



Save Austin's Vital Economic Sectors (SAVES) Program Recommendations

Tuesday, September 29, 2020

Ed Van Eenoo
Deputy Chief Financial Officer

Brion Oaks
Chief Equity Officer

Veronica Briseño
Chief Economic Recovery Officer



Agenda

- Summary of Recommendations Regarding Resolution No. 20200917-062.
 - Funding Options for City Council Consideration
 - Equity Framework
 - Economic Relief Options and Recommendations
 - Austin Economic Development Corporation Recommendation



Funding Options for Council Consideration on October 1 Agenda

- Human Capital Management System: \$6 million
 - Switch from prepayment to pay-as-you-go funding model
- Pay for Success Reserve Fund: \$4.8 million
 - Switch from prepayment to pay-as-you-go funding model
- Temporary Use of Right-of-Way Fees: \$3.7 million
 - Revenue transfer offset by 55 cent increase in Transportation User Fee
- Capital Rehabilitation Fund: \$500,000
 - Push less critical maintenance projects to FY22
- Total: \$15 million



Other Funding Options Considered by Staff

- Sales Taxes and General Fund Reserves
 - General Fund reserve goal increased from 12% to 14% in FY21
 - Economic uncertainty – Revenue decline has been less severe than projected but increasing likelihood that economic downturn will be longer in duration than initially anticipated
 - Virus uncertainty – Projected \$60 million+ needed to continue COVID-19 public health response from 1/1/2021 – 9/30/2021 (Coronavirus relief funds expire 12/30/2020)
- Bonds
 - Already shifted most vehicle and capital equipment purchases from operating budget to debt
 - Certificates of Obligation are not eligible for economic development
 - 2018 Bond Proposition B – Creative Spaces
- Alley and Street Vacation Sales
- Fee Waivers – Special Events and Development



Other Funding Options Considered by Staff

- Hotel Occupancy Taxes (HOT)
 - Austin Convention Center
 - Live Music Fund
 - Historic Preservation Fund
- Non-HOT sources of Austin Convention Center revenue
- Housing Trust Fund
- New Community Development Block Grant Funds from CAREs Act
- Economic Incentives Reserve Fund
- Postpone Opening of Travis Country Fire/EMS Station



Equity Considerations: Working Towards Racial Equity During a Pandemic

The Government Alliance on Race and Equity has a series of steps, that we adapted to this moment:



LOCAL AND REGIONAL
GOVERNMENT ALLIANCE ON
RACE & EQUITY

- A. Know the History
- B. Review Data
- C. Proactively Center Racial Equity



Equity Considerations: Disaster Recovery

An NPR analysis of households receiving FEMA payouts revealed:

- White homeowners at every level of education were made wealthier
- Only college-educated, home-owning Black households gained wealth And at a level still below high-school educated White households
- Similar for Latinx households, only college-educated homeowners benefited
- Across all levels of damage, education, and household type, White households benefited more than their Black and Latinx counterparts



Equity Considerations: Building a Framework

- What is the program and/or budget decision under consideration?
- What does the data tell us about who's most vulnerable, at-risk, and in need for these resources and economic support?
- Is the program design intentional enough to directly get resources to those most in need? Are data disaggregated by race and geography available, and are you utilizing those data to design the program and monitor impact?
- Who will benefit from or be burdened by your proposal?
- Are there some unintended negative consequences for this proposal?
- How has the community been engaged in the design or implementation plans?



Equity Considerations

- What is your intentional strategy for advancing racial equity?
- Have you evaluated equity in the implementation plans? Consider the following:
 - Application design and access
 - Eligibility criteria
 - Scoring
 - Panel selection
 - Marketing and outreach
 - Technical assistance
- How will you ensure transparency, accountability, communicate and evaluate the results?



Impact of Administered COVID-19 Programs

- More than \$27M administered through seven program since April 2020; additional \$2.4 to be distributed soon through the Austin Non-Profit Relief Grant Relaunch.

<u>ECONOMIC DEVELOPMENT DEPARTMENT COVID-19 PROGRAM IMPLEMENTATION CALENDAR</u>		
April 2020	May 2020	June 2020
Austin Economic Injury Bridge Loan Program		Austin Creative Space Disaster Relief Program Austin Music Disaster Relief Fund
July 2020	August 2020	September 2020
Austin Childcare Provider Relief Grant Austin Non-Profit Relief Grant Austin Small Business Relief Grant	Austin Music Disaster Relief Fund Relaunch Austin Creative Worker Relief Grant	Austin Non-Profit Relief Grant Relaunch
October 2020*	November 2020	December 2020
Technical Assistance Program Worker and Customer Safety Program	TBD	TBD
<i>*Dates subject to change.</i>		



Impact of Administered COVID-19 Programs

- Austin Childcare Provider Relief Fund
 - Awarded \$1.05 million in grants to 72 of 120 applicants
 - Awardees collectively served 1,557 children receiving childcare subsidies
- Austin Creative Space Disaster Relief Program
 - Awarded \$987,943 in grants to 32 of 65 applicants
 - Collectively applicants requested \$3.7 million in financial assistance, which was nearly four times the \$1 million available in the fund
 - Grant recipients included live music venues (12), arts nonprofits (11), theaters or performance venues (7), museums or art galleries (1), and independent artists (1)



Impact of Administered COVID-19 Programs

- Austin Creative Worker Relief Grant
 - Awarded \$3.36 million to 1,877 of 5,502 applicants
 - Collectively applicants requested \$9.9 million in financial assistance, which was nearly three times the \$3.5 million available in the fund
 - Forty-two percent of grant recipients worked in the music industry
- Austin Economic Injury Bridge Loan Program
 - Awarded \$645,000 in small business loans to 19 of 70 approved applicants
 - Fifty-one applicants declined the loan offer either due to acceptance of other federal disaster assistance or non-acceptance of loan terms



Impact of Administered COVID-19 Programs

- Austin Music Disaster Relief Fund
 - Awarded \$1.5 million in grants to 1,497 performing musicians impacted by the COVID-19 pandemic
- Austin Non-Profit Relief Grant
 - Awarded \$3.6 million in grants to 221 to non-profit organizations impacted by the COVID-19 pandemic
 - Remaining \$2.4 million will be distributed in mid-October
- Austin Small Business Relief Grant
 - Awarded \$16.2 million in grants to 885 of 2,526 applicants
 - Applicants submitted more than \$120 million in eligible reimbursement requests for this program, which was nearly seven times the total program fund



Additional Relief Option Recommendations

- Austin Music Venue Preservation Fund: \$5 million
 - Help live music venues offset expenses as a result of COVID-19
- Austin Legacy Business Relief Grant: \$5 million
 - Help iconic live music venues, restaurants, and arts organizations pay expenses as a result of COVID-19
- Austin Childcare Provider Relief Grant: \$5 million
 - Help childcare providers (in-home and center-based) pay expenses as a result of COVID-19
- Total: \$15 million



Chapter 380 Program Modifications

- Staff is working with the Law Department to draft a Resolution for the City Council's review.
- The proposed Resolution will include language allowing the creation of temporary COVID-19 and Economic Emergency Chapter 380-based programs, and it will exempt such temporary programs from the existing Chapter 380 Policy of 2018 for up to two years.
- This exemption would allow staff to continue exploring the feasibility of proposing program guidelines that are attractive and impactful for businesses in the industries outlined in Resolution No. 20200917-062.



Additional Efforts to Support and Sustain Businesses

- Considering virtual proclamation performances featuring local artists and hosted by live music venues or arts organizations in each City Council district.
- Coordinating marketing campaigns across municipal departments to recognize and promote businesses that are unique to Austin and implement robust health and safety practices.
- Collaborating with third parties to enhance lease mediation services for local businesses.
- Developing “How To” guides to help businesses in the vital sectors successfully pivot during and after the pandemic (e.g. maximizing online merchandise sales, producing virtual live music sessions, etc.).
- Providing ongoing access to economic recovery resources via [ATXrecovers.com](https://www.atxrecovers.com).



Austin Economic Development Corporation

- Staff included a request for Council to approve the creation of the AEDC on the October 1, 2020 City Council agenda.
- Approval of this Resolution will allow Economic Development Department staff to begin working through the administrative development of the entity, including the development of governance.
- Staff recommends that the City Council fill the interim seats of the initial board with City staff from Places 1-4 outlined in Article II, Section 1 of the Bylaws. The interim staff and board will retain professional services to begin crafting the agreement between the City and AEDC while opening an executive recruitment process for the President and Chief Executive Officer (CEO), begin to scope priority projects discussed with the City Council, and further define the process for on-boarding the first full board of AEDC.





Save Austin's Vital Economic Sectors (SAVES) Program Recommendations

Tuesday, September 29, 2020

Ed Van Eenoo
Deputy Chief Financial Officer

Brion Oaks
Chief Equity Officer

Veronica Briseño
Chief Economic Recovery Officer

