

RESOLUTION NO. .

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

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RESOLUTION (A) APPROVING AN ALLOCATION OF \$1,000,000 IN CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDS TO SMCU COMMUNITY FUND FOR ADMINISTRATION AND DISTRIBUTION TO BENEFIT SMALL BUSINESSES LOCATED IN SAN MATEO COUNTY THAT HAVE BEEN DIRECTLY AND ADVERSELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY; AND (B) AUTHORIZING AND DIRECTING THE COUNTY MANAGER, OR DESIGNEE, TO NEGOTIATE AND ENTER INTO, ON BEHALF OF THE COUNTY, AN AGREEMENT WITH SMCU COMMUNITY FUND FOR THE ADMINISTRATION AND DISTRIBUTION OF \$1,000,000 IN CARES ACT FUNDS TO BENEFIT SMALL BUSINESSES LOCATED IN SAN MATEO COUNTY THAT HAVE BEEN DIRECTLY AND ADVERSELY IMPACTED BY THE COVID-19 PUBLIC HEALTH EMERGENCY, AND PROVIDING FOR A FEE TO THE SMCU COMMUNITY FUND NOT TO EXCEED \$75,000 FOR ADMINISTRATION AND EXPENSES RELATED TO THE GRANT PROGRAM, FOR A TERM OF NOVEMBER 10, 2020 THROUGH DECEMBER 30, 2020

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

WHEREAS, on March 3, 2020, and pursuant to Section 101080 of the California Health and Safety Code, the San Mateo County Health Officer (the “Health Officer”) declared a local health emergency throughout San Mateo County related to the novel coronavirus (“COVID-19”) and the Board of Supervisors has ratified and extended this local health emergency, which remains in effect throughout San Mateo County; and

WHEREAS, on March 3, 2020, and pursuant to Section 8630 of the California Government Code and Chapter 2.46 of the San Mateo County Ordinance Code, the San Mateo County Director of Emergency Services proclaimed a local emergency throughout San Mateo County related to COVID-19 and the Board has ratified and extended the proclamation of a local emergency (“Local Emergency’), which remains in effect; and

WHEREAS, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency related to COVID-19 (“State of Emergency”), effective throughout the State of California; and

WHEREAS, on March 14, 2020, the Health Officer prohibited all public or private gatherings of 50 or more people and urged the cancelation of all gatherings of 10 or more people in a single confined space; and

WHEREAS, on March 16, 2020, the Health Officer issued an order that, among other things, directed all individuals living within San Mateo County to shelter in their place of residence (“Original Shelter-in-Place Order”), and authorized individuals to leave their residences only for certain “Essential Activities,” Essential Governmental Functions,” or to operate “Essential Businesses,” all as defined in the Original Shelter-in Place-Order; and

WHEREAS, several times since March 16, 2020, and most recently, on June 4, 2020, the Health Officer issued revised Shelter-in-Place Orders extending the Original Shelter-in-Place Order due to evidence of continued significant community transmission of COVID-19 within the County and throughout the Bay Area; and

WHEREAS, on March 19, 2020, Governor Newsom issued Executive Order N-33-20, which, imposed a Statewide Shelter-In-Place Order requiring individuals to remain in their places of residence except as needed to maintain continuity of operations of critical infrastructure, access necessities such as food, prescriptions and healthcare, or engage in other authorized activities; and

WHEREAS, on May 8, 2020, Governor Newsom announced a plan to allow the limited reopening of some businesses beyond those in the category of essential critical infrastructure, which is part of the "Resilience Roadmap" for California, the multiphase plan to modify the Statewide Shelter-In-Place Order; and

WHEREAS, on June 16, 2020, the State approved the County's request for a variance allowing the County to align with the Resilience Roadmap for California; and

WHEREAS, on June 17, 2020, the Health Officer rescinded the June 4, 2020 revised Shelter-in-Place Order and replaced it, effective immediately, with a new order aligning the County with the Statewide Shelter-in-Place Order/Resilience Roadmap, emphasizing individual behavior and the practices that businesses must follow as they resume operations, including limiting gatherings to no more than 50 people, outlining social distancing and face covering requirements, allowing for social bubbles, and requiring businesses to implement a social distancing protocol and written health and safety plans, based on evidence of continued significant community transmission of COVID-19 within the County and throughout the Bay Area and the Health Officer will continue to update San Mateo County orders to align with State guidelines; and

WHEREAS, as the State and County continue with reopening, the number of identified COVID-19 cases continues to grow; in fact, as of November 4, 2020, there were 940,010 positive COVID-19 cases in California, as well as 17,752 people in the State who have died of COVID-19 causes, as well as 11,546 COVID-19 cases and 161 deaths in San Mateo County and, as COVID-19 cases continue to increase, the Governor has ordered the closure of some businesses that had been permitted to reopen; and

WHEREAS, while the long-term societal and economic impacts of COVID-19 will not be known for some time, the continuing direct impacts to the local San Mateo County community have already been substantial, as residents throughout the County are confronting continuing and substantial income loss due to business and school closures, corresponding layoffs or loss of work hours and wages, and extraordinary out-of-pocket medical expenses; and

WHEREAS, the existence, health and vibrancy of small businesses are essential to the health, welfare, diversity, and the long-term sustainability of communities throughout the County and that, in these current circumstances, a primary goal of this Board, and an appropriate use of public funds, is to continue to provide emergency grants to support small, local businesses; and

WHEREAS, through the SMC Strong Fund, which included \$1 million as seed funds contributed by the County of San Mateo, over \$3.5 million in grants of \$10,000 each have been made to approximately 350 small businesses located throughout San Mateo County and there grants were awarded to eligible small businesses based, generally, on the order of receipt of receipt of applications and, owing to limited funding, approximately two-thirds of the small businesses that applied for a grant did not receive assistance; and

WHEREAS, in spite of extensive outreach efforts, relatively few small business owners who reside in certain areas of the County, including in Daly City, East Palo Alto, unincorporated North Fair Oaks, Menlo Park, the unincorporated Mid-Coast, unincorporated Pescadero, Redwood City, San Mateo, South San Francisco, and San Bruno applied for initial SMC Strong Fund grants and the Board has entered into two agreements with Renaissance Entrepreneurship Center (“Renaissance”) pursuant to which Renaissance agreed to administer and distribute a small business assistance program fund consisting of \$200,000 in SMC Strong funds and \$2,500,000 in Coronavirus Aid, Relief, and Economic Security (“CARES”) Act funds that is focused on small businesses that are owned by individuals residing in certain target areas of the County who are lower income and have been adversely impacted by COVID-19; and

WHEREAS, notwithstanding the above efforts, and as noted, there remain many small businesses that have suffered serious direct and adverse impacts from the COVID-19 public health emergency and that have not yet received financial assistance, and the Board has identified up to One Million Dollars (\$1,000,000) in CARES Act funds that may be used for to make grants to small businesses located in San Mateo County to ameliorate the impacts of the COVID-19 public health emergency, subject to CARES Act requirements; and

WHEREAS, this Board desires to authorize an agreement with SMCU Community Fund (“Community Fund”) for administration and distribution of these CARES Act funds in the form of a grants of \$10,000 each to eligible small businesses to provide for the payment of fees by the County to the Community Fund for program costs from CARES Act funds and/or sources deemed appropriate by the County Manager; and

WHEREAS, in light of the foregoing, this Board finds it appropriate for the County to enter into an agreement with the Community Fund under which the County will direct \$1,000,000 in available CARES Act funds and other funds that may be identified from time to time to Community Fund to make additional grants to San Mateo County small businesses that have applied for assistance but have not received a grant and that meet the following eligibility criteria: (a) the business is a for-profit company with at least two employees; (b) the business has a primary office, storefront, or business space that is open to the public and located within the geographical boundaries of the County; (c) since March 2019, the business has had all applicable and required business licenses, permits or other government-issued registration documents; (d) the business has either (i) the equivalent of ten or fewer full time equivalent employees as of February 15, 2020 or (ii)

less than \$2,500,000 in annual gross revenue; (e) the business has suffered a demonstrated reduction in gross revenue due to COVID-19 of at least twenty five percent (25%); and

WHEREAS, this Board also finds it appropriate that grants under this program be made on the basis of the order that grant applications were received; and

WHEREAS, this Board deems it appropriate for SMCU Community Fund to be paid a fee for program administration and expenses not to exceed Seventy Five Thousand Dollars (\$75,000) and this fee shall be to compensate SMCU Community Fund for its administrative overhead costs and expenses related to the administration of the program and distribution of grants and the County Manager is directed to identify appropriate sources of funds, to include CARES Act funds, and to pay SMCU Community Fund such fees, provided that such fees shall not exceed \$75,000.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the County Manager, or the County Manager's designee, is authorized and directed to execute an Agreement with SMCU Community Fund for and on behalf of the County of San Mateo that provides for the distribution of the \$1,000,0000 in CARES Act funds referenced above, and other funds that may be identified from time to time; that calls for the administration and distribution of these funds as grants to eligible San Mateo County small businesses that have been directly and adversely impacted by the COVID 19 public health emergency; that reflects the eligibility requirements and conditions set

forth in this resolution; and that provides for SMCU Community Fund to receive a fee for program administration and expenses not to exceed \$75,000.

BE IT FURTHER RESOLVED that that the Board authorizes the County Manager, or the County Manager's designee, to contribute or cause to be contributed One Million Dollars (\$1,000,000) in CARES Act funds, and other funds that may be identified from time to time, to SMCU Community Fund for distribution to San Mateo County small businesses in accordance with the terms and intent of this resolution and to pay SMCU Community Fund a fee for program administration and expenses not to exceed \$75,000.

BE IT FURTHER RESOLVED that owing to the limited timeframe for expenditure of CARES Act funds, the County Manager, or the County's Manager's designee, shall, upon determination by the County Manager, be redirected to another program or programs established by the County for the distribution of CARES Act funds that have been authorized by this Board.

BE IT FURTHER RESOLVED that the County Manager or his designee is authorized to execute contract amendments 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.

BE IT FURTHER RESOLVED that the County Manager, or designee(s), shall periodically report back to the Board regarding the status of the efforts called for by this resolution.

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