

**State of Texas  
County of Bexar  
City of San Antonio**



**Meeting Minutes  
City Council B Session**

City Hall Complex  
105 Main Plaza  
San Antonio, Texas 78205

**Wednesday, June 2, 2021**

**2:00 PM**

**Municipal Plaza Building**

**ROLL CALL**

The City Council convened in a Regular Meeting. 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

1. Briefing on the COVID-19 Response and Recovery & Resiliency Plan and update on the American Rescue Plan Act. [Maria Villagómez, Deputy City Manager; Veronica A. Carrillo, COVID-19 Executive Officer]

COVID-19 Executive Officer Veronica Carrillo presented the April 2021 COVID-19 Response and Recovery & Resiliency Plan update:

Program (\$ in millions)	Budget	Plan thru April	Actuals thru April	Variance
Emergency Response	\$175.5	\$175.5	\$175.5	\$0
Health Implementation	\$75.5	\$38.2	\$29.1	\$9.0
Recovery & Resiliency	\$314.3	\$184.2	\$185.7	(\$1.4)
Other CARES Programs	\$83.8	\$51.7	\$55.0	(\$3.3)
<b>TOTAL</b>	<b>\$649.1</b>	<b>\$449.5</b>	<b>\$445.2</b>	<b>\$4.3</b>

Ms. Carrillo presented the April 2021 COVID-19 Response and Recovery & Resiliency Plan update by revenue source:

Revenue Source (\$ in millions)	Budget	Plan thru April	Actuals thru April	Variance
Federal Grants	\$482.5	\$373.2	\$377.0	\$3.8
General Fund	\$154.8	\$64.6	\$56.4	(\$8.2)
Other*	\$11.8	\$11.7	\$11.8	\$0.1
<b>TOTAL</b>	<b>\$649.1</b>	<b>\$449.5</b>	<b>\$445.2</b>	<b>(\$4.3)</b>

\*TIRZ, San Antonio Housing Trust, and Donations

Ms. Carrillo highlighted four of the numerous programs in the Health Implementation Plan:

Vaccinations	Testing	Case Investigation	Media Campaign
1 million first doses with 800,000 fully vaccinated	1.7 million tests administered with \$410,000 contributed by the City and a <2% positivity rate	220,000 completed	Included an education program with a focus on vulnerable communities
Budget \$26.7 million Spent \$2.8 million	Budget \$21.9 million Spent \$7.5 million	Budget \$10 million Spent \$6.7 million	Budget \$3.4 million Spent \$2.4 million

Ms. Carrillo provided a financial update for the four pillars of the COVID-19 Response and Recovery & Resiliency Plan:

(\$ in millions)	Budget	Actuals (April 30)
Housing Security	\$169.3	\$113.2
Workforce	\$65.2	\$26.6
Small Business	\$52.5	\$42.4
Digital Inclusion	\$27.3	\$3.5*
<b>TOTAL</b>	<b>\$314.3</b>	<b>\$185.7</b>

\*In addition to the \$3.5M of actual expenses; \$11M had been committed for work currently being performed to connect students in neighborhoods in SAISD, EISD, and HISD

Ms. Carrillo reviewed the programs of the Housing Security pillar:

EHAP	Homeless	Recovery Hub	Domestic Violence
Assisted 36,000 households with rental, mortgage and utilities with funds expected to be expended by July 2021	300 hotel rooms leased, 89,730 meals provided 1,588 individuals served at Haven for Hope, and 11 street outreach team members	Benefit Navigators connected over 9,000 residents, 44% with one session, 38% received, and financial counseling	250 parents served, 91 individuals received emergency housing, and 349 families received financial assistance
Budget \$133.6 million Spent \$96.1 million	Budget \$23.2 million Spent \$7.8 million	Budget \$3.5 million Spent \$1.9 million	Budget \$3.3 million Spent \$1.7 million

Ms. Carrillo reviewed the progress of the Workforce Development pillar. She reported that through May 24, 2021, the enrollment goal for Train for Jobs SA was 5,973 and 2,372 participants were enrolled. She stated that 416 participants had been placed in better jobs, and of those, 186 had been employed for over 90 days. She added that the Budget for workforce development was \$65.2 million of which \$26.6 million had been spent.

Ms. Carrillo reviewed the progress for the Small Business pillar and stated that \$52.5 million was allocated for Personal Protective Equipment (PPE) needed for the reopening of businesses, support of the arts, and job training and included \$14 million for the Economic Development Department (EDD) to support the hospitality industry. She indicated that the program received 677 applications, of which 500 were eligible. She reported that 366 applicants were identified for an award and it was estimated that 70-90 grants would be awarded.

Ms. Carrillo reported that the goal of the Digital Inclusion Program was to provide internet access to 20,000 students in 50 neighborhoods. She noted that 16 neighborhoods were complete or under way and all neighborhoods were expected to be completed in 2022.

Ms. Carrillo stated that additional awards were made for:

- Airport (\$11.0 million)
- Health (\$0.7 million)
- Vaccines (\$15.1 million)
- Head Start (\$1.0 million)
- Childcare (\$7.0 million)
- Housing (\$0.5 million)

Ms. Carrillo reported that the American Rescue Plan (ARP) Act provided \$1.9 trillion to support the emergency response and aid those most impacted by the COVID-19 Pandemic. She stated that the ARP Act provided direct aid with stimulus checks, unemployment benefits, family tax credits, and other areas impacted including State and local governments. She noted that each of these categories had their own guidelines and program requirements and in May 2021, the U.S. Department of Treasury released guidance for local governments on eligible uses of ARP Act funds. She indicated that the estimated allocations to the City included:

- Fiscal recovery (\$326.9 million)
- Housing security (\$69.7 million)
- Airport (\$38.3 million)
- Health disparities (\$26.6 million)
- Head Start (\$4.0 million)

Ms. Carrillo stated that the City had retained Personal Finance Management (PFM) Group Consulting, LLC to augment analytical and planning efforts to: 1) Maximize Federal funds; and 2) Build and prepare for long-term financial sustainability.

Ms. Carrillo reported that the interim final rules permitted local governments to recover costs

incurred beginning on March 3, 2021 and that the City received 50% of its allocation on May 19, 2021, the City received 50% of its allocation. She indicated that the rules were interim and open for comment with comments due on July 16, 2021. She noted that funds must be obligated by December 31, 2024 and projects must be completed by December 31, 2026.

Ms. Carrillo stated that eligible uses of the funds included:

- Providing government services to the extent of revenue loss
- Responding to the public health emergency and its negative economic impact
- Premium Pay
- Water, sewer, and broadband infrastructure

Ms. Carrillo indicated that reporting requirements included: 1) Quarterly project and expenditure report; 2) Annual project and expenditure report; and 3) Annual recovery plan performance report. She reported that the provision for revenue loss eligible uses included:

- Infrastructure maintenance
- Health services
- Police, Fire, and other public safety services

Ms. Carrillo reported that the revenue calculations would occur at four points in time: December 2020, December 2021, December 2022, and December 2023.

Ms. Carrillo stated that the provision for responding to the public health emergency and its negative economic impacts eligible uses included mitigation of: 1) Public health impacts; 2) Economic impacts; and 3) Disproportionately impacted communities. She reported that the ARP Act provided for premium pay for City workers, or third-party employers with eligible workers performing essential work during the COVID-19 health crisis and water, sewer, and broadband projects.

Ms. Carrillo noted that staff was conducting due diligence on eligibility rules and processes for the ARP Act allocation. She indicated that the priority was revenue recovery and the trial Budget to be presented on June 16, 2021 would include recommendations for the use of ARP Act funds for revenue loss.

Mayor Nirenberg stated that conversations held today would help to inform the comments made. He noted that this was an opportunity for the City, not only to address immediate needs, but to use the opportunity as a catalyst for transformation and changes that needed to occur as highlighted by the COVID-19 Pandemic. He noted that the City would have the opportunity to address issues of public health, public health infrastructure as it related to mental health, behavioral health and those impacts. He stated that there was a need for efforts to address housing security, homelessness, getting small businesses back on their feet and the digital divide. He thanked the Benefit Navigators for their efforts in working with those who had struggled the most during the COVID-19 Pandemic. He asked of the process for aligning the use of funds with Bexar County.

City Manager Erik Walsh stated that he had meetings with the County Manager and noted that

Bexar County was in a much different position than the City as they had not been impacted as much. He noted that they had retained a consultant and a number of other large counties in Texas advised them on the best strategy. He stated that the City would continue to coordinate with them. Mayor Nirenberg asked if the county's comments were due at the same time. City Manager Walsh replied that they were.

Mayor Nirenberg asked of the status of the City's utilities and the assistance that they might need. City Manager Walsh stated that he did not know if the utilities would be eligible for funding. Chief Financial Officer Ben Gorzell stated that the City was coordinating with CPS Energy and SAWS to get a better understanding of customer accounts that were behind and to get as much information and analysis on that to assist the City in determining what was eligible for reimbursement. He noted that the City would work with the utility companies to develop programs that could target and provide assistance to those customers. City Manager Walsh stated that he would make a formal request for funds from the money the State set aside for housing assistance. Mr. Gorzell noted that it would take a number of different avenues and tools to help those customers get back on track.

Mayor Nirenberg asked how much of the ARP Act funds would be utilized for emergency rental assistance. Deputy City Manager Maria Villagomez stated that staff had not made that determination yet as they were reviewing the eligibility guidelines. She added that staff would seek recommendations from the City Council for use of those funds this month. Mayor Nirenberg thanked his colleagues and Bexar County for their collaboration.

Councilmember Sandoval suggested that the City utilize some of the existing funding to provide incentives to get more individuals vaccinated. She asked for the definition of a qualified census tract. PFM Group Consulting, LLC President Michael Nadol stated that the definition and goal of that aspect of the program was focused on lower income communities which were facing significant and disproportionate impacts throughout the pandemic. Councilmember Sandoval asked where the data would come from. Mr. Nadol stated that definitions that the U.S. Department of Housing and Urban Development (HUD) were used and were based on having a high percentage of households within that census tract being income eligible based on income levels below the regional standards.

Councilmember Andrews-Sullivan asked how many of the 1,600 homeless individuals had been placed in permanent housing. Department of Human Services (DHS) Director Melody Woosley stated that DHS had provided rental assistance to 120 individuals through Rapid Rehousing Programs and it was anticipated that all 1,600 would be placed by the end of the program. She added that community partners were placing individuals as well. Councilmember Andrews-Sullivan asked if attorneys and protective order assistance was provided under the domestic violence pillar. Deputy City Manager Villagomez stated that she would provide that information.

Councilmember Gonzales asked of the progress to address the digital divide. Chief Innovation Officer Brian Dillard stated that systems had been deployed to the San Antonio Independent School District and staff were developing a deployment model for the Edgewood and Harlandale Independent School Districts. He indicated that systems would be deployed in the South San Antonio, Northeast, Northside and Judson Independent School Districts.

Councilmember Viagran suggested using Federal, State, County, City and SAWS funding sources to lay lines for utilities and broadband. She spoke of utilizing funds for mental health to fund the arts and utilizing funds to bring Mitchell Lake into attainment, to hire more community health workers and for the VIVA San Antonio Healthy Corner Store Initiative. She asked how ARP Act funds would be distributed. Assistant City Manager Jeff Coyle stated that this would probably be addressed during the special session in Fall 2021. Councilmember Viagran requested that a comment be made to the Federal Government to shorten the timeline for states to distribute funds to local governments.

Councilmember Courage asked how many of the homeless individuals which were housed in hotels were back on their feet and how many had left. Ms. Woosley stated that approximately 250 homeless individuals had transitioned into housing from the hotel. She noted that at first, high risk homeless individuals moved into the hotel, mostly from the Courtyard at Haven for Hope. She stated that a lot of homeless individuals entered the hotel from the streets and most of the homeless individuals had transitioned into permanent housing or had entered Haven for Hope. She indicated that she would check for data on the number of homeless individuals that returned to the streets from the hotel. Councilmember Courage spoke of the need to provide constituents the rate of success or failure of these efforts. Ms. Woosley stated that she would provide a detailed update.

Councilmember Cabello Havrda stated that she would like to see public health working with the Police Department and advocacy groups to utilize the funds to address public safety issues. She asked if funds could be utilized to assist landlords with one or two rentals. Assistant City Manager Lori Houston stated that providing funding to landlords through the Rental Assistance Program was prohibited. She noted that staff could work with the landlord to reach out to the tenant and encourage them to apply for assistance.

Councilmember Rocha Garcia asked what type of funding was given to victims of domestic violence. Assistant City Manager Colleen Bridger stated that it depended on their needs such as housing assistance or food assistance. Councilmember Rocha Garcia asked if mental health services were provided if needed. Dr. Bridger replied that the City was expanding its ability to connect them to mental health services if needed. Councilmember Rocha Garcia requested an update on neighborhoods which had received digital services and the lack of infrastructure across the City.

Councilmember Treviño stated that a coordinated system for mental health assistance and other services was needed. City Manager Walsh stated that a coordinated effort by the City and Bexar County was underway and Dr. Bridger was participating in the County Work Group. Councilmember Treviño stated that he would like to see funds put back into the Under One Roof Program. He suggested that a community engagement plan be put in place to discuss the use of infrastructure funding.

Councilmember Pelaez encouraged the City Manager to send a copy of the rules for the use of ARP Act funds to the City Council. He stated that every category eligible for use was tied to the response to the COVID-19 Pandemic.

Councilmember Perry asked for the amount of funds deferred in FY 2020 and FY 2021 due to the COVID-19 Pandemic. City Manager Walsh reported that \$87 million was deferred out of the General Fund in FY 2020 and the General Fund Budget was reduced by \$37 million in FY 2021.

Councilmember Courage asked if the City would request reimbursement for Hotel Occupancy Tax (HOT) revenue lost. City Manager Walsh stated that the City would request reimbursement for lost revenue from the HOT. Councilmember Courage asked how much that was anticipated to be. Deputy City Manager Villagomez reported that the revenue lost was \$120 million for the first two years and \$180 million through the financial forecast through 2026. She stated that the Federal Government would allow for growth in the calculations and would be presented to the City Council as part of the Trial Budget.

Councilmember Perry asked if there were a consolidated list of questions, clarifications, and recommendations to send to the Federal Government. City Manager Walsh stated that there was not, as today was the first opportunity to discuss the ARP Act funding. He noted that those items would be collected and probably would be shared with the City Council at the Goal Setting Session at the end of June 2021.

The Mayor and City Council sang happy birthday to Councilmember Gonzales.

### **EXECUTIVE SESSION**

Mayor Nirenberg recessed the meeting at 4:25 PM to discuss the following items:

- A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Legal issues related to litigation involving the City pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- E. Legal issues relating to COVID-19 preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the meeting at 5:02 PM and announced that no action was taken.

### **ADJOURNMENT**

There being no further discussion, Mayor Nirenberg recessed the meeting at 5:02 PM.

**APPROVED**

**RON NIRENBERG**

Mayor

Attest:

**TINA J. FLORES**

City Clerk