



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 23-719

Board Meeting Date: 9/12/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Executive
Subject: ARPA Grant to Second Harvest of Silicon Valley

RECOMMENDATION:

Adopt a resolution:

- A) Approving an allocation of \$2,000,000 in American Rescue Plan Act (ARPA) funds to Second Harvest of Silicon Valley to mitigate its financial hardship resulting from the COVID-19 pandemic and its negative economic consequences; and
- B) Authorizing and directing the County Executive, or designee(s), to execute a grant agreement with Second Harvest of Silicon Valley for a term through July 31, 2024 in an amount not to exceed \$2,000,000 in American Rescue Plan Act funds.

BACKGROUND:

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. The pandemic has had broad and continuing effects, impacting households, small businesses and nonprofit organizations.

To help address these issues, the County has received State and Local Fiscal Recovery Funds under the federal American Rescue Plan Act ("ARPA"). ARPA funds can be used, among other applications, to respond to the pandemic-related public health emergency and its negative economic impacts. These funds can be used to provide financial assistance to nonprofit organizations that have been negatively impacted by the pandemic. Nonprofits that have experienced decreased revenues, increased costs, reduced contributions and uncompensated increases in service need related to the pandemic are eligible for financial assistance.

DISCUSSION:

The County has taken extensive steps over the past three years to address and respond to the pandemic and its negative economic consequences. The County has launched and funded a wide range of programs to provide financial assistance and other services to impacted households and

small businesses. In many cases, the County has contracted with nonprofit organizations to help provide services in connection with these and other programs to support our most vulnerable residents during the pandemic and beyond. The County contracted with Second Harvest of Silicon Valley (“Second Harvest”) during the pandemic to provide, among other services, expanded emergency food assistance to vulnerable populations in 2020 (\$2,000,000), 2021 (\$2,550,000), and 2022 (\$2,000,000).

Second Harvest is among the nonprofit organizations that provide critical services to those in need in San Mateo County. Second Harvest operates a food bank dedicated to ensuring that anyone in Silicon Valley who needs a healthy meal gets one. Second Harvest’s mission is to end hunger, distributing food through a network of sites in San Mateo County, including to households earning less than 65% of the Area Median Income (“AMI”) who have been impacted by the pandemic and its negative economic consequences.

Second Harvest has experienced a negative economic impact as a result of the pandemic in the form of increased demand for its services, increased costs to acquire food and provide such services, and declining revenues. To meet the increased demand in services during the pandemic, Second Harvest scaled up their operations by providing additional staffing in warehouse, transportation and distribution operations. Second Harvest also had to procure trucks and other infrastructure necessary to meet the pandemic-related demand for food at significant additional cost.

While increased philanthropy and federal funding was available to food banks to help mitigate the increased costs during the earlier phases of the pandemic, those funds are no longer available and/or have significantly declined. But demand for Second Harvest’s services has remained high. As a result, Second Harvest has operated at a substantial deficit over the last two years - nearly \$10 million in Fiscal Year (FY) 2022 and \$15 million in FY 2023 with comparable projected deficits next year.

In view of the financial hardship Second Harvest has experienced due to the pandemic, staff recommends providing direct assistance to Second Harvest through an allocation of \$2,000,000 in ARPA funds. To effectuate this assistance, staff recommends that the Board authorize and direct the County Executive, or designee, to execute a grant agreement with Second Harvest for a term through July 31, 2024 in an amount not to exceed \$2,000,000 in ARPA funds.

The County Attorney’s Office has reviewed the resolution and grant agreement as to form.

EQUITY IMPACT:

The financial support for Second Harvest of Silicon Valley in highlights a commitment to equity and inclusivity within the community. Addressing food insecurity, which disproportionately affects historically underrepresented communities, demonstrates a dedicated effort to provide essential resources and opportunities for individuals facing systemic barriers. This partnership signifies not only a response to immediate needs, but also an alignment with the broader mission of fostering a more just and compassionate society, where the well-being and prosperity of all individuals are prioritized.

There are no anticipated negative equity impacts from providing the funding.

FISCAL IMPACT:

The County’s allocation of \$2,000,000 in financial assistance through a grant agreement with Second Harvest will be funded exclusively with ARPA funds to the extent available and eligible.