



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

VIRTUAL MEETING MINUTES & SUMMARY Thursday,
November 12, 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, Alie Lopez, Eddie Truong, Helen Wang

ABSENT: Bettie Owen

ASSOCIATE MEMBERS PRESENT: Nancy Avila, Annie Tsai

OTHERS PRESENT:

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|-----------------|---|
| James Duran | Alternate Member, Hispanic Chamber of Commerce Silicon Valley |
| David French | Department of Public Works, City of San Jose |
| Christine Keung | Office of Mayor Sam Liccardo |
| Lily Guggenheim | Office of Mayor Sam Liccardo |
| Nasrine Lakabi | Intern, District 1, City of San Jose |
| Raania Mohsen | Deputy Chief of Staff, City of San Jose |

Public Comment

There was no public testimony or email received.

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Consent Calendar

ACTION: Motion to approve Consent Calendar and Minutes of October 8, 2020 with amendment to make minor edits. Motion made by Member Ken Kelly and seconded by Vice Chair Dennis King. Motion passed unanimously (7:0:1. Absent: Owen).

New Business

A. Annual Overview of Local/Small Contractor Participation & B. Construction Academy Debrief

- David French from the Department of Public Works reviewed the annual report on local/small contractor participation and the recent Construction Academy.
- Local business is defined as any business that is located within Santa Clara County, either a headquarter that is located in SC County or that can be a satellite office with at least one employee.
- Small business by definition must be local as well as having 35 employees or less.
- There are multiple contracts that are awarded such as: major construction contracts (contracts that are valued at over \$600,000), and minor contracts (contracts valued at less than \$600,000).
- Small and local businesses tend to bid on small contracts more often.
- In the last fiscal year 2019-20, 63 contracts were awarded worth about \$190.5 million.
 - 20 of the contracts were awarded to local businesses worth about \$53 million.
 - 13 of the contracts were awarded to businesses that were also small worth about \$12 million.
- Pre-qualification pool program, this is where smaller projects (valued at \$600,000 and below) are broken up into pre-qualified pools of contractors.
- Currently there are seven active pools: minor street projects, electrical, mechanical, plumbing, general building and general parks.
- Using these pools, the City has issued 12 task orders.
- What makes up these pools?
 - 46% are local; 31% are local and small businesses.
- For smaller projects, there are traditional minor contracts (which does not use pools of contractors).
- One of the goals of the pre-qualification pool is to get new contractors involved.
- The recent Construction Academy consisted of opportunity awareness events.
 - Staff went out to the community and educated contractors about the Academy and the City's capital program, what type of projects are available, when bids will be issued, and how to engage with the City.

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- The Academy included 6-weeks of educational seminars and taught participants how to start a solicitation, bid on a project, and the award process of a project up until completion and how to communicate with the City throughout the process.
- For the contactors that attended all six seminars and passed the test, they are now eligible for pre-qualification pools and received a waiver for the City's requirement to have three projects of similar scope (and one of the projects with a government entity).

C. Small Business Recovery Approaches

- Christine Keung and Lily Guggenheim from the Mayor's Office presented on various approaches and tools for small business recovery.
- Task Force Members provided feedback and requested to connect further to provide more input.
- San Jose is currently ranked as fifth in the nation of largest business closure, largely due to the fact that many have stopped spending.
- It's important to think about the kinds of resources that will help small businesses for the next few years.
- There needs to be specific kinds of programs that are put in place specifically for our small businesses.
- The three most popular SBA lending programs include: Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL), and Debt Relief Program that covers principal, interest, and fees of current 79a), 505, and microloans for a period of 6 months.
- However, small businesses do not need an existing banking relationship.
- There are a few tradeoffs that small businesses are facing when it comes to the cost of capital, the ease of access, and the loan amount.
- Because one cannot apply for PPP if they are also on unemployment, it is unclear if San Jose businesses have benefited from this program.
- Even though federal reserve programs exist, they may not be reaching the communities that they intend to serve.
- Since [Kiva](#), which is a local lending and borrowing program for entrepreneurs, launched in San Jose, \$1.4 million in loans have been provisioned where average household income is about \$50,000.
- There's an emphasis on the importance of small businesses obtaining help for resources needed to survive (in particular a loan that they will be able to pay back).
- Members discussed the County's potential \$100 million funding package for small businesses and suggested letter of support to be submitted on behalf of the Task Force.

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

No updated provided/item deferred.

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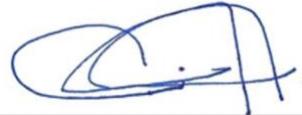
Announcements

- SBATF December Study Session/ Recognition, December 10, 4pm; the event will include a working agenda and social/recognition activity.

Adjournment

ACTION: Motion to adjourn meeting made by Chair Chappie Jones and seconded by Member Ken Kelly. Motion passed unanimously (7:0:1; Absent: Owen).

Meeting was adjourned at 5:14 pm.



HON. CHAPPIE JONES, CHAIR

ATTEST:

ADVISORY TASK FORCE SECRETARY



RAANIA MOHSEN, DEPUTY CHIEF OF STAFF