ARPA Fiscal Recovery Funds for Small Business Support

Presented by Ana Bradshaw, Assistant Director, Economic Development Department

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
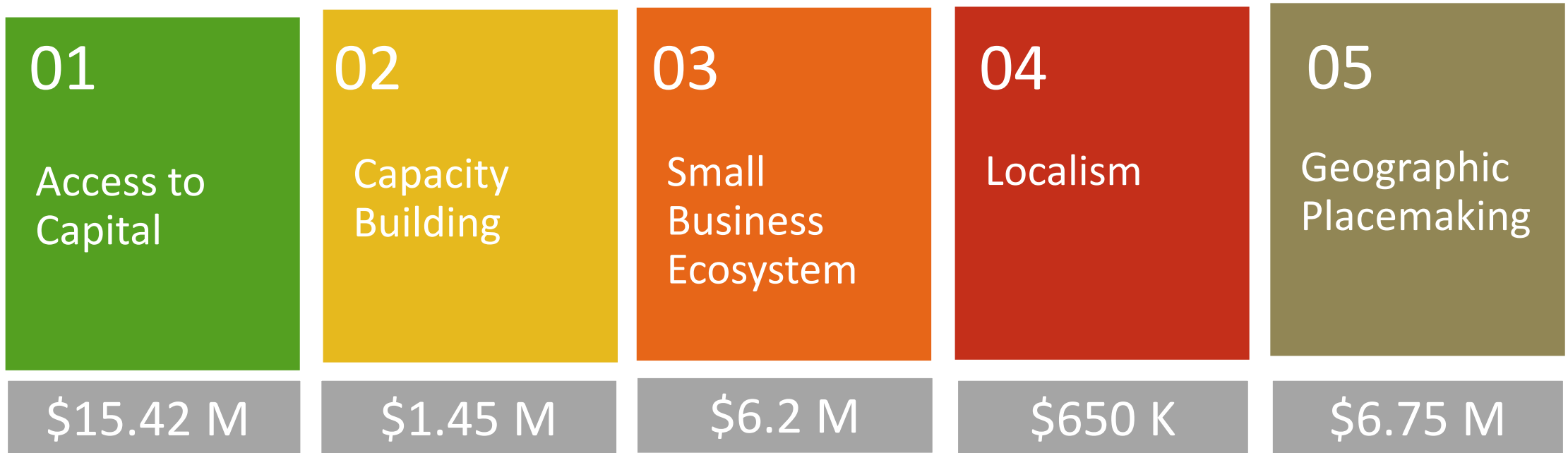
San Jose: Latino Business Foundation - $75 K

- Operating grant for community partnership to stand up a small business center in hardest hit areas
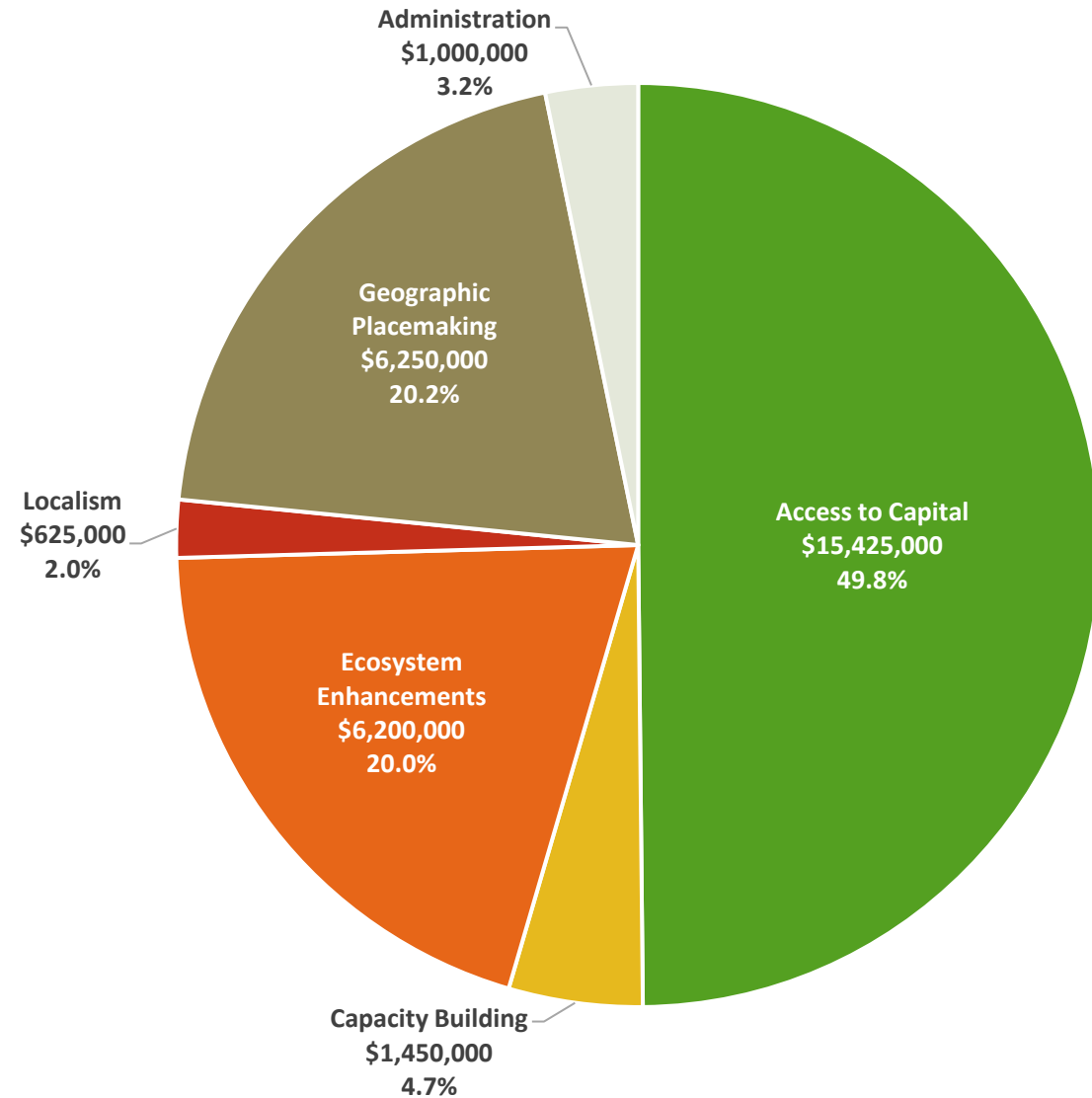
South Dakota: FAST Launch Grants - $125 K

- 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*

01	02	03	04	05
Access to Capital	Capacity Building	Small Business Ecosystem	Localism	Geographic Placemaking
$15.42 M	$1.45 M	$6.2 M	$650 K	$6.75 M

*Recommend $1.0 Million allocation to support EDD program administration

ARPA Small Business Recommended Plan - $30.9 Million

Administration
$1,000,000
3.2%

Geographic Placemaking
$6,250,000
20.2%

Localism
$625,000
2.0%

Access to Capital
$15,425,000
49.8%

Ecosystem Enhancements
$6,200,000
20.0%

Capacity Building
$1,450,000
4.7%

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	• Jobs created • Jobs retained	$11.5 M
	Capacity Building	Web Presence Program	Identify and address structural barriers to create opportunities for business owners	• Revenue	$0.4K
		Launch SA Improvements	Coordinated and sustainable small business ecosystem that serves as a safety net during future economic downturns	• 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	• 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	Increased opportunity and access to capital for underserved groups with a focus on Black- and Latino-owned businesses Identify and address structural barriers to create opportunities for business owners	• 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	Increased opportunity and access to capital for underserved groups with a focus on Black- and Latino-owned businesses Identify and address structural barriers to create opportunities for business owners	• $ 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	• 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	• 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	• 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	Increased opportunity and access to capital for underserved groups with a focus on Black- and Latino-owned businesses Identify and address structural barriers to create opportunities for business owners	• 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

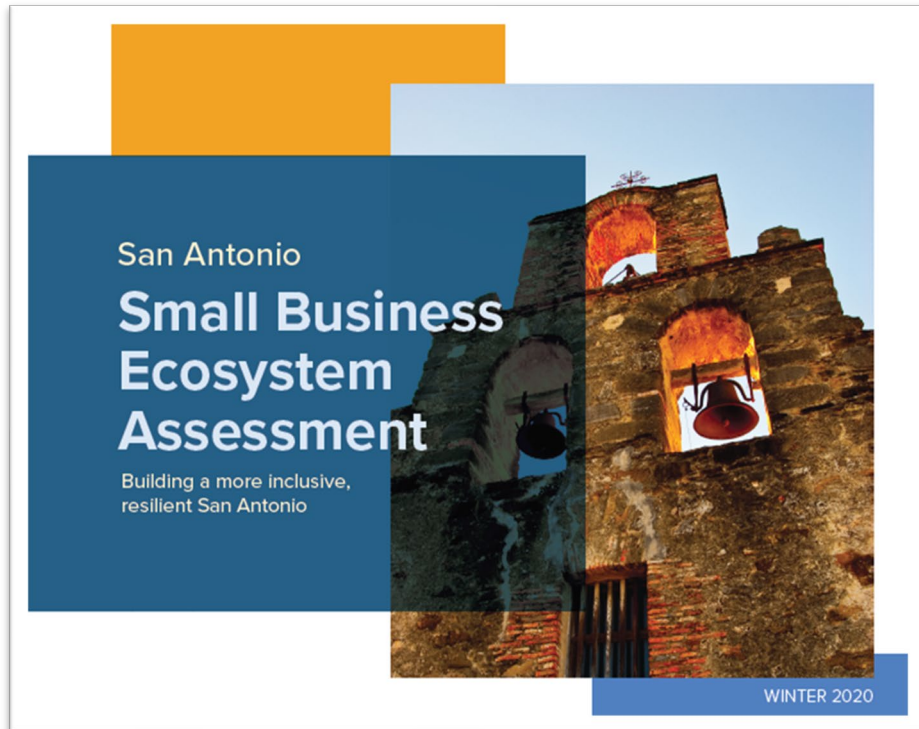Small businesses grow to their greatest potential.

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 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]*		$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 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**

*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

ARPA Fiscal Recovery Funds for Small Business Support

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Small Business Advisory Commission

May 24, 2022

Presentation Overview

- Overview of COVID-19 impact, strategies, and outcomes
- Preliminary community stakeholder meeting feedback
- Overview on COSA processes improvement
- Timeline of Youth ARPA meetings
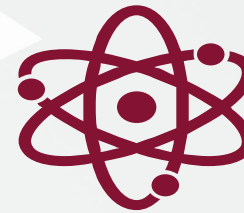
Preliminary City Council Feedback

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

COVID-19 Impact, Strategies, and Outcomes

COVID-19 Impact	EWDC Priority	Programs/Strategies	Equitable Outcomes	Performance Indicators
Increase in Gang Activity	✓	Increase gang intervention and prevention programs in areas with high gang activity	Develop targeted prevention programs that incorporate strategies to offer alternative support mechanisms for youth to promote healing and positive pathways for education/employment.	
Increase in number of Opportunity Youth	✓	Expand existing opportunity youth programs	Increase capacity of existing organizations to serve additional opportunity youth.	
Decrease in access of supports for Foster Youth	✓	Track foster youth in current programs; create new support streams for foster youth	Partner with organizations to enable foster youth to access basic services, including housing, support with educational/career goals and coaching.	
Decrease of School Readiness	✓	Increase the amount of free After School and Summer Programs	Develop high quality out-of-school opportunities focusing on academic loss, developmental relationships and enrichment activities.	

Stakeholder Engagement

Date	Meeting	Agencies
May 17, 2022	Community Stakeholder Meeting: Gang Intervention and Prevention	5 Agencies
May 17, 2022	Community Stakeholder Meeting: Opportunity Youth	48 Agencies
May 18, 2022	Community Stakeholder Meeting: Foster Youth	36 Agencies
May 18, 2022	Community Stakeholder Meeting: After School and Summer Programs	45 Agencies
June 2022	Community Stakeholder Meetings with Youth	San Antonio Youth Commission Metro Health Teen Ambassador Ecumenical Center Justice Involved Youth Youth Action Board (SARAH)

Stakeholder Input: Impact, Strategies, Outcomes

Impact

- Attendance rates low
- Increased family homelessness & instability
- Youth preference of in person services
- Digital access divide continues to increase with rising costs
- Whole family needing stabilization and basic needs
- Intensity of gang activity more severe
- Volunteer numbers dropped
- Number of placements for foster youth dropped

Strategies

- Incentivize current programming for youth for retention
- Mentors and coaching for youth
- Staffing retention bonuses
- Family stabilization services
    - Meet basic needs
    - Ease of access to services
    - Allot $ for training on site staff to navigate city and community services
- Expand communications and marketing for youth and family awareness of services
- Provide incentives such as gas stipends for volunteers
- Provide additional support for foster families (e.g., furniture, home upgrades)

Outcomes

- **Increase youth and staff retention**: Support current programming for long term sustainability with financial incentives
- **Decrease staff to youth ratio:** relational models needed; more coaches available
- **Increase family support**: Create safety nets to support family stability
- **Increase student academic achievement:** Educational services that meet students where they are at and can offer support to get "caught up"
- **Increase volunteer retention**: Volunteers working with foster youth receive extra funds to work with their youth
- **Increase foster youth space:** Provide funds for foster youth placements who need support to be able to foster youth

Preliminary Community Feedback on COSA Processes

- Stagger RFP deadlines so agencies applying for funding in more than one category are given time to apply.

- Coordinate the RPF processes so an agency only has to submit insurance requirements, financial documents, etc., once even if they submit multiple RFPs.

- Improve community's knowledge of COSA programs to support families (e.g., rental assistance, financial navigators, etc.).

- Review applications for City funding and make processes easier for families to apply and qualify.

- Support innovative programs with additional points in application process and incentives for collaboratives.

- Consider offering more COSA buildings for community programming (e.g., senior centers for after school programs).

DHS Youth Success Additional Outreach

Reports issued in June 2022

- Foster youth who aged out of the system and organizations participated in focus group to garner feedback on COSA supports to better improve post-secondary outcomes

- Issued a teen mental health survey for 12-19 year olds

- Partnering with Region 20, Bexar county superintendents will be issued a survey on mental health support resources in their schools to develop inventory of supports that currently exist

Next Steps

Timeline	
May and June	Stakeholder Input Sessions
July	Prepare Proposed Implementation Plan
August	EDWC Approves Plan
September	City Council Approves Plan
September to October	RFP Process
November	City Council approves RFP Awards

American Rescue Plan Act (ARPA)
Policy Discussion - Youth

Economic and Workforce Development Committee

May 26, 2022

Melody Woosley
Director, Department of Human Services

Digital Inclusion/Literacy

ECONOMIC AND WORKFORCE DEVELOPMENT COMMITTEE

MAY 24, 2022

BRIEFING BY BRIAN DILLARD,
CHIEF INNOVATION OFFICER

Council Priorities

Overview of City's Digital Inclusion Efforts

Recommendations for EWDC Consideration

Council Input

Next Steps

Presentation Overview

City Council Priorities:

- Digital Inclusion and Literacy
  - Seniors
  - Youth
  - Workforce Development
  - High Need Communities in D1, D2, D3, D4 & D5

- Initiatives to address barriers to access, including availability, affordability, and adoption

# Current Digital Inclusion Efforts and Alignment

- Affordable Connectivity Program Awareness Campaign

- Emergency Connectivity Fund

- Meetings with Internet Service Providers (ISP)

- GIS map w/ equity and digital divide layers

- Partnership with Bexar County

- Shared alignment with Digital Equity Roadmap

- Texas Collaborative – shared aspirations, collaboration, and best practices

Affordable Connectivity Program - $14.2B

Program's Objective

The Affordable Connectivity Program is an FCC benefit program that helps ensure that households can afford the broadband they need for work, school, healthcare and more.
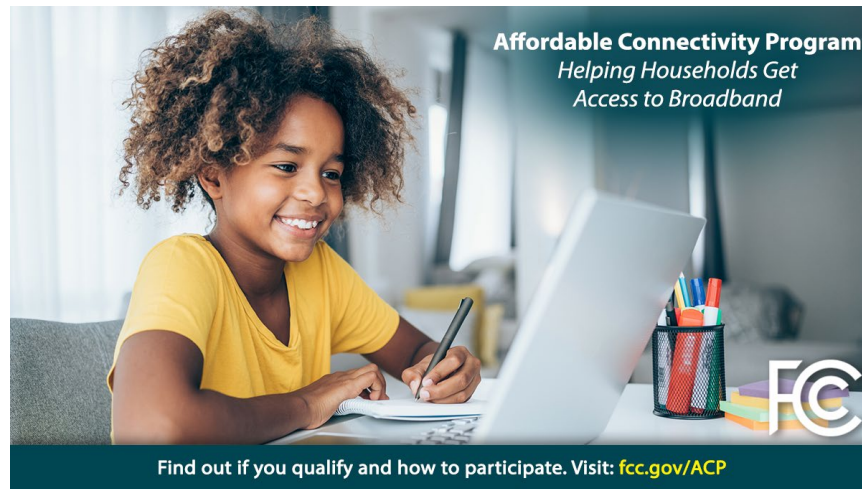
Program Benefits

- Provides a discount of up to $30 per month toward cell phone or household internet service for eligible households
- Eligible households can also receive a one-time discount of up to $100 to purchase a laptop, desktop computer, or tablet from participating providers
- As of May 9th, three local providers are offering ACP-eligible households internet plans at $30 per month, which would result in no cost to the customer

Affordable Connectivity Program Awareness Campaign

Strategies currently being deployed:
- Promotional flyers to distribute to City Departments, Council Offices, Bexar County, & community-based organizations
- Radio ads (English & Spanish)
- ACP webinars and community events
- Door hanger campaign
- SMS campaign
- Social media promotion

Emergency Connectivity Fund

Program & Alignment

- Application opened April 28th, 2022 & proposals were due on May 13th, 2022
- SAPL submitted a proposal for $150,404 to sustain work being done with OATS and OASIS

Recommendations for EWDC Consideration

- Middle Mile Grant Program

- Broadband Equity, Access & Deployment (BEAD) Program

Middle Mile Grant Program - $1B

PROGRAM OVERVIEW FEATURES

- Expand middle mile infrastructure to reduce the cost of connecting unserved and underserved areas.
- Funds can be used for the construction, improvement, or acquisition of middle mile infrastructure, to include:
  - Construction, improvement, or acquisition of facilities and equipment
  - Engineering design, permitting and work related to project reviews
  - Personnel costs

OTHER KEY

Matching requirement
Eligible entities must provide at least 30% match

Middle Mile Grant Program

Strategy for EWDC Consideration:
- Funding Timeline: applications due September 30th, 2022
- Selections by February 16, 2023
- Funds would come directly to City, but with a 30% matching requirement
- Matching can potentially take $6.9M to $23M for middle mile infrastructure

Project Timeline:
- Selected entities agree to complete the buildout described in the application by no later than five (5) years after the date on which amounts from the grant are made available

Consideration: Hold $6.9M for IIJA Middle Mile Grant Program matching?

Broadband Equity, Access, & Deployment - $42.45B

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)

Broadband Equity, Access, & Deployment

Strategy for EWDC Consideration:

- NOFO Timeline: TBD, but tentatively late 2023 or early 2024

- Funds go to state's BDO 1st and then City applies to state, but with a 25% matching requirement

- Matching can potentially take $6.9M to $27M for broadband expansion

Consideration: Hold $6.9M for IIJA BEAD matching?

Plan Components for Discussion

Collect EWDC feedback for digital inclusion/literacy priorities

COVID-19 Impact	Program/Strategies	Equitable Outcomes	Performance Indicators	Amount
Digital Divide	Infrastructure/Middle Mile Alignment/Matching	Priority: D1, D2, D3, D4 & D5	# of middle mile infrastructure # of ISP partnerships Cost reduction for last mile	$6.9 Million
Digital Divide	Infrastructure/BEAD Alignment/Matching	Priority: D1, D2, D3, D4 & D5	# of Households connected # of ISP partnerships # of City facilities connected # of anchor institutions connected	$6.9 Million
Digital Divide				
Digital Divide				
Digital Divide				
Digital Divide				

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

MAY 24, 2022

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