

ARPA Fiscal Recovery Funds for Small Business Support Presented by Ana Bradshaw

Assistant Director, Economic Development Department

Economic and Workforce Development Committee

June 15, 2022

Background

May 24 – EWDC Meeting

Conceptual approval of the ARPA Small Business implementation plan and funding allocations

June 10 – EWDC Meeting

- Briefed on ARPA Small Business implementation plan and recommended COVID Impact Grants Program criteria
- Interest in allocating additional resources to the COVID Impact Grant Program
- Requested Small Business Advisory Commission (SBAC) reconsider \$6.2 million in funds allocated to the Ecosystem Enhancements spending category
- No action was taken by on COVID Impact Grants Program criteria

June 14 – SBAC Meeting

- Did not recommend any changes to the funding allocations
- Recommend City Council consider allocating \$6 million from General Fund for small business grants



Staff Recommendations

Reconsider the ARPA small business implementation plan to reallocate \$6.2 million previously identified for Ecosystem Enhancements to the COVID Impact Grant Program.

Eliminate the proposed Emergency Fund Grant/Loan Program (\$925,000) and instead deploy this funding for additional grants and to support outreach and marketing associated with the COVID Impact Grant Program.

Updated Program Allocations

Category	Recommended Funding
Access to Capital	\$22,625,000
COVID Impact Grants	\$19,000,000
COVID Impact Grants Outreach and Marketing	\$625,000
Growth Fund Loan/Grants*	\$3,000,000
Capacity Building	\$1,450,000
Launch SA Improvements	\$300,000
Back Office Support Program*	\$750,000
Web Presence Program*	\$400,000
Localism	\$625,000
Buy Local Program Implementation and Operations Support*	\$625,000
Geographic Placemaking	\$6,250,000
Operation Facelift 2.0*	\$3,000,000
Outdoor Spaces Program*	\$1,250,000
Corridor Program Pilot*	\$2,000,000

* Denotes RFP to identify implementation partner



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



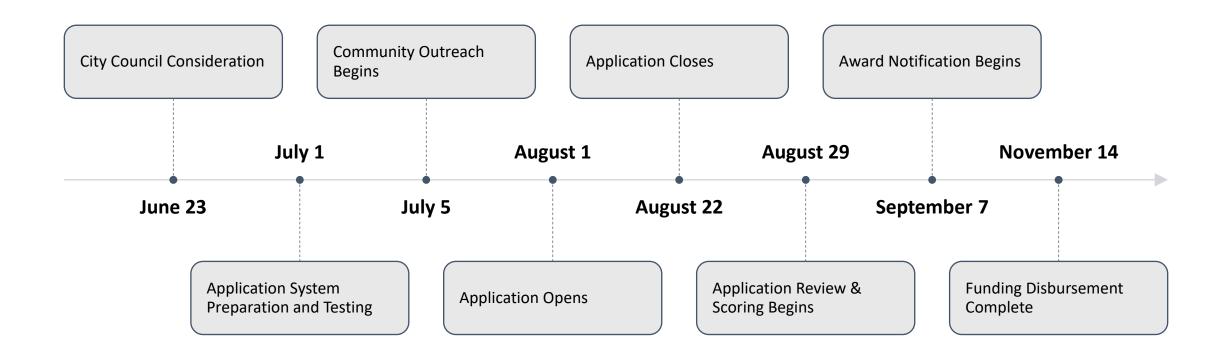
Reduction in Gross Revenue	Grant Amount
25% - 34.9%	\$15,000
35% - 44.9%	\$25,000
45% or Greater	\$35,000



Program Administration

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





Timeline

Next Steps



June 23: City Council Consideration 2

July 1: Begin grant program implementation

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August: Present detailed implementation timeline to EWDC



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