



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY EXECUTIVE

**File #:** 22-326

Board Meeting Date: 5/3/2022

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

**To:** Honorable Board of Supervisors

**From:** Michael P. Callagy, County Executive  
Peggy Jensen, Assistant County Executive

**Subject:** California Microbusiness COVID-19 Relief Grant Program Amendments

**RECOMMENDATION:**

Adopt a resolution authorizing the Board president to execute the First Amendment to the County's agreement with Renaissance Entrepreneurship Center to implement the California Microbusiness COVID-19 Relief Grant program in partnership with the County for a term through December 31, 2022 in an amount not to exceed \$917,630.67, and ratifying the California Office of Small Business Advocate California Microbusiness COVID-19 Relief Grant Program Agreement and First Amendment thereto.

**BACKGROUND:**

In 2021, the State established the California Microbusiness COVID-19 Relief Grant Program ("Program"), to assist qualified microbusinesses that have been significantly impacted by the COVID-19 pandemic in California. The Program is intended to provide relief to the hardest to reach microbusinesses and entrepreneurs. The Program is designed for implementation by individual participating counties and/or their fiscal agents in those counties. The State determined preliminary award amounts based on county population, with anticipated grants of \$2,500 each for qualifying microbusinesses.

In November 2021, the County Executive's Office applied to participate in the Program. In connection with its grant application, the County entered into an agreement with Renaissance Entrepreneurship Center (Renaissance) to administer the program and act as the County's fiscal agent for purposes of distributing the grant funds to eligible microbusinesses (REC Agreement). Renaissance has been serving County small businesses for 14 years. In January 2022, Renaissance became the US Small Business Administration (SBA) Small Business Development Center (SBDC) for the County. The REC Agreement provides, among other terms, that the County would pay Renaissance \$145,130.67 for its services in administering Program funds to eligible microbusinesses and acting as its fiscal agent, in the event the State awarded funding.

In January 2022, the State accepted the County's application and awarded the County Program funding in the amount of \$964,630.67 (a portion of which is allocable to administrative expenses). In order to accept the funds and ensure the County's participation in the Program, the County Executive's Office signed the California Office of Small Business Advocate California Microbusiness COVID-19 Relief Grant Program Agreement (CalOSBA Agreement). Under the CalOSBA Agreement, the grant funds must be distributed to qualifying microbusinesses by November 30, 2022.

On February 8, 2022, this Board approved an appropriation transfer request to accept unanticipated revenue in the amount of \$964,630.67 to fund the Program in the County, which will provide 309 grants in the amount of \$2,500 each to eligible County microbusinesses that meet the Program criteria outlined by the State:

- Meet criteria of qualified microbusiness owner, including being the majority owner of the microbusiness.
- Microbusiness owner's primary source of income in 2019 was the microbusiness.
- Microbusiness owner did not receive a grant under the California Small Business COVID-19 Relief Grant Program.
- Microbusiness has been an active business since at least December 2019.
- Microbusiness experienced significant impact by COVID-19 pandemic.
- Microbusiness had less than fifty thousand dollars (\$50,000) in revenues in 2019.
- Microbusiness had fewer than five full time equivalent employees.

Grant applications from microbusiness owners are currently being accepted and will continue to be accepted on a rolling basis until all grant funds have been awarded or until September 2022. Applications have been received and are currently being reviewed to confirm eligibility per the Program criteria.

### **DISCUSSION:**

The County and Renaissance wish to amend the REC Agreement ("First Amendment") to (a) further specify Renaissance's responsibilities as the fiscal agent for the Program, which include serving as the County's designated representative to administer and distribute grant funds to qualified microbusinesses that have been significantly impacted by the COVID-19 pandemic with three hundred and nine (309) grants in the amount of \$2,500 each in accordance with the Program eligibility requirements, and to (b) increase the County's total not to exceed amount to include the \$772,500 in grant fund dollars that will be provided under the Program for distribution to grantees, for a total fiscal obligation of \$917,630.67. As the County's total fiscal obligation under this amendment exceeds departmental thresholds, it is recommended that the Board approve this First Amendment to the REC Agreement. A copy of the original executed agreement and the proposed First Amendment are included with this item.

Additionally, CalOSBA has requested that the definition of Qualified microbusiness in the CalOSBA Agreement be amended to permit attestation of significant COVID-19 impact to qualify under the Program ("CalOSBA Agreement, First Amendment"). The County Executive's Office has executed the CalOSBA Agreement, First Amendment and recommends that the Board ratify the CalOSBA Agreement and its First Amendment, copies of which are submitted with this item.

The County Attorney has reviewed and approved the accompanying resolution as to form.

### **FISCAL IMPACT:**

Funds for the Microbusiness COVID-19 Relief Grant Program in the amount of \$964,630.67 have

been provided to the County by the California Office of the Small Business Advocate. There is no net County cost associated with the grants to be provided to microbusinesses. Funding for additional program implementation costs not covered by the grant agreement will come from American Rescue Plan Act funds, or other funds as determined by the County Executive.