



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 21-292

Board Meeting Date: 4/20/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael Callagy, County Manager

Subject: Amendment to Agreement Regarding Restaurant, Brewery, and Winery Relief Program

RECOMMENDATION:

Adopt a resolution authorizing and directing the County Manager, or designee, to execute an amendment to the agreement with SMCU Community Fund for administration and distribution of the Restaurant, Brewery, and Winery Relief Program to increase the maximum amount to be distributed by the SMCU Community Fund to eligible establishments by \$80,000 to an amount not to exceed \$1,130,000 and increasing the County's allocation of funding to the Program by \$80,000 to an amount not to exceed \$1,080,000.

BACKGROUND:

In December 2020, the San Mateo County Economic Development Association (SAMCEDA), Chamber San Mateo County, SMCU Community Fund (Community Fund), and Chan Zuckerberg Initiative (CZI) began discussions to establish a "Restaurant Relief Grant Program" to assist independently-owned restaurants in southern San Mateo County and Palo Alto that have been adversely impacted by the COVID-19 public health emergency.

The Board of Supervisors also recognized that restaurants, breweries, wineries continue to suffer from the financial impacts of COVID-19. In response to those hardships, this Board has undertaken numerous measures to provide relief to such businesses, including dedicating funds received from federal sources to relief efforts for small businesses, locally sponsored relief efforts, and other initiatives, such as the Great Plates Program.

CZI committed an initial \$1,000,000 to this restaurant relief effort, while the Community Fund and Silicon Valley Community Foundation (SVCF) identified an additional \$384,000 in existing funding for similar relief efforts benefiting restaurants in other parts of the County. On January 26, 2021, the Board of Supervisors adopted Resolution No. 077963, which authorized an additional \$1,000,000 in funding for this effort, established the Restaurant, Brewery, and Winery Relief Program (Program), and authorized and directed the County Manager to negotiate and execute, on behalf of the County, an agreement with the Community Fund to administer and distribute to qualifying establishments

grants from the Program.

DISCUSSION:

A. Restaurant, Brewery, and Winery Relief Program Description and Outreach

The Program provides grants of up to \$10,000 each to qualifying establishments to help offset losses in revenue due to the COVID-19 pandemic, ensure continued operation, and assist in covering current business operating expenses, such as rent, payroll, and facility modifications needed to accommodate on-site dining.

- To qualify for a grant under the Program, applicant establishments are required to meet a number of criteria, including being a “restaurant,” “brewery” or a “winery,” as those terms are defined in the Program, and the establishments must have been adversely impacted by COVID-19.

Extensive outreach took place for the Program and 809 unique applications were received, of which 635 were deemed tentatively eligible. Based on available funding, 221 applicants were selected for funding through a random process and, of these, 193 have completed the vetting process and SMCU Community Fund has distributed grants to them.

B. Administration of the Program and Current Status of Funding

As noted, pursuant to Resolution Number 077963, the County negotiated an agreement with the SMCU Community Fund to administer and distribute the Program funds, for a cost not to exceed \$50,000.

By its terms, CZI’s \$1,000,000 donation was only used for grants to restaurants located in East Palo Alto, Menlo Park, Redwood City, Palo Alto, Unincorporated Menlo Park, and Unincorporated North Fair Oaks. These funds were divided proportionally among these jurisdictions based on 2019 population.

To ensure geographic equity among the remaining cities, towns, and unincorporated areas in the County, remaining funds (i.e., the initial \$1,000,000 County General Fund contribution and the \$384,000 from the SVCF and the Community Fund) were allocated among these areas, also based on 2019 population. The localities eligible for grants from funds donated by CZI were not eligible for County, SVCF, or Community Fund funded grants, unless specifically requested by undersubscribed jurisdictions and with the consent of the County.

As a result of extensive and ongoing outreach by SAMCEDA, the County, and other program partners, as of early April 2021, \$740,000 of additional funding has been committed to the program by four jurisdictions for use to assist establishments in their respective jurisdictional boundaries:

- \$300,000 from the City of San Mateo
- \$260,000 from the City of South San Francisco
- \$110,000 from the City of San Carlos
- \$70,000 from the City of Half Moon Bay

Even with these added funds, 353 tentatively eligible applicants remain unfunded, to include eight establishments in Unincorporated San Mateo County, with five in the unincorporated Coastwide, two in the unincorporated Harbor Boulevard area and one in the unincorporated Colma area. Staff recommends that the County authorize an amendment to the agreement with the Community Fund to increase by \$80,000 the amount to be distributed by the Community Fund to eligible establishments under the Program in order to provide for grants of \$10,000 to each of these eight establishments in the unincorporated area.

PERFORMANCE MEASURES:

Year	Measure	Target	Actual (5 Apr 21)	Projected
FY 2020-21	Number of eligible establishments receiving grants	230	195	278
FY 2020-21	Total amount of relief granted to eligible establishments	\$2.3 million	\$1.95 million	\$2.78 million

County Counsel has approved this resolution as to form.

FISCAL IMPACT:

This modified agreement with the Community Fund for an additional \$80,000 be initially funded with County General Fund monies. The County will seek reimbursement from state and/or federal funds that may be made available in connection with the County's response to the COVID-19 pandemic.