



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 21-224

Board Meeting Date: 3/23/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager
Peggy Jensen, Deputy County Manager

Subject: Technology Tools and Training Grants for Small Businesses in San Mateo County.

RECOMMENDATION:

Adopt a resolution:

- A) Authorizing and directing the County Manager, or designee(s), to contribute a total amount not to exceed \$350,000 in seed funding to a Technology Tools and Training Grant Program for small businesses in the County; and
- B) Authorizing and directing the County Manager, or designee(s), to negotiate and enter into an agreement with Renaissance Entrepreneurship Center to administer and disburse the Technology Tools and Training Grant Program, with total administrative fees not to exceed \$50,000, and granting of a waiver of the request for proposal process for acquisition of services necessary to administer and disburse the Technology Tools and Training Grant Program pursuant to Section 2.83.050(e) of the San Mateo County Ordinance Code.

BACKGROUND:

At its March 9, 2021 meeting, the Board of Supervisors accepted the three-phased County Strategic Plan for Workforce Recovery in the Post-Pandemic Economy (Plan). The first phase of the Plan, which is to be implemented immediately, includes three measures intended to prevent the permanent closure of small businesses in the County and to encourage emerging entrepreneurs. One of the measures included in the first phase of the plan is the Technology Tools and Training Grant Program.

Data gathered from the County's targeted small business assistance program administered by the Renaissance Entrepreneurship Center ("REC") reveals a need for technology-based training among small businesses. Specifically, the data include the following facts:

- 64% of the 611 small business owners that applied for a small business assistance grant through REC noted an immediate need for computer technology; and
- 72% of applicants reported that they needed to establish an e-commerce website; and
- 88% of applicants desired to shift more of their business to on-line platforms.

DISCUSSION:

To address these technology-based needs and position small businesses in vulnerable communities throughout the County for success in the post-pandemic economy, staff recommends contributing \$350,000 to establish a pilot Technology Tools and Training Grant Program targeting small businesses owners in the lowest income zip codes of the County. The program would disburse grants of up to \$2,500 to small business owners that were eligible for, but did not receive, a targeted small business assistance grant through REC. The grants would assist qualifying local small businesses with website development, e-commerce capabilities, digital/online marketing, and social media presence.

To be eligible for the Technology Tools and Training Grant Program, a business owner must (1) be lower income (i.e., must have had an annual income below \$120,000 during 2019 or an average annual income below \$120,000 over the last three years) and (2) 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

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

Staff recommends that the County contract with REC to administer the pilot Technology Tools and Training Grant Program, which would run from April through June 2021. The \$350,000 recommended contribution includes a \$50,000 administrative fee payable to REC for its administration of the pilot program.

Since 1984, REC has assisted very low-to-moderate income individuals start and grow their small businesses, including through its recent administration of the County's targeted small business assistance program. Given the unique expertise and the trusted partnership REC has established with minority and other small businesses owners in the County, staff recommends that the Board waive the competitive request for proposals process for the services related to Technology Tools and Training Grant Program pursuant to Section 2.83.050(e) of the San Mateo County Ordinance Code.

If the pilot program successfully helps sustain existing small businesses and launch new businesses, additional funding may be recommended in the FY 2021-2023 budget.

FISCAL IMPACT:

The \$350,000 in funding for the Digital Tools and Training Grant will be initially funded with County General Fund monies, subject to the application of and potential reimbursement from state and/or federal funds that may be made available in connection with the County's response to the COVID-19 pandemic.