

City of San Antonio



City Council Special Session

No in-person access for this meeting

Wednesday, August 19, 2020

2:00 PM

Videoconference

ROLL CALL

The City Council convened in a Regular Meeting. Acting City Clerk Tina J. Flores took the Roll Call noting a quorum with the following Councilmembers present:

PRESENT: 11 - Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry

Once a quorum is established, the City Council shall consider the following:

1. **Staff presentation of the FY 2021 Proposed Budget focusing on, but not limited to, the following City Departments or Initiatives:** [Erik Walsh, City Manager; Scott Huizenga, Director, Management and Budget]

A. Economic Development

Alex Lopez stated that the purpose of the Economic Development Department (EDD) was to foster economic growth through collaboration and innovation, and to promote equity through economic opportunity. She reported that there were four components in the department: 1) Small business; 2) Workforce development; 3) Industry development; and 4) International engagement. She stated that the Budget for EDD was approximately \$14.1 million which represented a decrease of \$1.4 million from FY 2020. She reported that one-third of the Budget supported the operations of the department and two-thirds of the Budget supported economic development agreements, agreements with partner organizations, and workforce development agencies. She noted that under the Small Business Pillar of the COVID-19 Community Recovery and Resiliency Plan (Plan), EDD received \$33.2 million in FY 2020 and would receive \$4.9 million in FY 2021. She added that under the Workforce Development Pillar of the Plan, EDD received \$10 million in FY 2020 and would receive \$65 million in FY 2021.

Ms. Lopez stated that staff identified three targets within the Budget Equity Tool:

1. Formed a Department Equity Action Team to complete a Department Equity Assessment and a two-year Equity Action Plan

2. Advocated to embed equity in the San Antonio Economic Development Foundation Strategic Plan
3. Created a Diversity Action Plan Procurement Guide

Ms. Lopez reported that more equity concepts would be incorporated in FY 2021, as follows:

1. Embed equity in the COVID-19 Community Recovery and Resiliency Plan:
 - Use Equity Atlas in door-to-door engagement efforts
 - Set aspirational goals for workforce training and small business support based on race, gender, and income
 - Use equity criteria in scoring grant applications for microbusinesses and non-profits
2. Investment in contracting a disparity study to provide a continued, solid legal premise for an inclusive M/WBE contracting program

Ms. Lopez stated that the Small Business Economic Development Advocacy (SBEDA) Program Ordinance required that a solicitation be issued at the end of the year for a disparity study. She noted that the study would provide a comprehensive assessment of the progress made in closing contract disparity gaps and the application of race and gender-conscious goals and preferences to contracts.

Ms. Lopez reported that small business support programs included: 1) Development fee waivers; 2) 0% interest loans from LiftFund; and 3) Entrepreneurial Resource Center at LaunchSA. Ms. Lopez stated that the City provided operational support for SouthsideFirst, the Westside Development Corporation, and San Antonio for Growth on the Eastside. She indicated that the organizations facilitated small business development in traditionally underserved areas through programmatic support and access to capital. She reported that in FY 2021, funding for these organizations would transition to EDD, promoting increased collaboration with EDD and among the organizations. She added that EDD was already collaborating and managing contracts with these organizations as part of the Plan.

Ms. Lopez reported that EDD was reviewing over 2,700 applications received and planned to fund the grants in the coming weeks. She noted that partners would begin door-to-door outreach this week and personal protective equipment (PPE) would be distributed to small businesses. She stated that the final partner contract for workforce development was approved on August 18, 2020. She reported that the Budget for the Workforce Development Pillar of the Plan was \$75 million and would serve up to 10,000 residents by September 2021.

Ms. Lopez stated that the City Council approved a ballot initiative last week to support workforce and education beyond the Plan. She presented the milestones associated with the initiative, should voters approve it in November 2020.

Ms. Lopez stated that the Budget included funding for workforce delegate agencies that would serve residents through the Plan. She noted that EDD recommended additional funding for Chrysalis Ministries, Goodwill San Antonio, and Project Quest through Plan contracts. She indicated that Alamo Promise was included in the delegate agency programming which supported last-dollar scholarships for graduating seniors from 25 area high schools. She noted that there were 7,280 Promise Scholars

enrolled for FY 2021. She reported that traditional job creation and private investment promotion strategies would shift in FY 2021 with a proposed reduction of \$1.6 million in the Economic Development Incentive Fund (EDIF).

Ms. Lopez indicated that no cash incentives would be provided for industry development in FY 2021, but coordination services would continue. She noted an increase in requests for support to pursue State incentives such as the Texas Enterprise Zone nominations which required City Council approval. She stated that the incentive had no impact to the City but provided companies with State sales tax rebates. She reported that State law required an update of the City's Tax Abatement Policy at least every two years and EDD would conduct a public engagement process in the fall to determine recommended changes to the policy. She added that the recommended policy changes would be presented to the Economic and Workforce Development Council Committee in fall 2020 and would be brought before City Council in December 2020.

Ms. Lopez stated that the Budget included funds for the San Antonio Economic Development Foundation (SAEDF) for business recruitment and retention, workforce development, and international business development. She noted that EDD requested SAEDF to provide strategies to focus on increased racial, ethnic, gender diversity, small business representation, and equity in the participation and representation of the interest of businesses owned by women and people of color in San Antonio.

Ms. Lopez reported that the department finalized its international strategy, which was a data-informed approach to global engagement. She noted that the COVID-19 Pandemic required an evolution of the execution of the strategy with the hybrid approach including virtual engagement. She added that EDD remained focused on global engagements and relationships which fostered economic growth and cultural diplomacy.

B. Neighborhood and Housing Services

Verónica R. Soto provided an overview of the Neighborhood Housing Services Department (NHSD) and noted that its mission was to create stable and diverse neighborhoods through the delivery of programs focused on providing safe and affordable housing for the community. She stated that due to COVID-19, the department reallocated, redirected resources, staff, and funding to COVID-19 emergency assistance. She reported that over 12,800 families were assisted and \$36.5 million was spent. She stated that in addition to court support, the Right to Counsel Program was expanded and the Counseling Resource Center was established. She noted that 6,019 units were added to the affordable housing pipeline, 412 homes were rehabilitated, down payment assistance was provided for 93 families, and gap funding was made available for 283 affordable housing units.

Ms. Soto stated that continuing initiatives included the ForEveryoneHome Anti-Displacement Initiative, and the Strategic Housing Implementation Plan. She reported that the FY 2021 proposed Budget was \$34.9 million which included a \$2 million increase with the majority of funding from grants. She noted that the Emergency Housing Assistance Program had received \$53.4 million in CARES Act funding in FY 2020. She reported that \$25 million of the FY 2021 proposed Budget was allocated to affordable housing. She indicated that a dashboard was created to share information in real time on the number of applications submitted, number of applications approved or denied, the number of applications processed by staff, and the amount expended to help families remain in their homes. She noted that the

majority of the funding (85%) was utilized for rent and mortgages. She added that utility assistance, direct cash assistance, and internet was provided.

Ms. Soto stated that NHSD partnered with the Department of Human Services to create the Financial and Housing Recovery Center (Center) which helped residents financially impacted by COVID-19 to recover and build resiliency. She indicated that the Center took a place-based and virtual approach with face-to-face interaction available at the Central Library, Claude Black Community Center, and at the Neighborhood Place. She noted that fair housing staff were present at the locations and over 400 appointments had been completed. She stated that this one-stop shop concept was included in the Housing Policy Framework with City departments and community partners that offered services.

Ms. Soto listed the following NHSD accomplishments for FY 2020:

- Built relationships with the community to serve as bridge/trust builders to underserved populations
- Committed program funding for residents with 80% AMI or below
- Department-wide equity training for staff

Ms. Soto presented the FY 2021 Budget equity commitments made by the department:

- Continue to utilize equity matrix to identify the most vulnerable residents
- Continue to build community relationships
- Target outreach efforts toward most vulnerable residents
- Continue ForEveryoneHome Initiative

Ms. Soto stated that NHSD would continue to utilize the equity matrix to identify vulnerable residents and target efforts and services to those who needed it most. She noted that public input helped to develop the Displacement Prevention Agenda. She indicated that the FY 2021 proposed Budget for the Risk Mitigation Fund was \$5.25 million and would be utilized for emergency housing and relocation assistance, the Right to Counsel Program, and the Justice of the Peace Court partnership.

Ms. Soto stated that eviction prevention was included the Right to Counsel Program, court support, and the Notice of Tenants Rights Ordinance. She reported that NHSD was present at the Courts and assisted many clients in having their eviction cases dismissed or recessed.

Ms. Soto reported that the FY 2021 proposed Budget for the Homeowner Rehabilitation Program included \$6,482,641 for the Owner-Occupied Rehab Program and \$1,300,000 for the Minor Repair Program. She indicated that the Owner-Occupied Rehab Program would serve 60 families and the Minor Repair Program would serve 52 families.

Ms. Soto stated that the FY 2021 proposed Budget for the Under One Roof Program was \$2,250,000 and would serve 225 families. She noted that for the last two years this was a citywide program in which residents could receive an energy efficient roof.

Ms. Soto stated that the Urban Renewal Agency was utilized to deliver the Neighborhood Improvements Bond Program within the 12 approved Neighborhood Improvement Areas. She indicated that the

projects would create 512 affordable and workforce housing units with a FY 2021 proposed Budget of \$20 million.

Ms. Soto reviewed the FY 2021 proposed Neighborhood Engagement Work Plan which included:

- 425 neighborhood associations registered
- 80 Neighborhood Leadership Academy graduates
- Host 6 workshops/trainings for neighborhoods/HOAs
- Participate in 100 community events
- Update Neighborhood Association and Community Organization Registration Policy

Ms. Soto reported that there were 20 active Tax Increment Reinvestment Zones (TIRZ) with over 100 active projects. She noted that \$14,000,000 in payments were expected to be processed in FY 2021 and 10 new projects were expected to begin in FY 2021.

Ms. Soto stated that in FY 2021 NHSD, as part of grant administration would:

- Close out \$13.9 million in CARES Act and CDBG funds for COVID-19 Emergency Housing Assistance Program
- Administer \$22.4 million in FY 2021 HUD funding
- Finalize Consolidated Plan
- Monitor 38 projects representing \$33.5 million in grants

Ms. Soto reviewed the FY 2021 Gap Funding Request for Applications (RFA) timeline and noted that the RFA would be forwarded to City Council for approval in December 2020.

Mayor Nirenberg stated that when COVID-19 began, City Council pledged to make sure the most vulnerable citizens were protected. He noted that the commitment must continue.

Councilmember Andrews-Sullivan asked if the Disparity Study would be district-specific. Ms. Lopez replied that the best practice or philosophy for this type of program was to measure the amount of minority and women-owned businesses available in the general market. She noted that the majority of what was bought was within in Metropolitan Statistical Area so that was the geographical area measured. Councilmember Andrews-Sullivan requested a comparison of the cost of purchasing a hotel versus leasing a hotel. Assistant City Manager Lori Houston stated that she would provide that information.

Councilmember Viagran spoke of ensuring that SAEDF promoted all areas of the City when recruiting companies.

Councilmember Cabello Havrda asked when the next cohort of students would begin for Alamo Promise and asked of the enrollment process. Ms. Lopez replied that the cohort would begin classes this fall semester and students typically signed up during their senior year of high school. Councilmember Cabello Havrda asked if the Alamo Promise Program was coordinated with the Home Improvement and Financial Literacy Programs. Ms. Lopez stated that she would contact Dr. Mike Flores, Chancellor, Alamo Colleges District, to see what referrals or connections were planned.

Councilmember Courage asked which incentives would not be offered in FY 2021. Ms. Lopez reported that grants, City fee waivers, and SAWS fee waivers would not be offered. City Manager Walsh added that the Chambers and other groups were briefed on the recommended reductions to the Budget for FY 2021. Councilmember Courage asked what percentage of the 6,000 affordable housing units were at 30%, 40%, 50%, and 60% AMI and what percentage were at 80%, 100%, and 120% AMI. Ms. Soto stated that she would provide that information.

Councilmember Treviño asked if there were more roofs to complete in FY 2020 under the Under One Roof Program. Ms. Soto reported that 46 roofs would be completed in August 2020 and 40 roofs would be completed in September 2020, totaling 300 replaced roofs in FY 2020. Councilmember Treviño asked if a goal of the number of individuals assisted in the Right to Counsel Program was established. Ms. Soto replied that a goal was established and she would provide the information. Councilmember Treviño requested that Right to Counsel information be added to the dashboard.

Councilmember Rocha Garcia suggested that the City leverage the work of delegate agencies for advancement of women. She requested a breakdown, by Council District, of those utilizing the programs. Ms. Soto indicated that she would provide that information.

Councilmember Sandoval suggested that a stakeholder group be formed for the Housing Assistance Program. Ms. Soto stated that the Housing Assistance Program was based on the Risk Mitigation Fund which already had a stakeholder group that provided input and held ongoing discussions. Councilmember Sandoval asked where to direct feedback regarding the Housing Assistance Program. Ms. Soto replied that she could send it to her or Assistant Director Edward Gonzales. Councilmember Sandoval suggested that a pilot program be developed for a public-private women's cooperative in a certain sector or geographical area.

Councilmember Pelaez asked if staff had compared City incentives with other cities. Ms. Lopez stated that a comparison had not been made. Councilmember Pelaez requested a comparison.

Councilmember Perry stated that the City needed more large businesses to help support the economy and the workforce. He expressed concern regarding funding programs with the General Fund.

Councilmember Gonzales requested an update on the Disparity Study. Ms. Lopez stated that the Disparity Study was conducted every five years and a Request for Proposals (RFPs) would be issued to hire a consultant by the end of the year. She noted that it would take six to nine months to complete the study.

Mayor Nirenberg stated that the funds set aside for workforce development and the Plan would have an exponential effect on the economy. He noted that it was important that anyone in need of assistance due to COVID-19 received it. He added that policy and resources would be utilized to ensure that residents did not face eviction or foreclosure. He requested periodic updates through the San Antonio Housing Commission to ensure that the City met its goals. He encouraged the San Antonio Housing Commission to hold a public dialogue regarding the program to hear from residents who received assistance.

Ms. Soto stated that the next San Antonio Housing Commission Meeting would be held on August 26,

2020 and staff would provide them with an update and continue to gather their input.

Adjournment

There being no further discussion, Mayor Nirenberg adjourned the meeting at 4:02 pm.

APPROVED

RON NIRENBERG
Mayor

Attest:

TINA J. FLORES
Acting City Clerk