



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY MANAGER

**File #:** 20-568

Board Meeting Date: 8/4/2020

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Michael P. Callagy, County Manager

**Subject:** Update on San Mateo County Strong Fund and Agreement with Renaissance Entrepreneurship Center to Administer Grants to Benefit San Mateo County Small Businesses Adversely Impacted by COVID-19

### **RECOMMENDATION:**

Recommendation to:

A) Receive an update on the San Mateo County Strong Fund from:

- Peggy Jensen, Deputy County Manager
- Rosanne Foust, SAMCEDA
- Don Cecil, SAMCEDA

B) Adopt a resolution authorizing and directing the County Manager, or the County Manager's designee, to execute an agreement for and on behalf of San Mateo County with Renaissance Entrepreneurship Center for administration and distribution of \$200,000 in SMC Strong Funds to benefit small business owners who reside in certain target areas of the County and who are lower-income and adversely impacted by COVID-19.

### **BACKGROUND:**

On March 24, 2020, the Board of Supervisors approved the allocation of \$3 million in **Measure K** funds to seed the "San Mateo County Strong Fund" ("SMC Strong Fund") a COVID-19 recovery fund. At that meeting, the Board dedicated \$1 million of these SMC Strong funds to assist small businesses affected by COVID-19.

On April 14, 2020, staff presented to the Board a plan for the distribution of these funds as small business assistance grants. The plan included partnering with the SMCU Community Fund, a non-profit established by the San Mateo Credit Union, to provide grants to small businesses throughout San Mateo County that have been impacted by COVID-19. Through this program, a total of \$3.5 million in SMC Strong funds, which included funds contributed by cities and foundations, was distributed to 350 small businesses.

While the program administered in coordination with the SMCU Community Fund was broadly successful, a review of program data revealed that relatively few small businesses in certain areas of the County, including East Palo Alto, North Fair Oaks, and Daly City, applied for SMC Strong small business grants.

Further, although the initial SMC Strong small business grant fund program included extensive outreach throughout the County and the application and informational materials were made available in multiple languages, the County's experience to date reflects that a different, more focused program would more effectively reach small businesses that are owned by individuals living in these parts of the County who are lower income, immigrants and veterans.

There is currently \$200,000 from individual and community donations left in the SMC Strong fund dedicated to assist small businesses. The County has received a proposal from the Renaissance Entrepreneurship Center ("Renaissance") to administer a program under which these remaining available SMC Strong funds will be distributed as grants to San Mateo County-based small businesses whose owners are living in priority zip codes within the County.

### **DISCUSSION:**

Since 1984, Renaissance has been dedicated to assisting very low-to-moderate income women and men to start and grow their small businesses. In just the last two years, Renaissance has worked with over 195 small businesses throughout the County and its clients are 97% lower income and 37% immigrants. Renaissance's business assistance program has been reviewed, and is supported by, the Economic Recovery Committee, the Equity Group and Recovery Coordinating Council of the San Mateo County COVID Recovery Initiative.

County staff recommends that the Board authorize the County Manager, or the County Manager's designee, working in consultation with the County Counsel, to negotiate and enter into an agreement with Renaissance under which the County would direct \$200,000 in available SMC Strong Funds to Renaissance to establish and administer a program that will make grants of \$5,000 each for up to forty small businesses that are owned by individuals who live in certain target areas of the County and who are lower-income individuals.

To be eligible for the Renaissance program, a business owner must live in one of the of the following zip codes which were selected based on percent of families living below the poverty level, high numbers of immigrant assistance applicants, and lower average family income.

- Daly City: 94014 and 94015
- East Palo Alto: 94303
- Menlo Park: 94025
- Unincorporated Mid-Coast: 94038
- Pescadero: 94060
- Redwood City/NFO: 94061, 94063
- San Mateo: 94401, 94403
- South San Francisco/San Bruno: 94066, 94080

In addition a recipient must be lower income (i.e., the recipient must have had an annual income below \$120,000 during 2019 or an average annual income below \$120,000 over the last three years).

For partnerships, a person meeting the above qualifications must own 51% of the business.

To get the word out about the program, Renaissance and community partners will undertake extensive outreach among business owners residing in the target areas of the County. Application assistance will be available in multiple languages and applications will be accepted in both hard copy and on-line. Unlike the initial business assistance program, grantee selection will not be on a first come first served basis. Instead, Renaissance will review all the applications to ensure they meet the ownership and demographic criteria. Eligible applications will be submitted to the County Manager's Office and SAMCEDA team for final selection based on geographic distribution. Renaissance will survey all grantees quarterly to assess grant effectiveness and see if individual businesses need more help.

The County Manager will work in coordination with the County Counsel to prepare and execute, on behalf of the County, an agreement with the Renaissance Center that implements the intent of this resolution. Renaissance has proposed an administrative fee equal to 15% of the amount distributed to Renaissance (i.e., \$30,000).

**FISCAL IMPACT:**

The Renaissance agreement will be fully funded by donations to SMC Strong. There is no impact on the General Fund associated with this agreement.