

WORKFORCE INVESTMENT SAN FRANCISCO

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

Draft Minutes of The

June 5, 2024

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
Sam Rodriguez, Vice-Chair, Rodriguez
Strategic Partners, LLC
Alex Wong, Kaiser Permanente
Bruce Callander, HUB International
Charley Lavery, Operating Engineers Local 3
Christina Sellami, Marriott International
Doug Whitney, Sutter Health

Jonathan Kurup, Salesforce
John Halpin, City College of San Francisco
Meaghan Mitchell, San Francisco Standard
Michon Coleman, Hospital Council of
Northern & Central California
Ramon Hernandez, Laborers Local
261
Vikrum Aiyer, Heirloom

**WISF
Members
Absent**

Angela Tamayo, SEIU-UHW
Anupama Shekhar, Microsoft
Ben Tran, California Department of
Rehabilitation
Cynthia Gomez, UNITE HERE Local 2
Iowayna Peña, San Francisco Giants
Jenny Carreno for Jorge Tapia, EDD (remote)
John Doherty, IBEW Local 6
Kim Tavaglione, SF Labor Council
Laurie Thomas, Golden Gate Restaurant
Association (remote)

Lori Dunn-Guion, Swinerton
Lynn Mahoney, SFSU
Matt Dorsey, San Francisco Board of
Supervisors
Shanell Williams, UCSF California Preterm
Birth Initiative
Shamann Walton, San Francisco Board of
Supervisors
Tony Delorio, Local Union No. 665

**Ohlone
Land
Acknowledgement,
Announcements &
Housekeeping
(Discussion
Item)**

Jeanine Cotter, WISF Chair, introduced herself and called the meeting to order at 9:04 a.m.
Chair Cotter noted that quorum was not present. Therefore, for action items on the agenda, comments would be taken until quorum was reached.
Secretary Iris Rollins (OEWD) opened the meeting by reciting the Ohlone Land Acknowledgement.

**Roll Call
(Discussion
Item)**

Secretary Rollins conducted roll call. Quorum was not present.

**Chair's
Welcome**

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 acknowledged Member Kim

<i>(Discussion Item)</i>	Tavaglione's award from Assembly Member Phil Ting for Asian American and Pacific Islander Heritage Month and recognized Juneteenth and Pride Month during the month of June.
Adoption of the Agenda <i>(Action Item)</i>	Chair Cotter called for comments on the agenda for the June 5, 2024 meeting, clarifying that due to the absence of a quorum, voting would be postponed until the next WISF Board meeting. Seeing no comments or questions, Chair Cotter closed this agenda item.
Approval of Minutes from March 6, 2024, Meeting <i>(Action Item)</i>	Chair Cotter called for comments on the minutes from the March 6, 2024 meeting. Due to the absence of a quorum, voting would be postponed until the next WISF Board meeting. Seeing no comments or questions, Chair Cotter closed this agenda item.
Executive Director's Report <i>(Discussion Item)</i>	Chair Cotter introduced OEWD Executive Director Sarah Dennis Phillips. Director Dennis Phillips provided an update on the "Roadmap to San Francisco's Future" economic development strategy, including the following updates: <ul style="list-style-type: none"> • Unemployment for the month of April is 3.4%. • New business growth is concentrated in restaurants/food services. • MUNI metro ridership is at 64.2% of 2019 levels and continuing to grow. • There were tech industry job losses of over 15,000 in 2023 and almost 5,000 more in 2024. • There are low levels of new building permits, especially in housing. • Hotel occupancy and revenue is still struggling and is down from 2023. • Crime rates have reached their lowest point in the last decade (excluding 2020), with reductions in property crime, burglaries, auto theft, and violent crime. • There are nearly 700 new businesses registered per month on average. • The Vacant to Vibrant Program matches new businesses with vacant storefronts. Out of 9 activated storefronts, 7 businesses have signed long-term leases. • The Storefront Opportunity Grant Program facilitated the launch of 71 new small businesses through grants ranging from \$25,000 to \$50,000. • Downtown is seeing new leases signed, primarily in the AI sector, indicating growth in that industry. • Notable investments include Michael Shvo's billion-dollar investment in the Transamerica Pyramid and the purchase of Anchor Brewery by Chobani's founder. • Various events are revitalizing downtown and San Francisco neighborhoods, such as Juneteenth celebrations, Night Markets, and the First Thursday's events. • The 30 by 30 initiative aims to bring 30,000 new residents and students downtown by 2030. • The Human Rights Commission (HRC) Downtown University Program has brought 40 students from Historically Black Colleges and Universities (HBCUs) to participate in internships across the City this summer. • The HEART Action Plan intends to strengthen Union Square's core industries of hospitality, entertainment, arts and culture, retail and tourism. It focuses on the area between Moscone Convention Center and Union Square Plaza, with a proposed \$10 million

investment in cultural and economic activities, including long-term pop-ups, street improvements, and daily activations in Union Square Park.

Chair Cotter called for questions.

Seeing no comments or questions, Chair Cotter closed this agenda item.

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

Chair Cotter invited Acting Director Ken Nim to provide the Workforce Director's Report.

Director Nim presented the Workforce Director's Report and highlighted economic indicators. Director Nim shared labor market information provided by the California Employment Development Department.

The unemployment rate for San Francisco was reported to be at 3.4% in April 2024, showing a 0.7% increase from April 2023, translating to approximately 3,000 more unemployed workers. In April 2024, there were 18 employers with around 1,800 layoffs, concentrated in the Tech, Hospitality, and Financial Services industries. Unemployment rates over the past four years saw a spike of 13.1% during the pandemic (2020) followed by a steady decline and subsequent stability around 3.4% for the last six to seven months.

Director Nim summarized the industry changes. Since December 2019, there has been a net loss of approximately 43,900 jobs (-3.65%). Information/Tech, Education & Healthcare Services, and Government sectors experienced the most growth over the last four years. In the last three months, layoff notices reflect impacts to Information/Tech, Financial Activities, and Professional and Business Services.

Director Nim then shared several community highlights involving OEWD staff and providers, including:

- **Program Graduations:**
 - The Healthcare Academy & Dream Keeper Health Services Programs had its graduation.
 - CityBuild Academy & Construction Administration and Professional Services Academy (CAPSA), had a total of 64 graduates, with over half securing job placements before graduation. Seventy-five percent are now placed in the construction industry.

- **Small Business and Hospitality Job Fair:**
 - In partnership with various organizations, the event featured over 40 small and large employers with over 800 available jobs. More than 750 job seekers attended the event.
 - The link to video is available here:
<https://twitter.com/sfoewd/status/1788605185042051114>.

- **Demo Day:**
 - This annual TechSF event with Mission Bit showcases students' projects that address specific social issues to the community, giving awards and scholarships for innovation, technicality, and impact.
 - The link to video is available here:
<https://youtu.be/ptGX9yNXnjE?si=HqTfdIHSD6fax2KU>.

- **Coffee and Connections:**

- This quarterly event brings together providers to network, share resources, and discuss workforce development services in the City. The most recent event was held at Homebridge on Market Street, hosted by new CEO Min Chang.

Chair Cotter called for questions and comments.

Member Rodriguez inquired about hopeful or optimistic trends in the leisure and hospitality sector. Director Dennis Phillips noted that hospitality, healthcare, and government services are leading in job growth. Referencing the Ted Egan monthly report, Director Dennis Phillips noted that despite low hotel room and occupancy rates, there is significant growth in restaurants and bars, with 200 new establishments opening in the past three months. This aligns with post-COVID trends towards more experiential retail and dining out experiences.

Director Nim added that many hospitality employers were hiring at the recent Hospitality Job Fair, indicating strong demand for workers. Additionally, Director Nim mentioned the City is providing incentives to support the opening of more restaurants and bars.

Member Sellami emphasized the need for consistent employment and foot traffic, noting improvements in Union Square, such as reduced crime. Member Sellami highlighted the importance of attracting big conventions and local visitors.

An audience member inquired about data on artificial intelligence (AI)-centered businesses and their impact on commercial real estate. Director Kim mentioned significant AI-related activity in the city, including companies like OpenAI and Anthropic, taking over office spaces.

Member Thomas, participating online, expressed business' mixed sentiments about the hospitality sector. While new openings are positive, financial stress and uncertainty about SB 478 remain. Member Thomas emphasized the need for activations to draw more people into the city to support businesses during the crucial summer months. Additionally, Member Thomas offered to leverage the Golden Gate Restaurant Association's mailing list to help communicate any supportive programs.

Gabriela Jimenez, the Government Community Affairs manager with JVS, provided public comment expressing concern over proposed cuts to workforce community grants in the Mayor's budget. Speaking on behalf of grantees like Mission Hiring Hall, Mission Bit, and JVS that are part of the OEWD Sector Training program, Jimenez stated the Mayor's plan to cut over \$20 million from the OEWD budget over two years by expiring one-time community grant funds would greatly impact these community-based organizations. These cuts could force layoffs, reduced programs and services, and limit the number of job seekers they can serve, despite increasing demand. This would undermine their ability to provide economic mobility and workforce development pipelines in high-demand fields. Jimenez urged the committee members to advocate against these substantial cuts to the vital community grant funds within OEWD's budget.

Member Kurup inquired about obtaining a demographic breakdown of the unemployment data by age group, underrepresented groups, and for the unhoused population. Director Houston explained that while the Employment Development Department's monthly unemployment data does not include such demographic details, OEWD analyzes unemployment rates by neighborhood and race/ethnicity annually using data from the American Community Survey. Director Houston added that OEWD presents an annual report to WISF breaking down unemployment demographics across San Francisco by zip code and race, though they cannot provide that level of demographic

detail on a monthly basis. Member Kurup confirmed whether WISF members would have access to this data, to which Director Houston confirmed.

Seeing no other comments, Chair Cotter closed this agenda item.

**Community
Spotlight
with
Mission
Hiring Hall**
*(Discussion
Item)*

Chair Cotter welcomed Executive Director Michelle Leonard-Bell of Mission Hiring Hall. Director Leonard-Bell provided a comprehensive overview of Mission Hiring Hall, tracing its roots back to 1971 when it was established as a grassroots initiative aimed at addressing workforce disparities in the Mission District. Over the years, the organization has significantly expanded its scope, now operating two offices—one in the Mission District and the other in the South of Market neighborhood (SOMA)—to facilitate connections between San Francisco residents and various workforce training and placement opportunities.

These opportunities span across diverse sectors, ranging from general employment services to specialized training programs such as CityBuild Academy and the Construction Administration & Professional Services Academy (CAPSA). Director Leonard-Bell underscored the organization's fruitful partnerships with entities like the Charity Cultural Services Center, City College of San Francisco, APRI, and the Anders & Anders Foundation, which have contributed to its success in facilitating over 1,265 engagements and 100 placements in CityBuild Academy last year alone.

Additionally, Director Leonard-Bell highlighted the evolution of CAPSA into a standalone program funded by OEWD, offering individuals pathways to diverse career opportunities beyond construction. Furthermore, Director Leonard-Bell discussed initiatives like the Security Guard training program, CityDrive, and the Pit Stop program, all aimed at preparing individuals for next-level employment through intensive case management and job coaching. Despite facing challenges posed by low unemployment rates, Mission Hiring Hall remains steadfast in its commitment to addressing the skills gap and preparing job seekers for available positions in the City.

Chair Cotter called for questions and comments.

Chair Cotter inquired about wage rates in construction compared to tech and healthcare. Director Leonard Bell highlighted starting wages ranging from \$25 to \$26 per hour for entry-level administrative positions in construction, with potential earnings up to \$45 per hour depending on the project's complexity.

Seeing no other comments, Chair Cotter closed this agenda item.

**Local Hire
Annual
Report
Update -
2024**
*(Discussion
Item)*

Chair Cotter welcomed Director Nim back to provide an update on the Local Hire Annual Report for 2024.

Director Kim presented an overview of the Local Hiring Policy for Construction in San Francisco, emphasizing its role in offering middle-class career opportunities to disadvantaged residents and tackling high unemployment rates in specific neighborhoods. The policy, initiated in 2011, mandates that 30% of work hours on public projects must be performed by San Francisco residents.

- Despite a construction downturn, last year saw 1.35 million work hours reported, with 49% of apprenticeships filled locally.
- 33% of all construction hours were performed by local residents
- 4,187,508 work hours on capital improvement projects and housing developments subject to the Local Hiring Policy

Director Kim underscored the policy's impact on workforce participation across City departments and private developments. Departmental breakdowns revealed varying activity levels due to exemptions affecting reported hours.

Director Nim highlighted significant workforce representation from specific zip codes, particularly blue-collar neighborhoods like Excelsior, Outer Mission, and Bayview-Hunters Point. The report, based on certified payroll data, reflects the diverse demographics of San Francisco's construction industry, with detailed breakdowns available on the organization's website. Additionally, Director Nim acknowledged the collaborative efforts of community, labor, employer, and government stakeholders in driving the success of the Local Hire policy.

Chair Cotter called for questions and comments.

Seeing none, Chair Cotter closed this agenda item.

FY 2024-25

Workforce Innovation and Opportunity Act (WIOA) Budget Update
(Discussion Item)

Chair Cotter welcomed Director Nim back to provide an update on the FY 24-25 WIOA Budget.

Director Nim provided an overview of the budget priorities and process, highlighting the Mayor's budget policy and priorities, which include improving public safety, supporting economic vitality across the City, reducing homelessness and transforming mental health services, and accountability & equity in services. Director Nim emphasized community feedback gathered through three town hall meetings, focusing on inclusive pathways to good-paying jobs, funding opportunities for historically underserved communities, and continued support for various marginalized groups. Director Nim mentioned the receipt of the WIOA allocation from the State of about \$4.7 million. OEWD is currently evaluating how these funds will be allocated across various programs. Furthermore, Director Nim noted that there would be a couple of budget hearings in the next two weeks, during which any necessary adjustments to the budget would be discussed. Director Nim assured a thorough presentation in the next meeting once more details are available.

Chair Cotter called for questions and comments.

Chair Cotter inquired about how Board members could best advocate and support OEWD efforts during the upcoming budget meeting on June 13th. Director Nim informed the board to look at workforce programs, sector training, and support for vulnerable populations to during the budget process.

Member Rodriguez asked about the current status of the quorum and requested a brief history of the Local Hire program. Chair Cotter confirmed that quorum was not present.

Director Nim explained that prior to 2011, local hiring programs relied on good faith efforts, resulting in about 18% local residents hired on public works contracts. Since the implementation of the mandatory Local Hire policy, the rate has stayed above 30%. Director Nim clarified that the local hire data is verified through certified payroll requirements from the State, ensuring accuracy and compliance.

Public Comment on Non-

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

Agenda

Items

*(Discussion
Item)*

Seeing no in-person or virtual comments, Chair Cotter closed this agenda item.

**Adjourn-
ment**

*(Action
Item)*

Chair Cotter thanked the members for attending and reminded the Board that the next meeting will take place on Wednesday, September 11, 2024.

Chair Cotter called for a motion to adjourn the meeting. Member Rodriguez made the motion to adjourn. As quorum was not present, voting did not take place. The meeting adjourned at 10:24 a.m.

DRAFT