

RESOLUTION NO. _____

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

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RESOLUTION: (A) APPROVING AN ALLOCATION OF \$2,000,000 IN AMERICAN RESCUE PLAN ACT FUNDS, OR OTHER FUNDS AS DETERMINED BY THE COUNTY MANAGER, TO SMCU COMMUNITY FUND FOR ADMINISTRATION AND DISTRIBUTION OF GRANTSTO BENEFIT ELIGIBLE SMALL BUSINESSES UNDER THE 2021 SMC STRONG SMALL BUSINESS ASSISTANCE PROGRAM (THE “PROGRAM”); AND (B) AUTHORIZING AND DIRECTING THE COUNTY MANAGER, OR DESIGNEE, ACTING IN CONSULTATION WITH COUNTY COUNSEL, TO NEGOTIATE AND ENTER INTO ON BEHALF OF THE COUNTY, AN AGREEMENT WITH SMCU COMMUNITY FUND FOR THE ADMINISTRATION AND DISTRIBUTION OF \$2,000,000 IN AMERICAN RESCUE PLAN ACT FUNDS, OR OTHER FUNDS AS DETERMINED BY THE COUNTY MANAGER, TO BENEFIT ELIGIBLE SMALL BUSINESSES UNDER THE PROGRAM, AND PROVIDING A FEE TO SMCU COMMUNITY FUND IN A TOTAL AMOUNT NOT TO EXCEED \$75,000 FOR ADMINISTRATION AND EXPENSES RELATED TO THE PROGRAM, FOR A TERM ENDING NOVEMBER 30, 2021, AND GRANTING A WAIVER OF THE COMPETITIVE BIDDING PROCESS

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 pandemic both caused and magnified negative impacts on residents of the County, including regarding public health, food and housing insecurity, and childcare, among other areas; and

WHEREAS, the County has taken extensive steps to prevent and address the spread of the pandemic, including funding, supporting and coordinating testing, contact

tracing, isolation, quarantine and treatment for infected individuals, public health and safety communications and interventions, issuance and enforcement of health orders, health system response and vaccination programs; and

WHEREAS, the State and local health orders taken to respond to the pandemic and to prevent and mitigate its spread also restricted certain types of economic activity which impacted the economy in the County, with revenue losses hitting small businesses and certain economic sectors particularly hard; and

WHEREAS, as of June 15, 2021, although the state substantially lifted public health orders that had been in place limiting certain activities to mitigate the spread of COVID-19, the pandemic continues to pose risks to public health and the need to respond to those risks and to recover from the negative public health and economic impacts of the pandemic continues; and

WHEREAS, although the State and the County “reopened” on June 15, 2021, the health and economic impacts of the pandemic are still being felt throughout the County; and

WHEREAS, small businesses represent 88% of the County’s private enterprises, and these small businesses have historically provided the County a critical source of job growth and are essential to the vibrancy, diversity, and long-term sustainability of the County’s cities and local communities; and

WHEREAS, many of the County's small businesses were hit particularly hard by the COVID-19 pandemic, as shoppers who were sheltering in their homes increasingly did their purchasing on-line, and, while some small businesses successfully pivoted to on-line models, many struggled due to a lack of technology, digital literacy, and/or adequate resources; and

WHEREAS, many small businesses continue to struggle with past due rent, supply chain challenges and difficulty hiring staff and establishing an e-commerce presence; and

WHEREAS, during the pandemic, the County, cities, large businesses, community organizations, foundations and individual donors have contributed over \$12,000,000 to emergency relief programs for small businesses in San Mateo County, that have provided grant support to 982 small San Mateo County businesses; and

WHEREAS, although 982 small businesses have received grants, many small businesses have applied to the federal, state or County assistance programs and were not selected for funding; and

WHEREAS, notwithstanding the above efforts, and as noted, there remain many small businesses that continue to suffer 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 Two Million Dollars (\$2,000,000) funds in American Rescue Plan Act funds (or other sources deemed appropriate by the County Manager) that may be used to make grants to certain small businesses located in San Mateo County

to ameliorate the impacts of the COVID-19 public health emergency, subject to American Rescue Plan Act requirements, if applicable; and

WHEREAS, the Board desire to authorize an agreement with SMCU Community Fund (“Community Fund”) for the administration and distribution of these American Rescue Plan Act funds in the form of grants of \$10,000 each to 200 eligible small businesses to provide for the payment of fees by the County to the Community Fund for program costs from American Rescue Plan Act funds and/or other sources deemed appropriate by the County Manager in a total amount not to exceed \$75,000, for a term ending on November 30, 2021; and

WHEREAS, in light of the foregoing, this Board finds it appropriate to enter into an agreement with the Community Fund under which the County will direct \$2,000,000 in available American Rescue Plan Act funds and other funds that may be identified from time to time to Community Fund to make grants to small businesses that meet the following eligibility criteria under a new County-specific grant program called the 2021 SMC Strong Small Business Assistance Grant Program (the “Program”):

- Have not received a grant or loan from the County, State or federal government during the past 12 months;
- Demonstrates that the business was negatively impacted by the COVID-19 pandemic through two years of tax returns;
- Had a gross income of \$120,000 or less in 2019;
- Had 10 or fewer employees in 2019;

- Currently occupy a physical business space in San Mateo County of San Mateo; and
- If a franchised business, it is independently owned and operated by a San Mateo County resident, or 50% or more of the franchisee ownership group are San Mateo County residents; and

WHEREAS, given the County's intent to pursue additional funding from cities and community partners, any funding secured after the approval of the Program that is tied to a specific geographic area will be added to the amount available for grants to small businesses located in that area, and any funding secured after the approval of the Program, which is not tied to a specific area, will be distributed across the County, based on 2019 population; and

WHEREAS, the Community Fund has successfully administered prior small business grants programs for the County, and has the capacity to administer and distribute additional contributions to the Program if such funds are donated by cities, foundations or other donors; and

WHEREAS, the Board has determined that the best interests of the County would be served without the necessity of competitive bidding for the administration of the Program and, therefore, grants a waiver of the competitive bidding process pursuant to Section 2.83.050(e) of the San Mateo County Ordinance Code; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED THAT the

County Manager, or designee, acting in consultation with County Counsel, is authorized and directed to negotiate and execute an Agreement with SMCU Community Fund for and on behalf of the County of San Mateo that provides for the distribution of \$2,000,000 in American Rescue Plan 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 businesses under the 2021 SMC Strong Small Business Assistance Program; that reflects the eligibility requirements and conditions set forth in the resolution; and the provides for SMCU Community to receive a fee for program administration and expenses in a total amount not to exceed \$75,000, for a term ending on November 30, 2020; and

BE IT FURTHER RESOLVED THAT a waiver of the competitive bidding process is granted pursuant to Section 2.83.050(e) of the San Mateo County Ordinance Code; and

BE IT FURTHER RESOLVED THAT that the County Manager, or designee, is authorized to contribute or cause to be contributed Two Million Dollars (\$2,000,000) in American Rescue Plan 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 in a total amount not to exceed \$75,000; and

BE IT FURTHER RESOLVED THAT the County Manager, or designee, is hereby 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 term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions; and

BE IT FURTHER RESOLVED THAT the County Manager, or designee(s), is hereby authorized to apply state and/or federal funds that may be made available in connection with the County's response to the COVID-19 pandemic to reimburse the County's General Fund for all or a portion of monies expended on the 2021 SMC Strong Small Business Assistance Grant Program.

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