

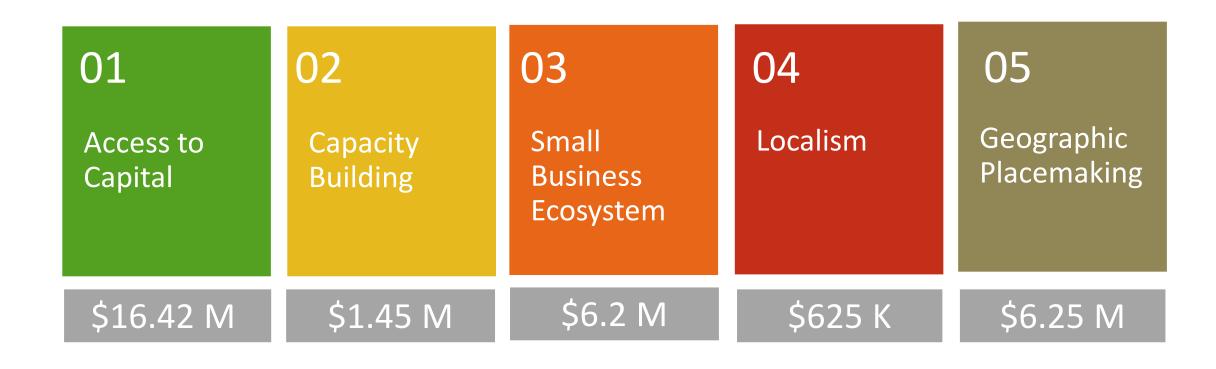


### Plan Development

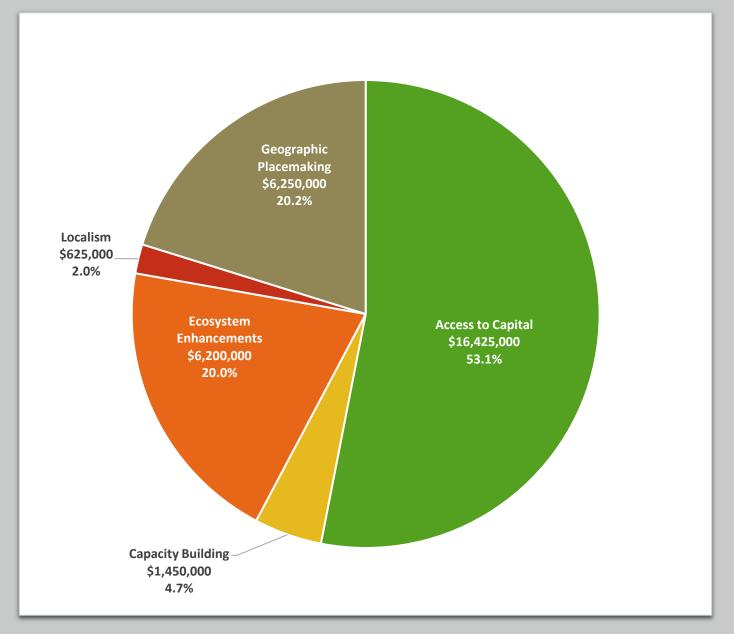
Council Committee provides policy direction to City staff to develop a plan that:

- 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

### Small Business Advisory Commission Identified Priorities & Recommended Investments



ARPA Small
Business
Recommended
Plan - \$30.9
Million



#### 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	\$2.5 M	\$10 M			\$12.5 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					\$16.4 M





Small businesses need support, technical assistance, and tools to support their recovery from the COVID-19 pandemic while building long-term resiliency. Recognizing this, San Antonio is implementing the COVID Impact Grants program to provide meaningful and efficient **support** to small businesses that continue to work toward recovery from the economic strife caused by the public health crisis and secondary impacts associated with the pandemic.



### 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 **25% 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

# Impacted Industries

- Demonstrated a 5% loss or more in employment between 2019 and 2021
- Identified 43 3-digit NAICS codes including:
  - Accommodations
  - Clothing and Clothing Accessories Stores
  - Food Services
  - Personal and Laundry Services (includes Hair Salons)
  - Construction of Buildings
  - Sporting Goods, Hobby, Musical Instrument, and Book Stores
  - Amusement and Recreation Industries (includes Fitness Centers)



### Scoring Criteria

Reduction in Gross Revenue 2019 to 2021	30 Points
45% or Greater	30
35% - 44.9%	20
25% - 34.9%	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



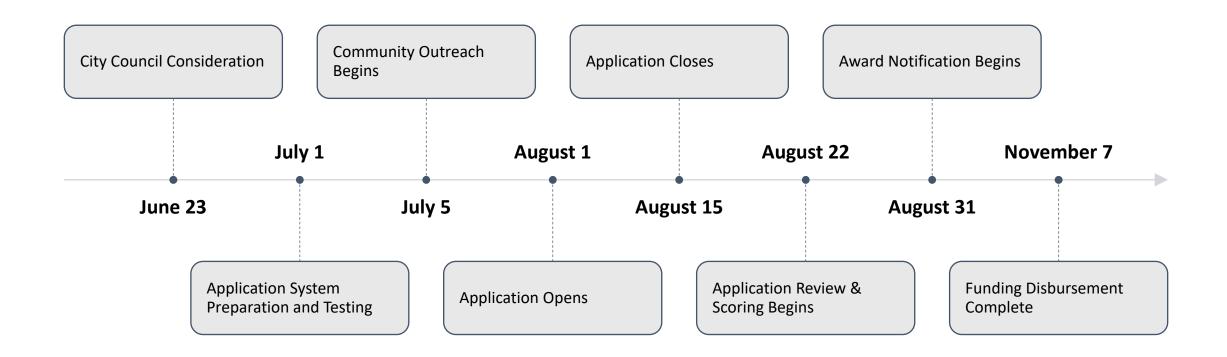
Reduction in Gross Revenue	Grant Amount
25% - 34.9%	\$15,000
35% - 44.9%	\$25,000
45% or Greater	\$35,000



### Program Administration

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





### Timeline

### Capacity Building

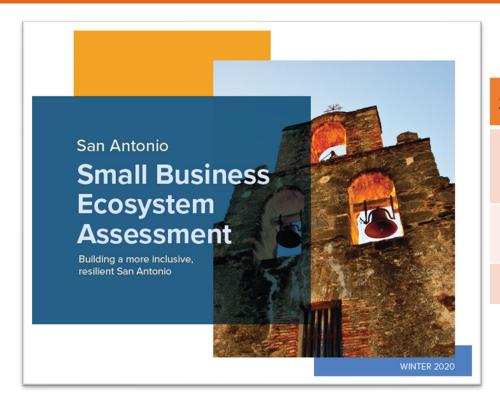
Small businesses grow to their greatest potential.

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



#### 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*		\$3 M	\$2 M	\$1 M	\$6 M
Ecosystem Mapping*		\$150 K	\$25 K	\$25 K	\$200 K
Total					\$6.2 M

### Defining the Problem

- Industries hardest hit by COVID-19 are overrepresented by Black-owned businesses, while Hispanic-owned businesses operate in industries that are impacted but surviving
- There has been a historic unmet demand of \$8.3 billion in capital for small businesses in San Antonio annually, with disproportionately low rates of traditional and alternative lending in Hispanic and Black neighborhoods on the South and East sides and less than 10 equity investments made across the region annually
- Business owners of color in San Antonio, facing a loss of community identity and commercial displacement, lack access and awareness to the services they need to survive, sustain, and scale their business
- The San Antonio small business ecosystem lacks coordination and the corresponding resources across the city and county needed to best serve the region's small businesses

#### Ecosystem Investments

- 1. Access to Flexible Capital
  - ➤ Address "Capital Deserts"
  - ➤ Remove Obstacles to Accessing Capital
- 2. Sustainability and Resiliency
  - > Strengthen Business Development Organization Partners
  - > Standardize Education and Data Collection
- 3. Access and Networks
  - ➤ Accelerate Small Business Development
  - Connected Small Business Community
- 4. Ecosystem Coordination
  - "No Wrong Front Door"



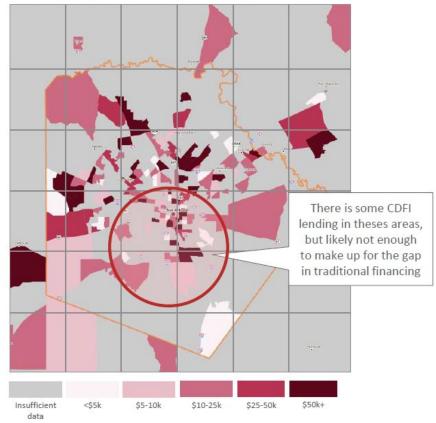
## Small Business Bank Loans under \$100k (2017)

Compared to the Northern parts of the city and county, there is a dearth of bank lending in neighborhoods like Harlandale on the South Side and Eastpoint on the East Side, areas with high concentrations of Black and Hispanic

residents respectively



#### Aggregate CDFI Business Lending (2017)



CRA and CDFI Fund data for San Antonio (2017), accessed through PolicyMap

26-50

### Example 1: Capital Deserts

100+

51-75

#### Impact & Measures:

There should be mutually held measurements of service quality, reporting impact, and outcomes.

#### **Sustained Funding**

The ecosystem should have sustained funding that supports the collaboration between business support organizations.

#### Leadership & Talent:

The leadership should possess the talent -- such as the ability to convene, influence and innovate -- to serve the needs of the business community.

Organizations track outcomes based on race and gender

Organizational

leadership

reflects the

communities it

serves

led or focused

color have

Business owners have access to resources, regardless of race or gender

Businesses
owned by
people of
color or
women have a
clear growth
path between

**BSOs** 

BSOs serve the unique needs of businesses owned by people of color or women

Equity

#### Access & Navigation:

Business owners should be able to understand, navigate and access the landscape of service offerings.

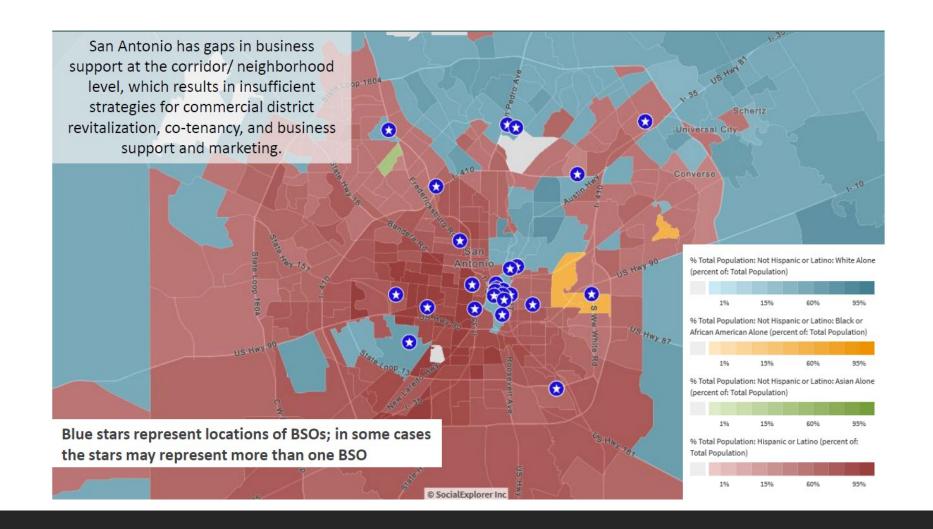
#### Collaboration & Handoffs:

Business support organizations should collaborate with each other and with capital providers to effectively serve business owners.

#### **Specialization & Breadth:**

Services should cover the continuum of needs. There should be a set of specialized business support organizations serving the unique needs of particular types of business owners.

## Example 2: Strengthen Business Development Organization Partners



# Example 3: Connected Small Business Community

## Measuring Outcomes

#### A Stronger, More Resilient Economy

SHORT-TERM	MEDIUM-TERM	LONG-TERM
Businesses Accessing BDO Services	CDFI Lending	Capital Demand
Ecosystem Referrals	Bank Lending	Business Creation & Ownership
BDO Funding	Other Funding Leveraged	Cash Balances for Minority-Owned Businesses
BDO Service Gaps	Business Revenue and Profit	Business Longevity and Failure Rates
Business Owner Sentiment	Jobs Created	
	Jobs Retained	

#### 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

### Geographic Placemaking

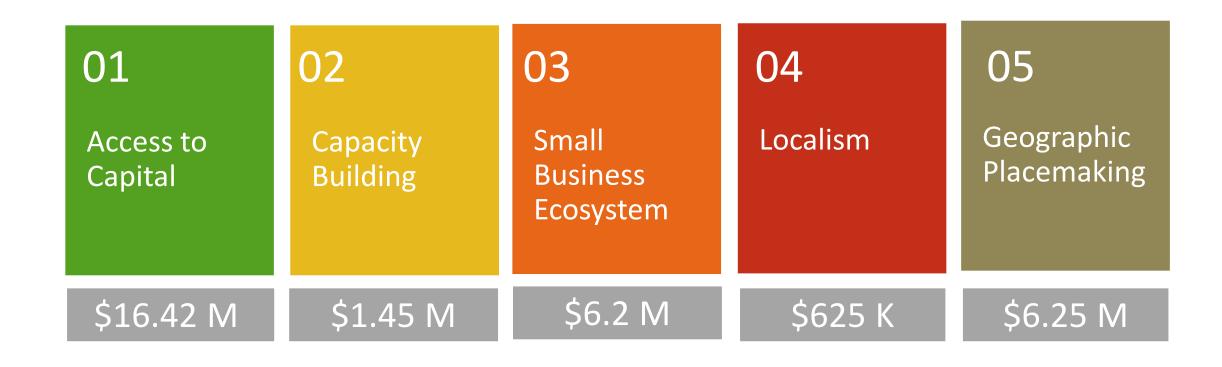
Create places were people want to be



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

<sup>\*</sup>Recommend solicitation process

### Small Business Advisory Commission Identified Priorities & Recommended Investments



### Next Steps



June 23: City Council Consideration 2

July 1: Begin grant program implementation

3

August: Present detailed implementation timeline to EWDC

