

**ECONOMIC AND WORKFORCE DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES
TUESDAY, JUNE 23, 2020 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> Councilmember Manny Peláez, <i>District 8</i>
Staff Present:	Katinka Howell, <i>Assistant City Attorney</i> ; Carlos J. Contreras, III, <i>Assistant City Manager</i> ; Alejandra Lopez, <i>Director, Economic Development Department</i> ; Debbie Racca-Sittre, <i>Director, Department of the Arts and Culture</i> ; Nancy Cano, <i>Office of the City Clerk</i>
Others Present:	Jenna Saucedo, <i>President & CEO, San Antonio Economic Development Foundation</i> ; Tuesdae Knight, <i>President & CEO, San Antonio for Growth on the Eastside</i> ; Celina Pena, <i>Chief of Advancement, Lift Fund</i>

Call to Order

Chairwoman Viagran called the meeting to order.

Public Comment

George Cisneros, Music and Music Director, URBAN-15, submitted written testimony. He stated that according to the U.S. Chamber of Commerce, up to 40% of Minority-Owned businesses could disappear before the end of 2020. He requested that this Committee allow funds designated for grants (not loans) to non-profit arts organizations and individual artists to be administered through the National Association of Latino Arts and Culture (NALAC) which has decades of experience with both non-profits' and individual artists' needs.

Maria Lopez De Leon, President and CEO, National Association of Latino Arts and Cultures (NALAC) provided live callback testimony. She stated that after careful consideration, NALAC would withdraw its bid for the administration of the SA Cares 4 Art grant funding program because she believed the current process was flawed and rushed into. She added that NALAC had 15 years of experience in art fund regranting and she looked forward to the opportunity to collaborate with LiftFund and other area foundations to implement a thoughtful process.

E. Loren Meeker, General Director and Artistic Director, Opera San Antonio (OSA), submitted written testimony. She stated that the staff of OPERA San Antonio requested increased funding for the arts in the City budget for the next fiscal year. She added that arts organizations like OSA need support now more than ever.

Jon Hinojosa, Artistic/Executive Director, SAY Si, submitted written testimony. He asked the Committee to support arts and cultural organizations that have been impacted by COVID-19 and the loss of HOT Tax Funds. He asked for support of organizations that provide value and the golden thread of culture and arts that are part of the fabric of the community.

Ramon J. Vasquez, Executive Director, American Indians in Texas at the Spanish Colonial Missions (AITSCM), submitted written testimony. He stated that the AITSCM requested the Committee to support the National Association for Latino Arts and Culture (NALAC) to distribute and/or regrant the \$2.6 million COVID 19 Relief funding for arts organizations and individual artists in San Antonio.

Graciela Sanchez, Director, Esperanza Peace & Justice Center (EPJC), provided live callback testimony. She stated that EPJC was required contractually by the City to pay its performers and therefore half of its funding went directly to the individual artists and groups they hired. She noted that it was those individual artists and groups who would suffer the most from lack of funding. She added that many of their hired performers were elderly and EPJC funds kept them surviving. She asked the City to consider adding additional funds.

Malena Gonzales-Cid, Executive Director, Centro Cultural Aztlan, submitted written testimony. She expressed support for the proposal that NALAC manage the regranting process for CARES Act funding of the Arts. She stated that NALAC's grant application and evaluation processes were among the most efficient, equitable, and thorough she had seen in 30+ years as an arts administrator.

Lisa Cortez Walden, Ph.D., Executive Director, Inspire Community Art Center (ICAC), submitted written testimony. She requested that the City grant ICAC the entire amount for which it was eligible as a contracted organization in the FY 2019-2020. She stated that the large majority of ICAC students received classes free of charge and served those who suffered trauma, had learning or physical disabilities, were in rehab, or could not access the arts for other reasons. She noted that the COVID-19 pandemic was catastrophic for ICAC with all staff having to be terminated and only she remained as a volunteer.

Karin Connally Heiden, Executive Director/Associate Artistic Director, San Antonio Metropolitan Ballet (SAMB), submitted written testimony. She stated that SAMB currently finished its 36th Anniversary season and provided educational outreach programming to tens of thousands of children in Bexar County. She added that SAMB has hosted two Regional Dance America/SW Festivals with over 20 companies from 5 states that patronized local businesses, hotels and restaurants. She noted that SAMB was a source of employment for local union stagehands, graphic artists, dancers and actors, printers, and art-related vendors. She emphasized that the arts meant business for San Antonio and asked for continued support of this profitable sector that was vital to the wellbeing of this community.

Adela Flores, Executive Director, Conjunto Heritage Taller (CHT), submitted written testimony. She stated that CHT was a culturally specific arts delegate agency dedicated to preserving traditional conjunto music in San Antonio through affordable instruction and free public performances to the community with intergenerational students, ranging from seven to 80 years

of age. She added that CHT recommended that NALAC be appointed as the organization charged with the distribution and re-granting of designated art funds.

1. Briefing and possible action on COVID-19 Community Recovery and Resiliency Plan Support Pillar Strategies.

Alejandra Lopez reported that City Council approved the COVID-19 Recovery and Resiliency Plan on June 4, 2020 which embedded equity in all the decision making and was developed around five Guiding Principles: 1) Public Health and Safety; 2) Equity; 3) Braided Funding; 4) Community Resiliency; and 5) Well-being. She stated that the Small Business Pillar Strategy was allocated a \$38.1 million budget: General Fund: \$5 million, and CARES Act Fund: \$33.1 million. She provided a detailed budget allocation as follows:

Small Business Estimated Budget	
Micro Business/Non-Profits Grants	\$27 million
Door-to-Door Engagement	\$1.3 million
Virtual & Place-Based Financial Recovery and Resiliency Hubs	\$200,000
Protective Equipment and Sanitizer to local businesses/non-profits	\$2 million
On-the-Job Training Support for Small Businesses	\$5 million
Artist and Arts Non-Profit Organization Grant	\$2.6 million
TOTAL:	\$38.1 million

Ms. Lopez reported that 1,000 micro businesses and non-profit businesses would receive micro grants and 5,000 businesses would be engaged through a Door-to-Door plan. She stated that a total of \$27.7 million in Grant funding would be distributed to approximately 1,000 small businesses: Self-employed: 480-640 grants up to \$10,000; 1-5 Employees: 200-267 grants up to \$25,000; 6-10 Employees: 120-160 grants up to \$50,000; and 11-20 Employees: 130-174 grants up to \$75,000.

Ms. Lopez outlined the Grant Eligibility terms:

- Located within City of San Antonio limits
- Established prior to August 1, 2019
- Negative COVID-19 impact since March 1, 2020
- Annual gross revenues or board approved budget of less than \$2 million
- Less than 20 employees
- Committed to the Greater SAfer, Together Pledge
- Develop Recovery Plan and coordinate with outreach organizations on plan execution

Ms. Lopez reported that the City would continue its partnership with LiftFund for funding distribution as it was the only locally headquartered community development financial institution (CFDI) with the capacity to scale at the anticipated level of grant applicants. She added that the small business program would provide payment forgiveness for up to 64 loans for 10 months. She

noted that LiftFund would receive approximately \$1.7 million to administer the grant programs and their scope would include accepting, reviewing and scoring thousands of applications. She added that \$224,200 would be utilized on outreach and marketing of the grant programs.

Ms. Lopez reported that equitable and diverse marketing methods would target small minority and women-owned businesses through an outreach strategy with community development partners and a focus on local census tracts with an Equity Matrix score of 8 to 10 which accounted for 35% of local population and included people of color making up more than 72% of the population and households that made less than \$56,000. She added that further outreach would be made through the City's email distribution list of 26,000 local businesses. She stated that social media and traditional media outlets would be utilized.

Ms. Lopez reported that small businesses would apply for grants through a dedicated webpage on the LiftFund website. She added that an established eligibility criteria and a standardized assessment process would be implemented by LiftFund. She noted that the application period would be 2 weeks long and emphasized that funds would not be disbursed on a first-come, first-serve basis. She explained that applications would be ranked based on a weighted scoring system to be selected by the Committee: Scenario 1: Equity and Ownership; or Scenario 2: Wages and Benefits.

Ms. Lopez provided a timeline for the small business support grants:

- July 6 - 24, 2020: Mailing and digital outreach
- July 13 - 24, 2020: Application period
- July 27 - August 7, 2020: Application review
- August 10 - 28, 2020: Award notification and funds disbursement

Ms. Lopez reported that local small business employers with 500 employees or less would be subsidized with participant stipends of \$450 per week up to 12 weeks to place approximately 950 unemployed residents into on-the-job training (OJT) in demand occupations. She stated that Workforce Solutions Alamo (WAS) would administer the stipends and SA Works would recruit and market the OJT program.

Ms. Lopez reported on outreach strategy: Door-to-door outreach to 1,250 small businesses performed by Centro, SAGE, WDC, and Southside First with a budget of \$200,000; Coordination Lead would oversee team coordination, data collection and reporting with a budget of \$150,000; Training Team provided by Women's Business Center and Launch SA with a budget of \$50,000; and LiftFund to provide critical banking and financial technical assistance.

Ms. Lopez reported on hubs strategy: Place-based hubs at SAGE, WDC, Southside First, and Maestro Center would be augmented with additional physical office space and technical equipment with a budget of \$25,000 per organization; Virtual hubs would be designed, engineered and implemented for virtual program and online resource navigation development at Launch SA and Maestro with a budget of \$100,000.

Ms. Lopez reported on protective equipment strategy: Hand sanitizer, infrared thermometer, and face covering kits were distributed in May 2020 to 5,400 small businesses and non-profits; an additional 3,100 supply kits would be distributed in July 2020.

Debbie Racca-Sittre reported that \$2.6 million in Federal Coronavirus Relief Fund Grants for the Arts non-profits and individual artists would be funded through the SA Cares 4 Art Plan with \$2 million allocated to arts non-profit organizations: \$1,876,000 grants, and \$124,000 administration costs; and \$600,000 allocated to individual artists: \$560,000 grants; and \$40,000 administration costs.

Ms. Racca-Sittre reported on eligibility and equity strategy for \$600,000 allocated to individual artist grants: 112 grants of \$5,000 would be distributed by September 30, 2020 for local, independent contractors who were residents of San Antonio with a commitment to Greater, Safer Together Pledge. She stated that equitable marketing methods would target small minorities, women, LGBTQ+ and veterans with a focus on local census tracts with an Equity Matrix score of 7 to 10 which accounted for 35% of local population and included people of color making up more than 72% of the population and households that made less than \$56,000. She added that the grants would be for lost artistic activity from March 1 through December 30, 2020.

Ms. Racca-Sittre reported on eligibility and equity strategy for \$2 million allocated to arts non-profit grants: Must be a 501(c)3 non-profit established prior to July 1, 2017, located within the City limits, with an annual budget between \$40,000 to \$15 million; arts and culture must be the primary missions and majority of actual operations; must demonstrate a business disruption due to COVID-19; must have paid staff with a commitment to the Greater, Safer Together Pledge. She stated that maximum awards would be granted based on a budget range and culturally specific agencies could receive an additional 5% above the maximum award.

Ms. Racca-Sittre reported on estimated outcomes: An estimated 150 grants would allow for 75% of arts non-profits and individual artists to return to creating art with 50% rehiring employees or artists by December 31, 2020.

Ms. Racca-Sittre provided a timeline for the grants for non-profits and individual artists:

- July 1 - 30, 2020: Outreach and marketing
- July 13 - 30, 2020: Application period
- August 1- 15, 2020: Application review
- September 30, 2020: Award notification and funds disbursement

Councilmember Rocha Garcia asked if any workforce development organizations offered training in Spanish; she asked if previous funding budgeted for women's programs could be redirected and leveraged specifically for women's programs through Maestro. Ms. Lopez stated that Maestro offered weekly webinars in Spanish; she added that the City currently had niche partnerships in gap industries with Maestro through a Buy Local Initiative and an entrepreneur-dedicated catering kitchen.

Councilmember Gonzales asked if it would be possible for the Department of Arts and Culture to directly administer the SA Cares 4 Art grant funding program and redeploy some of the furloughed employees to assist. She asked for staff to consider redeploying furloughed staff through funds from the General Budget. She expressed concern for the length of time needed for equitable processing and distribution of funds and the LiftFund paperwork requirements that encroached on the daily survival of some small businesses. Assistant City Manager Contreras clarified that the CARES Act funding did not allow for the City to reimburse itself by hiring back its own employees, but did allow the City to pay for outside agency partnerships.

Councilmember Gonzales noted that the San Antonio Economic Development Force (SAEDF) had large scale expertise and expressed concern for its ability to execute particular deliverables for small and micro businesses. She requested that staff examine steps that could be eliminated in the lengthy, bureaucratic application process. She expressed doubt for the need of various partnerships to oversee grant funding when furloughed staff could be redeployed to facilitate the process. She recommended that the proposed \$164,000 in grant administrative costs be divested to redeploy furloughed staff for these efforts. Jenna Saucedo explained that SAEDF would provide project management and facilitator services to make the recovery plan successful. She highlighted that the Department of Economic Development defined small businesses as 500 employees or less and that 90% of the businesses that SAEDF facilitated were small businesses. She clarified that SAEDF would collaborate and leverage with other partners such as SAGE, Centro, Southside First and the Westside Economic Development Group, but was not directly tasked with outreach.

Councilmember Cabello Havdra voiced her support for the awarding of extra scoring points to small businesses that offered paid leave and living wages. She encouraged staff to continue to press for creative ways to expand assistance for arts operations, businesses, and programs so that they can receive direct assistance.

Councilmember Pelaez asked for an explanation for the levels of bureaucracy and processes necessary for direct assistance to small businesses, individual artists and arts non-profit. Assistant City Manager Contreras stated that established guiding principles were approved by City Council and applied to all decision making and that outreach must be made to all targeted residents to ensure that funded opportunities were equitable, and not simply based on a first-come, first-serve basis. He recognized that some residents did not have access to technical devices and that vendor contracts needed to be executed and in place prior to implementing the funding process. Celina Pena stated that LiftFund was capable of being as flexible or as stringent with the grants process as requested while abiding by CARES Act guidelines. She added that the application of equity matrices and verification of employment, wages, or benefits for applicants added rigor to the process. She noted that LiftFund administered and streamlined several similar programs statewide.

Chairwoman Viagran expressed her support for the ranking of applications by Scenario 1: Equity and Ownership. She asked if outreach teams would direct residents to a dedicated website or provide on-site application assistance through a physical or virtual hub. She requested market branding for the application process and website page. She requested that staff provide the Committee with the proposed final implementation plan for review prior to launching. She requested that staff identify areas throughout the application process that could be further streamlined. Ms. Pena stated that LiftFund would establish a dedicated website page in English

and Spanish and provide assistance in filling out the application online; she added that paper applications would also be distributed, if needed. Assistant City Manager Carlos Contreras confirmed that staff would create branding for the small microbusinesses, on-the-job training, and SA Cares for Art funding efforts; he added that the launching of the funding process would be more expedite once the Committee decided on which weighted scoring system would be applied to rank applications.

Councilmember Gonzales stated that paid sick leave and living wage requirements be removed from the small business funding application criteria. She noted that most small businesses did not have a documented paid sick leave policy. She asked if fund could be distributed based on amount of years in business, up-to-date on paid taxes, and business stability rather than based on targeted industry goals. She expressed her support in favor of Scenario 1: Equity and Ownership.

Councilmember Rocha Garcia expressed her support in favor of Scenario 1: Equity and Ownership. She noted that some businesses would be adversely affected if they did not offer living wages or did not have access to capital.

Adjourn

There being no further discussion, the meeting was adjourned at 4:05 pm.

Rebecca Viagran, Chairwoman

Respectfully Submitted,

Nancy Cano
Office of the City Clerk

and Spanish and provide assistance in filling out the application online; she added that paper applications would also be distributed, if needed. Assistant City Manager Carlos Contreras confirmed that staff would create branding for the small microbusinesses, on-the-job training, and SA Cares for Art funding efforts; he added that the launching of the funding process would be more expedite once the Committee decided on which weighted scoring system would be applied to rank applications.

Councilmember Gonzales stated that paid sick leave and living wage requirements be removed from the small business funding application criteria. She noted that most small businesses did not have a documented paid sick leave policy. She asked if fund could be distributed based on amount of years in business, up-to-date on paid taxes, and business stability rather than based on targeted industry goals. She expressed her support in favor of Scenario 1: Equity and Ownership.

Councilmember Rocha Garcia expressed her support in favor of Scenario 1: Equity and Ownership. She noted that some businesses would be adversely affected if they did not offer living wages or did not have access to capital.


Adjourn

There being no further discussion, the meeting was adjourned at 4:05 pm.



Rebecca Viagran, Chairwoman

Respectfully Submitted,



Nancy Cano
Office of the City Clerk