

**ECONOMIC AND WORKFORCE DEVELOPMENT  
COUNCIL COMMITTEE MEETING MINUTES  
TUESDAY, APRIL 6, 2021 2:00 PM  
VIDEOCONFERENCE**

<b>Members Present:</b>	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>
<b>Members Absent:</b>	Councilmember Manny Pelaez, <i>District 8</i>
<b>Staff Present:</b>	Alex Lopez, <i>Assistant City Manager</i> ; Lori Houston, <i>Assistant City Manager</i> ; Christina Ramirez, <i>Assistant City Attorney</i> ; Verónica Soto, <i>Director, Neighborhood Housing Services Department</i> ; Michael Sindon, <i>Assistant Director, Economic Development Department</i> ; Ian Benavidez, <i>Assistant Director, Neighborhood Housing Services Department</i> ; Nancy Cano, <i>Office of the City Clerk</i>
<b>Others Present:</b>	Ellen Shepard, <i>Common Future</i> ; Leilah Powell, <i>Executive Director, LiftFund</i> ; Charlie Corrigan, <i>Executive Director, Central Region Philanthropy, JP Morgan Chase</i> ; Spencer Lau, <i>Associate, Next Street</i>

**Call to Order**

Chair Viagran called the meeting to order.

**1. Approval of the minutes from the Economic and Workforce Development Committee meeting on February 2, 2021.**

Councilmember Cabello Havrda moved to approve the minutes from the Economic and Workforce Development Committee meeting on February 2, 2021. Councilmember Gonzales seconded the motion. The motion prevailed unanimously by those present.

**2. Approval of the minutes from the Economic and Workforce Development Committee meeting on February 18, 2021.**

Councilmember Cabello Havrda moved to approve the minutes from the Economic and Workforce Development Committee meeting on February 18, 2021. Councilmember Gonzales seconded the motion. The motion prevailed unanimously by those present.

**3. Approval of the minutes from the Economic and Workforce Development Committee meeting on March 2, 2021.**

Councilmember Cabello Havrda moved to approve the minutes from the Economic and Workforce Development Committee meeting on March 2, 2021. Councilmember Gonzales seconded the motion. The motion prevailed unanimously by those present.

## Public Comment

None.

- 4. Briefing on the San Antonio Small Business Ecosystem Assessment, a new study that identifies impactful strategies to address San Antonio's historic inequities in opportunity and outcomes for small businesses owned by people of color.** [Alejandra Lopez; Assistant City Manager and Interim Director, Economic Development]

Leilah Powell provided an overview of the findings of the San Antonio Small Business Ecosystem Assessment. She reported that the research was funded by JPMorgan Chase and conducted by Next Street and Common Future, in conjunction with nearly 50 local small business support providers and business owners. She added that over 48 individuals from across the local community and different niches within the Small Business ecosystem that participated in 14 hours of meetings and focus groups were conducted in both English and Spanish. Ms. Powell explained that as the City navigated the COVID-19 pandemic, the San Antonio small business support system as a whole lacked adequate resources and coordination among service providers. She stated that the research examined the current state of Bexar County's small business communities and business support systems, with a specific lens on local businesses owned by people of color and COVID-19 response and recovery. She explained that the term BIPOC stood for Black, Indigenous, Person of Color that owned a business.

Ellen Shepherd explained that the study of nine cities took place over a year to examine the circumstances of small businesses owned by people of color to develop a set of solutions to help improve their circumstances. She noted that the research team worked with a coalition of over 50 local stakeholders to co-create strategies and solutions.

Spencer Lau reported that approximately 34,000 small businesses and approximately 145,000 sole proprietorships were located in San Antonio and Bexar County and accounted for 34% of the local workforce. He added that while Hispanic and Black residents made up 60% and 9% of the Bexar County population, they only owned 24% and 2% of all businesses, respectively. He reported that business ownership disparities were paired with revenue and employment imbalances, with Hispanic and Black-owned businesses historically earned less revenue and hired fewer employees than their White-owned counterparts.

Mr. Lau stated that the COVID-19 pandemic magnified these disparities and since the start of the pandemic, total small business revenue and the number of small businesses open in San Antonio decreased by 45% and 35%, respectively. He highlighted that during the pandemic, local Black-owned businesses were overrepresented in deeply impacted, neighborhood-based industries such as food services, laundry services, and retail. He added that Hispanic-owned businesses were also significantly impacted, heavily represented in industries that struggled due to lower consumer and nonessential business spending, including construction, merchant wholesale, and truck transportation.

Ms. Powell reported that the findings identified gaps in Spanish language services and language barriers that prevented the financial literacy needed to potentially access capital. She added that there was a need for greater support for BIPOCs in growth industries and for back office services in the areas of accounting, legal considerations, licensing and planning. She stressed the need to transition businesses to digital and online sales during the COVID-19 Pandemic. She highlighted

that Black entrepreneurs interviewed stated that an infrastructure of peer support could help them support each other.

Ms. Powell stated that the coalition worked with the local Advisory Council to develop strategies to address gaps in the capital and business support eco systems, as follows:

- Ecosystem coordination: A network of local chambers of commerce, economic development agencies, small businesses, capital and service providers, funders, and other stakeholders would coordinate and advocate for ecosystem priorities.
- Access to flexible capital: The region's network of community financial institutions with longstanding history in the market, would enhance the availability and access of flexible debt and equity capital to strengthen businesses, community financial institutions, and responsible investors.
- Sustainability and resiliency: Forming and sustaining collaboratives of capital and service providers to build more resilient businesses and communities of color and to prevent commercial displacement and financial.
- Access and Networks: Create networks of business owners of color and develop corridor-level business services and initiatives to bolster access and quality of these networks.

Councilmember Rocha Garcia referenced the reported findings that 68% of the revenue generated by local small businesses stayed within the local community and noted the need to continue championing vulnerable small businesses. She asked how many focus groups and individual interviews were conducted. Mr. Lau reported that two focus groups were interviewed, one in English and one in Spanish. He noted that 15-20 individual interviews were conducted which was inclusive of business owners and ecosystem stakeholders and added that an itemized breakdown by Council District would be provided to the Committee.

Councilmember Cabello Havrda asked how much capital was expected to be available and if any particular lenders and investors had committed to providing flexible lending. Mr. Lau reported that historically, lending was between \$5 million to \$10 million, which had expanded during the COVID-19 Pandemic. Ms. Powell reported that flexible funds had been set up nationally; Netflix sourced a national fund that focused on Black-owned businesses; and she would provide further data to the Committee.

Councilmember Gonzales asked what could be done to provide easier access to capital. Charlie Corrigan stated that JP Morgan Chase made it a priority to identify and work with community-based lenders to increase the number and quality of programs available for flexible funding. He noted that in meetings with private sectors banks, the main response was that the current environment was too risky for traditional banks to lend support.

Chairwoman Viagran stated that a hub of ecosystem coordination was crucial. She asked if the Advisory Group reviewed the Economic Transition Team Report (ETTR) developed during the COVID-19 Pandemic to develop strategies. Assistant City Manager Alex Lopez stated that the

ETTR was a sustained action developed for use beyond the COVID-19 Pandemic and informed the Small Business Ecosystem Assessment.

**5. Briefing and possible action on the Roosevelt Heights Project located west of Roosevelt Ave. along the frontage of Interstate Highway Loop 410 within the Mission Drive-In TIRZ in Council District 3.** [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Verónica Soto reported that the Roosevelt Heights Project would be developed as a 23.724-acre single-family residential development that consisted of a subdivision with 135 lots developed at an average size of 5,714 square feet with homes to be sold in the price range of high \$100s to the mid \$200s. She stated that the project would include a park, passive recreation area centralized within the community, and necessary public improvements. She added that construction was expected to begin in 2021 with completion projected by mid-late 2026.

Ms. Soto stated that the developer, Bitterblue, Inc., requested Tax Increment Reinvestment Zone (TIRZ) funding for public infrastructure for an amount not to exceed \$4,625,024 to be reimbursed over 15-years, and staff recommended reimbursement structured as a tax rebate using a Chapter 380 Economic Development Agreement. She noted that the tax rebate for the first five years would be reimbursed at 90% by the Mission Drive-In TIRZ, and the last ten years would be reimbursed with General Funds using the City's Operations & Maintenance (O&M) rate, currently at 62.15%. She explained the evaluation steps and the process for creating a TIRZ and noted that Bitterblue, Inc. had used TIRZ funding in the past to create homes within an affordable range. She added that of the 135 homes, 54 (40% ) will be in the \$200,000 - \$240,000 sales price range, which was considered affordable for families up to 120% of the area median income (AMI); and 81 (60%) of the homes would be developed above the \$240,000 range at 120% AMI.

Ms. Soto presented a map of employment centers in the area where jobs were available for future homeowners in the area. She added that public infrastructure would facilitate the affordable housing development and included streets, sidewalks, site drainage, and utilities which were all part of the 4.625% TIRZ reimbursement proposed. She noted that the economic development agreement would be presented to City Council for consideration in May 2021, with construction to commence in May 2021 or June 2021.

Chairwoman Viagran noted that the proposed development project would bring significant new housing stock and great improvements to the area. She noted that the project was to be located just south of the Stinson Municipal Airport Facility, next door to a middle school, and adjacent to the Harlandale Independent School District. She asked of the size of the bedrooms. Ms. Soto replied that the 135 homes would consist of a mixture of three and four bedrooms, with some having two bedrooms.

Councilmember Gonzales moved to approve Item 5. Councilmember Rocha Garcia seconded the motion. The motion prevailed unanimously by those present.

**EXECUTIVE SESSION**

Chairwoman Viagran recessed the meeting into Executive Session at 3:29 pm to discuss the following:

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

Chairwoman Viagran reconvened the meeting at 3:54 pm and announced that no action was taken in Executive Session.

**Adjournment**

There being no further discussion, the meeting was adjourned at 3:55 pm.

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*Rebecca Viagran, Chairwoman*

*Respectfully Submitted,*

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*Nancy Cano, Office of the City Clerk*