



MEMORANDUM

TO: Mayor and City Council

FROM: Veronica Briseño, Chief Economic Recovery Officer, City of Austin cb

DATE: November 18, 2020

SUBJECT: Austin Live Music Preservation Fund and Austin Legacy Business Relief Grant and Update

This memorandum provides an update regarding [Resolution No. 20200917-062](#), [Ordinance No. 20201001-052](#), [Resolution No. 20201015-074](#) and [Resolution No. 20201015-075](#), which collectively established the Austin Live Music Preservation Fund and the Austin Legacy Business Relief Grant. Economic Development Department (EDD) staff reviewed notes from the October 15, 2020 Council meeting, received feedback from diverse stakeholders, revisited lessons learned from the City's previous economic recovery programs, and researched similar programs in other municipalities. EDD staff also reexamined the guidelines already adopted by Council – such as definitions for live music venues and legacy business – to ensure the recommended approach is aligned with Council's previous direction.

EDD staff used the information gathered during this exploratory phase to consider multiple programmatic approaches for the Austin Live Music Preservation Fund and the Austin Legacy Business Relief Grant. It is important to note that these programs differ from previous economic recovery programs administered by the City and other municipalities, because these programs require applicants to complete technical assistance prior to receiving long-term grants. After a month of research and design, EDD staff believe the approach described in this memorandum optimally balances Council's emphasis on long-term sustainability and stakeholders' requests for immediate short-term funding.

Timeline Recap for the Austin Live Music Preservation Fund and Austin Legacy Relief Grant Program

- September 17, 2020: Council adopted Resolution No. 20200917-062, which directed staff to identify opportunities for supporting Austin's vital economic sectors.
- September 28, 2020: Staff sent a memorandum to Mayor and Council with 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 and directed staff to develop program guidelines.
- October 15, 2020: Staff presented draft program guidelines to Council in response to Resolution No. 20201001-052. Council subsequently adopted Resolution Nos. 20201015-074 and 20201015-075, which approved initial guidelines for the Austin Live Music Preservation Fund and the Austin Legacy Business Relief Grant Program. Council also directed staff to develop enhanced guidelines for Council consideration prior to fully implementing both programs.
- October 22, 2020: Staff sent a memorandum to Mayor and Council providing a status update on developing enhanced program guidelines.
- November 12, 2020: Staff provided a memorandum to Mayor and Council providing a status update on a tentative technical assistance delivery model for the Austin Legacy Business Relief Grant and the Austin Live Music Preservation Fund.
- December 3, 2020: Council will consider enhanced program guidelines as proposed by staff.

Implementation Progress

Like the previous COVID-19 programs, EDD staff is tracking progress using a five-phase approach that allows EDD staff and stakeholders to monitor program development from ideation through implementation. Appendix A summarizes key deliverables and activities for each phase. The Austin Live Music Preservation Fund and the Austin Legacy Business Relief Grant are in Phase One.

With the approved initial guidelines, EDD staff anticipate accepting applications for immediate short-term grants within the next 45 to 60 days. Should the enhanced guidelines be adopted on December 3, 2020, EDD staff anticipate fully launching all components of the programs (Phase Four) by February 2021.

EDD staff is currently, and will continue, offering services (i.e., webinars, trainings, coaching) in order to support businesses and live music venues impacted by the global COVID-19 pandemic. EDD staff will also continue sharing information about available grants, legal assistance, financial coaching, and more through

ATXrecovers.com. Furthermore, EDD staff encourage stakeholders to [subscribe to EDD's newsletter](#) for updates regarding these programs.

Grant and Technical Assistance Program – Based on Initial Guidelines

Appendix B summarizes EDD staff's implementation of the initial guidelines and recommendation for enhanced guidelines. Together, both parts provide immediate short-term grants, mandatory technical assistance courses, and long-term funding opportunities for eligible program applicants. Applicants will receive immediate short-term grants up to \$20,000 if they meet basic program eligibility, agree to participate in technical assistance programs, and attest to imminent risk of closure but for the \$20,000 grant. Each eligible applicant will be required to participate in an orientation program and receive technical assistance. Clawback provisions are being considered for the \$20,000 grant if an applicant fails to honor the orientation and technical assistance requirements.

EDD staff will retain third-party providers to offer technical assistance via virtual cohort settings. Applicants could also receive confidential one-on-one technical assistance, and no information exchanged during the one-on-one sessions will be shared with EDD staff. During the technical assistance period, EDD staff will require Austin Live Music Venue Preservation Fund applicants to develop and submit their Equity Strategic Plan. This is a required component of the program guidelines already adopted by Council.

Additional Grant Assistance – Enhanced Guidelines for Council Consideration

Applicants who complete the technical assistance requirements would be eligible to apply for an additional grant up to \$40,000 per month for up to six months, not to exceed \$140,000. The additional grants would be awarded based on a scoring matrix that accounts for factors such as years in business, number of annual events, terms of lease agreement, and/or ownership status. The highest scoring applicants would receive payments in monthly installments from the third-party administrator.

EDD staff used scoring matrixes to award grants for previous COVID-19 economic recovery programs, including the Austin Creative Space Disaster Relief Program. Scoring matrixes increase transparency about the criterion that are considered in award decisions, add objectivity to this part of the scoring process, and simplify the process for applicants to assess their likelihood of receiving long-term funding.

EDD staff's recommendation is tailored to deliver the requirements identified by Council while also including considerations regarding equity, timely technical assistance delivery (through a cohort case management model), and objective criteria that can be rapidly and accurately evaluated. This approach ensures applicants receive access to financial support for immediate short-term needs, as well as holistic case management, expert counseling, and access to business resources to support long-term sustainability. This approach also emphasizes equity as part of the award considerations. Furthermore, there is no need to revise program criteria if the program receives more than 50 applications.

Upon approval of the enhanced guidelines, EDD staff will proceed with contracting services from multiple third parties to administer components of this program. EDD staff will explore opportunities to leverage existing contracts with local organizations that offer technical assistance to businesses. Leveraging current contracts would reduce administrative costs and the amount of lead time needed to develop program infrastructure.

Conclusion

EDD staff worked carefully and conscientiously since early October to prepare these recommendations, which balance the need for immediate financial assistance with Council's direction to ensure long-term sustainability of Austin's vital economic sectors. EDD staff will load backup documentation to the December 3, 2020 Council agenda in the coming days. Please contact me at Veronica.Briseno@austintexas.gov if you have questions regarding this update.

cc: Spencer Cronk, City Manager
Nuria Rivera-Vandermyde, Deputy City Manager
J. Rodney Gonzales, Assistant City Manager
Sylnovia Holt-Rabb, Acting Director, Economic Development Department
Susana Carbajal, Assistant Director, Economic Development Department

Appendix A: Five-Phase Program Development Approach

Phase One

- **Key Deliverable:** **Complete mission-critical foundational milestones**
- **Types of Activities:** Assign Economic Development Department staff to a project team
Draft program guidelines and application materials
Draft scopes of work and contracts for third-party administrators
Identify internal and external support services
Receive input from other City departments and City Council, as necessary
Complete sector research and data analysis
Begin a communications and stakeholder engagement plan

Phase Two

- **Key Deliverable:** **Finalize program materials for City Council/City Manager approval**
- **Types of Activities:** Receive Law Department review of program materials
Receive Equity Office review of program materials
Finalize all program documents created in Phase One
Interview potential third-party administrators
Conduct contract negotiations with the third-party administrator

Phase Three

- **Key Deliverable:** **Receive necessary City Council/City Manager approvals**
- **Types of Activities:** Receive City Council approval for third-party contracts
Complete internal staff briefings regarding third-party relationships
Host kick-off meetings with third-party administrators
Finalize a communications and stakeholder engagement plan
Establish a framework for collecting and reporting metrics and data

Phase Four

Manage successful program implementation

- **Key Deliverable:** Provide regular updates to the City Council and City executives
- **Types of Activities:** Implement the communications and stakeholder engagement plan
Review eligible and complete applications
Host/record webinars and/or information sessions
Track data for future reporting
Distribute funds to applicants
Display information on a data dashboard
Analyze real-time program performance
Provide support services for stakeholders (e.g., application assistance)

Phase Five

- **Key Deliverable:** **Program completion and closeout**
- **Types of Activities:** Report final program metrics
Complete compliance reviews
Verify all third-party contract deliverables are complete
Produce program summary highlighting lessons learned

Appendix B: Overview of Staff Recommendation

Streamlined Full Scale Multi-Grant and Technical Assistance Program	
Part 1: Application, Eligibility, and Short-Term Grant Awards – Based on Initial Guidelines	
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 technical assistance, and attest to financial need.
Step 3	All eligible program applicants participate in an orientation and technical assistance classes. 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 additional funding. Note: Austin Live Music Venue Preservation Fund applicants must complete their Equity Strategic Plan during the technical assistance period.
Part 2: Enhanced Guidelines and Program Funding for Council Consideration	
Step 5	Eligible applicants apply for an additional 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 additional funding based the scoring matrix, which will be provided by EDD. The third-party administrator distributes monthly payments to awarded applicants.
Step 8	Ongoing technical assistance to program applicants is continued.