



MEMORANDUM

TO: Mayor and Council

FROM: Sylnovia Holt-Rabb, Director, Economic Development *SHR*

DATE: March 15, 2022

SUBJECT: Equitable Chamber Funding Model Report Update and Recommendation

Background Information

During the Fiscal Year 2017/2018 budget adoption process, City Council adopted a budget rider “To provide recommendations on methods to equitably fund the chambers including the Small Business (AIBA).”

In response to the budget rider, Economic Development Department (EDD) staff hired a consultant to assist with accomplishing the Council direction. After conducting stakeholder engagement, performing a chamber assessment, and reviewing national best practices, the consultant developed a funding model and methodology. The body of work was provided to Council on October 2, 2019 as the Equitable Chamber Funding Final Report (Report) which also provided recommendations for accomplishing the Council direction.

On December 10, 2020, City Council approved staff recommendations to do the following:

- In accordance with the Report recommendations, increase the Greater Austin Hispanic Chamber of Commerce annual contract to \$252,882 (previously \$212,500) and increase the Greater Austin Black Chamber of Commerce annual contract to \$230,797 (previously \$171,000).
- Not in accordance with the Report recommendations, but to provide a one-year transition, keep (for one year) the Greater Austin Asian Chamber of Commerce annual contract at \$202,500 (Report recommends a decrease to \$155,440) and keep the Austin LGBT Chamber of Commerce annual contract at \$153,750 (Report recommends a decrease to \$100,631).
- In accordance with the Report recommendations, keep the Austin Young Chamber of Commerce contract at \$61,100.

On March 25, 2021, City Council indefinitely postponed a staff recommended resolution to adopt the Report. Rather, City Council approved the following direction to staff and to the Multi Ethnic Chamber Alliance (MECA):

- “Invite the MECA Chambers to engage in a process over the coming months to envision a path

forward for how we fund, and what we expect from, chambers in advancing economic opportunity in Austin. The City Manager is directed to plug into this process where appropriate and, absent meaningful progress, bring forward the base funding model to Council for approval in November 2021.”

Update

In accordance with Council direction, the MECA chambers convened to propose a path forward. The chambers propose the formation of a single entity, the Diversity and Ethnic Chamber Alliance (DECA), comprised of the Austin LGBT Chamber, Greater Austin Asian Chamber, Greater Austin Black Chamber, and Greater Austin Hispanic Chamber of Commerce. The DECA will focus on the following:

1. Marketing Austin as a place to operate a business with a diverse workforce and create jobs for minority and LGBT communities;
2. Requiring DECA to develop and implement a Regional Economic Equity Development (REED) Plan; and
3. Attracting, retaining, and expanding minority and LGBT business in Austin.

The chambers propose that the REED Plan will advance economic opportunity in Austin and that the allocation below is an equitable distribution of funds:

- Greater Austin Hispanic Chamber \$252,882 per year
- Greater Austin Black Chamber \$230,797 per year
- Greater Austin Asian Chamber \$202,500 per year
- Austin LGBT Chamber \$153,750 per year

Recommendation for Council Action

On the March 24, 2022 City Council agenda, staff recommends four separate contracts with each chamber with their proposed annual equitable allocation amounts. The contracts will require the chambers to work together as the DECA to develop and implement the REED Plan to advance economic opportunity in Austin and complete other deliverables such as marketing and business development.

Upon execution of these contracts with the annual equitable allocation amounts proposed by the chambers, Council’s budget rider and most recent Council direction will be addressed and no further updates to the equity model will be necessary.

Should you have any questions or interest in discussing any of the information included in this memo, please contact Susana Carbajal, Acting Deputy Director, at susana.carbajal@austintexas.gov or 512.974.2640.

Attachment:

Letter to City of Austin, EDD Team dated March 11, 2022 from Greater Austin Hispanic Chamber, Greater Austin Black Chamber, Greater Austin Asian Chamber, and Austin LGBT Chamber.

City of Austin
Economic Development
301 W 2nd St.
Austin, TX 78701

Dear City of Austin, EDD Team,

The DECA Chambers have met since November 2021 to discuss how the chambers are funded and what is expected of the chambers for advancing economic opportunity in Austin.

The Chambers propose that funding be approved and considered as an equitable distribution and that no other future funding changes are made:

- o Greater Austin Hispanic Chamber \$252,882
- o Greater Austin Black Chamber \$230,797
- o Greater Austin Asian Chamber \$202,500
- o Austin LGBT Chamber \$153,750

The Chambers proposed the REED Plan as advancing economic opportunity in Austin.

DocuSigned by:

By: _____
Name: Tina Cannon
Title: President & CEO

Date: 3/10/2022

DocuSigned by:

By: _____
Name: Tam Hawkins
Title: President & CEO

Date: 3/11/2022

DocuSigned by:

By: _____
Name: Brittney Rodriguez
Title: Interim CEO & COO
Date: 3/11/2022

DocuSigned by:

By: _____
Name: Fang Fang
Title: President & CEO
Date: 3/10/2022