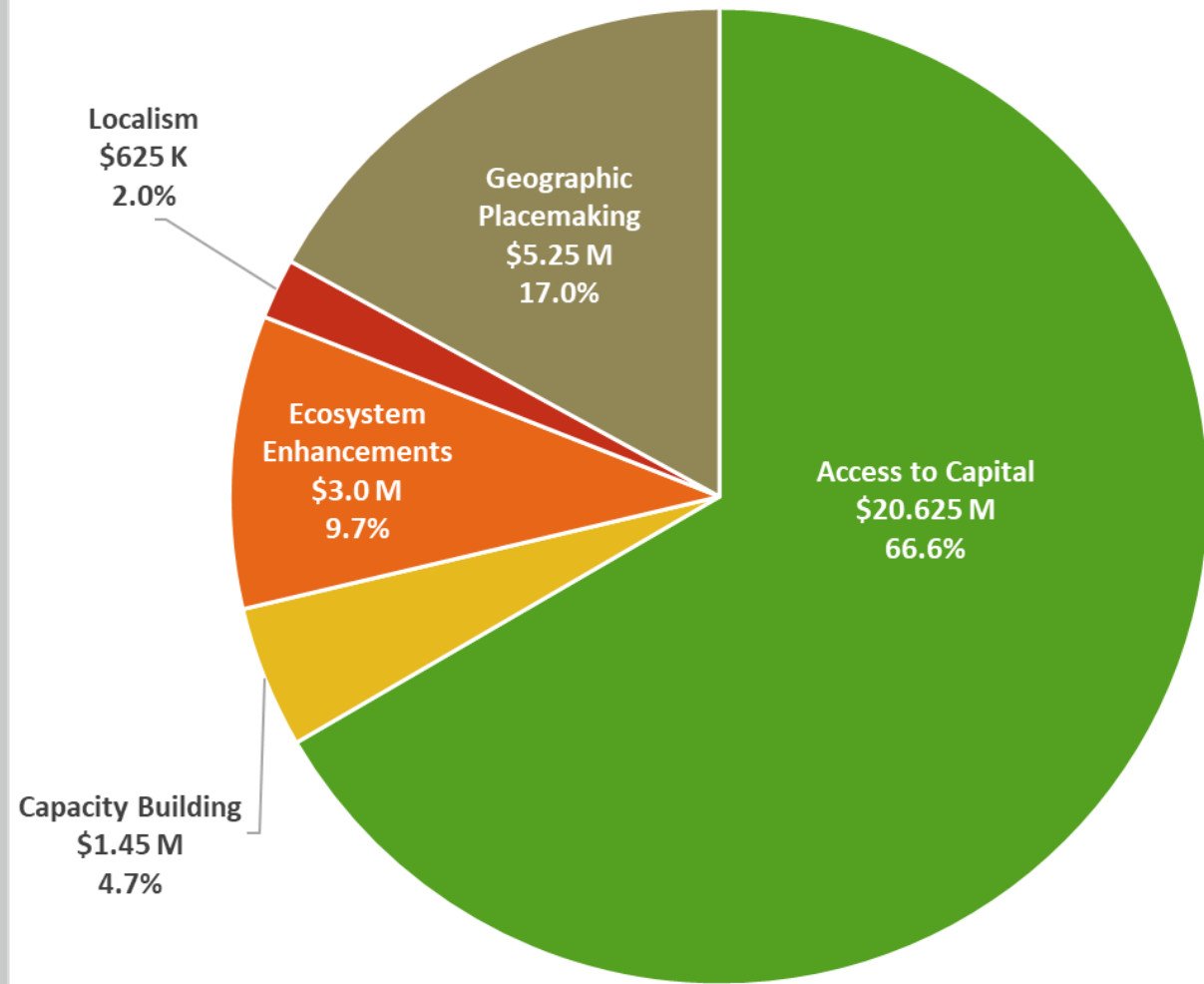


May 2022: SBAC unanimously endorses ARPA Small Business portfolio



June 2022: EWDC recommends ARPA Small Business portfolio, COVID Impact Grant criteria, and LiftFund administration

Recommended Portfolio by Priorities - \$30.95 Million



COVID-19 Impact	Strategies/ SBAC Priority	Program	Equitable Outcomes	Performance Indicators	Amount
Impact of pandemic accelerates trends in small business digital inclusion, access to flexible financial capital, technical assistance, and space needs	Access to Capital	COVID Impact 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 	\$17.00 M
		COVID Impact Grants Outreach and Marketing	Businesses in the hardest-to-reach areas and the most historically underserved have increased opportunity to successfully apply for and receive a grant	<ul style="list-style-type: none"> Grant awardee demographics Number of businesses that stay open after receiving grant 	\$625 K
	Capacity Building	Web Presence Program	Identify and address structural barriers to create opportunities for business owners	<ul style="list-style-type: none"> Revenue 	\$400 K
		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 	\$300 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 	\$3.00 M
		Outdoor Spaces Program			\$1.25 M
		Corridor Program Pilot			\$1.00 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 	\$3.00 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 	\$3.00 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 	\$750 K

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 	\$250 K
		Buy Local - Operations Support			\$375 K

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
COVID Impact Grants	\$16.32 M	\$680 K			\$17 M
COVID Impact Grants Outreach & Marketing	\$325 K	\$300 K			\$625 K
Growth Fund* (Loans and/or Grants)			\$1.5 M	\$1.5 M	\$3 M
Total					\$20.625 M



*Recommend solicitation process

Capacity Building

Small businesses grow to their greatest potential.

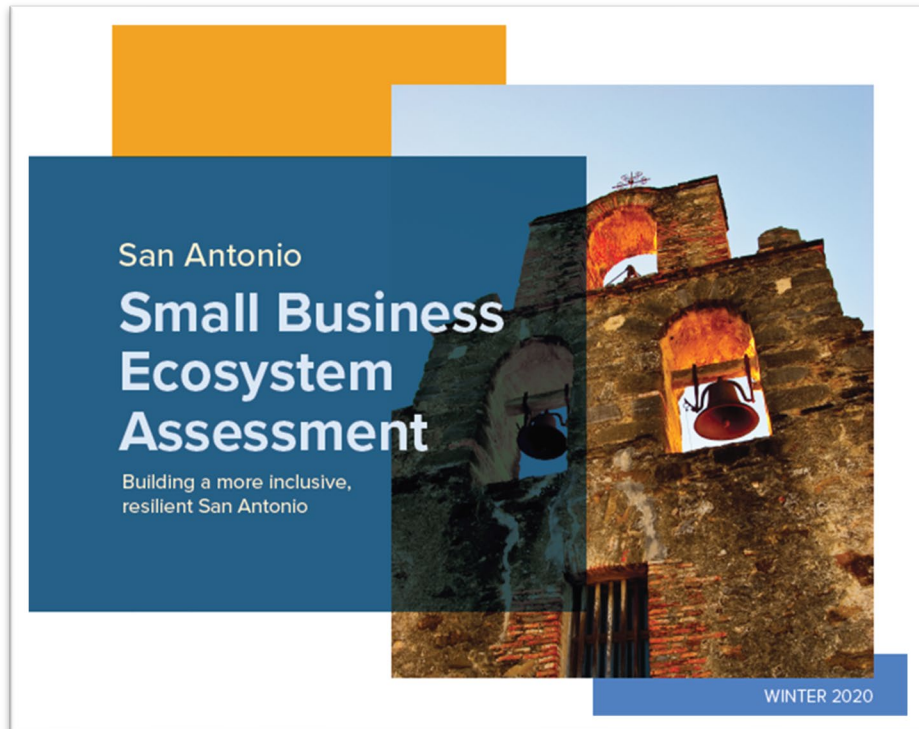
Strategy	FY 22	FY 23	FY 24	FY 25	Total
Launch SA Improvements			\$300 K		\$300 K
Back Office Support Program*		\$400 K	\$250 K	\$100 K	\$750 K
Web Prescence Program*		\$200 K	\$125 K	\$75 K	\$400 K
Total					\$1.45 M



*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*		\$1.5 M	\$1 M	\$500 K	\$3 M
Total					\$3 M

*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

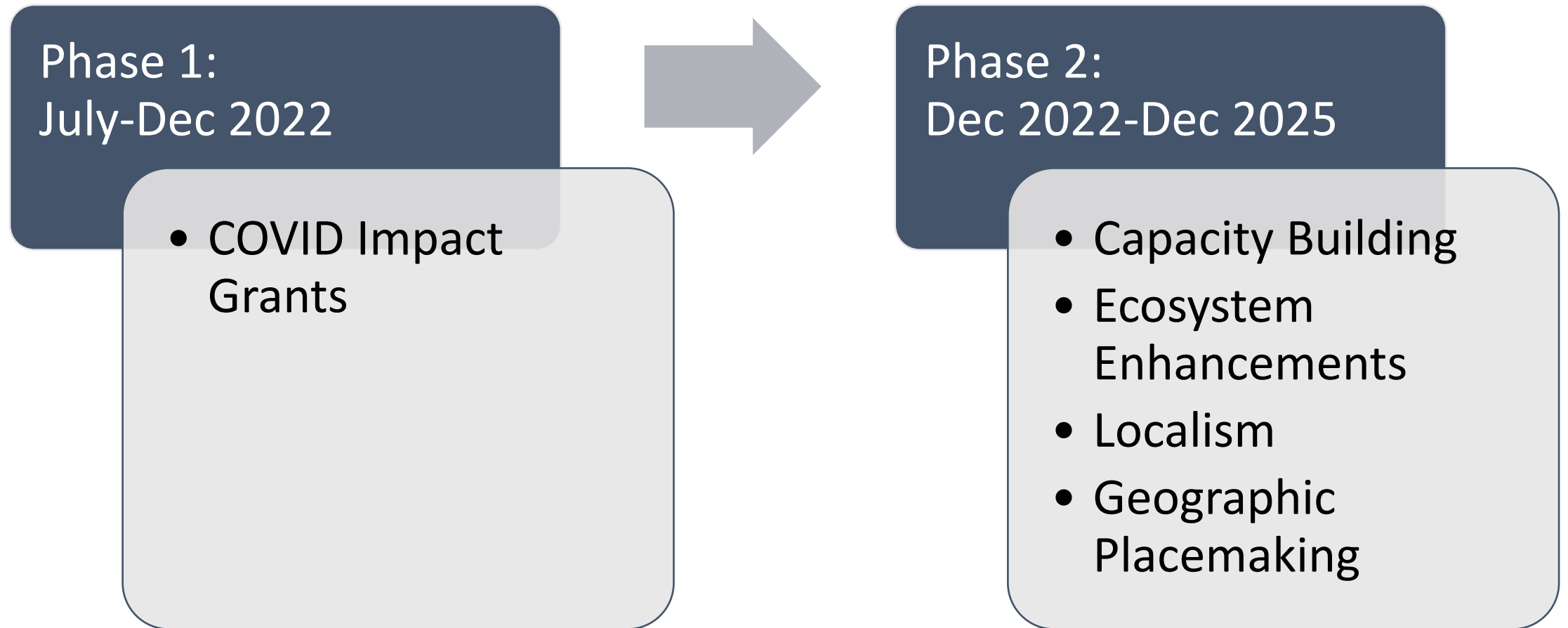
Create places where people want to be



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*			\$500 K	\$500 K		\$1 M
Total						\$5.25 M

*Recommend solicitation process

Implementation Phases



A photograph of two women in a brewery setting. The woman on the left has dark curly hair and is wearing a blue shirt and a white apron with blue stripes. The woman on the right has long brown hair and is wearing a light blue shirt and a white apron. They are both looking down at a tablet computer held by the woman on the right. In the background, there are large copper brewing kettles and a brick wall. A dark semi-transparent banner is overlaid across the middle of the image.

COVID Impact Grants

Eligibility Criteria

Must meet all of the following:

- ✓ In an industry that experienced at least **5% employment loss** locally
- ✓ Reduction in gross revenues in **2020 and 2021** when compared to **2019**
- ✓ Minimum **20% reduction in gross revenues** from 2019 to 2021

As well as:

- ✓ Must meet SBA size standards for industry
- ✓ Established prior to January 1, 2020, with demonstrated revenue in 2019
- ✓ In operation and not filed for bankruptcy at time of application
- ✓ Primarily be located within San Antonio city limits and remain for one year from date of grant award
- ✓ Not have applied for any other City of San Antonio grant programs funded by the American Rescue Plan Act (ARPA)
- ✓ Grant applicant must be authorized representative of business

Exclusions:

- Gambling/gaming businesses
- Franchisors
- Sexually oriented businesses
- Payday & auto loan providers
- Liquor stores
- 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 and Grant Amounts

Reduction in Gross Revenue 2019 to 2021	30 Points
40% or Greater	30
30% - 39.9%	20
20% - 29.9%	10
Industry Employment Loss	30 Points
25% or greater	30
20 – 24.9 %	25
15-19.9%	20
10-14.9%	15
5-9.9%	10
Demographic Criteria	20 Points
Minority-Owned	5
Women-Owned	5
Veteran-Owned	5
Disabled-Owned	5

Equity Atlas Score	20 Points
Equity Atlas Score 8-10	20
Equity Atlas Score 5-7	10
Equity Atlas Score 2-4	0
Other Grant Funding Received	15 Points
\$0	15
\$1 to \$10,000	10
\$10,001 to \$25,000	5
\$25,001 or more	0

Reduction in Gross Revenue	Grant Amount
20% - 29%	\$15,000
30% - 39%	\$25,000
40% or Greater	\$35,000

An aerial photograph of a city street undergoing construction. The street is lined with various buildings, including a large multi-story building on the left and several smaller commercial buildings on the right. In the background, a dense urban skyline is visible under a cloudy sky. A vertical white line separates the title text on the left from the bulleted list on the right.

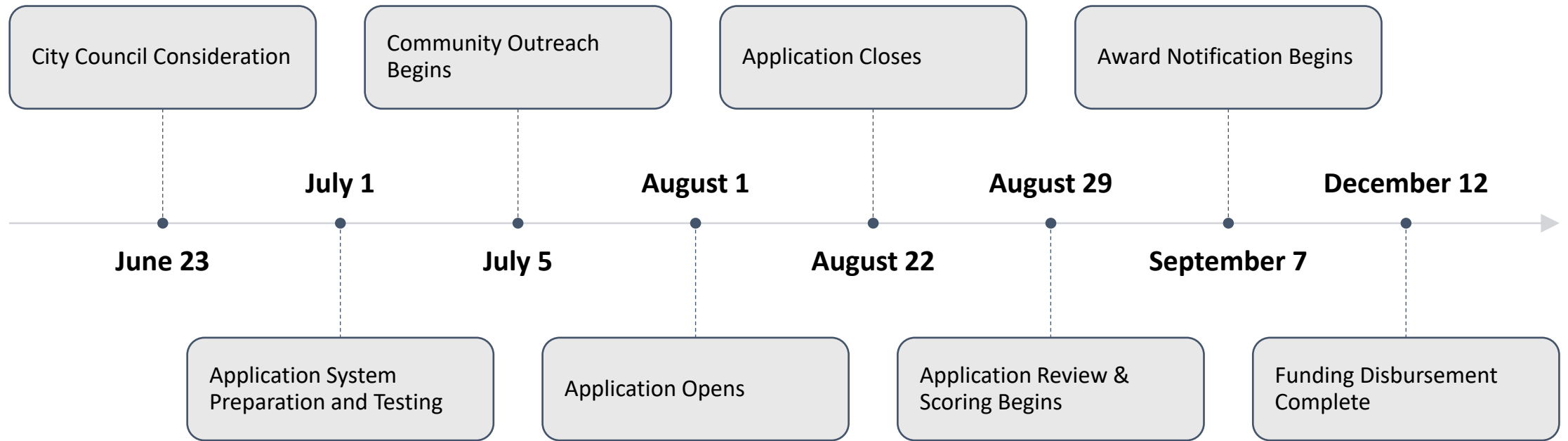
Construction Impact Funding

- Additional funding of \$10,000 will be available to businesses located within major, City-initiated construction zones
- Projects started between October 1, 2019 and December 31, 2021
- Project duration time of at least 18 months
- 19 identified projects, including:
 - Broadway
 - West Commerce Street
 - North New Braunfels
 - Goliad Road
 - Fredericksburg Road

Program Administration

- Staff recommend partnering with LiftFund for administration
- Program Components
 - Outreach
 - Technical Assistance
 - Application Review
 - Funds Distribution
 - Outcome Surveys
- 8% Administrative Fee





Grant Timeline

Phase 2 Implementation



August 2022: Detailed implementation timeline presented to EWDC



Program-specific solicitations presented to EWDC and City Council for consideration



December 2025: Small Business portfolio investments completed



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