

CITY OF SAN ANTONIO
ECONOMIC DEVELOPMENT DEPARTMENT
SMALL BUSINESS ADVISORY COMMISSION (SBAC)
Saturday, December 4, 2021
9:00 a.m.

Call to Order:

The meeting was called to order at 9:16 a.m. by Ms. Brenda Hicks-Sorensen acting as the presiding Officer. A quorum was established. Economic Development staff present included, Ms. Brenda Hicks-Sorensen, Director, Ms. Ana Bradshaw, EDD Assistant Director, Ms. Samantha Diaz, Economic Development Coordinator, Ms. Monica Flores, Small Business Liaison, Ms. Caitlin Cowart, Public Relations and Marketing Manager, Ms. Valarie Carmona, Executive Secretary. Additional City Staff Present include, Ms. Christina Ramirez, Assistant City Attorney, Ms. Alex Lopez, Assistant City Manager, Ms. Veronica Carrillo, COVID-19 Executive Officer.

Roll Call:

DISTRICT 1 APPOINTEE VACANT		DISTRICT 6 APPOINTEE Rick Tamfu	Present
DISTRICT 2 APPOINTEE VACANT		DISTRICT 7 APPOINTEE Katie Sirakos	Present
DISTRICT 3 APPOINTEE Judy Canales	Present	DISTRICT 8 APPOINTEE Sarah Shakil	Present
DISTRICT 4 APPOINTEE Juanita Sepulveda	Present	DISTRICT 9 APPOINTEE Jeremy Roberts	Present
DISTRICT 5 APPOINTEE Vickie Willoughby	Present	DISTRICT 10 APPOINTEE Jim Hollerbach	Present
Mayoral Appointee Julissa Carielo	Present		

Briefing and Possible Action on the following items:

1. Briefing and discussion on American Rescue Plan Act (ARPA) Fiscal Recovery Funds.

Ms. Carrillo reviewed information on ARPA, San Antonio’s strategy and update on framework and the council request of the commission. The City has been awarded \$326.9M, with the funding being received in two allocations; \$163.45M by May 2021 and \$163.45M by May of 2022. All funds must be spent by December of 2026. Eligible uses of the recovery funds include, replace public sector revenue loss, support public health response, address negative economic impacts, and water, sewer, and broadband infrastructure. ARPA funds may be used for small business assistance in the following programs that address the need or COVID impact; loans, grants, or in-kind assistance, technical assistance, criteria can target assistance, improve outdoor spaces, and startup businesses. The proposed spending framework includes, COVID-19 response, community needs, and impactful investments. As representatives of the small business community, City Council has asked the commission to prioritize the negative impacts of COVID as well as the needs to succeed going forward.

2. Discussion and possible action on impact of COVID-19 on small businesses, to include identified priorities for potential ARPA investments. Commission Open Discussion.

Ms. Bradshaw shared where opportunities for ARPA funding are focused throughout the city.

Top challenges identified by the small business community are:

- Access to financial capital
- Labor/hiring
- Reduced customers/revenue
- Rent/Mortgage
- Supply Chain

Potential ARPA investments include:

- Access to capital
- Capacity Building
- Ecosystem Enhancements
- Geographic Placemaking

Mr. Mike Ramsey, Executive Director of Workforce Development reviewed the ongoing SA Ready-to-Work (RTW) program. The program is to come soon, it is in the RFP process and was funded by voter-approved sales tax through 2025. Goals of the program include the following: unemployed, underemployed, or underserved residents can access and complete the program, training and education align with current and anticipated high-demand, well-paid careers, and participants secure high-demand, well-paid careers. Objectives include increase access to industry-recognized certification training and college, provide wraparound services and emergency funding to ensure success, increase collaboration within the workforce ecosystem, and promote accountability and adaptability throughout process. Core services of the program are, workforce training, degree completion, wraparound support, and emergency financial assistance. Targeted industry sectors include health, IT/cybersecurity, construction/architecture/utilities, education, aerospace/manufacturing, oil & gas/warehousing, and transportation/finance.

Mr. Robert's asked if hospitality could be a possible future category, Mr. Ramsey stated, yes it can be looked at as one and it can also fall under any of the existing categories listed. Mr. Ramsey reiterated that the program is open to small, medium, and large businesses. More thorough conversations about the RTW program will be discussed at a future SBAC meeting.

The RTW program is a separately funded program, but it does relate to one of the priorities recognized under labor/hiring which is the reason for the presentation. Ms. Sirakos suggested potential future collaboration between the RTW program and the work that will be conducted to determine potential programs for ARPA funds as it relates to small businesses.

Mr. Ramsey reviewed ways that RTW can benefit small businesses, such as, recruiting, retention, innovation, and promotion. There is a pledge that the city is asking employers to commit to, this pledge will ensure the ultimate success of the program, by pledging your commitment to support the investment in our city's greatest asset, the people.

Mr. Ramsey reviewed the Trains for Jobs SA which is an ongoing program that was an immediate response to COVID-19. It offers short-term training and certifications and allows residents to earn stipends while training. To date, there are over 16,000 participants that have expressed interest, with over 3,500 participants that have

already been trained in different business categories. Ms. Carielo questioned if the program is only for hiring and not for promoting within. Mr. Ramsey replied, "If they fall within certain income levels, they are eligible for the training, but it is based on every individual".

Ms. Bradshaw reiterated the top challenges identified by the small business community. Labor/hiring will be a continued discussion with the commission.

Ms. Bradshaw shared capital assistance programs that have been offered to date:

- City-sponsored (CARES funded)
 - Grants to micro businesses, non-profits, arts, loan forgiveness, hospitality
- Small Business Administration
 - Loans: PPP, EIDL
 - Grants: Shuttered venues, restaurant revitalization fund

Ms. Bradshaw reviewed the COSA grant eligibility criteria which included size, revenue, demonstrated loss, and business establishment. Capacity building was defined more so to where a small business can grow to their greatest potential to include business planning, financial literacy, back-office support programs, marketing- both digital and traditional, bonding assistance, and next generation entrepreneurship programs.

Ecosystem enhancements look to develop a stronger, more resilient small business ecosystem by supporting the implementation of recommendations from the San Antonio Ecosystem Assessment. Geographic placemaking includes creating places where people want to be. This category identifies nodes of opportunity for investment, facades and patios and corridor investments. Redevelopment of underutilized City property and implementing programs and strategies to spur other investments. Next steps include advising Council of community and business needs and priorities followed by the January 13 City Council consideration of approval for the plan.

Ms. Sirakos questioned the revolving loan funds and if it is an eligible use of ARPA funding even though the use of the loan fund is not fully expended by December 2026. Ms. Carrillo stated the program details must be established first, but funds would have to be expended by 2026. Ms. Ramirez answered that the City can potentially give the money to a third party to handle the loans. Ms. Carielo asked if there is a shortage of funds for lending from third parties that would deem necessary to pull from ARPA funds. Ms. Bradshaw replied that there is not necessarily a shortage but some of the small businesses in underserved areas don't have established banking relationships or may have credit challenges.

Ms. Carielo asked if there is anything in place today that is already interviewing small business support organizations to make sure they are not running like small businesses that are also in need. Ms. Bradshaw stated the City's partner in the assessment was LISC San Antonio. They have taken the lead on having a cohort program with many organizations and addressing many issues or concerns with their business operations. Ms. Bradshaw also stated the need is greater than LISC's capacity now. Ms. Carielo questioned if any previous funds been directed towards geographic placemaking category efforts. Ms. Bradshaw replied that some money has been directed to similar programs but very limited and very geographic specific. Nothing is being funded fully though. Ms. Carielo requested to see data on the SBA Paycheck Protection Program to identify only the small businesses support. Ms. Bradshaw stated the department can go back into the data and pull the information.

Ms. Canales added a recommendation under capacity building, procurement technical assistance. Under geographic placemaking, she agreed façade efforts as well as corridor efforts for not only the southside but other areas of San Antonio as well. She also recommended creating new opportunities for LitfFund in the form of capital.

Ms. Willoughby commented about the allocated funding and how much is left for the workforce training funded by the CARES act. Ms. Hicks-Sorensen replied none of the current program are being funded by ARPA. Ms. Willoughby asked if the commission makes recommendations to supplement ARPA related funding from the General Fund. Ms. Hicks-Sorensen stated, yes, the focus of the commission is to determine how to use the ARPA funds. The commission can enhance existing programs within the federal regulation guidelines. Mr. Hollerbach questioned Mr. Ramsey about the slow start of the RTW program as well as the role of the Commission. Does City Council have other earmarks in mind for the ARPA funding? Ms. Carrillo expressed there is still community engagement, and many other needs are being shared from non-profits, residents, etc. City Council will be considering every range. Ms. Sirakos agreed with the procurement comment from Ms. Canales and stated there are resources in the community to service the small business community and hopes to hear from LISC at a future meeting.

Public Comment:

- **Lyndsey Lock, Texas A&M:** Advocating for Childcare, representing Educare. Asking for a one-time infrastructure investment and long-term impactful solution for accessible, affordable, high quality, early childcare education, and care from the ARPA funds. Advocated for a Educare center on the southside of San Antonio to support high quality education and childcare for existing childcare providers.
- **Rick McGowen, Medicare:** Spoke about his business and the data they have been gathering on COVID exposure and how Medicare has been helping the community. Trusts in helping people learn new trades to get back into the workforce.
- **Warren T. Knight, Medicare:** Representing Medicare. Shared the importance of helping people get back into the workforce.
- **Melissa Jockwick, Texas A&M:** Representing Educare. Educare will address the childcare desert and quality deserts. There is a huge inequity in certain areas where families don't have access to childcare. Educare will provide a teaching lab for future educators, small business owners, etc. Asking for support in the initiative.

Ms. Hicks-Sorensen reiterated the ask from Council is to have the commission prioritize specific categories of needs for the small business community. Ms. Shakil stated the commission needs to stay focused on small and micro-business needs. Access to capital was agreed upon by the commission to put as a top category. Mr. Roberts spoke for the Commission stating they did not want to start off with EDD staff recommended categories, but instead preferred to come up with their own to take to Council. The commission agreed with Mr. Robert's recommendation.

Ms. Carielo's categories:

- Access to capital: Focusing on grants and identifying grants that can work alongside other federal assistance can also be included. Grants first, lending second. Grants for small businesses coming out of workforce, grants for businesses to provide paid internships.
- Childcare: Tapping into how small businesses can assist their employees with assistance to help them

get back to work, i.e., stipend or grants.

- Workforce development program: Training for entrepreneurs and treating them as employees. Train business owners as well as employees through workforce programs.
- On-the-Job training program with pay.
- By Local program established with large organizations.
- Ecosystem enhancements: Identifying what support is already out there through organizations already in place, no need to create new ones. Cross collaboration.
- A small business disadvantage is that they pay more for everything, put something together where small businesses can buy in bulk. If enough businesses need a product, buy it at a large business rate.
- Procurement technical assistance program needs to continue but be tracked better and get feedback to the Commission.
- Small business identification categories need to be updated.

Ms. Canales' categories:

- Access to capital
 - o Creating new opportunities to LiftFund
- Capacity building
- Building, procurement technical assistance.
- Under geographic placemaking, agreed façade efforts as well as corridor efforts for not only the southside, but other areas of San Antonio as well.

Ms. Willoughby's categories:

- Consideration for a more precise definition of a micro-business.
 - o Create a program to reach micro-businesses who need help technical assistance.
- Look into unspent funding from workforce development pillars and see if some can be shifted to small businesses. Would like further discussion on this topic.
 - o Ms. Ramirez reiterated there are no funds remaining from the CARES act. Ms. Carrillo addressed the questions stating that through the recovery and resiliency plan there was general fund dollars allocated to the workforce development program and those funds are being utilized through 2023. Mr. Ramsey detailed that those funds are being utilized for the training and stipends while people are in training. These funds are from the general fund not from the CARES funding that was previously received.

Ms. Willoughby recommended tabling this discussion for a future SBAC agenda.

Ms. Sirakos' categories:

- Access to capital
 - o Childcare
- Capacity building

Mr. Hollerbach's categories:

- Access to capital
 - o Childcare
 - o Employer subsidies
 - o Buyers purchasing program
- Ongoing communication throughout the San Antonio

Ms. Sepulveda's categories:

- Access to capital
- Capacity building
- Ecosystem enhancements
 - o Living standards, district enhancements, housing, education
- Workforce capacity

Ms. Shakil's categories:

- Access to capital
- Capacity building
- Workforce development
 - o Training for employees and owners, i.e., mentoring programs.

Mr. Tamfu's categories:

- Access to capital (low interest loans)
- Capacity building
 - o Employee training towards the small business not the individual
 - o Giving funds directly to businesses, not the person, there is a chance the money will be misspent by the individual.

Mr. Roberts suggested the addition of including hospitality as a category. Ms. Carrillo reiterated current categories are specific to small businesses and that information will be shared with Council. In recent community meetings, arts can be a consideration from council but that will not be determined until a later date.

The Small Business Advocacy Commission recommended the following 5 potential ARPA investments to City Council:

1. Access to capital
 - Buying/purchasing program
2. Capacity Building
 - Focus on small and micro-businesses
 - Workforce training
 - On-the-Job training programs
 - Healthcare/mental health
3. Localism
 - Tourism and hospitality
 - Arts
4. Ecosystem Enhancements
 - Childcare assistance
 - Healthcare/mental health
 - Buying in Bulk
5. Geographic Placemaking
 - District enhancements

Note: For every category listed above, the commission determined subcategories not listed that will be discussed at future SBAC meetings.

Ms. Canales motioned of adoption of the Small Business Advisory Commission recommendations to City Council based on the five categories in order of priority. Ms. Sepulveda seconded the motion with the entire commission agreeing, motion carried.

Ms. Sirakos queried if it was possible to attach a dollar figure to the category request by the commission to Council. Ms. Carrillo reiterated that that was not a request from Council specifically, they only asked for small business priorities. Ms. Carielo suggested the commission ask for \$100M from City Council. Assistant City Manager, Ms. Alex Lopez along with Ms. Carrillo reviewed the amounts remaining and suggested the Commission rethink the idea of submitting such a large amount as a recommendation due to the other community feedback still needing to be reviewed in whole by Council. Ms. Carielo made a motion to request \$100M go to small businesses, assisting between 4,000-5,000 businesses. A robust discussion took place followed by a commission; 2 yes, 7 no, motion failed.

Adjournment

The meeting was adjourned at 12:16 p.m.

DRAFT