

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, May 24, 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 April 26, 2022.**

Councilmember Rocha Garcia moved to Approve the minutes from the Economic and Workforce Development Committee meeting on April 26, 2022. Councilmember Viagran seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Rocha Garcia, Castillo, Courage

Public Comments

There were no public comments.

Briefing and Possible Action on the following items

2. Briefing on implementation plan for the American Rescue Plan Act (ARPA) funds for Small Business. [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Ana Bradshaw, Economic Development Department Assistant Director, provided an overview of the implementation plan for the American Rescue Plan Act (ARPA) funds and the plan development for the usage of those funds. Bradshaw reviewed how other U.S. cities implemented small business plans with ARPA funds. She stated that the Small Business Advisory Commission (SBAC) identified priorities and recommended investments and noted that SBAC recommended \$30.9 million for various programs and categories.

Bradshaw discussed the COVID-19 impacts to the identified SBAC strategies and priorities, projected equitable outcomes and performance indicators. She noted that results would be reported back to the Committee on a regular basis. Bradshaw reviewed proposed strategies for access to capital, development of grant program design and priorities, capacity building, small business ecosystem development, localism development and geographic placemaking. Bradshaw discussed SBAC feedback on the usage of the ARPA funding and noted their unanimous support of staff recommendations and reviewed the next steps in the approval of ARPA funds allocation.

Assistant City Manager Alex Lopez stated that funding identified for administration presented the opportunity to support additional businesses or supplement some of the programs.

PUBLIC COMMENT:

Jeremy Roberts, SBAC Chair, spoke in support of staff recommendations and the proposed programs.

Bo Lim, owner of Golden Star Chinese Restaurant, asked the Committee to support programs assisting small businesses through challenges resulting from COVID-19 and street construction surrounding the downtown businesses.

Julissa Carielo spoke in support of proposed staff recommendations but noted that additional funding was still needed to support struggling small businesses beyond ARPA available funding.

Jane Gonzalez, owner of MedWheels, spoke in support of staff and SBAC recommendations.

Janie Barrera, President and CEO of LiftFund, spoke in support of staff recommendations and offered LiftFund to provide program delivery as a seasoned partner for small businesses in the community.

Juanita Sepulveda spoke in support of SBAC and staff recommendations for ARPA funding usage and reiterated the importance of being creative in developing immediate programs for small businesses.

DISCUSSION

Chair Pelaez stated that it was important to note that the SBAC unanimously supported staff recommendations which was not a small task and spoke to staff's recommendations.

Councilmember Courage asked for clarification on the delivery of grants versus loans for small businesses. Bradshaw stated that the priority was to deliver grants first within ARPA regulations and the use of loans for long term solutions. Councilmember Courage asked of set amounts for grants and loans. Bradshaw stated that the review process would define the exact amounts and staff would update the Committee on recommended amounts.

Councilmember Courage asked if the solicitation would identify one or several agencies to deliver grants and loans. Bradshaw stated that the solicitation process could identify several organizations, but it was preferred to have one organization delivering both services. Councilmember Courage expressed concern that expansion of outdoor spaces would create noise.

Councilmember Castillo stated that it was urgent to deliver funds as quickly as possible and expressed her concern regarding the proposed timeline for delivering funds in July 2022. Assistant City Manager Alex Lopez stated that the staff priority was to deliver initial funds immediately and then other funds later in July 2022. Councilmember Castillo stated that she was pleased that staff identified Operation Facelift to assist small businesses improve their business store fronts but asked that \$5 million rather than \$3 million be used for the initiative. Councilmember Castillo asked for a breakdown of pillar funding and requested that a briefing be provided to gain more information on the strategies. Councilmember Castillo asked that specific Council District 5 business corridors be considered and resident and business engagement results be reviewed for further coordination.

Councilmember Rocha Garcia thanked the SBAC for their efforts and achieving the charge set before them. Councilmember Rocha Garcia stated that not all identified funds for the hiring of staff would be used and asked that the remaining funding be utilized for access to capital. Deputy City Manager Maria Villagomez stated that approximately \$1 million would be reallocated to program initiatives thus offering more assistance for small businesses. Councilmember Rocha Garcia asked for data on small businesses assisted and surviving after receiving assistance.

Councilmember Rocha Garcia recommended that a smaller amount of funding be used in ecosystem mapping and the remaining funds be reallocated to other categories. She asked for a meeting to discuss the allocation of funding for the different categories and how the amounts were determined for each. She stressed that many small businesses needed immediate access to funds in the form of grants and not loans. Assistant City Manager Lopez stated that staff would meet to discuss her concerns and any pending item responses.

Councilmember Viagran requested more information on emergency fund assistance especially due to COVID-19 impacts and availability of funding to businesses. She asked where entrepreneurship fit in each of the proposed categories and stressed the importance of delivering assistance as soon

as possible. Councilmember Viagran stated that it was important to address digital divide issues and to identify possible funding. She stated that she agreed with her Council colleagues that each pillar funding be further defined and that specific corridors be addressed due to the impact to businesses.

Chair Pelaez stated that the Committee reached a consensus in supporting the recommendations but that access to capital funding needed to be further addressed and the Committee be provided with updates. He noted his pleasure that not only Texas cities were reviewed for small business assistance best practices. Chair Pelaez noted the challenges faced by small businesses due to street construction issues such as Golden Star and asked that small businesses impacted by actions by the City should be addressed first for delivery of funding assistance. Chair Pelaez stated that it was important to meet with all stakeholder groups.

Councilmember Courage reiterated the importance of reallocating funds.

Councilmember Castillo agreed that it was important to address and provide immediate assistance to businesses impacted by long term street construction projects and welcomed ideas on how to address them.

Councilmember Rocha Garcia expressed concern that small business owners were not represented on the Small Business Ecosystem Advisory Council.

Assistant City Manager Alex Lopez noted that many of the recommendations identified a solicitation process for the delivery of programs.

Councilmember Courage asked if the item would be brought before City Council for consideration. Assistant City Manager Lopez replied that it would.

Councilmember Courage moved to Approve. Councilmember Viagran seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Rocha Garcia, Castillo, Courage

3. A briefing on the American Rescue Plan Act (ARPA) Spending Framework – Investments for Youth. [Lori Houston, Assistant City Manager; Melody Woosley, Director, Human Services]

Melody Woosley, Department of Human Services (DHS) Director, provided an overview of the American Rescue Plan Act (ARPA) spending framework for investments for youth programs. She reviewed the initial City Council feedback and stakeholder meetings feedback for the development of the framework. Woosley reviewed stakeholder input in the areas for COVID-19 impacts, proposed strategies and outcomes. She also noted that feedback was provided on the delivery of City of San Antonio processes and stated that DHS staff had conducted additional youth success

outreach to gain insight of needed services. Woosley reviewed the timeline for the ARPA implementation plan process to be considered by the full city Council.

PUBLIC COMMENT

Christina Casella, SA Youth CEO, spoke in support of ARPA funding and the need for youth programs in the community.

DISCUSSION

Councilmember Viagran requested a list of the agencies that provided stakeholder feedback to ensure that all categories were addressed to include mental health concerns.

Councilmember Rocha Garcia asked if the mental health survey could be expanded or prolonged to enhance engagement responses. Woosley stated that staff would coordinate additional engagement until the end of the year. Councilmember Rocha Garcia asked that the issue of homelessness be addressed to further determine impact among youth. Councilmember Rocha Garcia asked what portion of the youth budget was directed to youth programs. Woosley stated that 90% of funding went to specific program delivery.

Councilmember Castillo asked that the San Antonio Youth Commission's (SAYC) input be included in the survey and asked if the SAYC could receive funding for their efforts. Woosley stated that the Commission did not have an allocation but would be included to gain insight and recommendations for funding allocations.

Councilmember Courage asked how much dedicated budget funding was allocated to youth services. Woosley stated that approximately \$30 million was dedicated to youth services. Councilmember Courage noted that homeless services delivery was approximately \$70 million and stressed that it was important to identify additional funding for youth services in current and future budgets.

Chair Pelaez stated that it was important to review all available funding and asked if some small business funding should be considered for youth programs. He noted that high school innovation programs should be considered for gaining insight of needed youth programs.

Councilmember Courage stated that there were many senior centers that were not utilized after certain hours and asked that these facilities be considered for youth services when not used by senior residents.

No action was required for Item 3.

4. Briefing on City's current digital inclusion efforts and 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]

Brian Dillard, Chief Innovation Officer, provided an overview of the current digital inclusion efforts under the American Rescue Plan Act (ARPA) with community partners, City Departments and governmental organizations. He reviewed the Affordability Connectivity Program and the Emergency Connectivity Fund. In addition, he reviewed the Middle Mile Grant Program and initiatives associated with broadband equity, access and deployment. Dillard discussed the plan components for discussion with local independent school district partners and the next steps in the process.

PUBLIC COMMENT

Geronimo Guerra, President of the Local Internet Workers, stated that it was critical that the City expand internet services for residents and to provide additional union jobs within the community. He stated that it was important to address the digital divide in the community.

DISCUSSION

Councilmember Courage expressed his support for the Middle Mile Grant Program which was a City initiated program. He asked how much funding the City would receive with a matching requirement of 30% or through the State at 25%. Dillard stated that the City would receive \$23 million with the 30% match requirement and \$27 million with the 25% match requirement. Councilmember Courage was reluctant to go through the State.

Councilmember Castillo thanked staff for their program recommendations and asked which of the proposed programs would best address digital divide issues. Dillard stated that he felt that the Middle Mile Program would be more impactful. Councilmember Castillo asked how communication efforts would be conducted to stakeholder groups. Dillard stated that current stakeholders would be utilized to identify further input.

Councilmember Rocha Garcia asked if there were factors identified for outcome effectiveness. Dillard confirmed that identifiers would be defined with stakeholder's assistance. Rocha Garcia requested clarification on the timeline for the grant application, who was working with staff on the application and what the Committee could do to assist in the process. Dillard stated that letters of support from Committee Members would be useful along with the identification of stakeholder groups to provide input.

Councilmember Rocha Garcia asked if any local school districts had applied for funding. Dillard stated that he would provide information once obtained. Councilmember Rocha Garcia asked for a map of areas with the least reliable internet services.

Councilmember Viagran asked if funding would be needed from the City or if only ARPA funding was being considered. Lopez stated that currently ARPA funding was being considered. Councilmember Viagran asked if SA Digital Connects had recommended utilizing ARPA funds

or general funds, Marina Alderete Gavito, Executive Director of SA Digital Connects, stated that they were working with the City's innovation team and ITSD to release a Request for Information (RFI) and that information could be used to apply for State and Federal funding. Councilmember Viagran stated that it was important that the City add grant applications at the Federal and State level and stressed the importance of gaining as much information with partners to build strong applications to address ARPA and CARES Act Funding. Councilmember Viagran stated that the City needed to make a commitment in the City's Budget to make a difference in the digital divide.

Councilmember Courage asked if there was still State funding available. Dillard stated that currently there was not any State funding available but funding might be available at a later date. Councilmember Courage asked if Sterling Satellite was being considered for delivery of digital divide services. Dillard stated that they were being considered.

Chair Pelaez reiterated that it was important to quickly release these initiatives and grant applications to address digital divide issues. He stated that the City had done a great deal to address digital divide efforts and that other organizations were looking to the City for best practices.

Councilmember Castillo stated that it was important to prioritize fair wage practices and initiatives for internet services. Councilmember Castillo asked what could be done to include the Communications Workers of America (CWA) in these efforts. Dillard stated that discussions on how to proceed with leadership would have to be held since this was a solicitation process and staff wanted to meet all procurement requirements.

No action was required for Item 4.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 4:22 PM.

Approved

Manny Pelaez, Chair

Respectfully Submitted

Debbie Racca-Sittre, City Clerk