



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 20-656

Board Meeting Date: 9/15/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager

Subject: Agreement with Renaissance Entrepreneurship Center to Administer Grants to Benefit San Mateo County Small Businesses Adversely Impacted by COVID-19

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Renaissance Entrepreneurship Center for administration and distribution of 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.

During a presentation at the August 4, 2020 meeting of the Board of Supervisors, staff advised the Board that \$200,000 from individual and community donations remained in the SMC Strong fund dedicated to assist small businesses. Staff also advised the Board that 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. The Board authorized and directed the County Manager to negotiate and execute an agreement with Renaissance for the administration and distribution of these funds as grants to small business owners residing in certain targeted areas of the County who are lower-income and adversely impacted by COVID-19.

DISCUSSION:

Since initiating its contract negotiations with Renaissance, County staff has become aware of \$30,000 in additional funds that have become available for distribution by Renaissance as small business grants and other additional funds that may become available. Therefore, staff is requesting that the Board approve a resolution authorizing and directing the President of the Board to execute an agreement with Renaissance pursuant to which Renaissance will administer and distribute these available funds and any additional funds that may be identified from time to time for this grant program. The fund administered and distributed by Renaissance will be used for grants of \$5,000 each to owners of small businesses 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.

Renaissance has proposed a fee equal to 15% of the total amount distributed to Renaissance to cover costs of the program (i.e., in consideration of the \$230,000 that it is presently anticipated that Renaissance will administer and distribute, Renaissance would receive a fee of \$34,500, with this services fee adjusted to reflect any changes to the amount administered and distributed by Renaissance). In addition to the administration and distribution of the funds, the services provided by Renaissance in connection with the program would include counseling, coaching and mentoring of program recipients. In no event would the services fee paid by the County to Renaissance exceed \$100,000.

FISCAL IMPACT:

The Renaissance agreement will be fully funded by donations to SMC Strong. It is anticipated that the fee for program costs would be paid by CARES Act funds and that there would be no impact on the General Fund associated with this agreement.