

WORKFORCE INVESTMENT SAN FRANCISCO

Local Workforce Investment Board for the City and County of San Francisco

Draft Minutes of The
September 13, 2023

Meeting of the Workforce Investment San Francisco (WISF)
War Memorial Veterans Building, Green Room, 2nd Floor
San Francisco, CA 94102

WISF Members Present

Jeanine Cotter, Chair, Luminalt Solar
Edward Battista, Sutter Health
Jorge Tapia, CA EDD
Julie Fallon, Marriott
Kim Tavaglione, SF Labor Council
Laurie Thomas, Golden Gate Restaurant Association
Dean Hwu, for President Lynn Mahoney, SFSU
Meaghan Mitchell, San Francisco Standard
Alex Wong, Kaiser Permanente
Charley Lavery, Operating Engineers Local 3

Sam Rodriguez, Rodriguez Strategic
Partners, LLC
Tony Delorio, Local Union No. 665
Bruce Callander, HUB International
Iwayna Peña, San Francisco Giants
Matt Dorsey, San Francisco Board of
Supervisors
David Martin, City College of San
Francisco

WISF Members Absent

Cynthia Gomez, UNITE HERE Local 2
John Doherty, IBEW Local 6
Lori Dunn-Guion, Swinerton
Angela Tamayo, SEIU-UHW
Safiya Miller, Microsoft Corp
Theresa Woo, CA Dept. of Rehabilitation
Ramon Hernandez, Laborers Local 261

Nikki Tosiello, Salesforce
Shanell Williams, City College Board of
Trustees
Shamann Walton, San Francisco Board
of Supervisors
Vikrum Aiyer, ACLU
Michon Coleman, Hospital Council of
Northern & Central California

Ohlone Land Acknowledg- ment, Announce- ments & Housekeeping (Discussion Item)

Before the meeting opened, Jessie Mainardi Mayor's Liaison of Boards and Commissions swore in the Workforce Investment San Francisco (WISF) members.

Jeanine Cotter, Chair of WISF, introduced herself and called the meeting to order at 9:17 a.m. Secretary Iris Rollins (OEWD) opened the meeting by reciting the Ohlone Land Acknowledgement and informing the public that WISF would conduct a swearing-in before starting the meeting.

Roll Call (Discussion Item)

Secretary Rollins conducted roll call and announced that a quorum was present.

Chair's Welcome (Discussion Item)

Chair Cotter thanked WISF members and the general public for attending the hybrid WISF meeting at the War Memorial Green Room and remotely on Zoom.

Chair Cotter introduced OEWD Executive Director Sarah Dennis Phillips to introduce herself in her new capacity.

Director Dennis Phillips provided remarks about her background and return to OEWD as the Executive Director.

**Adoption of
the Agenda**
(Action Item)

Chair Cotter directed WISF members to review the agenda. Next, Chair Cotter solicited comments from WISF members. Seeing none, Chair Cotter requested a motion to adopt the meeting agenda. Member Rodriguez made the motion, which was seconded by Member Callander and passed unanimously.

**Approval of
Minutes from
June 7, 2023
Meeting**
(Action Item)

Chair Cotter directed WISF members to review the June 7, 2023 meeting minutes. Next, Chair Cotter solicited comments from WISF members. Seeing none, Chair Cotter requested a motion to approve the meeting minutes from the June 7, 2023 meeting. Member Delorio made the motion, which was seconded by Member Rodriguez and passed unanimously.

**Board Chair
Election**
(Action Item)

Chair Cotter introduced the Board Chair Election item, provided information on the process, and called for nominations and seconds. Member Rodriguez nominated Chair Cotter. Chair Cotter accepted the nomination, and Member Lavery seconded. Seeing no other nominations, Chair Cotter called for a vote. All members were in favor.

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**Workforce
Director's
Report**
(Discussion
Item)

Chair Cotter introduced OEWD Workforce Director Joshua Arce. Director Arce presented the Workforce Director's Report and highlighted economic indicators. Director Arce presented California Employment Development Department labor market information for San Francisco County from July 2023. The data demonstrate a 3.2% unemployment rate. 18,900 individuals are unemployed, though estimates do not reflect individuals out of the workforce. From December 2019 to December 2022, the San Francisco-San Mateo Metropolitan District reported a 1.7% increase in additional jobs. In three months, from April 2023 to July 2023, employment increased by 1.4%.

Through the Chair, Member Tavaglione inquired about data metrics showing different information and if the unified school district is part of what's included in the government data. Director Arce clarified there was an error with the data, and, yes, the Unified School District is represented within the Government field.

Member Wong inquired about the industry demand forecasts for the next two years. Director Arce referred to the work of Chief Economist Ted Egan, and noted Dr. Egan would present later on San Francisco's economy.

Member Rodriguez asked if Director Arce was aware of a grant from GO-Biz to the City of San Francisco for economic development technical assistance related to immigrant entrepreneurs' resource mapping and inter-agency collaboration and inquired if Director Arce knew if OEWD received the grant. Director Arce mentioned his excitement about a regional grant from GO-Biz involving multiple workforce boards, industry leaders, and partners for regional planning through the Community Economic Resilience Fund (CERF). While Director Arce was unfamiliar with the GO-Biz grant referenced by Member Rodriguez, he mentioned that the department is waiting for updates on future allocations related to the CERF project.

Chair Cotter inquired if Director Arce could suggest a role or method through which WISF board members could support San Francisco's chances of receiving the grant. Director Arce noted that extensive efforts had already been made by various industry stakeholders, labor councils, and community colleges. Member Tavaglione added that the board's influence and persuasive capacity have been valuable in securing the region's \$5 million CERF planning grant for the region.

At this time, Director Arce announced the arrival of Ted Egan, the City's Chief Economist, who would provide more detailed data and insights on the City's economic indicators.

Chair Cotter moved to the next agenda item and noted that the WISF would return to Director Arce's Workforce Director's Report after the Neighborhood Spotlight.

**San Francisco
Economic
Recovery
Update**
(Discussion
Item)

Chair Cotter introduced Chief Economist Ted Egan who provided an update on the San Francisco Economy Recovery.

Dr. Egan presented an overview of the San Francisco economy, offering insights into its current state and challenges. Notably, while employment saw a substantial drop in 2020, it has shown consistent growth since early 2021, especially in the thriving tech sector. The unemployment rate, though slightly higher than pre-pandemic levels, is relatively low, but the labor force's size is still in recovery.

However, occupancy remains below pre-pandemic levels, affecting downtown office and retail spaces. In addition, transit ridership and tourism are rebounding more slowly than other metropolitan areas. Housing, particularly apartment rents, has gradually recovered, lagging behind other cities. Home price appreciation in San Francisco is also trailing behind the statewide trend, suggesting challenges in attracting people back to the City.

Housing permit issuance remains lower than before the pandemic due to high mortgage rates, creating a less favorable climate for home buying. Mr. Egan underscored the crucial role of office occupancy in revitalizing the City's economy and highlighted untapped growth potential, primarily linked to the utilization of office spaces. Egan concluded by offering to address any questions from the board.

Chair Cotter offered the floor to OEWD Executive Director Sarah Dennis Phillips for her insights and remarks.

Director Dennis Phillips provided an update on the City's recovery efforts and initiatives, aligning with the Mayor's roadmap for economic recovery. Some highlights include tax relief for hard-hit sectors, growth in the hospitality industry, tax reform considerations to ensure stability, programs to support new businesses and workforce development initiatives. She also mentioned the positive impacts of the First-Year Free program for small businesses, a vacancy-filling program, and job fairs that have connected job seekers with employers. Furthermore, Director Dennis Phillips highlighted efforts to stimulate residential construction through legislative measures and an affordable housing bond. These initiatives aim to foster economic growth and recovery in San Francisco.

Chair Cotter opened the floor for questions.

Member Fallon stated she is interested in the leisure and hospitality data, specifically the growth in airline activity that doesn't align with the growth in hotel room nights and whether there is more detailed data available that distinguishes between short-term rental platforms like Airbnb and VRBO compared to traditional hotels.

Mr. Egan said that he has general information on the number of permitted short-term rental hosts and their utilization compared to hotel rooms. Short-term rentals represent a relatively small share of the leisure and hospitality market. Many Airbnb listings now have a 30-day minimum stay, indicating a shift towards longer-term rentals. It's challenging to determine whether tourists or residents drive this trend. Despite this, there has been growth in the restaurant sector, suggesting some recovery in both supply and demand, though the exact balance between residents and tourists remains uncertain.

Dean Hwu, designated alternate (DA) for Member Mahoney, mentioned that he has observed a recurring issue as an international student coordinator at San Francisco State University (SFSU). Many students from the Asia-Pacific region, including Taiwan, China, and South Korea, often

encounter negative news about San Francisco. Member Mahoney believes these reports exaggerate issues like homelessness and crime, significantly impacting international travel. San Francisco is one of the safest cities and remains welcoming to international students. However, he believes we've lost significant Chinese tourism due to these safety concerns. It has become increasingly challenging for him to recruit students, as he must continually assure them of their safety. DA Hwu is interested in understanding if there's a strategy to address this issue, as it continues to negatively affect tourism.

In response to DA Hwu, Dr. Egan mentioned his recent interview with Chosun Economy, a prominent South Korean publication. He noted a shift in the international travel market, moving away from Asia toward Europe. Factors such as the slow recovery of Chinese international travel may be contributing to these shifts. Both SF Travel and the City are increasingly focusing on marketing efforts to counteract negative publicity. Addressing bad publicity is essential, as it can adversely affect the City's image.

Member Rodriguez posed a two-part question. Firstly, he inquired whether they would be able to capture both federal and state investments in renewable energy, with a particular focus on offshore energy turbines benefiting port cities such as Long Beach, San Francisco, and Oakland. He also sought insights into the projected employment opportunities associated with this investment as a significant factor in economic recovery. Secondly, he asked whether Dr. Egan intentionally omitted the City of Miami from any of his comparisons.

Dr. Egan responded to the first part of Member Rodriguez's question by admitting he had yet to study the issue and couldn't provide any informed insights on capturing federal and state investments in renewable energy and their potential employment implications. Regarding the second part of the question, he explained that Miami is considered a different market with distinct characteristics, including a strong focus on leisure tourism and less relevance as a tech hub compared to San Francisco. He noted that Miami's tech reputation was more hype than reality, with San Francisco having significantly more venture capital investment in the tech sector.

Member Callander asked about the population trends in San Francisco, especially in light of the COVID-19 pandemic, and whether there have been any adjustments. Additionally, he inquired about how these population trends correlate with the data on job statistics presented. Dr. Egan noted that there has been more evidence of job recovery than population recovery. He also expressed his intention to analyze the upcoming 2022 census data to understand if there has been an increase in people commuting into San Francisco from other areas in the Bay Area and how that relates to the overall population trends.

Member Wong inquired whether Dr. Egan had conducted industry-specific job demand projections or forecasts and requested insights into expected job demand trends for the upcoming one to two years. Dr. Egan responded, stating they are consumers of job demand forecasts rather than producers. He emphasized that they've observed growth in remote work hiring, which has a limited multiplier effect compared to in-office work. Many sectors slow to recover are improving, with leisure and hospitality, particularly restaurants, leading the way. However, the construction sector may take time to rebound due to housing-related issues. In the near term, Dr. Egan's qualitative forecast suggests these trends will continue. Looking ahead to the next two to three years, he highlighted the office market's uncertainty. High vacancy rates and stable apartment rents in offices raise questions about potential adjustments. He also considered how companies and tenants perceive San Francisco's office spaces with lower rents. He anticipated this could lead to increased dynamism in the downtown area, though the timing remains uncertain.

Member Tavaglione expressed concerns about San Francisco's affordability crisis, which she believes is driving workers away. She noted high costs, unaffordable rent, and childcare challenges

as barriers to returning to work in the City. She also emphasized the importance of attracting and retaining workers for the City's economic recovery and future vibrancy, highlighting the appeal of more affordable options like Oakland for young people and businesses. Dr. Egan acknowledged concerns about the City's population decline, especially among workers in various industries, such as restaurants and construction. He emphasized that the loss of these workers, who can no longer afford to live in San Francisco, hinders the City's recovery. Additionally, he mentioned that more people are commuting from the East Bay due to affordability issues, posing a challenge to the City's economic future.

Member Tapia expressed concerns about the city's safety, citing the loss of conventions and a perceived increase in crime. He stressed the need for proactive measures to address safety issues and improve the city's reputation.

Chair Cotter thanked the presenters and asked a final question regarding housing permits. She was particularly interested in understanding the difference between permit submissions and actual permit issuances. Dr. Egan stated that the data is intricate, and he has yet to delve into it deeply. He primarily focuses on permits because it's a reliable and well-established dataset. However, it's possible that there's more interest in construction than what's actually being built.

Chair Cotter appreciated comments and questions and went to the next agenda item.

**Excelsior
Neighborhood
Spotlight with
Urban
Services
YMCA of San
Francisco**
(Discussion
Item)

Chair Cotter introduced Director Patty Barraza from Urban Services YMCA. Director Barraza provided an overview of the Excelsior neighborhood, emphasizing its diverse population and unique challenges. The presenters discussed various programs and initiatives aimed at supporting the community, such as urban farming and workforce development. She also highlighted the importance of serving immigrant populations and older individuals in the neighborhood, addressing their specific needs and challenges. Additionally, the presenters mentioned their efforts to promote alternative career paths for young people and create opportunities for immigrant workers and newcomers. The presentation underscored the importance of community collaboration and innovative solutions in addressing the Excelsior neighborhood's socioeconomic issues.

Chair Cotter opened the floor for questions.

Member Delorio expressed gratitude for the presentation and highlighted the importance of unions collaborating more with communities. He shared their connection to the Excelsior neighborhood and their commitment to supporting programs like the one presented. Member Delorio also expressed a willingness to help from their organization's perspective and in terms of community and job support. He suggested increasing wages beyond the proposed levels and expressed an interest in exchanging contact information to explore further collaboration.

Director Barraza expressed gratitude and emphasized the positive impact of Casa de Apoyo on the community. She highlighted the importance of introducing young people to unions and trades at a young age, especially for those whose parents weren't part of unions. Director Barraza mentioned the college-focused narrative in many schools. She acknowledged that not all young people resonate with that path, making programs like those related to unions and trades essential. Director Barraza also shared her support for initiatives that provide scholarships and support for young people entering the trades.

Member Rodriguez asked during the intake process if Urban Services YMCA inquires whether clients have existing health insurance or access to healthcare services, especially for populations that face barriers to enrollments in public benefits.

Director Barraza mentioned that it falls within their public benefits services and is committed to providing comprehensive support to ensure clients gain access to healthcare.

Chair Cotter thanked the Excelsior team for their presentation and moved to the next agenda item.

**Workforce
Director's
Report**
*(Discussion
Item)*

Chair Cotter welcomed Director Arce Back to the podium to finish the Workforce Director's Report.

In addition to the earlier presentation, Director Arce spoke to the following items:

- Director Arce expressed enthusiasm about the Healthcare Academy. He highlighted the participation of members like Michon Coleman and Alex Wong alongside community partners and OEWD staff, such as Janan Howell and Franz Lau.
- Director Arce mentioned a successful pilot program, supported by Supervisor Dorsey, aimed at recruiting police officers from the local neighborhoods. This initiative attracted numerous applicants for these positions.
- Director Arce celebrated the 20th and 21st cohorts of Dev/Mission, recognizing their longstanding partnership in the TechSF initiative with City College and other collaborators.
- IKEA opened on Market Street, and OEWD collaborated with IKEA and community partners to conduct worker outreach in the neighborhoods. The First Source Hiring Team, led by Lowell Rice and Lauren Acevedo, worked to fill most positions from the local neighborhoods.
- During National Workforce Development Month, Director Arce highlighted success stories, including a program led by Member Peña in partnership with the Giants, Mission Hiring Hall, City Build, and the Mission Rock Academy, focusing on women in construction.
- The Mayor celebrated Labor Day with the dedicated workers of Laborers Local 261, responsible for maintaining San Francisco parks, open spaces, and neighborhoods.
- Director Arce showed a photo of the OEWD Workforce Development Division at the California Workforce Association "Meeting of the Minds" annual workforce conference. Delegates included Iris Rollins, Glenn Eagleson, Jen Hand, Lowell Rice, Minh Tran, Chad Houston, AJ Thomas, Michiko Wagner, and Deja Adams.
- Director Arce invited all to a celebration called "Working Together," which is meant to become an annual tradition. The event will be September 27, from 5–7 p.m. at 2243 Mission St. This event marks National Workforce Development Month and honors the community and labor partners, including outgoing workforce leaders.
- Director Arce shared that he is transitioning out of his role as the OEWD Workforce Development Director, but he will still be supportive to the department. Director Arce shared that it's been an incredible journey, and he has been grateful for the opportunity to work with this amazing team. He thanked everyone for their support.

Chair Cotter opened the floor for comments.

Member Rodriguez incited a farewell applause for Director Arce.

Member Tavaglione spoke on behalf of labor and expressed how much Director Arce will be missed. Member Tavaglione made comments about Director Arce and the strong relationships and

contributions he has made in the labor community and throughout the Bay Area. She expressed thanks for his hard work.

Supervisor Dorsey conveyed his unwavering support and deep respect for Director Arce. He emphasized his longstanding belief in individuals pursuing what's best for their lives and the importance of striking a balance. Supervisor Dorsey reminisced about their time as colleagues on the Democratic County Central Committee, highlighting their shared alignment on many issues. He also noted their earlier interactions when he worked in the City Attorney's Office and Director Arce was with Brightline Defense, a period during which he held Director Arce in high regard. Supervisor Dorsey expressed genuine appreciation for the opportunity to collaborate with Director Arce and his confidence in future collaborative endeavors. He stressed the high value placed on Director Arce's contributions and sincerely thanked him for his service.

Member Delorio expressed to Director Arce his deep appreciation for their partnership, highlighting the significance of initiatives like CityDrive, which originated from CityBuild. Member Delorio praised Director Arce's tireless dedication. Member Delorio noted that Director Arce had not only been a great friend, but also commended his ability to forge connections and bring together diverse stakeholders, including those initially hesitant to collaborate with labor unions. Member Delorio emphasized that Director Arce's leadership had brought about transformative change for the Teamsters and much of their progress was owed to his unwavering commitment.

Member Peña also expressed her sentiments to Director Arce, echoing the praise others had shared about him.

**Public
Comment on
Non-Agenda
Items**
*(Discussion
Item)*

Chair Cotter opened the meeting for public comment on non-agenda items. Secretary Rollins provided the instruction for public comment and shared that those in a virtual space could provide public comment in the chat.

Andrew Abou Jaoude of OEWD left a comment on Zoom thanking Director Arce for his leadership.

Seeing no other comments, Chair Cotter moved to the next agenda item.

Adjournment
(Action Item)

Chair Cotter asked for any final member comments before adjournment.

Chair Cotter shared that she will be absent from the WISF Meeting on December 13, 2023. A WISF Vice Chair will be elected at the November Executive Committee Meeting and will run the December 13 meeting.

Member Tapia shared his best wishes for Director Arce on behalf of the Employment Development Department (EDD).

Member Tavaglione shared that everyone is invited to the San Francisco sub-regional meeting of the CERF team on September 29th at the IBEW Local 6 hall. The team will be discussing projects for San Francisco and how to advance them. She will send out the details via email.

Chair Cotter requested a motion to adjourn the meeting. Member Lavery made a motion, and Member Delorio seconded. The motion to adjourn was unanimous. The meeting ended at 11:02 a.m.

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