

**ECONOMIC AND WORKFORCE DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES
TUESDAY, APRIL 22, 2021 10:00 AM
VIDEOCONFERENCE**

Members Present:	Councilmember Rebecca Viagran, <i>Chair, District 3</i> Councilmember Adriana Rocha Garcia, <i>District 4</i> Councilmember Shirley Gonzales, <i>District 5</i> Councilmember Melissa Cabello Havrda, <i>District 6</i>
Members Absent:	Councilmember Manny Pelaez, <i>District 8</i>
Staff Present:	Alex Lopez, <i>Assistant City Manager</i> ; Christina Ramirez, <i>Assistant City Attorney</i> ; Aurora Perkins, <i>Deputy City Clerk</i> ; Michael Sindon, <i>Assistant Director, Economic Development Department</i> ; Ann Eaton, <i>Economic Development Manager, Economic Development Department</i> ; Nancy Cano, <i>Office of the City Clerk</i>
Others Present:	Celina Peña, <i>Chief Advancement Officer, LiftFund</i>

Call to Order

Chairwoman Viagran called the meeting to order.

Public Comment

None.

- 1. Briefing and update on the Hospitality Grants Program to support businesses during the COVID-19 pandemic.** [Alejandra Lopez; Assistant City Manager and Interim Director, Economic Development]

Ann Eaton reported that as the one-year anniversary of the pandemic approached, local small businesses continued to be negatively impacted, especially in the hospitality industry; and as a result, Councilmember Treviño initiated a Council Consideration Request (CCR) in October 2020 to examine the creation of a Food & Beverage Worker Relief Program to provide grants to businesses to keep employees current on payroll. She added that in February 2021, the Economic Development Department (EDD) staff provided a recommendation to this Committee to create a new Hospitality Grants Program (HGP) for which City Council approved \$14 million in funding for later that month.

Ms. Eaton reported that eligibility criteria, grant amounts, and the scoring criteria for businesses applying for hospitality grants were established by EDD staff and were based on the previous Resiliency & Recovery Plan Micro Business Grant Program. She stated that EDD partnered with LiftFund to administer the program with grant applications accepted from March 15 - April 5, 2021. Ms. Eaton provided an update on the grant applications process and stated that the HGP was implemented very timely within a three-week window.

Ms. Eaton provided an itemized breakdown on the HGP budget as follows:

Hospitality Grants Program Budget	
Grants Funding	\$13,068,000
LiftFund Administrative Fee	\$882,000
Technical Assistance	\$25,000
Marketing	\$25,000
Total:	\$14,000,000

Ms. Eaton reported that approximately 140,000 workers (or one in seven) were employed in the City's four hospitality sectors: Food & Beverage: 100,831 (72%), Lodging: 16,000 (12%), Entertainment: 14,457 (10%), and Transportation and Travel: 8,810 (6%). She stated that the Food & Beverage Sector would receive \$9,408,690; Lodging: \$1,568,160; Entertainment: \$1,306,800; and Transportation/Travel: \$784,080. She added that grants would be based proportionately on the number of employees within the hospitality sectors: Self-employed: \$10,000; 1-10 Employees: \$20,000; 11-20 Employees: \$50,000; and 21+ Employees: \$75,000.

Ms. Eaton stated that eligible small businesses would be defined based on Small Business Administration (SBA) guidelines and outlined eligibility criteria, as follows:

- Annual gross business revenue less than \$8 million
- Demonstrated loss of 25% revenue beginning March 1, 2020 due to the COVID-19 Pandemic
 - Increased operational costs such as purchase of protective equipment eligible in calculation
- Business must be in operation and not filed bankruptcy
- Business must have been in operation prior to February 1, 2020
- Business must commit to the Greater. Safer. Together. Pledge

Ms. Eaton stated that technical assistance for applicants was implemented through English and Spanish information webinars and included more than 670 registrants with 383 attendees. She added that 35% of the applicants were assisted through live 1:1 call-in consultations and appointments.

Ms. Eaton reported that marketing strategies were implemented through traditional and digital strategies. She indicated that small business owners received mailers in both English and Spanish, with reminder postcards sent out a week before the application deadline. She added that outreach was expanded to include small business owners with equity scores of 5-10, which was increased from previous recovery grant eligibility equity scores of 8-10. She noted that each Council District Office was provided with a marketing toolkit to encourage their constituent small business owners to apply. She highlighted that due to collaborative marketing strategies, outreach was made to targeted businesses at least 3-4 times during the application period. She indicated that staff enlisted the help of local Food Bloggers and Social Media Influencers to get the word out. Ms. Eaton added that outreach included over 10,000 contacts generated from the previous recovery grant program and from the City's central vendor registry.

Ms. Eaton stated that approximately 740 applications were received, but only 683 applicants were eligible, as some businesses were not located within the City limits. She provided itemized applicant data by Council District and geographic location.

Ms. Eaton presented an itemized allocation of grants by hospitality sector, as follows:

Hospitality Program Grants Allocated by Sector			
Hospitality Sector	% of Applicants	Amount of Grants Funding	Amount Requested
Food & Beverage	65.2%	\$9,408,690	\$18.1 million
Lodging	12%	\$1,568,160	\$3.1 million
Entertainment	10.4%	\$1,306,800	\$1.7 million
Transportation/Travel	8.6%	\$784,080	\$1.6 million
To be Determined	3.8%		Total Requested: \$25.3 million

Ms. Eaton provided applicant demographic data:

- Gender: 64.1% male-owned; 35.3% women-owned, .6% unknown
- Race/Ethnicity: 41.9% Hispanic, 26.9% White, 21.8% Asian, 6.0% African-American, Other Minority: 3.2%, American Indian: 0.1%
- Industry: Service: 35.3%, Food Service: 13.2%, Retail: 14.5%

Ms. Eaton reported that next steps were to have all grant awards completed by June 7, 2021. She indicated that all applicants were sent status emails on April 27, 2021 and May 18, 2021 through a proactive communications plan established by LiftFund.

Ms. Eaton provided information on additional small business resources and stated that the Paycheck Protection Program (PPP) deadline was extended to May 31, 2021. She added that the \$28.6 billion Restaurant Revitalization Fund would grant up to \$5 million directly from the Small Business Administration (SBA) and would prioritize businesses run by women, Veterans, and disabled groups within the first 21 days. She noted that the SBA would set aside \$500 million for restaurants that earned less than \$50,000 annually; \$5 billion for those that earned less than \$500,000; and \$4 billion for those that earned \$501,000 to \$1.5 million. Ms. Eaton noted that no launch date was set yet, but that the City would collaborate with the local SBA office on a joint marketing effort to inform community businesses of this opportunity.

Chairwoman Viagran requested a breakdown of the applications received by applicants with 21+ Employees at the \$75,000 award level. She asked if data was captured on how applicants heard about the grant program. Celina Peña reported that 119 applications were received for that category and she would follow up with data on how applicants heard of the program.

Councilmember Cabello Havrda asked how participation could be increased for those Council Districts with a relatively low amount of applications and requested more engagement in those areas. She recommended door-to-door engagement in areas with a higher concentration of businesses, especially the downtown area. She asked of outreach efforts to School Districts. Assistant City Manager Alejandra Lopez explained that based on the number of businesses in a particular area, the participation rate reflected could be very good. She added that low participation was a phenomenon that occurred with different programs and engagements in particular Council Districts. She noted that traditional outreach was made with mailing postcards, radio ads, and social media which greatly contributed to the City's updated contact database of businesses. Ms. Eaton reported that outreach was made to Edgewood School District

and to San Antonio Independent School District and contacts were established for future outreach programs.

Councilmember Gonzales spoke of her door-to-door outreach efforts and noted that many small businesses were unwilling to participate, did not wish to share their financial information, and many were reluctant due to their visa status. She noted that such barriers would continue to occur in some neighborhoods. She noted that many restaurants could not re-open due to lack of staff and traditionally low restaurant wages, in conjunction with stimulus funding and unemployment benefits gave residents hesitancy to re-enter the workforce. Ms. Peña concurred that many small businesses were struggling to retain grant assistance for retention of employees and anticipated that such challenges would continue until September 2021 when some unemployment benefits would decrease.

Councilmember Rocha Garcia concurred that door-to-door efforts were successful with COVID-19 vaccination registration efforts and was proof that such outreach opportunities would work well with small businesses now that some COVID-19 restrictions were lifted. She asked of eligibility criteria regarding artists, credit scores, and criminal records. She noted that HGP messaging was posted on the Next Door App and requested a list of those streets and neighborhoods by zip code so that Councilmembers could also push messaging in their Council Districts. Ms. Peña stated that credit scores were not considered in the application process and the verification of taxes paid through the State Comptroller's office was the extent of LiftFund's application review.

Councilmember Rocha Garcia noted that many small businessowners did not have access to technology and recommended that Council District Offices, Chambers, partners, and community centers establish help centers for them. She suggested that posting applicant testimonials would encourage other small business owners to participate in the HGP. Councilmember Rocha Garcia offered to participate in door-to-door outreach and grassroots efforts.

Chairwoman Viagran noted that outreach efforts still involved a learning process and required the City to collaborate with outreach partners. She stated that the expectation was for outreach partners to follow-through on door-to-door marketing, circling back to applicants to ask them what were the best, most efficient ways to promote program participation, and to ask small business owners if they knew of other businesses that did not want to participate and their reasons why. She requested that City staff provide Committee Members with business listings by Council District so that they could engage with them. Chairwoman Viagran asked when the grant awards would be distributed. Ms. Eaton reported that batch funding would be released within two weeks.

2. Briefing on the discussions and recommendations made by the SA: Ready to Work Advisory Board appointed by City Council on March 4, 2021. [Alejandra Lopez; Assistant City Manager and Interim Director, Economic Development]

Chairwoman Viagran stated that Item 2 was tabled at this time.

EXECUTIVE SESSION

Chairwoman Viagran recessed the meeting into Executive Session at 10:52 am to discuss the following:

**A. ECONOMIC DEVELOPMENT NEGOTIATIONS PURSUANT TO TEXAS
GOVERNMENT CODE SECTION 551.087 (ECONOMIC DEVELOPMENT).**

Chairwoman Viagran reconvened the meeting at 11:06 am and announced that no action was taken in Executive Session.

Adjournment

There being no further discussion, the meeting was adjourned at 11:07 am.

Rebecca Viagran, Chairwoman

Respectfully Submitted,

Nancy Cano, Office of the City Clerk