

City of San Antonio



Minutes

Economic and Workforce Development Committee

2021 – 2023 Council Members

Manny Pelaez, Dist. 8

Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4

Teri Castillo, Dist. 5 | John Courage, Dist. 9

Tuesday, April 26, 2022

2:00 PM

City Hall Building

Members Present: Manny Pelaez, *Chair*
Phyllis Viagran, *Member*
Dr. Adriana Rocha Garcia, *Member*
Teri Castillo, *Member*
John Courage, *Member*

Members Absent: None

Approval of Minutes

- 1. Approval of the minutes from the Economic and Workforce Development Committee meeting on March 22, 2022.**

Councilmember Rocha Garcia moved to Approve the minutes from the Economic and Workforce Development Committee meeting on March 22, 2022. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Rocha Garcia, Castillo, Courage

Absent: Viagran

Public Comments

Erica Cardennis spoke in support of Item 2 and of the Restore Education Program assisting individuals

with education needs.

Juanita Sepulveda, Chair of the Small Business Economic Development Commission, spoke in support of ARPA funding for small business economic development needs and spoke of the impact of high income rates on small businesses and the need for small business grants.

Robert Melvin, representing San Antonio for Growth on the Eastside (SAGE) spoke in support of small business fiscal assistance and resources under ARPA funding. He asked that the Eastside be made a priority area for ARPA funding.

Jane Gonzalez spoke in support of using ARPA funding to create innovative efforts and programs for small business economic efforts and assistance resources.

Julissa Carielo spoke in support of developing a recovery plan for small businesses who were still struggling due to COVID impacts under ARPA to address workforce development needs and fiscal assistance.

Vicky Willoughby, a micro business owner, spoke in support of ARPA funds to be used for small business assistance, and asked for consideration of the development of facelift programs for micro and small businesses and continued support of LiftFund.

Jeremy Roberts, Chair of the Small Business Advisory Committee, noted the impact of small businesses to the City of San Antonio economy and the need for further development of policies and programs assisting small businesses.

Theresa Canales spoke of the non-profit Kitchen Canvas and the services provided to the culinary industry to include educational and apprenticeship opportunities, and asked for consideration of ARPA funding for the development of hospitality programs and services.

Federica Soriano, CEO of the Children's Rehabilitation Institute Teleton USA, spoke in support of ARPA funding for disability support services for children and their families and noted the need for funding to expand these services to the long waiting list of clients.

Steven Silver of the Children's Rehabilitation Institute Teleton USA, spoke of the need for ARPA funding for services to children and families with disability needs.

Briefing and Possible Action on the following items

- 2. Committee policy discussion and possible action on the State and Local Fiscal Recovery Funds ("SLFRF") Spending Framework adopted by City Council under the American Rescue Plan Act (ARPA) to include the categories of Small Business, Youth, and Digital Inclusion.**

Deputy City Manager Maria Villagomez provided a briefing on the State and Local Fiscal Recovery Funds (SLFRF) spending framework by City Council under the American Rescue Plan Act (ARPA) in the areas of small business, youth and digital inclusion. Deputy City Manager Villagomez reviewed the ARPA guidelines for the expenditures and the steps to be taken to develop a plan for spending not to exceed a four year time frame. Deputy City Manager Villagomez noted the plan components and reviewed the next steps in the development, approval and implementation of the SLFRF plans.

Chair Pelaez stated that the Committee would be providing guidance on the development and consideration of the Plan and reiterated that it was important to “get it right” as soon as possible and acknowledged that the effort could take longer than desired but that all were committed to shorten the timeline where possible.

Councilmember Courage asked for clarification on how the Committee would proceed in defining the Plan components to include the development of subcommittees, stakeholder feedback and other components. He noted that he was uncertain on how to proceed and requested guidance. Deputy City Manager Villagomez stated that City staff would recommend a competitive procurement process to obtain the information needed.

Councilmember Castillo emphasized the need for artists and related small businesses.

Councilmember Rocha Garcia noted her agreement with Councilmember Courage and the need for a competitive procurement process to identify program components. She stated her support of programs for businesses on the City’s East Side and supported SAGE’s efforts in the area.

Councilmember Viagran stated that she had concerns with the development of the program and stated that she anticipated inclusion of the small business committees to provide input and direction on the development of small business programs. Councilmember Viagran requested that ARPA funding include the Arts area.

3. The American Rescue Plan Act (ARPA) Funds for Small Business. [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Brenda Hicks-Sorensen, Economic Development Director, provided a briefing on the recommendations for ARPA funding in the small business area. She noted that COVID-19 had a large impact on small business categories and that the City of San Antonio had developed a REcover and RESiliency Plan that supported small businesses with the assistance of community stakeholders such as LiftFund, SAGE and Maestro. Hicks-Sorensen provided an overview of the COVID-19 small business relief funds provided to San Antonio businesses.

Hicks-Sorenson reviewed the priorities and themes identified under the small business category to include access to capital, capacity building, ecosystem small business enhancements, localism efforts, and geographic placemaking efforts. She provided an overview of the Small Business Advisory Committee (SBAC) meeting feedback to include small business goals and other areas of interest. Hicks-Sorenson noted the next steps in the development process.

Councilmember Viagran stated that she felt that SBAC already had a large amount of work and that the Committee had already identified goals to address immediately. She asked that the goals be reviewed to determine a consensus on program development.

Councilmember Rocha Garcia stated that she supported the goals identified by the SBAC and that the SBAC provided additional feedback on the percentages of funding per category. Councilmember Rocha Garcia asked how the SBAC discussions and goals set had been identified. SBAC Chair Jeremy Roberts stated that the SBAC had identified the goals collaboratively but that more analysis had been conducted and that they had developed percentages for funding categories.

Councilmember Castillo stated that it was not a surprise that the need for access to capital was a priority for small business owners and requested that a large portion of the funding be used for grant fiscal assistance. Councilmember Castillo requested a meeting to discuss current programs and small business desired programs such as business facelift programs. Councilmember Castillo noted her support for a land trust program discussion and development. She also noted the importance of placemaking efforts and the need for community input on the subject.

Councilmember Courage noted the importance of including SBAC in the program development process but that it was also important to include community stakeholders such as LiftFund, SAGE and others. He stated that it was important to include the hospitality industry in these discussions since they were greatly impacted during COVID. Councilmember Courage stated that asset building and access to capital were also important categories to consider.

Chair Pelaez stated that the SBAC was an underutilized asset that should be included in the development and noted his concern regarding the SBAC replacing the use of an outside vendor to provide greater analysis. He stressed that it was important to provide input and insight of the needs of small businesses and then work closely with an identified vendor to improve services, training and capacity.

Councilmember Rocha Garcia noted that it was important to make sure that the community partners did help the small businesses that had not been assisted yet. She stated that it was important to hold the partners accountable.

Councilmember Viagran reiterated the need to evaluate what could be done in supporting those businesses not assisted in the past.

Councilmember Castillo recommended that grants be dispersed immediately. She noted that a community land trust was part of the recommendations and asked if it would be like a community land trust for commercial tenants. Hicks-Sorenson stated that there had not been conversations regarding community land trusts, however, some of this tied into the strategic plan.

No action was required for Item 3.

4. The American Rescue Plan Act (ARPA) Funds for Youth. [Lori Houston, Assistant City Manager; Melody Woosley, Director, Department of Human Services]

Melody Woosley, Human Services Director, provided an overview of ARPA funding utilized for youth programs and reviewed the COVID-19 impact on youth and the results of the Teen Mental Health Survey. Woosley reviewed the FY 2022 funding for youth programs and noted that services were provided by the departments of Human Service, Parks and Recreation, Metro Health, Library and Municipal Court. Woosley discussed the preliminary City Council feedback provided in developing youth programs and other input received by City Boards and community stakeholders. She reviewed the identified next steps in the development of a spending plan.

Councilmember Courage noted that as a teacher for over 20 years he had witnessed the needs of youth firsthand and asked how community stakeholders and partners were to be identified for policy development. Woosley stated that a competitive process would be implemented. Councilmember Courage stated that school districts and the San Antonio Youth Commission (SAYC) should be included in the process.

Councilmember Castillo agreed that the SAYC be included in the process and that \$100,000 to \$250,000 be provided to the San Antonio Youth Commission for their input. Councilmember Castillo stressed the importance of including low income school districts such as Edgewood Independent School District.

Councilmember Rocha Garcia requested the drop out rates for area school districts. Woosley stated that she would provide that information.

Councilmember Viagran stated that it was important to include groups such as TEleton in discussions on youth programs and agreed that the SAYC's inclusion was vital to program development and possible funding. Councilmember Viagran stated that upstream education programs were also important to be considered. She stressed that salaries of youth service providers needed to be reviewed since they provided such an important service to the community.

Councilmember Courage reiterated the inclusion of community stakeholders such as school districts, the YMCA/YWCA programs and other youth services groups to gain information on youth needs.

Councilmember Castillo emphasized the need to identify organizations assisting at-risk youth and the services they provided for input.

Chair Pelaez stated that it was important to identify organizations that addressed mental health issues.

No action was required for Item 4.

5. The American Rescue Plan Act (ARPA) Funds for Digital Inclusion/Digital Literacy.

[John Peterek, Assistant to the City Manager; Brian Dillard, Chief Innovation Officer, Office of Innovation]

Innovation Director Brian Dillard provided an overview on the impact of COVID-19 on digital divide issues. He noted that a quarter of Americans did not have digital access and that minorities were negatively impacted by the lack of digital services. Dillard reviewed the digital barriers by demographics, the quality and affordability of digital services and digital literacy. He noted that 20% of San Antonio and Greater Bexar County households did not have digital access and he reviewed the current and post digital inclusion efforts.

Dillard provided an overview of State and Federal funding alignment efforts and broadband equity efforts under the BEAD Program to include program priorities and key features. He reviewed the next steps in identifying solutions on how to spend available ARPA funding.

Councilmember Rocha Garcia asked how many youth were registered in ISP programs. Dillard stated that he would provide that information to the Committee. Councilmember Rocha Garcia asked what factors impacted the lack of digital services. Dillard stated that factors of lack of fiber infrastructure, capital structure and costs impacted the lack of digital inclusion.

Councilmember Viagran requested the amount of funding provided to ISP programs. Viagran stated that she saw firsthand the barriers of digital services in her community. She noted that the \$6.9 million funding available would be best used to leverage school district partnerships and to help small businesses gain connectivity.

Councilmember Castillo asked which school districts had the City assisted in providing routers or hot spots to students. Dillard stated that Edgewood, Harlandale and San Antonio Independent School Districts had contracts to provide equipment to students. Councilmember Castillo noted her support of funding for independent school districts and micro businesses needing digital access.

Councilmember Courage asked for clarification on the amount of City funding to be used for digital expansion. Dillard stated that \$6.9 million was still available from the original ARPA funding allocations. Councilmember Courage noted his agreement with fellow Councilmembers on the need to identify State priorities for digital inclusion efforts. Dillard stated that the State's priority was to expand digital services in rural areas. Councilmember Courage stated that it was important to consider holding available funds for consideration under the Federal government's match fund requirements and he asked what the Federal government's match requirement was. Dillard stated that it was anticipated that the Federal match requirement would be 25%. Councilmember Courage reiterated that it would be vital to consider the funds match program since information on the program would be available in May 2022.

Chair Pelaez stated that it was important to identify the Federal and State governments priority for broadband and digital services to make sure the City's efforts were included and taken into consideration. Chair Pelaez requested a list of the organizations that had applied for ARPA funding.

No action was required for Item 5.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 4:30 PM.

Approved

Manny Pelaez, Chair

Respectfully Submitted

Debbie Racca-Sittre, Interim City Clerk