

RESOLUTION NO. .

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

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RESOLUTION APPROVING AN ADDITIONAL ALLOCATION OF \$755,000 IN AMERICAN RESCUE PLAN ACT (ARPA) FUNDS FOR UP TO 103 SUPPLEMENTAL GRANTS OF \$5,000 EACH (TOTALING \$515,000) TO CURRENTLY OPERATING SMALL BUSINESSES LOCATED IN UNINCORPORATED NORTH FAIR OAKS IMPACTED BY THE COVID-19 PANDEMIC THAT RECEIVED AN INITIAL GRANT OF \$5,000 IN THE FIRST ROUND OF THE NORTH FAIR OAKS SMALL BUSINESS GRANT PROGRAM, \$10,000 GRANTS TO ELIGIBLE IMPACTED SMALL BUSINESSES THAT DID NOT RECEIVE A GRANT IN THE FIRST ROUND OF PROGRAM FUNDING, AND \$5,000 FOR FISCAL ADMINISTRATION OF THE PROGRAM

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

WHEREAS, since its emergence in early 2020, the COVID-19 pandemic has negatively impacted public health and the economy on a global scale, in the country and in San Mateo County; and

WHEREAS, the COVID-19 public health emergency has both caused and magnified negative impacts on residents of San Mateo County, including with regard to public health; mental health and emotional development; food and housing insecurity; economic dislocation and small business viability; and childcare, among other areas; and

WHEREAS, the COVID-19 public health emergency, while broadly impacting the community, has had an especially devastating impact on some segments of the San Mateo County population, including those of our neighbors who are lower income, who work in essential positions that cannot be performed remotely, and who hail from areas including the Mid- and South-Coast and North Fair Oaks; and

WHEREAS, over the course of the pandemic, the County along with other funders have contributed over \$22 million in grants to over 1,300 local small businesses, with grant programs focused on businesses and business owners in targeted zip codes and in sectors that were acutely impacted by COVID-19 such as restaurants, breweries, wineries, food trucks, food carts, catering companies, and other businesses; and

WHEREAS, many of the small businesses in the County's lower-income communities lack an online presence and/or digital literacy, making them more susceptible to pandemic-related shut downs and shifts in customer purchasing practices, and many of these same small businesses also faced staffing challenges and experienced both significantly reduced revenue and increased costs, and, as result, have incurred substantial debt in order to remain in business over the past two years; and

WHEREAS, the unincorporated area of North Fair Oaks, a major commercial center in unincorporated San Mateo County, is one of the lowest income areas of the County and one of the communities that was most adversely impacted by the pandemic, and many of the small businesses that serve the residents of North Fair Oaks continue to struggle with the financial impacts of COVID-19; and

WHEREAS, on March 27, 2022, in response to the negative economic impacts suffered by small businesses located in the North Fair Oaks area and to mitigate their financial hardship, the Board allocated \$512,500 in American Rescue Plan Act ("ARPA") funds to establish and administer the North Fair Oaks Small Business Grant Program ("Program"), to which the Silicon Valley Community Foundation contributed an additional \$15,000; and

WHEREAS, the Program offered \$5,000 grants to 103 COVID-impacted North Fair Oaks small businesses that met all the following criteria:

- Business occupies a physical commercial business space in the unincorporated North Fair Oaks area;
- Business is in full compliance with all applicable regulations for the business including, but not limited to, regulations related to 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; and Health officer orders and other orders related to the COVID-19 public health emergency;
- Business was lawfully operating prior to March 11, 2020, when a local state of emergency was proclaimed due to the COVID-19 pandemic, with establishments that have changed ownership since March 11, 2020 but otherwise meet the Program criteria being eligible;
- Business has fewer than 25 full time employees.
- Business is independently owned and operated, and 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;
- Business has not received a County small business grant in the past 12 months;

- Business must generate its income from active sources (not passive income, such as money earned from interest, dividends, and rental property);
- Business suffered a negative financial impact due to the COVID-19 pandemic (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); and

WHEREAS, however, the following businesses were 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, in order to receive a grant under the Program, grantees who met the eligibility criteria were required to provide a copy of a government-issued photo ID, a completed attestation confirming their business was negatively financially impacted by COVID-19, proof of their business address, and a completed W-9 form, but information regarding legal residency was not a condition of approval, and no such information was collected in connection with the Program; and

WHEREAS, under this Board's authority, the County entered into an agreement with the San Mateo Credit Union Community Fund (SMCU Community Fund), as the County's Fiscal Agent, to administer the Program and distribute the grants to eligible small businesses ("Agreement"), under which SMCU Community Fund received a fee of \$12,500; and

WHEREAS, to date, the County has awarded 103 grants to eligible small businesses, expending the entire original allocation of \$515,000 plus the \$15,000 contribution from the Silicon Valley Community Foundation; and

WHEREAS, due to the ongoing negative impacts of the pandemic on small businesses in North Fair Oaks, this Board desires to allocate an additional \$755,000 to the Program for two types of grants:

1. Supplemental grants of \$5,000 for impacted small businesses that received an initial \$5,000 grant and remain in operation and eligible under all Program criteria (excepting the requirement that they have not received a prior grant from the County within the preceding 12 months); and
2. New grants of \$10,000 for impacted small businesses that comply with all Program eligibility criteria but have not previously received a grant; and

WHEREAS, the Office of Community Affairs will contact all the 103 small businesses that received initial grants under the Program to determine whether they remain in operation and eligible under Program criteria and, if so, no new application will be required from such businesses to receive a supplemental \$5,000 grant; and

WHEREAS, the new \$10,000 grants will be awarded to eligible small businesses on a first-come, first-served basis until all available Program funds are distributed, with the number of new grants determined in part on the number of supplemental grants distributed; and

WHEREAS, SMCU Community Fund will administer this second allocation of funding to the Program under the Agreement for a fee of \$5,000 (which amount is included

in the \$755,000 allocation) and the County Executive, or designee, will amend the Agreement accordingly.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves an allocation of \$755,000 in ARPA funds to fund and administer a second round of grants under the Program in a manner consistent with the findings, criteria, and intent set forth in this resolution.

BE IT FURTHER RESOVED the County Executive, or designee(s), shall report back to the Board when all Program grant funds allocated under this resolution have been awarded, or 10 months after the opening date, whichever occurs first.

BE IT FURTHER RESOLVED that the County Executive, or designee(s), is authorized to apply state and/or federal funds, to include those appropriated by ARPA, that may be made available for all, or a portion of the monies expended on the Program.

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