Council Committee Discussion ARPA-Fiscal Recovery Funds

Economic and Workforce Development Council Committee
April 26, 2022
Presented by: Deputy City Manager María Villagómez

MENTAL HEALTH

CITY OF SAN ANTONIO TEXAS

Spending Categories

City Council Committee	Spending Category	Amount (In Millions)
Community Health, Environment and Culture	Arts	$ 5.0
	Seniors	5.0
	Non-Profit Social Services	4.0
Economic and Workforce Development	Small Business	30.9
	Youth	10.0
	Digital Inclusion/Literacy	6.9
Public Safety	Mental Health	26.0
	Total	$ 87.8

General Guidelines

ARPA Fiscal Recovery Funds

- Provide support to those impacted by the pandemic

- Address longstanding health & economic disparities

- Builds strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity

ARPA Guidelines: Expenditure Categories

COSA Spending Framework Category	ARPA: Negative Economic Impact Expenditure Category
1. Mental Health	Public Health
2. Non-Profits	Assistance to Non-Profits
3. Arts	Aid to impacted Industries
4. Youth	**Other services to disproportionally impacted communities**
5. Seniors	
6. Digital Inclusion/Literacy	**Assistance to Households**
7. Small Business	**Assistance to Small Business**

Develop a Plan

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

Plan Components

COVID-19 Impact	Program/Strategies	Equitable Outcomes	Performance Indicators	Amount

Next Steps

Council committees begin meetings to develop plans

Plans approved by City Council in the fall of 2022

City Staff begins implementation of plans

Funding committed by Dec. 2024 & spent by Sept. 2026

ARPA Fiscal Recovery Funds for Small Business Support

Presented by Brenda Hicks-Sorensen,
Economic Development Director

Economic & Workforce Development
Council Committee

April 26, 2022

Background

- Economic and Workforce Development Committee (EWDC) designated committee to provide policy direction

- Today's Presentation
    - Provides an overview of ongoing and previous investments in small businesses
    - Reviews investment priorities identified by the Small Business Advisory Commission (SBAC)
    - Requests EWDC feedback on investment priorities for ARPA

- Feedback will be used to develop a recommended implementation plan
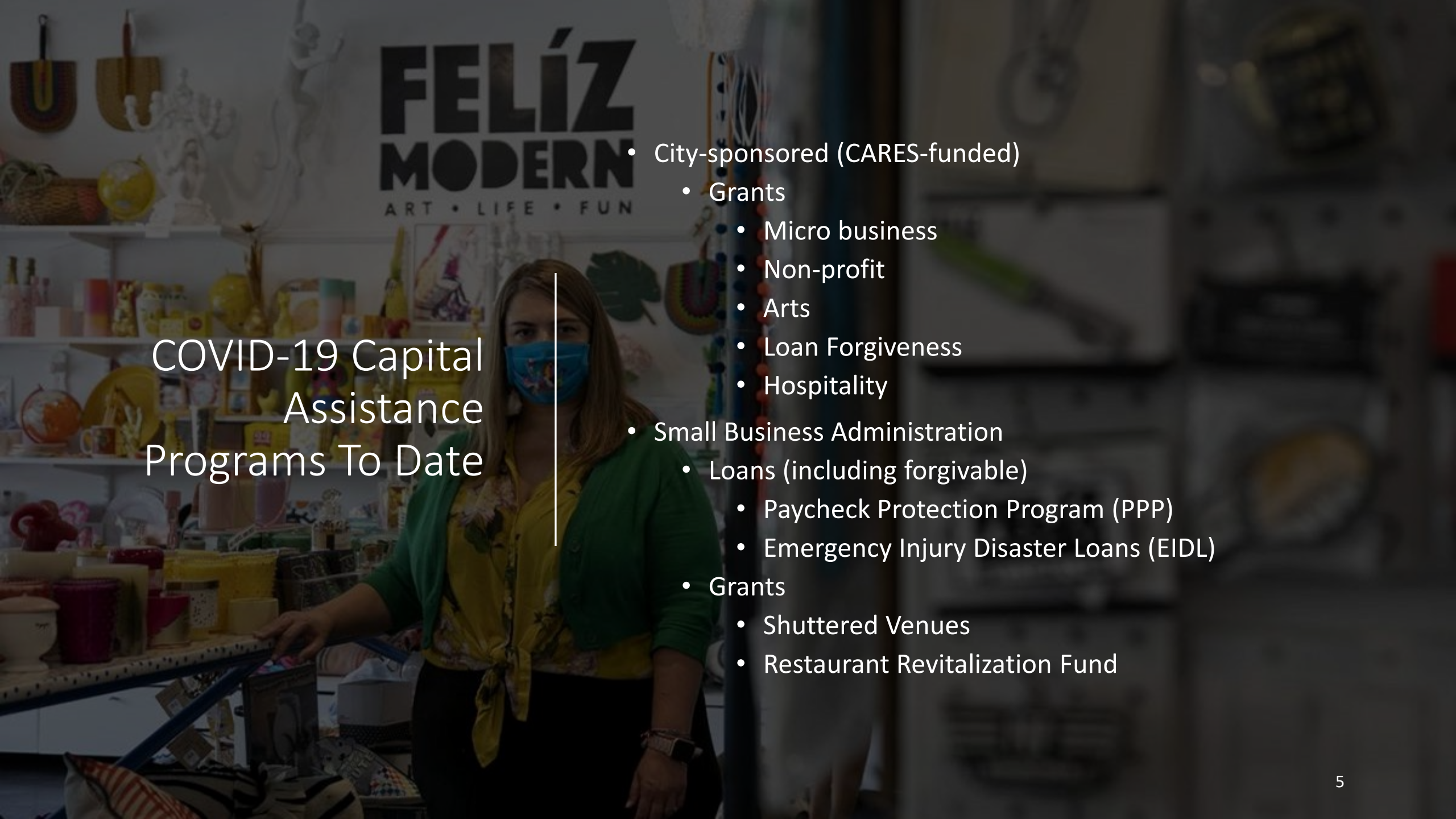
Impact of COVID-19 on Small Business

- Accelerated trends and further exasperated existing challenges

- Black and Latino businesses disproportionately impacted

- Business Development Organizations struggle to reach and assist small businesses

- Small businesses unable to access assistance (lack of recordkeeping, technical knowledge/support)

- Impact varies by industry

- Difficult to measure – data lags

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

COVID-19 Capital Assistance Programs To Date

- City-sponsored (CARES-funded)
  - Grants
    - Micro business
    - Non-profit
    - Arts
    - Loan Forgiveness
    - Hospitality

- Small Business Administration
  - Loans (including forgivable)
    - Paycheck Protection Program (PPP)
    - Emergency Injury Disaster Loans (EIDL)
  - Grants
    - Shuttered Venues
    - Restaurant Revitalization Fund

COVID-19 Small Business Relief Funding to San Antonio

Program	Total Awards	Total Amount	Average Award Amount
COSA Recovery Grants	1,228	$29.8M	$25,178
COSA Hospitality Grants	465	$13.1M	$28,103
SBA Paycheck Protection Program	43,553	$3.4B	$77,069
SBA Economic Injury Disaster Loan	15,721	$812.7M	$51,696
SBA Restaurant Revitalization Fund	423	$120.4M	$284,518

Ongoing Investments in Small Business

- Loan Interest Buydown Program - $250K/year
- Fee Waivers - $250K/year
- Launch SA - $160K/year
- Business Development Organization Partnerships
  - SAGE - $358K
  - Prosper West - $358K
  - Southside First - $100K

Pilot Programs

- Embracing Entrepreneurial Equity - $250K
- Bonding Assistance - $550K

Preliminary City Council Policy Discussion

Themes

Resiliency

Leveraging other resources

Transformational/Impactful

Anticipated Outcomes

Stronger, more resilient economy

Coordinated awareness – outreach, campaigns, marketing

Small Business Advisory Commission – Identified Priorities for ARPA Investments

01	02	03	04	05
Access to Capital	Capacity Building	Small Business Ecosystem	Localism	Geographic Placemaking

Access to Capital

Provide access to flexible capital that meets the needs of small businesses at every stage
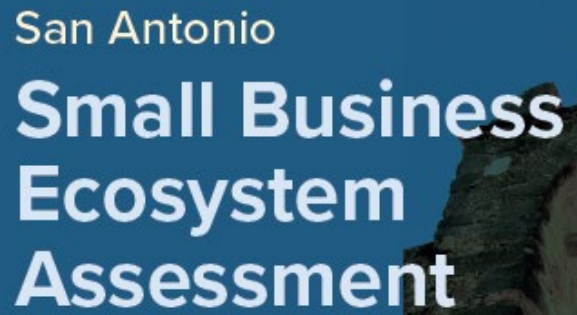
- Grants
  - One-time cash infusion
  - Most effective when targeted focus
    - Specific industries - Shuttered Venues & Restaurant Revitalization Fund

- Loans
  - One-time cash infusion
  - Variety of applications
    - No/low interest
    - Revolving loans
    - Debt consolidation
  - Builds business owner credit

Capacity Building

Small businesses grow to their greatest potential

- Business Planning

- Financial Literacy

- Back Office Support Programs

- Marketing – both digital and traditional

- Bonding Assistance

- Next Generation Entrepreneurship Programs

Ecosystem Enhancements

Develop a stronger, more resilient small business ecosystem

- Implementation of recommendations from San Antonio Ecosystem Assessment

Localism

Foster growth of demand for locally-made products and services

- Implementation of finding from ongoing assessment of buy local initiatives

Geographic Placemaking

Create places where people want to be

- Identify "nodes of opportunity" for investment
  - Facades & Patios
  - Corridor investments
- Redevelopment of underutilized City property
- Implement programs and strategies to spur other investment

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April 12 SBAC Meeting Feedback

Goals

➢ Provide services for business of various sizes and stages

➢ Prioritize holistic, full-circle services

➢ Address digital inclusion challenges

➢ Leverage other resources – including government and private funding
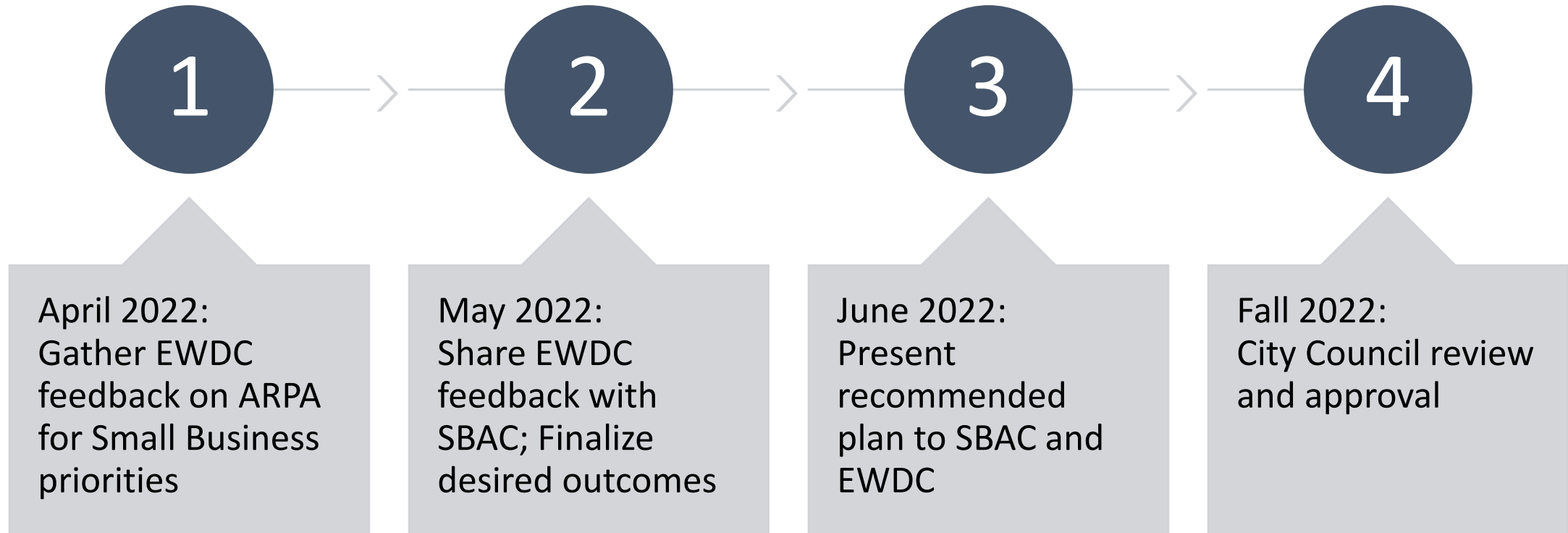
➢ Improve communication and access to resources

Other feedback

➢ Need to provide immediate assistance to businesses still struggling

➢ Ensure equity is embedded in processes

➢ Allocated funding for staff resources to support and measure programs

Plan Components – For Discussion

COVID-19 Impact	Program/Strategies	Equitable Outcomes	Performance Indicators	Amount
Impact of pandemic accelerates trends in small business digital inclusion, access to flexible financial capital, and technical assistances needs				
Small Businesses, in particular Black- and Latino-owned, have disproportionately lower access to financial capital to sustain or grow operations during the pandemic				
Business Development Organizations struggle to reach businesses to provide assistance				
Small Businesses without adequate back-office functions struggle to access recovery funding and other assistance programs				
Secondary effects of the impact of pandemic on hospitality industry felt by other small business sectors due to lack of local demand				

Next Steps

1

2

3

4

April 2022: Gather EWDC feedback on ARPA for Small Business priorities

May 2022: Share EWDC feedback with SBAC; Finalize desired outcomes

June 2022: Present recommended plan to SBAC and EWDC

Fall 2022: City Council review and approval

ARPA Fiscal Recovery Funds for Small Business Support

Presented by Brenda Hicks-Sorensen, Economic Development Director

Economic & Workforce Development Council Committee

April 26, 2022

American Rescue Plan Act (ARPA)
Policy Discussion - Youth

Economic and Workforce Development Committee

April 26, 2022

HUMAN SERVICES
CITY OF SAN ANTONIO

Melody Woosley
Director, Department of Human Services
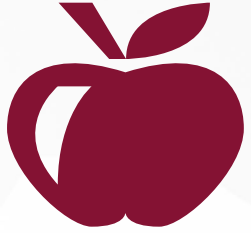
Presentation Overview

- Impact of COVID-19 on Youth

- Preliminary Teen Mental Health Survey Results

- FY 2022 Investments in Youth Services
  - 6 Departments

- City Council Input on Investment Priorities & Funding Selection Process

Spending Categories for Discussion

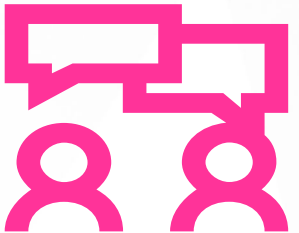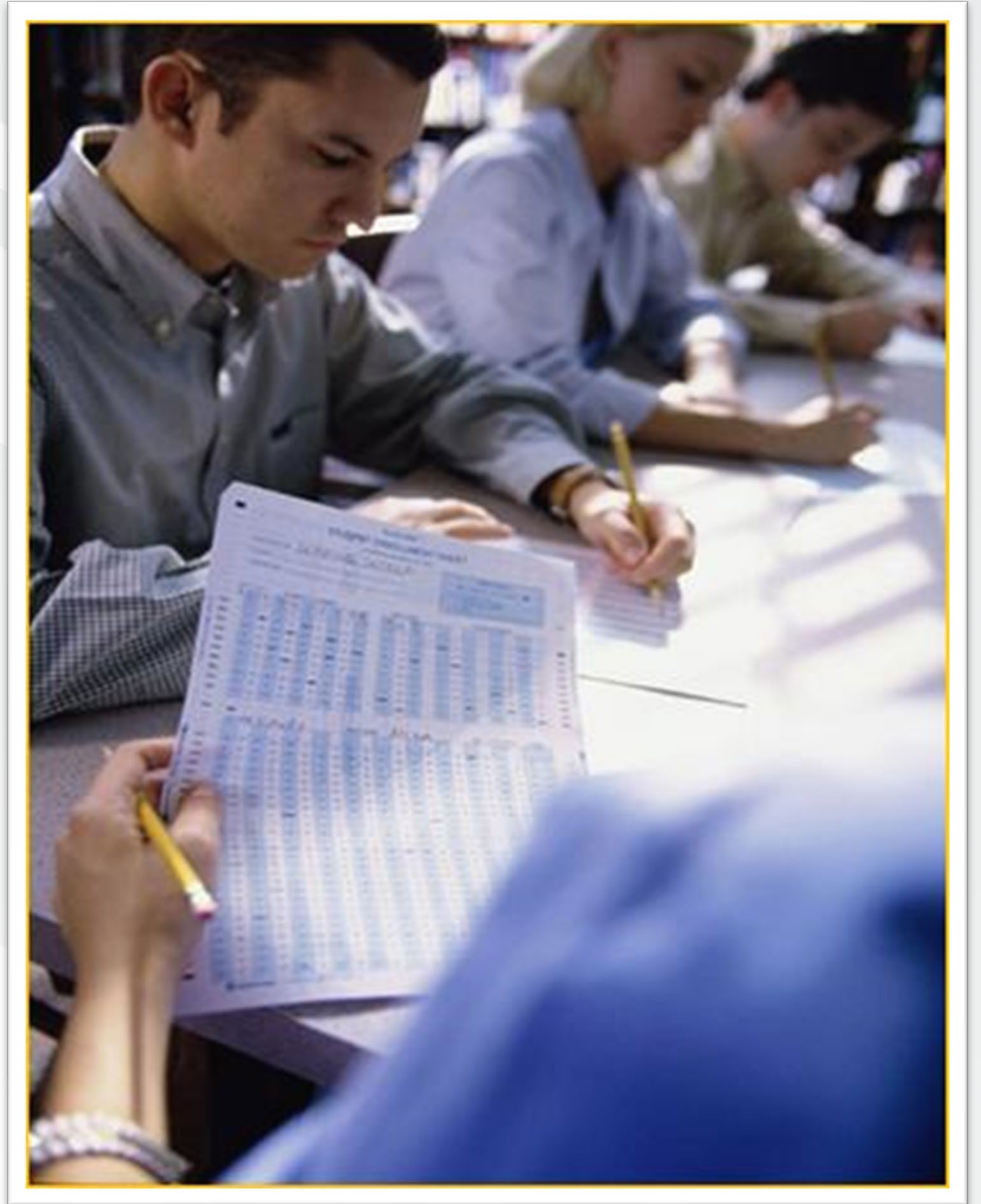| City Council Committee	Spending Category	Amount (In Millions)
Community Health, Environment and Culture	Arts Seniors Non-Profit Social Services	$5.0 $5.0 $4.0
Economic and Workforce Development	Small Business Youth Digital Inclusion/Literacy	$30.9 $10.0 $6.9
Public Safety	Mental Health	$26.0
	Total	$87.8

COVID-19 Impact on Youth

Total PK-12 School Population Decreased by 14,500

College and Career Readiness Decreased by 14%

Opportunity Youth doubled 34,000 to 74,000

Teen Mental Health Survey

40% of participants stated they have more bad days than good days

35% of participants stated they or their friends had suicidal ideations

30% of participants stated they or their friends have thought about harming themselves or others
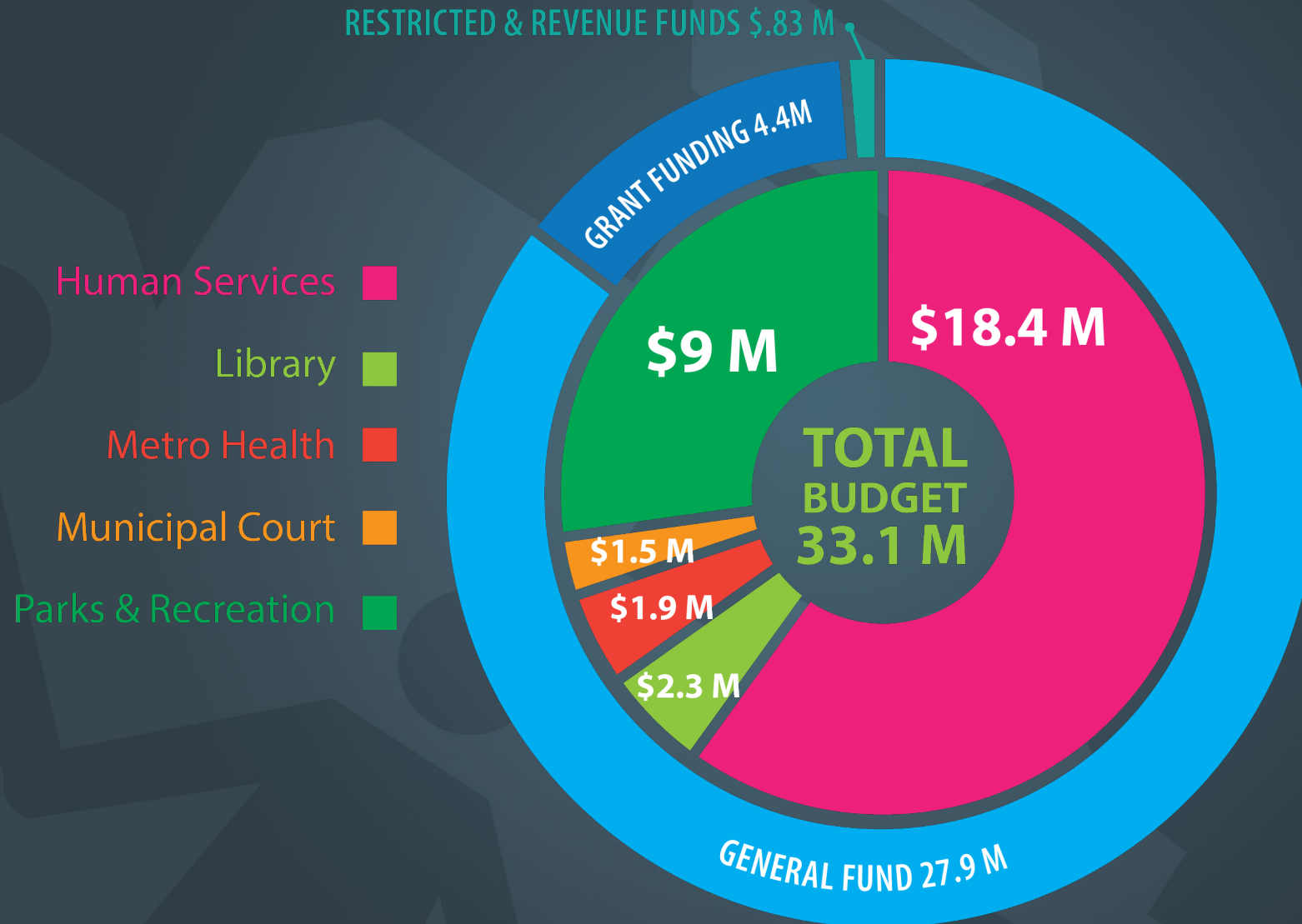
12% of participants stated they have a trusted adult at school to talk about their mental health

56% of participants stated school has negatively impacted their mental health

FY 2022 Youth Programs Budget $33.1 Million

RESTRICTED & REVENUE FUNDS $.83 M

GRANT FUNDING 4.4M

Human Services

Library

Metro Health

Municipal Court

Parks & Recreation

$9 M

$18.4 M

TOTAL BUDGET 33.1 M

$1.5 M

$1.9 M

$2.3 M

GENERAL FUND 27.9 M

Youth Programs Funding

Human Services
Ambassador Program
NXT Level
Café college
Delegate agencies

Parks & Recreation
Summer Youth Program
Swimming Pools
Community Center
Programs
Fitness and Dance Classes

Metro Health
Project Worth
Teen Pregnancy
Woman, Infant & Children
Nutrition
Stand Up SA

Library
Teen Library Program

Municipal Court
Juvenile Truancy Program
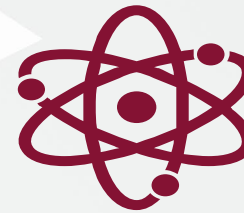
Preliminary City Council Feedback

Wraparound Services for Youth Aging out of Foster Care

Opportunity Youth Support Services

Programs that offer Positive Childhood Experiences

Summer and After-school Programs

Gang Intervention Programs

Next Steps

- EWDC provides policy direction to City staff to develop a plan – April 26, 2022

  - Identifies a COVID-19 impact
  - Includes programs/ strategies that will benefit community members affected by the impact identified in Step 1
  - Defines desired equitable outcomes with metrics to measure those outcomes
  - Provides a 4-year implementation plan

- Review and approval of proposed plan Fall 2022
  - Youth Commissions
  - Community stakeholders
  - EWDC

- Implement funding award process – Fall 2022

- Funds committed by December 2024 and spent by December 2026

American Rescue Plan Act (ARPA)-Digital Inclusion/Literacy

ECONOMIC AND WORKFORCE DEVELOPMENT COMMITTEE

APRIL 26, 2022

BRIEFING BY BRIAN DILLARD, CHIEF INNOVATION OFFICER

Impact of COVID-19 on digital divide

Overview of City's Digital Inclusion Efforts
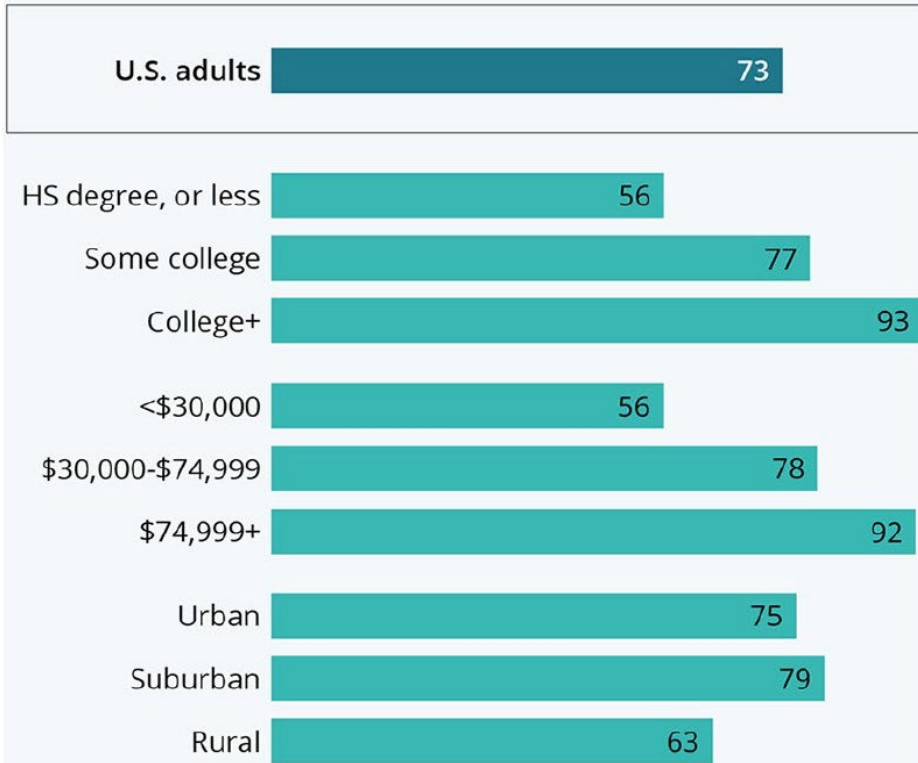
Potential Funding Alignment for State & Federal funding

Council Input

Next Steps

Presentation Overview

Quarter of Americans Have No Internet

Percentage of U.S. adults who have a home broadband connection

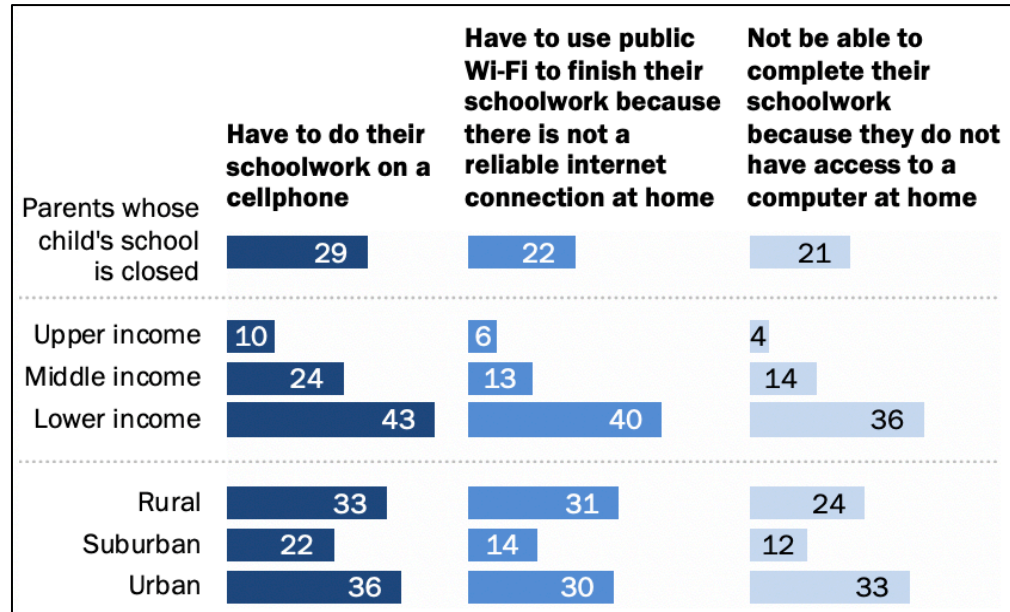|	
U.S. adults	73
HS degree, or less	56
Some college	77
College+	93
<$30,000	56
$30,000-$74,999	78
$74,999+	92
Urban	75
Suburban	79
Rural	63

Survey conducted Jan-Feb 2019
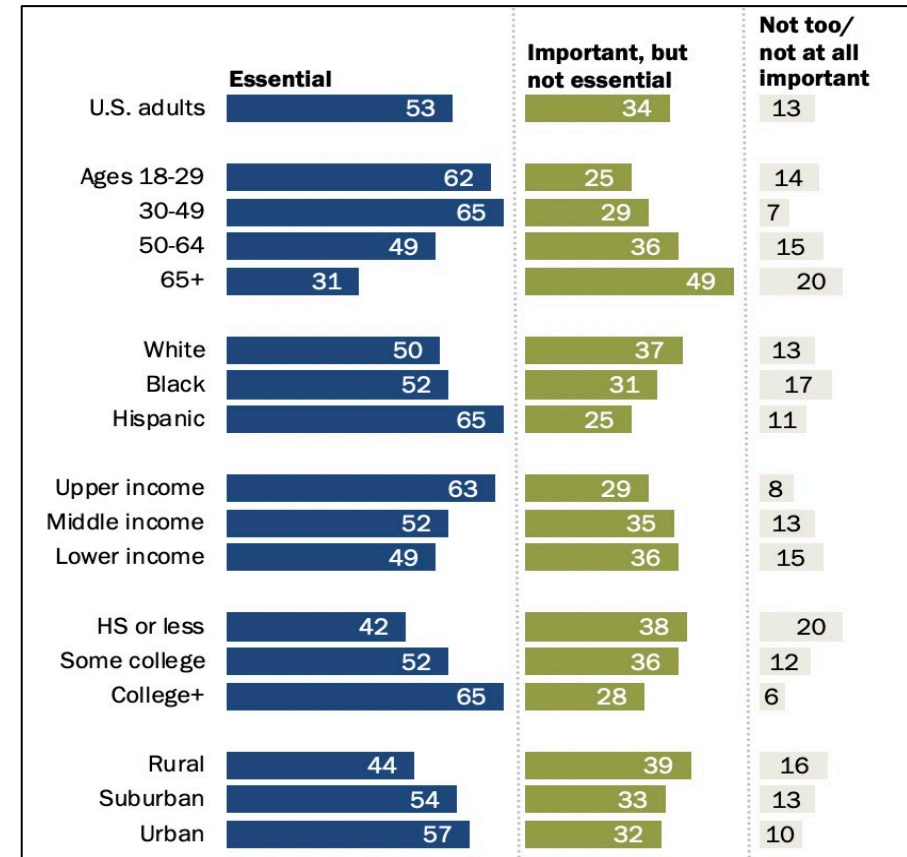Sources: Wall Street Journal, Pew Research Center

COVID-19 Impact

- Black and Hispanic/Latinx adults were twice as likely to cut their internet service due to financial strain during the pandemic

- 15% of all households with school-age children in the United States lack an internet connection

- Researchers at the University of Chicago found that lack of Internet access was consistently one of the factors connected with higher risk of death due to COVID-19 in the United States
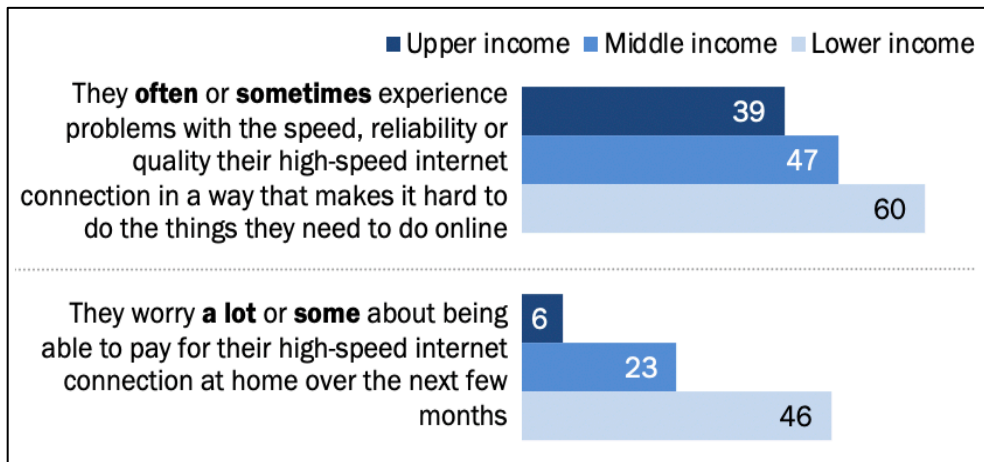
Digital Barriers for K-12

Digital Needs by Demographic
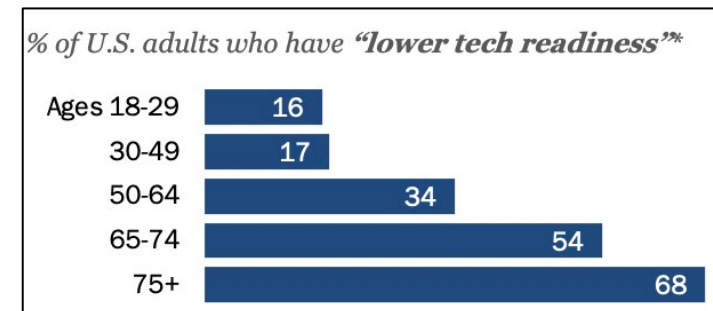

Pew Research Center

Quality & Affordability

- 60% of Lower Income broadband users often or sometimes have connection problems
- 46% Lower Income users worry about paying for broadband internet

Digital Literacy

- 26% of adults need assistance with set up and use of new devices
- 10% are not at all or only a little confident using digital devices to perform online activities

Pew Research Center

Over 20% of San Antonio/Greater Bexar County households have barriers

Size of the divide

130K+

20%+ of all households without broadband

65K+

10%+ of all households without devices

Barriers to adoption (for disconnected households)

Availability

50K
lack access to reliable coverage

Affordability

90K
have no access because of affordability

Adoption

Up to 130K
face adoption barriers

Source: US ACS Census (2020); SASpeakUp (2019); BroadbandNow

Connected Beyond the Classroom-$17.1M
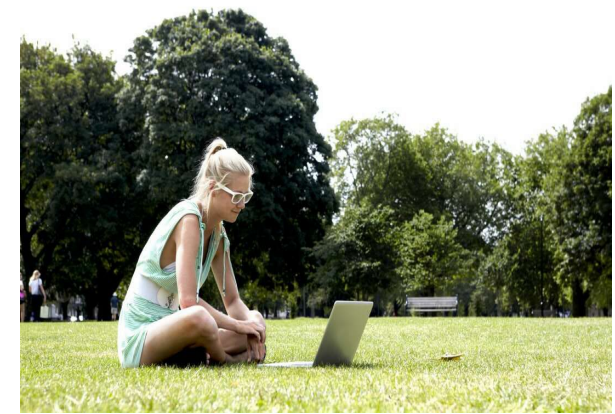
Parks: Wi-Fi Expansion-$150K

Educational Support & Digital Literacy-$920K

Collaborative Approach-$250K

SAHA: Wi-Fi Expansion-$180K

COSA's Investment in Digital Inclusion Recovery & Resiliency Plan-$18.9M Investment

San Antonio and Greater Bexar County Digital Equity Plan and Roadmap - September 2021

Private and Public Sector initiated/funded **+** **Community informed**

140+ **community organizations, businesses, school districts and institutions of higher education were engaged** through interviews, an inventory survey, and focus groups

Community Advisory Group of local digital leaders gave valuable input during weekly sessions

State and Federal Funding Alignment

House Bill 5:

- establishes the Texas Broadband Development Office (BDO) and tasks them w/ the following:
  - Developing a state broadband plan;
  - Engaging in community outreach;
  - Creating and publishing a broadband map
  - establishing a broadband development program to award funds to eligible applicants
    - Senate Bill 8 allocated $500 million in ARPA funding to BDO

Infrastructure Investment and Jobs Act (IIJA)
~$65B IN BROADBAND FUNDING

NTIA will administer ~$48B of this new funding

FCC to administer ~$14B

$14.2B
Affordable Connectivity Program

BEAD
$42.45B

Title I - Broadband Equity, Access & Deployment Program

DIGITAL EQUITY
$2.75B

Title III – Digital Equity Act

MIDDLE MILE
$1.00B

Title IV - Enabling Middle Mile Broadband Infrastructure

TRIBAL
$2.00B

Title II - Tribal Connectivity Technical Amendments

BEAD Program

PROGRAM PRIORITIES

1 Unserved locations
No access to 25/3 Mbps

2 Underserved locations
No access to 100/20 Mbps

3 Community anchor institutions
Without gigabit connections

OTHER KEY FEATURES

Quality requirements
Specific network requirements are included e.g., speeds of at least 100/20 Mbps

Matching requirement
Eligible entities must ensure that they or a subgrantee provide at least 25% match
(unless waiver granted)

Low-cost plan requirement
Required to offer a low-cost plan to eligible subscribers
(to be determined by NTIA)

Digital Equity Act - $2.75B

Program's Objective

Support the closure of the digital divide & promote equity and digital inclusion

Programs Created

State program

Comp. program

State Planning Grant Program ($60M)

Competitive Grant Program ($1.25B)

State Capacity Grant Program ($1.44B)

Created once state implementation grants begin being awarded

Digital Inclusion/Literacy- $6.9 Million

City Council Priorities highlighted in March 2022

- Digital access and Literacy
  - Seniors
  - Youth

- Digital Equity Plan proposes initiatives to address barriers to access, including availability, affordability, and adoption barriers

INITIATIVES	DETAILS
Expand infrastructure access	Encourage residential fiber at reliable 100/100 mbps
Enable access in affordable housing	Retrofit or install adequate connectivity
Support school-sponsored access programs	Expand school-centric connectivity/device programs
Expand low-income internet offerings	Connect residents to available low-income solutions
Distribute devices	Create systems to supply low-cost devices
Stand-up adoption support programs	Multi-channel campaigns to enroll residents in digital programs
Collect data & track KPIs	Ongoing assessments and tracking plan in dashboard
Implement an effective operating model	Determine the model and procurement plan for implementation

- This Slide is designed to facilitate discussion with Economic and Workforce Development Committee

- Specifics on the slide reflect strategies identified in the Digital Inclusion & Equity Roadmap

- These are not staff recommendations

Plan Components for Discussion

Collect EWDC feedback for digital inclusion/literacy priorities (start today)

COVID-19 Impact	Program/Strategies	Equitable Outcomes	Performance Indicators	Amount

Next Steps

- **With today's feedback from EWDC**
- **Staff will develop a plan that:**
  - Identifies COVID-19 Impact
  - Responds to impact, benefits those impacted, and promotes equitable outcomes
  - Define key outcome goals & performance indicators
  - Includes a four-year implementation plan
    - (funds committed by December 2024 & spend by December 2026)
- **Secure plan approvals from:**
  - Economic and Workforce Development Committee
  - City Council

American Rescue Plan Act (ARPA)- Digital Inclusion/Literacy

ECONOMIC AND WORKFORCE DEVELOPMENT COMMITTEE

APRIL 26, 2022

BRIEFING BY BRIAN DILLARD, CHIEF INNOVATION OFFICER