



**City of San José
Small Business Advisory Task Force**

**VIRTUAL MEETING MINUTES & SUMMARY
Thursday, August 13, 2020**

Consistent with the California Governor's Executive Order No. N-29-20, Resolution No. 79450 from the City of San José and the Santa Clara County Health Officer's March 16, 2020 Shelter in Place Order, the Task Force meeting was not physically open to the public and Members participated via teleconference from remote locations.

Members of the Public were noticed to submit comments during or before meeting via zoom or email to raania.mohsen@sanjoseca.gov

Call to Order & Order of the Day

PRESENT: Chair Chappie Jones, Vice Chair Dennis King, Members Carl Davis Jr., Ken Kelly, Allie Lopez (5:07 pm), Bettie Owen, Helen Wang (5:07 pm)

ABSENT: Eddie Truong

ASSOCIATE MEMBERS PRESENT:
Annie Tsai, Nga Nguyen

OTHERS PRESENT:

James Duran	Alternate Member, Hispanic Chamber of Commerce Silicon Valley
Sam Washington	Alternate Member, Silicon Valley Black Chamber of Commerce
Gerry Kelly-Brenner	Stakeholder Liaison, Internal Revenue Service
Dhez Woodworth	Office of Economic Development, City of San Jose
Vic Farlie	Office of Economic Development, City of San Jose
David French	Public Works Department, City of San Jose
Nasrine Lakabi	Intern, District 1, City of San Jose
Raania Mohsen	Deputy Chief of Staff, City of San Jose

Chair Chappie Jones convened the Small Business Advisory Task Force at 5:00 pm virtually via teleconference.

Public Comment:

There was no public testimony or email received.

Cosent Calendar

ACTION: Motion to approve Consent Calendar and minutes of June 11, June 18, June 26, 2020 with following revisions:

- Spelling Correction of “CBDG” to “CDBG” in Minutes of June 18, 2020
- Spelling correction of “El Fresco” to “Al Fresco” in Minutes of June 11, 2020

Motion made by Vice Chair Dennis King and seconded by Member Ken Kelly. Motion passed unanimously (5:0:3. Absent: Lopez, Truong, Wang).

New Business

A. City of San Jose Construction Academy (David French)

- David French presented on outreach for upcoming Construction Academy to our local small business community.
- City staff has been working on making an effort to connect and build relationships with our local contract communities by educating people where to go for potential contracts, providing a list of projects that are upcoming, providing information on Public Works Construction Academy, hence the purpose of the Opportunity Awareness Events.
- Next Opportunity Awareness Event is scheduled for September 2, 2020.
- The Academy includes construction contracting webinar events.
- These six part webinar events, 4:30pm- 7pm, every Wednesday weekly, starting September 23, 2020 and concludes October 28, 2020.
- It is designed to educate and teach contractors how to bid and contract with the City, how to communicate with the City, who to contact from the City, how to manage payroll, etc.
 - It covers the process of bid to project completion
 - The primary goal is to make people feel comfortable bidding
- The Program also helps create pools of contractors who then have the opportunity to bid on minor construction projects.
- Questions from Members included:
 - *What is needed in terms of the pre-qualification program?*
 - Smaller/’ minor construction projects are not advertised publicly
 - In order to receive a bid, they must be apart of the pre-qualification pool
 - Contractor will have had to completed three similar projects and one of the projects will need to be with government entity.
 - If they did not work with a government entity before, this will **automatically exclude them** from participating in this program
 - If they attend the Construction Academy and pass the final exam this requirement will be waived (having to contract with a government entity prior)
 - *Has anything changed since COVID-19 in regards to information and guidance?*

- No, other than everything is now virtual, all the information remains the same.

Documents Filed:

[Construction Academy Outreach Presentation](#)

B. Review of Proposition 16: Repeal Proposition 209 Affirmative Action Amendment (Bena Chang)

- This June, State Legislature voted to place Proposition 16 on the November 2020 ballot.
- The measure would repeal Proposition 209 (which voters passed in 1996).
- Proposition 209 prohibited state, local governments public colleges and universities from discriminating against or granting preferential treatment to people on the basis of race, ethnicity, gender.
- Proposition 209 has created additional barriers to California in regards to race and gender policies.
- This specific proposition will be going to San Jose City Council on August 25, 2020.
- City staff is recommending a “support” position on Proposition 16.
 - The primary reason is to give City Council additional options in case they in the future want to consider additional race conscious or gender conscious programs when it comes to hiring decisions and procurement programs.
- Proposition 16 does not mandate that local government take any particular action or adopt any new programs but it will provide an additional tool if City Council in the future wants to consider specific programs should the proposition pass.
- There is opposition to proposition 16 which are similar to arguments that opponents of 209 made back in 1996 and includes:
 - A lot of conversation about having a color blind society
 - Concerns about more discrimination
 - Opposition having to do with college admissions and worries about how it will change college admissions, especially for the Asian- American community
- Members noted that if the Task Force were to consider supporting Proposition 16, it should do so on the basis of its potential impact to new procurement programs for minorities and expanded opportunities for small businesses.

ACTION: Motion to support Proposition 16 and submit a letter to San Jose City Council made by Vice Chair Dennis King and seconded by Member Bettie Owens. Motion passed unanimously (7:0:1; Absent: Truong).

Documents Filed:

[Ballotpedia Proposition Information](#)

Staff Memo Re: Proposition 16

C. Task Force Membership – Create Subcommittee to address appointment of vacancy and composition of Task Force (Chair)

- Chair noted there is a vacancy on the Task Force and there have been some past discussions and requests to add more members.
- Chair suggested creating a subcommittee to review and come back with a recommendation to the full Task Force.
- It was suggested that the subcommittee should include at least three members.
- Members to include: Allie Lopez (Chair), Dennis King, and Ken Kelly.
- Subcommittee is tasked with reviewing and proposing appointment of vacancy and composition of the task force; recommendation to be provided at October Meeting.

ACTION: Motion to approve formation of proposed subcommittee to review and propose appointment of vacancy and composition of task force made by Vice Chair Dennis King and seconded by Member Ken Kelly. Motion was carried unanimously (7:0:1; Absent: Truong)

D. City of San Jose's Small Business Grant Programs

1. CDBG Microenterprise Grant Program

- Vic Farlie of the City's Office of Economic Development Department reviewed the specifics of the new CDBG Microenterprise Grant Program.
- Since COVID-19 there has been a great deal of stress and pressure on business, in particular for small business and their ability to secure equity, cash, and income to sustain themselves.
- The City decided to allocate money to create a grant program to support small businesses.
- The Grant program went live yesterday morning (8/12/2020).
- City staff noticed that there is a much lower rate of loans made to businesses that employ five or fewer people.
- It seems that the larger the headcount of the business, the larger the proportion of federal loans that were available.
- Thus, this grant program has been designed for small businesses with 5 or fewer employees.
- The program will run for one week.
- 145 grants will be rewarded, each at \$15,000.
- Qualifying criteria includes:
 - Five or fewer employees;
 - The business owner's total household income must be low or moderate income
 - Business owner must live in Santa Clara County
 - Priority will be given to an essential business as defined by Santa Clara County's public health order.
- Concerns/questions from Task Force Members included:
 - This is going to leave out a lot of people/ businesses who don't meet the five or less employees criteria.

- Why don't we include people who have received financial assistance through PPP or other programs since many businesses have exhausted through that funding and are still on the edge of extinction?
 - There are many small businesses who are low/ moderate income with five or less employees who have not been able to receive a lot of aid in terms of receiving traditional lendings by banks or from federal stimulus packages.
 - Federal regulations are very strict in auditing and accounting of the fund to avoid what is known as “double dipping”

2. Rent Relief Grant Program

- Dhez Woodworth of the City’s Office of Economic Development Department provided an overview.
- The Rent Relief Grant Program is similar to the microenterprise grant program with provision of grants up to \$15,000.
- It is not limited to businesses of five or fewer employees and it also has a low income threshold.
- Applicant businesses will be required to prove economic injury due to COVID-19.
- This is not available for those who have been approved for other loans.
- It is not intended for home-based businesses simply because this is a rent relief program.
- The application process will begin in late August/early September and grants will be issued 3-4 weeks afterwards.
- The grant program is not yet finalized and awaiting Council approval where all details will be finalized
- Comments from Task Force members included:
 - \$15,000 does not go very far in today's rental market.
 - The purpose is to fund more than 200 businesses and those that have been hit harder than others.

E. Member Check-In Re: COVID-19 Crisis (All)

- On June 16, the City of San Jose approved distribution of grants to neighborhood business districts; two months have passed and there is still no update on when the money is going to be distributed.
- Businesses are struggling as a result.

Announcements

- SJC will be releasing new goals for their Disadvantaged Business Enterprise Program; we could work on getting businesses certified to participate and bid for contract opportunities.
- Annual Cybersecurity Symposium has been scheduled for October 14-16, 2020.

Adjournment

ACTION: Motion to adjour made by Vice Chair Dennis King and seconded by Member Allie Lopez. Motion passed unanimously (7:0:1; Absent: Truong).

Meeting was adjourned at 5:03 pm.



HON. CHAPPIE JONES, CHAIR

ATTEST:
ADVISORY TASK FORCE SECRETARY



RAANIA MOHSEN, DEPUTY CHIEF OF STAFF