



SAVES Program Updates and Recommendations

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Agenda

- Prior Economic Development Department (EDD) COVID-19 Economic Relief Programs
- Timeline of SAVES Guideline Development
- Childcare Provider Relief Grant Update
- Overview of Items for Council Consideration on December 3, 2020
 - Chapter 380 Program Modifications
 - Enhanced Guidelines for Austin Live Music Preservation Fund and Enhanced Guidelines for Austin Legacy Business Relief Grant



Prior EDD COVID-19 Economic Relief Programs

- Economic Development Department (EDD) staff implemented nine programs in the nine months since the initial COVID-19 emergency declaration in March 2020.
 - Staff intend to launch three more programs this month.
 - During normal operating conditions, staff needed between six and twelve months to launch a new program.
- Program Impact:
 - Total Funds Awarded: \$27,283,000
 - Total Funds to Businesses/Organizations: \$22,483,000
 - Total Funds to Individuals: \$4,800,000
- Impacts on Live Music Industry:
 - Number of Live Music Venue COVID-19 Grant Recipients: 34
 - Total COVID-19 Grants to Live Music Venues: \$861,000
 - Austin programs served as a model for other cities.



Prior EDD COVID-19 Economic Relief Programs

April 2020

Austin Economic Injury Bridge
Loan Program (\$5.5M)

May 2020

June 2020

Austin Creative Space Disaster
Relief Program (\$1M)

Austin Music Disaster Relief
Fund (\$1.5M)

July 2020

Austin Small Business Relief
Grant (\$16.5M)

Austin Non-Profit Relief Grant
(\$6.35M)

Austin Childcare Provider Relief
Grant (\$1M)

August 2020

Austin Music Disaster Relief Fund
Relaunch (\$700K)

Austin Creative Worker Relief
Grant (\$3.5M)

September 2020

Austin Non-Profit Relief Grant
Relaunch (\$2.3M)



Prior EDD COVID-19 Economic Relief Programs

October 2020

November 2020

December 2020

	24/7 COVID-19 Wellness Support Line (\$0.5M)	Healthcare Access Program for Local Musicians (\$0.5M)
		Austin Childcare Provider Relief Grant 2.0 (\$5M)
		Austin Live Music Relief Grant (\$5M)
		Austin Legacy Business Relief Grant (\$5M)



SAVES Programs: Development Timeline

September/October 2020

Su	Mo	Tu	We	Th	Fr	Sa
9/27	28	29	30	10/1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November/December 2020

Su	Mo	Tu	We	Th	Fr	Sa
11/1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	12/1	2	3	4	5

Calendar Legend

	Council Action
	Staff Update

Council Action Summary

10/1	Council allocated \$15M for SAVES programs.
10/15	Council approved initial program guidelines and directed staff to develop enhanced guidelines for technical assistance and additional funding and return to Council for approval.
12/3	Council will consider staff recommendations for enhanced guidelines.



SAVES Programs: Development Timeline

- September 17, 2020: Council adopted Resolution No. 20200917-062, directing staff to explore and identify funding opportunities for supporting Austin's vital economic sectors, including revising the Chapter 380 Policy.
- September 28, 2020: Staff sent a memorandum to Mayor and Council providing recommendations to support Austin's vital economic sectors.
- October 1, 2020: Council adopted Ordinance No. 20201001-052, which allocated \$15 million for the SAVES programs. Council also directed staff to proceed with the programmatic work of using the full \$15 million as proposed in staff's memo to Mayor and Council.
- October 13, 2020: Staff presented draft guidelines during City Council Work Session.



SAVES Programs: Development Timeline

- October 15, 2020: Council adopted Resolution Nos. 20201015-073, 20201015-074 and 20201015-075, which approved initial guidelines for the Austin Childcare Provider Relief Grant, Austin Live Music Preservation Fund and the Austin Legacy Business Relief Grant Program. Council also directed staff to develop enhanced guidelines and a technical assistance program prior to fully implementing the Legacy Business and Music Preservation programs.
- October 22, 2020: Staff sent a memorandum to Mayor and Council providing next steps to implement the Austin Childcare Provider Relief Grant, Austin Live Music Preservation Fund, and Austin Legacy Business Relief Grant.



SAVES Programs: Development Timeline

- October 29, 2020: Staff sent a memorandum to Mayor and Council providing recommendations for modifying the Chapter 380 Policy and draft guidelines for a Recovery Lease Incentive Program and a Restaurant Relief Program.
- November 12, 2020: Staff sent a memorandum to Mayor and Council outlining a tentative technical assistance model for the Austin Legacy Business Relief Grant and the Austin Live Music Preservation Fund.
- November 18, 2020: Staff sent a memorandum to Mayor and Council providing recommendations for enhanced program guidelines for the Austin Live Music Preservation Fund and Austin Legacy Business Relief Grant.
- December 3, 2020: Council will consider the enhanced program guidelines for approval.



Austin Childcare Provider Relief Grant

- Council adopted program guidelines on October 15, 2020.
- Staff interviewed potential third-party administrators and selected **United Way for Greater Austin** to administer this grant program.
 - United Way for Greater Austin administered the initial Austin Childcare Provider Relief Grant, which Council funded via the City's federal CARES Act appropriation.
- City and United Way staff are currently finalizing the administrator's scope of work, program infrastructure (i.e. application system), and stakeholder engagement plan.
- Staff anticipate accepting applications for funding in the next 14 to 21 days.



Austin Live Music Venue Preservation Fund and Austin Legacy Business Relief Grant

- Council adopted initial program guidelines on October 15, 2020 and directed staff to develop enhanced program guidelines and a technical assistance program and return to Council for approval.
- Staff's recommendation for this one-of-a-kind program balances the need for immediate assistance with Council's direction to ensure long-term sustainability of Austin's vital economic sectors.
- Staff's goal is to accept applications for immediate short-term grants this calendar year, contingent upon selecting a third-party administrator, identifying technical assistance providers, and developing program infrastructure.
- If Council adopts the proposed enhanced guidelines on December 3, 2020, staff will continue the work currently in progress with a targeted full launch of all components by February 2021 and a determination to get the work done sooner.



Austin Live Music Venue Preservation Fund and Austin Legacy Business Relief Grant

Core Program Components:

- Immediate Aid: Grants of \$20,000 to all eligible applicants that agree to participate in a legal and financial evaluation AND attest to immediate risk of closure (defined as closure within the next 30 to 60 days).
- Council Required Technical Assistance: Technical assistance that may include a program orientation, cohort-style courses, and/or one-on-one technical assistance.
 - Live Music Venue Fund applicants must complete Equity Strategic Plans during the technical assistance phase.
- Enhanced Funding: Grants up to \$40,000 per month for six months (not to exceed \$140,000) for selected applicants that complete the technical assistance program.
 - Applicants will be evaluated using a scoring matrix.



Austin Live Music Venue Preservation Fund and Austin Legacy Business Relief Grant

Additional Details

- Applicants who received CARES Act funding are eligible for these programs, but applicants who receive other SAVES funding will not be eligible for the Austin Legacy Business Relief Grant.
- Applicants with multiple operations may only apply for the Austin Legacy Business Relief Grant once.
- Applicants' maximum possible enhanced support grant amount is based on eligible expenses for calendar years 2019 and 2020.
 - Rent/mortgage, utilities, payroll, technology/software, sanitation/cleaning services, PPE, business/commercial property insurance, permits/regulatory fees, maintenance/repair, professional services, and property taxes.



Application Process for the Austin Live Music Venue Preservation Fund and Austin Legacy Business Relief Grant

Part 1: Application, Eligibility, and Short-Term Grant Awards	
Step 1	Applicants complete the application forms, and a third-party administrator reviews material to determine whether applicants are eligible for the program.
Step 2	All eligible program applicants receive \$20,000 if they meet program criteria, agree to participate in a legal and financial evaluation, and attest to financial need.
Step 3	All eligible program applicants participate in an orientation and technical assistance evaluation. Technical assistance will occur in a virtual cohort-style format, but one-on-one technical assistance would be available (no information shared with the City).
Step 4	Eligible applicants who complete the technical assistance requirement apply for enhanced funding. Note: Austin Live Music Venue Preservation Fund applicants must complete their Equity Strategic Plan during the technical assistance period.



Application Process for the Austin Live Music Venue Preservation Fund and Austin Legacy Business Relief Grant

Part 2: Enhanced Guidelines and Program Funding	
Step 5	Eligible applicants apply for an enhanced grant up to \$40,000 per month for up to six months, not to exceed \$140,000.
Step 6	Grant awards are determined based on a scoring matrix that accounts for specific factors (i.e. years in business, terms of lease, etc.).
Step 7	A third-party administrator awards enhanced funding based the scoring matrix, which will be provided by EDD. The third-party administrator distributes monthly payments to awarded applicants.
Step 8	The City offers ongoing technical assistance to program applicants.



Proposed Chapter 380 Program Modifications

- The resolution presented to Council would (1) approve the development of Chapter 380 programs for two years, to provide economic recovery assistance for the COVID-19 pandemic, and (2) exempt these Chapter 380 programs from the requirements of Resolution No. 20180830-056.
- There are several key programmatic elements in the current Chapter 380 Policy that would be modified to allow for developing recovery programs:
 - Fiscal impact
 - Property tax appeals
 - Living wage
 - Employer benefits
 - MBE/WBE Ordinance
 - Prevailing wage



Summary of Proposed Chapter 380 Policy Amendments

Item	Existing Policy	Proposed Policy	Justification
Fiscal Impact	"The City must get a benefit that is roughly equivalent to what it is spending"	a) Maintain the current policy but develop a relatively more flexible cost-benefit tool that measures the marginal benefit (or cost) of providing incentives to industries impacted by COVID-19.	The standard WebLOCI tool is predicated on the job-chain theory, which is not applicable to this exercise. Industry retention through the pandemic and recovery period should be prioritized
Property Tax Appeals	"...if the business successfully protests and lowers its property tax valuation, the reimbursement from the City may be reduced proportionately."	A) Allow a council approved deviation from the policy on a program by program basis	The lessee of a commercial space is the intended beneficiary of these programs; a lessee should not be penalized for a landlord's decision to appeal their property taxes. Additionally, the current economy has affected valuations, and current assessments may not accurately represent a reduction in value from loss of sales.
Living Wage	"The City living wage must be paid to the Austin-based employees of the business receiving incentives, and there will be no waiver or exception process for this wage requirement. This requirement applies in addition to and not as a substitute for the requirement for firms to provide wages above the industry median wage."	A) Allow a council approved deviation from the policy on a program by program basis B) Make Living Wage an encouraged standard in industries that do not currently meet this threshold through tiered incentives	Current Living Wage requirements preclude a significant share of local companies from participating in the program, which includes social service organizations, non-profits, restaurants, bars, music venues, childcare facilities, and arts venues.



Summary of Proposed Chapter 380 Policy Amendments

Employer Benefits	Company provides health insurance benefits for all new full-time employees and extends benefits to domestic partners of employees and their dependents.	A) Allow a council approved deviation from the policy on a program by program basis B) Make health insurance benefits an encouraged standard in industries that do not currently meet this threshold through tiered incentives	These provisions may not be tenable for intended stakeholders, especially in music venue, restaurant, and bar sectors; and, a triparty agreement complicates compliance
MBE/WBE Ordinance	Incentive agreements will adhere to Minority and Women-Owned Business Enterprise Ordinance to the extent feasible	A) Allow a council approved deviation from the policy on a program by program basis B) Make MBE/WBE Ordinance an encouraged standard in industries that do not currently meet this threshold through tiered incentives	These provisions may not be tenable for the intended stakeholders, especially in music venue, restaurant, and bar sectors; and, a triparty agreement complicates compliance
Prevailing Wage	If applicable to a project with capital expenditures in the form of construction, all construction work on the project, even if not on public land or formerly public land, must comply with the City's established prevailing wage program that is used on City public works projects;	A) Allow a council approved deviation from the policy on a program by program basis B) Make Prevailing Wage requirements an encouraged standard in industries that do not currently meet this threshold through tiered incentives	These provisions may not be tenable for the intended stakeholders, especially in music venue, restaurant, and bar sectors; and, a triparty agreement complicates compliance



Potential SAVES Chapter 380 Programs

- Staff prepared guidelines for two Chapter 380 economic recovery programs:
 1. Recovery Lease Incentive Program, which offers commercial property tax reimbursements to property owners in exchange for renegotiating leases with small businesses in target economic sectors to address arrears and long-term affordability in order to recover from the COVID-19 pandemic.
 2. Restaurant Relief Program, which offers forgivable loans to Austin-based restaurants (excluding franchises). This program would offer loans with deferred repayments to eligible businesses, and loan forgiveness for companies meeting higher standards of employee and community benefits.
- There is currently no funding for either program.
 - Incentive payments via Chapter 380 are performance-based and predicated on property tax reimbursements. Thus, the funding lags one year.
 - Staff recommends funding this program through (1) the FY 2021/22 Budget (if possible) or (2) with new Federal economic recovery relief funds (if received).



Conclusion

- Since Council direction on October 15, staff worked quickly, carefully, and conscientiously to prepare program guidelines for Council consideration.
- Staff's recommendations balance stakeholders' need for immediate financial aid with Council's direction to ensure long-term sustainability.
- Staff is currently, and will continue, offering services (i.e. webinars, training, coaching) to support businesses and live music venues affected by the pandemic.
- Staff will also continue sharing information about grants, legal aid, financial coaching, and more through Austin's economic recovery webpage, www.ATXrecovers.com.
- Stakeholders with questions about Austin's economic recovery programs and services are encouraged to email atxrecovers@austintexas.gov.





QUESTIONS?