

**RESOLUTION NO. .**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**RESOLUTION: A) APPROVING AN ALLOCATION OF \$985,000 TO FUND A GRANT PROGRAM FOR ELIGIBLE SMALL BUSINESSES LOCATED IN THE NORTH FAIR OAKS AREA THAT HAVE BEEN NEGATIVELY IMPACTED BY THE MIDDLEFIELD ROAD IMPROVEMENT PROJECT; AND B) AUTHORIZING THE COUNTY EXECUTIVE, OR DESIGNEE(S), TO NEGOTIATE AND ENTER INTO AN AGREEMENT WITH THE SMCU COMMUNITY FUND TO ADMINISTER AND DISTRIBUTE UP TO \$980,000 IN GRANTS TO QUALIFYING SMALL BUSINESSES IN EXCHANGE FOR AN ADMINISTRATIVE FEE TOTALING \$5,000**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that:

**WHEREAS**, Middlefield Road is the “main street” of North Fair Oaks, a principle shopping and service destination, the primary north-south route through the community, and a crucial component of community identity; and

**WHEREAS**, Historically, however, portions of Middlefield Road included narrow sidewalks, few street amenities, and no dedicated bike lanes; and

**WHEREAS**, Beginning in the summer of 2021, the County has been engaged in an extensive construction project to improve Middlefield Road, including the installation of new traffic signals and streetlights, utility undergrounding, sanitary sewer replacement work, pedestrian and bicycle improvements, wider sidewalks, street trees, street amenities, and installation of public WiFi (the “Project”); and

**WHEREAS**, to date, substantial progress has been completed on the Project, and further work on the Project is expected to continue through approximately December 2023, which, once completed, will provide an improved corridor for various modes of

transportation and community access to Middlefield Road and the surrounding commercial district in North Fair Oaks, one of the lowest-income areas of the County; and

**WHEREAS**, during construction, however, there have been road closures and changes in traffic patterns, lane configuration changes, parking impacts, and, most significantly, pedestrian and customer access to businesses frontages for long periods of time, and temporary road and sidewalk reconfigurations and closures are expected to continue for several more months; and

**WHEREAS**, the Project has experienced a number of significant challenges since the start of construction that have exacerbated traffic and access issues along the Project corridor, including impacts from Covid, weather delays due to record rains this last winter (three month schedule impact), unanticipated utility conflicts encountered during construction, parallel work performed by utility partners within the Project limits, and a water main break in the area unrelated to work on the Project, to name a few; and

**WHEREAS**, while pedestrian and customer access has been generally maintained through construction, convenience and proximity to the businesses for customers have been impacted, and small businesses with customer-serving storefronts on Middlefield Road have reported significant negative impacts, including inability to make payroll and or pay regular utility bills owing to substantial lost businesses, creating challenges to continued operations through the construction period; and

**WHEREAS**, these same small businesses, which serve and employ residents of the North Fair Oaks community, were among those most adversely affected by the COVID-19 pandemic and many continue to suffer from its lingering financial impacts; and

**WHEREAS**, the duration and scope of impacts to customer access to businesses has far exceeded expectations, and businesses in the Project construction zone have had to address such customer access disruptions at a time when most small businesses in other downtown shopping areas and business districts in the Bay Area have been able to implement measures to re-attract customers to aid in pandemic recovery; and

**WHEREAS**, providing economic support and mitigating financial hardship for small businesses on Middlefield Road adversely impacted by the Project serves a public purpose, as it will help these small businesses continue to operate, make payroll, provide employment to the local community, and maintain Middlefield Road as a commercial and cultural epicenter of North Fair Oaks; and

**WHEREAS**, in consideration of this public purpose and the exceptional circumstances described herein, the Board desires to allocate \$985,000 to establish the Middlefield Road Small Business Assistance Program (“Program”), which would offer up to two \$5,000 grants (at least 30 days apart) through October 2023 to small businesses that meet all of the following criteria:

- The business must currently occupy a physical commercial business space with a customer-serving storefront on Middlefield Road within the Project limits which runs approximately between Douglass Avenue and Fifth Avenue;
- The business must be in full compliance with all applicable regulations including, but not limited to, regulations related to the following:
  - County Environmental Health permits
  - County/City planning and building requirements

- State/County/City business and Bureau of Alcoholic Beverage Control permits
- State and local minimum wage requirements
- The business was lawfully operating and located at its current location at some period during Project construction and is open for business and serving customers at that location at the time of each grant disbursement, with a plan to remain in operation through completion of the Project;
- The business has fewer than 25 full-time employees;
- The business is independently owned and operated. If the business is a franchise, it must be independently owned and operated by a County resident, or 50% or more of the franchisee ownership must be comprised of County residents;
- The business must generate its income from active sources (not passive income, such as money earned from interest, dividends, and rental property);
- The business must have suffered a negative financial impact due to the construction work on the Project (such as, for example, decreased revenue or gross receipts, increased costs, decreased capacity to weather financial hardship, challenges in covering payroll, rent or mortgage, and other operating costs).

**WHEREAS**, the following businesses are ineligible to receive a grant under the Program: cannabis businesses and/or businesses that support cannabis businesses; and/or liquor stores, tobacconists, and/or smoke/vape shops; and

**WHEREAS**, the County may independently assess whether multiple businesses at the same location are independently eligible to receive funding; and

**WHEREAS**, the County may modify the Program criteria as necessary to implement the intent of the Program to provide relief to impacted businesses; and

**WHEREAS**, applications will be accepted beginning in July 2023, and will be awarded on a first-come, first-served basis to eligible small businesses; and

**WHEREAS**, to receive a grant under the Program, grantees will be required to provide a copy of a government-issued photo ID, a completed attestation confirming the business was negatively financially impacted by the Project, proof of business address, and a completed W-9 form and information regarding legal residency is not a condition of approval, and no such information collected in connection with the Program will be shared with other government agencies; and

**WHEREAS**, the grants would be awarded to eligible small businesses on a first come, first served basis until all available Program funds are distributed; and

**WHEREAS**, SMCU Community Fund has successfully administered a number of COVID-related small business support grant programs for the County, including in North Fair Oaks, and is uniquely qualified to administer the Program and has offered to do so at a reasonable rate of \$5,000.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves an allocation of \$985,000 to fund a grant program for eligible small businesses located on Middlefield Road in the North Fair Oaks area that have been

negatively impacted by the Project under terms consistent with the above findings and the Board's intent as reflected in this resolution; and

**BE IT FURTHER RESOLVED THAT** the Board hereby authorizes the County Executive, or designee(s), to negotiate and enter into an agreement with the SMCU Community Fund to administer and distribute up to \$980,000 in grants under the Middlefield Road Small Business Assistance Program in exchange for an administrative fee totaling \$5,000, consistent with the above findings and the Board's intent as reflected in this resolution.

**BE IT FURTHER RESOLVED** that the County Executive, or designee(s) is authorized to execute contract amendments or modifications to the Program and/or the agreement with SMCU Community Fund which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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