

SMALL BUSINESS GRANT PROGRAM

"Our goal has always been for this program to make the most impact and to reach as many people as possible"

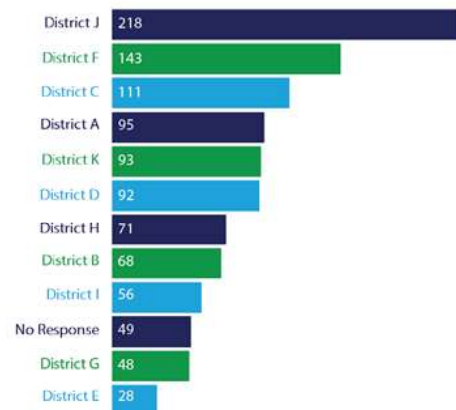
-Marsha Murry, Director of Business Operations

In March 2020, businesses deemed as non-essential in Houston were forced to close their doors due to the COVID-19 pandemic. A survey by the Greater Houston Partnership showed that four in ten member businesses indicated they could survive a slowdown for only four weeks or less. The survey also showed 91 percent of member businesses with 500 or fewer employees had lost revenue, more than one-third had laid off workers, and about half were not paying employees.

In response to the grim outlook and results of economic surveys, the City of Houston, led by OBO, took action to assist small businesses economically and financially impacted by the pandemic by creating the Small Business Economic Relief Program (SBERP).

The program was funded with an initial \$15 million allocation. Due to the overwhelming number of grant applicants and the continued need for immediate, short-term assistance to small businesses, Mayor Sylvester Turner and Houston City Council approved additional infusions of funds for the SBERP in 2020 – \$5 million in September; \$5 million in November; and \$10 million in December.

GRANTS BY COUNCIL DISTRICT



GRANT AMOUNTS

Grant Amount	Approved Applications	Percentage
\$0-\$10,000	250	23%
\$10,000-\$20,000	177	17%
\$20,000 - \$30,000	108	10%
\$30,000 - \$40,000	79	7%
\$40,000 - \$50,000	458	43%
Total	1072	100%

The SBERP helped 1,072 small businesses sustain their operations with the average grant amount totaling \$30,000. Recipients of the grant included micro-businesses with five or less employees, as well as businesses that weren't able to obtain any other type of financial assistance from other economic relief programs such as the PPP and EIDL. As of December 30, 2020, all SBERP funds were disbursed to grant recipients.

HOUSTON EATS

Providing small business economic support while feeding Houstonians in need from their local restaurants.

This innovative program, developed by the HER Task Force, was able to combine the desperate need for small businesses (restaurants) support with the need to address food insecurity for a growing number of Houstonians – and in some of our most stressed neighborhoods.

The Houston Eats Restaurant Support (HERS) mass feeding relief program was designed to provide assistance during COVID-19 to restaurants and catering companies located in Houston neighborhoods that were identified as being disproportionately affected by COVID-19. A total of 19 restaurants and catering companies participated in the program thereby keeping their doors open and being able to continue to support their employees. In just seven and a half weeks, from early November 2020 to the end of December 2020, these restaurants and catering companies served over 218,000 meals to vulnerable Houstonians who reside in neighborhoods that were identified as being disproportionately affected by COVID-19.

To qualify to be part of the program, both restaurants and meal recipients need to be located in one of 31 ZIP codes including the City's Complete Communities and other neighborhoods that were identified by the H.E.R. Task Force in early 2020 based on CDC social vulnerability data. These ZIP codes include:

77003, 77004, 77009, 77011, 77012, 77016, 77020, 77021, 77022, 77026, 77028, 77029, 77033, 77036, 77040, 77045, 77051, 77053, 77060, 77071, 77072, 77074, 77076, 77078, 77081, 77087, 77088, 77091, 77093, 77099, and 77489.

Based on the strong success of this program, the City will look to restart these efforts if and when additional funding becomes available.



Lemond Kitchen responded to the City's request for proposals and worked to identify restaurants and catering companies that met the program criteria. These partners included Brooks Family Foods, Burns Original BBQ, Cool Running's Jamaican Grill, Dona Maria, Ester's Cajun Cafe & Soul Food, Himalaya Restaurant, and Catering, Langstead Catering, Lucille's 1913, Ray's Real Pit BBQ Shack, Seafood Heaven, Silvana's Catering, and Vela Seafood.

CHILD CARE CENTER ASSISTANCE

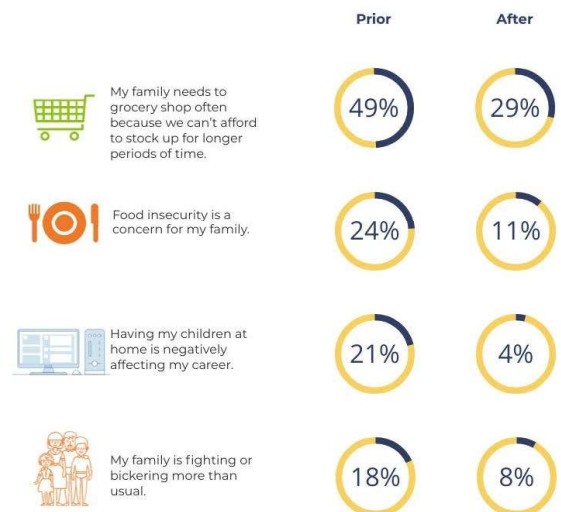
Maximized funding impact to keep child care centers open and serve essential workers during the COVID-19 pandemic.

In the first weeks of the COVID pandemic, Collaborative for Children (CC) identified a critical need for child care providers in the Houston area to receive financial assistance. Child Care Regulation reported in May that there were over 1,300 closed programs in our region. These closures forced many essential workers and other working parents to seek lesser quality child care options. To fill in the gap and ensure child care providers can continue to operate, Mayor Turner and the Recovery Team approved \$3 million in CRF for the creation of a child care assistance program.

The results of these efforts in partnership with the Collaborative for Children impacted 854 children to receive child care tuition stipends and 114 child care centers (located primarily in the 22 Super Neighborhoods) with rental relief assistance. The rental relief for child care centers ranged between \$2,400-\$29,000.

The child care center closures in the greater Houston region have decreased from nearly 30% to less than 10% rate following the successful completion of this assistance program.

Changes to Family Situations After Tuition Assistance Essential Workers Scholarship Parent Survey



Parents reported significantly lower instances of some difficult circumstances after receiving Essential Worker Scholarship Grants.

Recent data from the Texas Policy Lab at Rice University indicates that on average child care centers across the state have an overall enrollment rate of 35%.

CHEF PROGRAM

"We cannot address how to lessen the impact of COVID-19 within vulnerable communities without addressing the systemic oppressions that exist which exacerbate the impacts of this virus. Addressing these long-term needs of the community will take community building and work with the City of

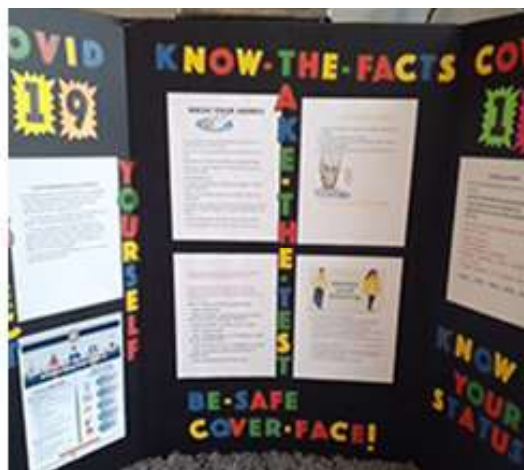
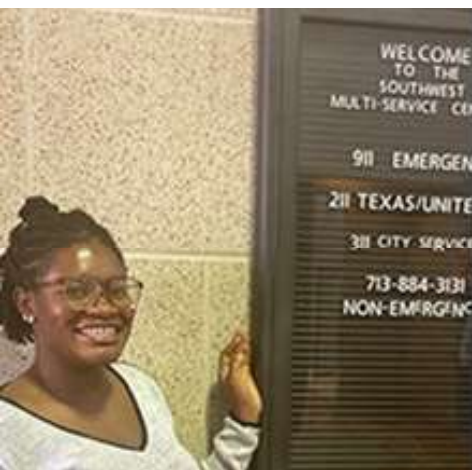
Houston to pass policies that fund the community."

-CHEF Program Applicant from Greater Fifth Ward

The Community Health Education Fellowship (CHEF) Program, as part of the COVID-19 Health Equity Response Public Health Education Subcommittee's efforts, empowers youth, ages 18-30, with resources and education to fight COVID-19. The youth are from the 22 Houston communities that have the highest percentages of COVID cases and are in the most need of information and resources. As part of the CHEF program, the youth fellows promote public health in those same 22 communities and are certified as Community Health Workers. In addition, they work with experts in developing the dynamic curriculum that is shared with the communities.

A copy of the curriculum and the CHEF report can be found [here](#).

The Mayor's Office of Education (MOE) received 492 applications from young people across Houston who wanted to join the first cohort of the Community Health Education Fellows (CHEF) program and 100 fellows have been accepted into the program to date. The Community Health Education Fellowship Program has provided important insights on the economic, social and health challenges brought upon the COVID-19 pandemic. The fellows of the program, or CHEFs, provide the essential public health education and community engagement needed to fight COVID-19 and other disasters. They are important public health advocates who can help the Mayor's Office understand the needs and challenges of underrepresented communities and jointly create equitable solutions.



ART AND CULTURE ASSISTANCE PROGRAM

The City of Houston is vibrant because of its diversity of artists, arts nonprofits, and cultural centers rooted in deep traditions. The COVID-19 crisis has wreaked drastic effects on the creative economy, which comprises a variety of industries and creative occupations, including those who work in the arts and culture sector. Among other support to the community, the Mayor's Office of Cultural Affairs took steps to support the local arts and cultural sector with Mayor Turner and City Council approval of \$5 million in relief funding for two targetted Arts and Culture Funding Programs.

The first program included a \$2 million allocation that provided financial assistance to 347 unique recipients. These recipients were primarily artists or art-related organizations and non-profits. The full report detailing the program and its overall impact can be found in the appendices or by clicking [here](#).

After critical analysis of the application data, the Mayor's Office of Cultural Affairs identified a gap in assistance coverage for two drastically under-represented groups in the applicant pool: musicians and owners of venues. This realization led to the creation and Mayor and City Council approval of \$3 million in CRF funding that was dedicated to a similar assistance program with targetted outreach to the musician and venue community. In total, 36 venues and 306 individual musicians received over \$2.7 million in assistance funding.

More information about this program, the eligibility requirements and the application vetting process can be found by clicking [here](#).



LOOKING FORWARD

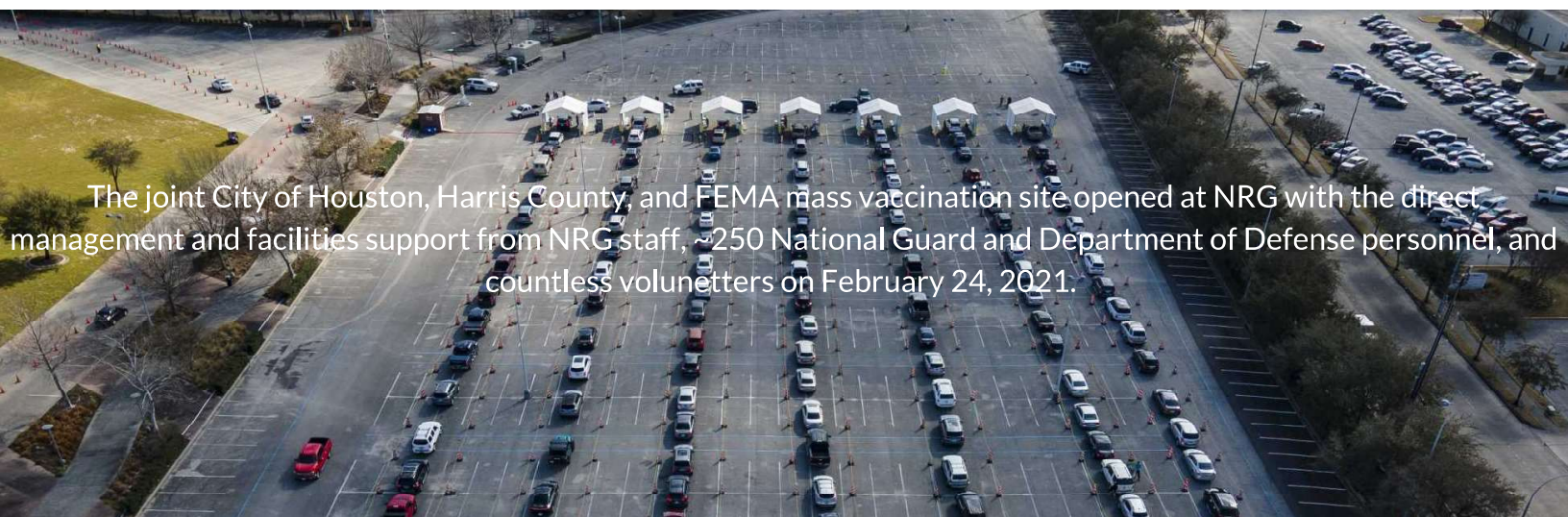
Perhaps the most obvious and honest thing one could say about the pandemic is that it is far from over and there are destined to be more surprises ahead. That said, the City has a capable response mechanism in place and, along with many community partners, will continue to manage this crisis in a way that leaves the City stronger and more resilient.

Most of the current public health activity associated with the pandemic is expected to continue for much, if not all, of this year – testing, contact tracing and, most importantly, vaccine distribution. The City's safety net role will continue to be a top priority in actions taken and resources applied.

This section provides an update on two critical, forward-looking elements of the recovery – vaccine distribution and the Federal Government's American Rescue Plan.

There is also reason to be optimistic that the new federal relief stimulus will address a critical concern for the City of Houston – lost revenues and budget shortfalls resulting from the pandemic. Despite tremendous fiscal pressure, the City continues to provide public safety, while working hard to maintain essential public services and keeping employees safe.

On the vaccine front, improving news on supply now indicates that our aspiration of being able to vaccinate ~80% of our adult community by the end of the summer is attainable. But this will require continuing to build-out an effective distribution system, improving systems for administering and tracking vaccinations, and addressing vaccine hesitancy head-on. Funding for these activities are likely to be available through the federal relief stimulus expected to be approved by the President this week.



The joint City of Houston, Harris County, and FEMA mass vaccination site opened at NRG with the direct management and facilities support from NRG staff, ~250 National Guard and Department of Defense personnel, and countless volunteers on February 24, 2021.

Since March 1, 2020, the projected revenue loss for the City of Houston's General Fund due to COVID-19 ranged between \$160 million and \$200 million. This revenue loss will continue, even as the economy slowly begins to recover to the pre-COVID level. The table below depicts the challenge:

Projected Revenue Losses *

Revenue Category	FY2020 Actual	FY2021 Projection	Total
Sales Tax	(39,575)	(63,000)	(102,575)
Mixed Beverage Tax	(3,413)	(5,928)	(9,341)
Parking Revenue	(2,500)	(9,500)	(12,000)
Fines and Forfeits	(6,124)	(10,284)	(16,408)
Franchise Fees	-	(3,430)	(3,430)
Others	(2,575)	(13,721)	(16,296)
Total	(54,188)	(105,863)	(160,051)

Note: in 000s

** Projection as of 2/5/2021 and subject to change.*

Note: FY2020 spans July 1, 2019 - June 30, 2020. FY2021 spans July 1, 2020 - June 30, 2021.

As the City heads into its next budgetary cycle, it will face a large budgetary gap. The degree to which the City will be allowed to use the federal relief stimulus to offset revenues lost due to COVID-19 is yet to be fully determined. Indications are positive but no determination can be made until the guidelines are more fully clarified.



VACCINE DISTRIBUTION

All our responses and interventions have been designed with “Access and Equity” in mind.

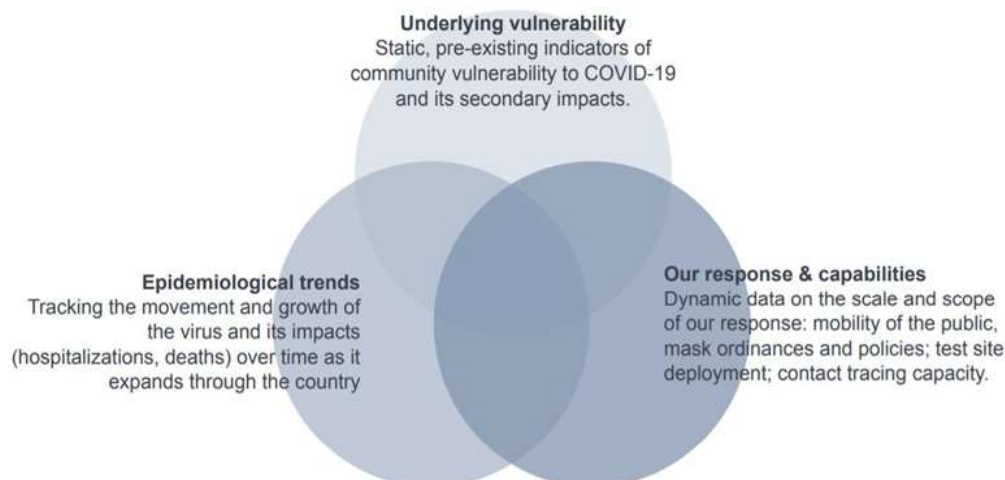
The Houston Health Department (HHD) has consistently prioritized “Access and Equity” in serving our constituents during the COVID-19 pandemic. All responses and interventions have been designed with “Access and Equity” in mind. This is true for vaccine distribution as well.

In building out the vaccination strategy, HHD defines access as geographic proximity and minimizing or overcoming barriers such as language or cultural factors and equity as an enhanced focus on serving a marginalized or underserved population in terms of race, ethnicity, poverty status, residing in underserved neighborhoods, disability status, linguistic isolation, employment sector, and environmental pollution.

To accomplish this goal, HHD is using geography to explore data-driven social and spatial inequality and inform public health response and interventions. HHD is using the Community COVID Vulnerability Index (CCVI) to prioritize zip codes for vaccinations to ensure equity in vaccinations.

CCVI is derived from the CDC’s Social Vulnerability Index. It uses 40 variables to derive a vulnerability score between 0 and 1. The closer it is to 1, the higher the vulnerability. The original Social Vulnerability Index (SVI), developed by CDC, and originally used in the disaster preparedness field, is now used worldwide to target social or public health interventions.

COMPONENTS OF COVID COMMUNITY VULNERABILITY INDEX (CCVI)



FEDERAL FUNDING POTENTIAL

American Rescue Plan

The third round of federal COVID-19 stimulus funding was approved by the U.S. Senate on Saturday, March 6, 2021. We anticipate that the Senate changes to the legislation will be considered on Wednesday, March 10, 2021. Once approved, the bill will be sent to President Biden for his signature. One critical piece of this new program will provide \$65.1 billion for all municipalities, including the \$5 billion restored in the final amendment offered by Senate Majority Leader Charles Schumer (NY). For Houston, that means the total funding to be received is ~\$565 million.

ALLOCATION STRUCTURE

As under the House bill, CDBG entitlement municipalities would receive funding based on the CDBG formula. Non-entitlement municipalities would receive funding based on their relative population as compared to other non-entitlement communities in their state. But again, this is NOT CDBG funding and the HUD rules would not apply to either the entitlement or non-entitlement municipalities.

TWO-YEAR FUNDING

The bill would now provide half of the funding in 2021, and the second half in 2022. This is similar in concept to the original HEROES Act that was blocked in the Senate last year. However, cities would have until December 31, 2024 to use these funds.

ELIGIBLE USES

While the definition of eligible uses has been in flux, Senate leadership staff have stated - unequivocally - that they have had direct discussions with the U.S. Department of the Treasury, and there is NO doubt that one of the eligible uses would be to mitigate budget shortfalls that have resulted from the start of the pandemic.

An updated version of the legislation can be found [here](#).



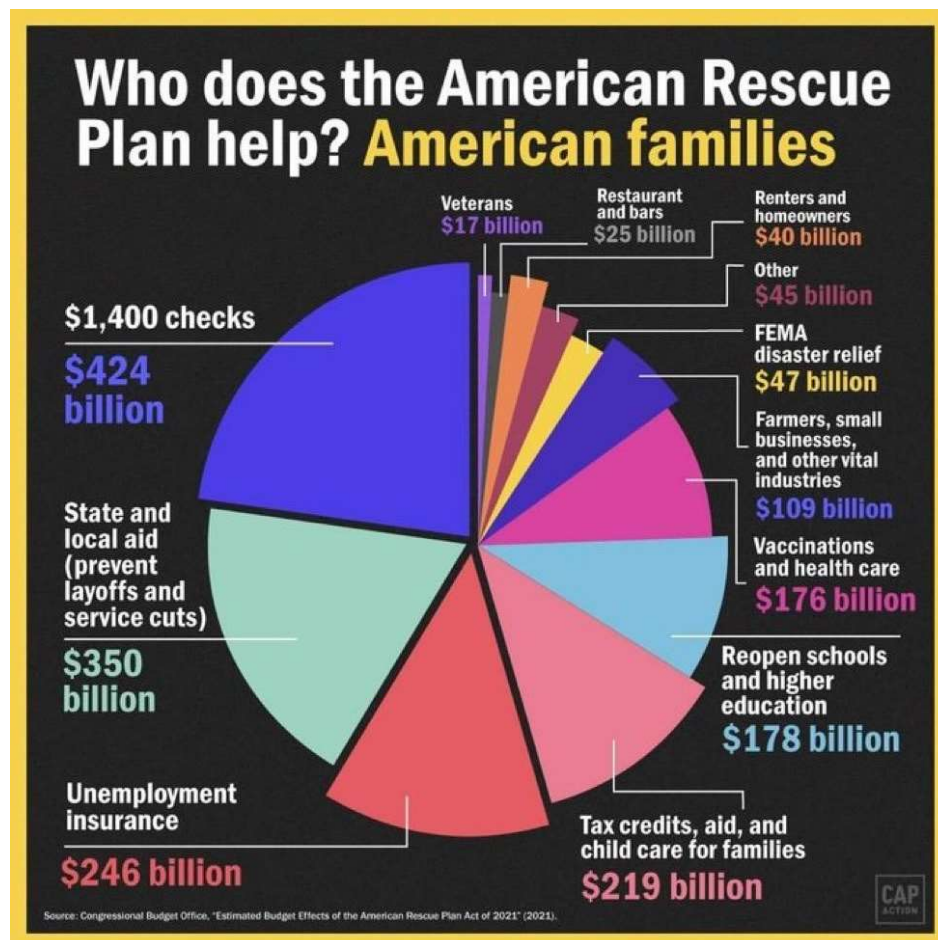
STIMULUS Q&A

How big are the stimulus payments in the bill, and who is eligible?

The stimulus payments would be \$1,400 for most recipients. Those who are eligible would also receive an identical payment for each of their children. To qualify for the full \$1,400, a single person would need an adjusted gross income of \$75,000 or below. For heads of household, adjusted gross income would need to be \$112,500 or below, and for married couples filing jointly that number would need to be \$150,000 or below. To be eligible for a payment, a person must have a Social Security number.

What would the relief bill do about health insurance?

Buying insurance through the government program known as COBRA would temporarily become a lot cheaper. COBRA, for the Consolidated Omnibus Budget Reconciliation Act, generally lets someone who loses a job buy coverage via the former employer. But it's expensive: Under normal circumstances, a person may have to pay at least 102 percent of the cost of the premium. Under the relief bill, the government would pay the entire COBRA premium from April 1 through Sept. 30, 2021. A person who qualified for new, employer-based health insurance someplace else before Sept. 30, 2021 would lose eligibility for the no-cost coverage. And someone who left a job voluntarily would not be eligible, either.



STIMULUS Q&A**What would the bill change about the child and dependent care tax credit?**

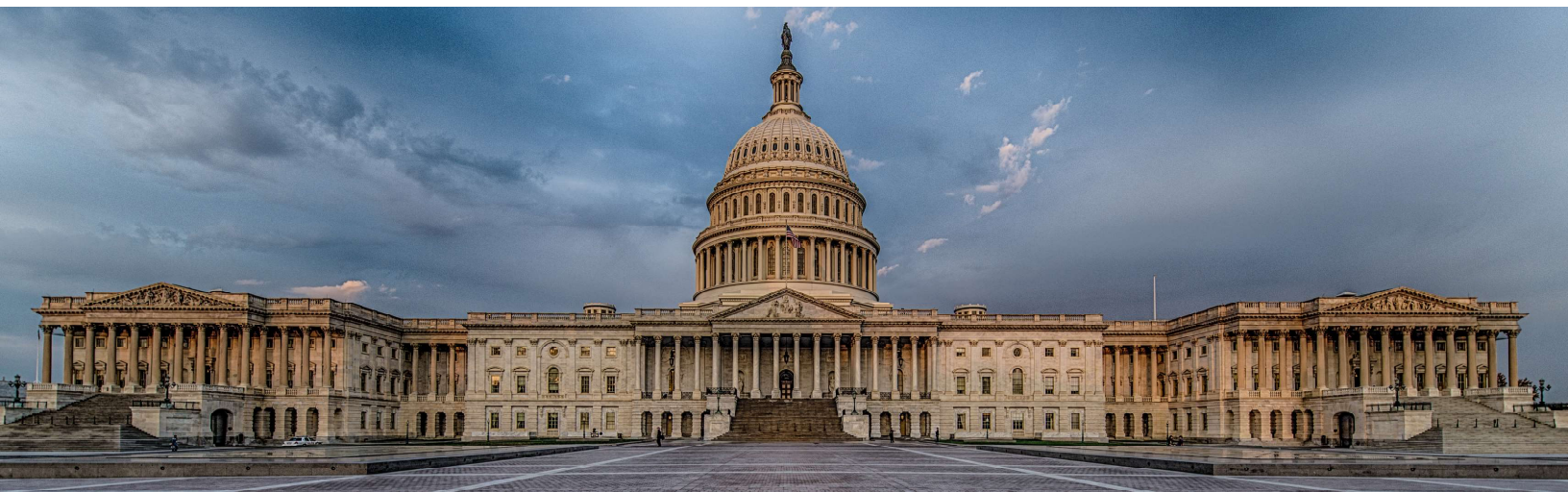
This credit, which helps working families offset the cost of care for children under 13 and other dependents, would be significantly expanded for a single year. More people would be eligible, and many recipients would get a bigger break. The bill would also make the credit fully refundable, which means you could collect the money as a refund even if your tax bill was zero. “That will be helpful to people at the lower end” of the income scale, said Mark Luscombe, principle federal tax analyst at Wolters Kluwer Tax & Accounting.

What student loan changes are included in the bill?

Some provisions for student loans are included in the legislation. We are working to identify the specifics related to those provisions.

What would the bill do to help people with housing?

The bill would provide billions of dollars in rental and utility assistance to people who are struggling and in danger of being evicted from their homes. About \$27 billion would go toward emergency rental assistance. The vast majority of it would replenish the so-called Coronavirus Relief Fund, created by the CARES Act and distributed through state, local and tribal governments, according to the National Low Income Housing Coalition. That’s on top of the \$25 billion in assistance provided by the relief package passed in December. To receive financial assistance — which could be used for rent, utilities, and other housing expenses — households would have to meet several conditions. Household income could not exceed 80 percent of the area median income, at least one household member must be at risk of homelessness or housing instability, and individuals would have to qualify for unemployment benefits or have experienced financial hardship (directly or indirectly) because of the pandemic. Assistance could be provided for up to 18 months, according to the National Low Income Housing Coalition. Lower-income families that have been unemployed for three months or more would be given priority for assistance.



APPENDICES

Number of Days ZIP Codes Had 10 or More Daily Cases of SARS-CoV-2 Infection per 100,000 Population in Harris County and City of Houston (February 7th - December 21st, 2020)

