



Richmond Workforce Development Board Meeting Minutes – September 16, 2021

Chairperson Xavier Abrams called the Richmond Workforce Development Board meeting (RWDB) to order on Thursday, September 16th, 2021 at 11:30am.

Roundtable introductions

Meeting minutes for July 8, 2021, were reviewed and approved with no modifications. A motion for approval was made by Board member Chuck Leonard seconded by Uche Uwahemu; all members present were in agreement, neither oppositions nor abstentions were presented. Motion carries to approve minutes.

Avenu Insights & Analytics

Thomas Adams, Client Services Manager

State & National Trends, Richmond Sales Tax Trends, What Lies Ahead

- Regional State Trends – 2 years ago unemployment was a historic low level about 2%, Inflation was in check, GDP was very strong. We were about 11 years from the 2008 recession. Historic market cycle at that time. Some talk about the Inverse Yield Curve might be a pre-cursor or foreshadowing of the potential recession on the horizon.
- Looking back in the early 1980s interest rate was at a high of 17% and two years ago the interest rate was about 2%. Experts were asking “Is there a recession looming on the horizon”
- There was a recession on the horizon, but it was a very different type of scenario that played out with a virus caused recession – very different from other recessions seen in the past.
- Impact of sales tax started in March of 2020, the real dramatic impact was in March, April, and continued into May. Started to recover to a certain extent in June then towards the end of summer still not doing well due to businesses closing, the federal government was busy working on stimulus packages. In the fall more optimism then back into sheltering in December and January.
- Things started to pick up in February and March of this year. Statewide the numbers have been strong for Q2 vs. Q1.
- The recovery is underway, and all things have been looking strong for the moment. Much more impact in Southern California than Northern California.
- What has happened so far. State started to collect sales taxes from out of state, ecommerce businesses, this was the result of a Supreme court case from several years back often refer to as the Wayfair case, AB147. What this means is that some entities that sell over the internet into the state in particularly third parties itself or the amazon platform. California Implementation of AB147 created a new source of revenue in particular during the pandemic as revenues were going down this net new revenue related to ecommerce was just starting up and it came at an opportune time.
- Personal savings rate has gone up. This supports consumer confidence which again supports the overall economy.
- Top 25 Local Business Generators – they generate 65% of Sales Tax.
- In forecasting of the 2020 Recession, it takes over 2 years for revenue to return to previous levels.



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How does the economy look ahead?

- **U.S. Real GDP:** Following a 3.5% decline in 2020, their forecast is for 6.3% growth in 2021, 4.6% growth in 2022, and 2.7% growth in 2023. *UCLA Anderson Forecast*
- **California Unemployment** is at 8.3% in March 2021. In December 2019 it was 3.9%. In December 2021 unemployment reaches the more typical rate of 6% to 7% in CA. Additional unemployment benefits from the federal government will expire by then.
- **U.S. Inflation:** “Annual core Personal Consumption Expenditure (PCE) inflation will be 2.7% in 2021, peak slightly above 2% in 2022, and then stabilize at 1.9% in 2023. It should be noted that the high rates of inflation reported in April include recovery rates.” *UCLA Anderson Forecast*
- **Energy Prices:** Gasoline and aviation fuel prices will continue to rise, (a relative price increase, not “inflation”). Consumers will drive a little less and spend less of their disposable income on other taxable purchases. The net effect to sales tax will be great, but this may slow recovery in some other segments.

Going forward, we are seeing **faster growth in services consumption** like leisure and hospitality, recreation, deferred medical care and education. Slower growth in taxable goods consumption. **Prices of non-taxable items** like housing, medical care, education, and many services are **rising faster than the prices of taxable goods**. This leaves less and disposable income available for taxable purchases. It creates a “gap” between the growth of income and the growth of sales tax revenues.

Question was raised by Board member Joe Serrano:

Question has to do with the effect that COVID has had in the construction industry and even more so the housing industry. Was this the increase in material cost reflective in the actual housing production.

Answer: Definitely part of it, anomalies were in retail construction, people were doing more DIY at home. The price of lumber had supply and demand problems, but it depended on what stage projects were at and sometimes decided to continue, stores like Home Depot had good numbers but overall construction was impacted much less.

Another question was raised by board member Joe Serrano:

Is there any sort of indicator in your projections that would help us to understand what we can do to make the right investment in the minority service space workforce to help increase those numbers, what would be the missing link?

Answer: This is beyond what they do. Mr. Adams elaborated on this a little more.

Question raised by board member Hakim Johnson:

Trend of Savings over the past two years, is there a breakdown by race and ethnicity or economics groups? Curious if this is indicative of where we are in Richmond as well?

Answer: Haven't seen one but will be meeting with *UCLA Anderson school* where we get more background. Will pass the information along if they he gets that information.



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Other question raised by board member Hakim Johnson:

People are using more of their money on non-taxable items so there are residents and citizens that are torn between having to pay for their non-taxable items, are they really able to save as much when they are focusing on cost of living, and if that is the case, how can we encourage advancement to “close the gap”?

Answer: Unfortunately, we are sort of in uncharted waters, we don’t really have models to look back at. It’s based on habit. He will see what he can find out.

Director’s Report

Jim Nantell, Interim Director, City of Richmond, Employment and Training

- Mr. Nantell going into his 9th month in his interim capacity, thanked LaShonda White as the Interim Library and Community Services Director and in the last 4 months he has been able to focus on Employment and Training.
- Appreciates the staff for stepping forward and picking up additional responsibilities. Bouakhay and Charita especially for stepping forward since Sal and Rosemary’s departure and how he has relied on them for so much.
- HR closed out the Employment Specialist Positions and hope that by end of October we can do interviews and we can offer jobs to 4 or 5 people that will be coming off the list.
- As a follow up to the Board’s previous meeting, Mr. Nantell met with Ms. White and City Manager to get approval to move forward to recruit for the position of Deputy Director for Community Services – Employment & Training. Hoping that by November an appointment can be made for the position.

Grant Awards

Bouakhay Phongboupha, Interim Program Manager

- **Dept. of Labor, Awarded in July 2021 \$893,164.00 – National Dislocated grant.**
 - **GOALS:**
 - 100 Dislocated Workers in WCCC
 - \$8,932 per participant
 - 20 On-the-Job-Training
 - 80 Industry Training
 - **IMPACTS:**
 - Skills Gain
 - Sustainable wage employment
 - Employability through training
 - **SUMMARY**
 - Industries that will be helped with this grant
 - Construction



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- Transportation
- Health Professionals
- Digital Literacy
- Maritime Careers
- Entrepreneurship
- Administrative/Office Support

Training Partners

- RichmondBUILD,
- Literacy for Every Adult Program (LEAP)
- West Contra Costa Adult School
- Martinez Adult Education
- Michael's Transportation
- West County Health Partner Program/Kaiser Allied Health
- Bitwise Industries
- Spaulding Marine Boatworks
- Richmond Main
- Renaissance Center

Fred Lucero, Program Manager

- **Recently awarded \$125,000 Fund for the Children and Youth**
 - 60 Richmond individual/10 of them high school students. They will receive:
 - RichmondBUILD training
 - MC3 Curriculum
 - Safety courses like Hazwoper 40 certifications

This will make the participants much more marketable. Direct entry with the trades is going to come into play because all of the graduates from RichmondBUILD have direct entry into the Laborers, Iron workers, Plumbers and Steamfitters. The participants from the Richmond Fund for the Children and Youth will have many opportunities for employment when they complete the program.

- **Also received \$25,000 from the Y&H Soda Foundation**

Currently working on the EPA Grant - \$200,000 will be submitted at the end of the month.

Jim Nantell, Interim Director

- 2021 SYEP
 - Under 400 Application
 - Placed 256 youth
 - 70 Worksites – over 45 of them are Small Businesses



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Even with COVID it's been hard to get out and be able to recruit so we were very excited to identify so many worksites. In recent years, this has been one of the largest numbers of worksites.

The Youthworks program will continue throughout the year due to the money received from the City Council and the Reimagining Public Safety Taskforce.

Bouakhay Phongboupha – The program is for 16 to 24 years old. She acknowledged Karen Norwood who worked very closely with Youthworks to make sure that we introduce young participants to Kaiser programs.

Board member Richard Johnson - Would like the total of the Dislocated Worker Grant.

Answer: The total number for Youth is Fifty (50) for Adult is one hundred (100), we have two Dislocated Worker grants.

Board member Uche Uwahemu would like to know about the visit from the Secretary of Labor to RichmondBUILD.

Fred Lucero: It was quite an event! He walked them back to the to the YouthBUILD class and introduce the Secretary of Labor to the students that were there. Fred stated that Richmond is a recipient of the YouthBUILD grant under the Department of Labor; to have Secretary Walsh there, was extremely important; as well as Congressman DeSaulnier. The visitors were introduced to the other invited guests and participants known as “the village”. The village is comprised of people from our board, trades people, employers, and former graduates of the program.

Xavier Abrams, Board Chair – Recapped comments from the zoom Chat box – Mr. Richard Johnson, had questions regarding the total of the newly awarded Dislocated Workers grant. Cinthia Hernandez and Bouakhay Phongboupha replied – the total is \$893,164.00.

Karen Norwood – Stated she is thrilled to be working with Bouakhay and involved with the Youth program. The partnership with the City of Richmond has been fantastic; impacting so many Youths in Richmond.

Bouakhay stated there is another recently awarded Dislocated Worker Grant for Youth, this is for \$250,000.00.

Announcements

Board member Mike Parker – Thanked Mr. Nantell and Ms. White and the City Manager for breaking the red tape and filling the vacancies within the E&T Division.

Xavier Abrams, Board Chair – Thanked Bouakhay and Fred for keeping the momentum during this pandemic and being able to still get the programs off the ground and get another Cohort going. Much appreciated for the City of Richmond.



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The Chair also, thanked Mr. Parker for his statement, because of the hefty conversation during the last board meeting about moving forward. She was glad to hear we are moving forward.

Public Comment

Ms. LaTanya Dandie placed information in the chat if you have time; please check it out.

Della Randolph, Dept. of Rehabilitation (DOR) – They are open and partnering with all agencies and all our communities. We are serving all different sectors based on the different grants and based on different populations. Please remember Dept. of Rehabilitation if you want to partner with some of the dislocated or re-entry workers who have disabilities and need support from tandem sources. They are all over the Bay Area. DOR staff also provide disability etiquette training for entities and companies that need it. She can also provide information on how to access these services.

Xavier Abrams – Mechanics Bank has 20 openings throughout the Bay Area.

Meeting adjourned at 12:40pm

Next RWIB Meeting

Thursday, November 10, 2021

11:30 a.m. to 1:00 p.m.

Zoom

Attendees:

Chuck Leonard, Della Randolph, Giovanni Flores, Hakim Johnson, Jeff Carr, Joe Serrano, Karen Norwood, LaShonda White, Len Turner, Mike Parker, LaTanya Dandie, Nancy Seto, Uche Uwahemu, Joson Lindsey, Tom Adams, Anthony Crouch, Antonio Bunuelos, Maria Torres, Cinthia Hernandez, Bouakhay Phongphoupah, Charita Patterson, Jim Nantell, Xavier Abrams, Richard Johnson.