



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 22-749

Board Meeting Date: 10/4/2022

Special Notice / Hearing: None

Vote Required: 4/5 Vote

To: Honorable Board of Supervisors

From: Supervisor Don Horsley, District 3
Supervisor Warren Slocum, District 4

Subject: North Fair Oaks & Half Moon Bay Economic Advancement Centers for Local Households and Small Businesses Impacted by COVID-19

RECOMMENDATION:

Recommendation to:

A) Adopt a resolution:

1. Authorizing a total allocation of \$5,000,000 in American Rescue Plan Act ("ARPA") funds for the development and operation of Economic Advancement Centers in Half Moon Bay (\$2,500,000) and North Fair Oaks (\$2,500,000) to assist local households and small businesses negatively impacted by the COVID-19 pandemic; and
2. Authorizing and directing the County Executive, or designee, acting in consultation with the County Attorney's Office, to negotiate and enter into an agreement with the City of Half Moon Bay for the County's contribution of \$2,500,000 in ARPA funds to support two years of operation of a Coastside Economic Advancement Center; and

B) Approve an Appropriation Transfer Request ("ATR") in the amount of \$500,000, recognizing unanticipated revenue from the Chan Zuckerberg Initiative grant through the Silicon Valley Community Foundation to Non-Departmental Services to supplement funding for the North Fair Oaks Economic Advancement Center.

BACKGROUND:

Over the past two plus years, the Board has taken extensive steps to assist households and small businesses that have been impacted by the COVID-19 public health emergency and its negative economic consequences.

In the early spring of 2021, in connection with its pandemic relief and recovery efforts, the City of

South San Francisco began developing a one-stop shop, known as the Economic Advancement Center (“EAC”), to provide a range of technical assistance to job seekers, small business owners, and local entrepreneurs who were adversely impacted by the pandemic. The County contributed \$200,000 in ARPA funds toward development of the South San Francisco EAC and requested that its small business services be made available to all residents of the northern portion of the County.

In selecting service contractors for the EAC, South San Francisco conducted a competitive procurement process in which they issued two requests for proposals: one for job seeker support and a second to provide coaching, training, and classes for small business owners and entrepreneurs. South San Francisco selected JobTrain to provide job seeker services and the Renaissance Entrepreneurship Center (“REN”) to assist small businesses and entrepreneurs.

The South San Francisco EAC began offering virtual and in-person coaching and training classes to assist job seekers, small businesses, and entrepreneurs in July 2021.

Since then, JobTrain has enrolled 150 clients, 71 of whom it placed in jobs at an average hourly wage of \$23.50, with an additional 20 clients receiving conditional job offers from SamTrans. For small business owners and entrepreneurs, REN has held 34 classes and workshops (22 in English and 12 in Spanish), hosts a Women’s Empowerment Program called SPARK and a monthly convening for Latinx community members and business owners called Comida y Comunidad. REN also provides website development support, and sponsors pop-up marketing events.

Due to the success of the South San Francisco EAC, and a study showing interest in such a center in North Fair Oaks, (discussed below), staff proposed using ARPA funds to establish EAC-type centers in communities disproportionately impacted by the pandemic. Thus, at the May 17, 2022, Board of Supervisors meeting, staff proposed earmarking \$5,000,000 from the County’s second tranche of ARPA funds for the development and operation of two additional EAC-type centers, one on the Coastsides and another in North Fair Oaks, each funded with \$2,500,000 in ARPA funds.

Coastsides EAC

In February 2021, the City of Half Moon Bay, in partnership with the County, launched a Coastsides Recovery Initiative (“Initiative”). The Initiative was guided by a diverse, multi-sector Recovery Task Force comprised of 17 community members. A year-long planning effort included over 20 Task Force convenings, key informant interviews, focus groups, and learning tours to gather community input and ideas for their recovery plan titled *Building a More Equitable, Vibrant and Resilient Coastsides Economy* (“Plan”). The Plan noted that the pandemic had significantly impacted Coastsides business and workers due to the loss of jobs in the accommodation, food service, retail, and recreation sectors, which are heavily represented on the Coastsides.

Specific recommendations in the Plan included development of a Coastsides small business assistance center, creation of a business incubator for new start-up and early-stage companies, increased access to vocational training and higher education opportunities for economically vulnerable residents, and multiple recommendations to support the Coastsides farming community. As explained below, establishment of the Coastsides EAC responds to many of these recommendations from the Plan.

North Fair Oaks EAC

In late 2021, the County contracted with REN to conduct a feasibility study for the opening of a business and family center in North Fair Oaks that would provide support and assistance for COVID-impacted households and small businesses. The study was completed in early 2022 and found there is significant community interest in such a center.

To help plan and engage with the community around the development of a North Fair Oaks EAC, staff participated in a study session and made a presentation regarding the proposed EAC at the August meeting of the North Fair Oaks Community Council. The Council expressed strong support for the proposed EAC and requested ongoing updates on progress.

The Chan Zuckerberg Initiative (“CZI”) grant-making team has supported North Fair Oaks residents and small businesses throughout the pandemic. When staff shared information regarding the South San Francisco EAC, and the Board’s interest in potentially developing similar facilities on the Coastsides and in North Fair Oaks, the CZI team expressed interest in supporting the North Fair Oaks project.

DISCUSSION:

Establishing and supporting an EAC in North Fair Oaks and on the Coastsides that will provide technical assistance and resources to job seekers and small businesses that have been impacted by the pandemic is an important component of the County’s continuing efforts to respond to the COVID-19 public health emergency and its negative economic consequences.

Coastside Center

When notified earlier this year about the Board’s interest in supporting a Coastside EAC for impacted households and small businesses, the Initiative’s leaders started planning. They engaged local community advisors and regional partners and determined the structure and roles needed to establish a Coastside EAC. Working with community partners, they also developed a program design for the Coastside EAC to meet the specific needs of impacted Coastside residents identified above by the Plan, including the provision of entrepreneur, small business, and job seeker support, co-location of a business incubator, and integration with the Half Moon Bay Chamber of Commerce Business Development Center. Job training and other support services will be made available to undocumented residents and services will be provided in multiple languages. City of Half Moon Bay staff are currently evaluating potential commercial sites for the Coastside EAC’s permanent location and looking for temporary locations where services can be provided prior to opening a permanent location.

Staff recommends allocating \$2,500,000 toward the development of the Coastside EAC for two years of its operations. This contribution would be accomplished through an agreement to transfer ARPA funds in an amount not to exceed \$2,500,000 to the City of Half Moon Bay for ARPA-eligible expenses incurred in connection with the development and operation of the EAC for local households and small businesses impacted by the pandemic.

North Fair Oaks Center

Staff also recommends allocating \$2,500,000 in ARPA funds for the North Fair Oaks EAC. The requested funds would be set up in an account managed by the County Executive’s Office, which will oversee the development and operation of the North Fair Oaks EAC for the first two years of operation. These funds would only be used for ARPA-eligible expenses incurred in connection with

the North Fair Oaks EAC for local households and small businesses impacted by the pandemic.

To supplement the ARPA funding for the North Fair Oaks EAC, staff submitted a grant proposal to CZI and, in early August 2022, CZI notified staff that it would award the County a \$500,000 grant. The grant term is July 1, 2022 through June 30, 2023, and the award specifies that the outcomes for job seekers and small businesses at the North Fair Oaks EAC should be comparable to what has been accomplished at the South San Francisco EAC.

A planning team that includes the Office of Community Affairs and additional County staff is developing a workplan for the North Fair Oaks EAC, including a project schedule, researching potential locations in North Fair Oaks, and drafting requests for proposals for job seeker and small business support services. The workplan will also include an outreach and engagement program to update the 2021 feasibility study with current recommendations from local business owners and community members and the gathering of additional input on community interests and needs so the North Fair Oaks EAC can best serve all impacted households and small businesses.

Staff will update the Board and the North Fair Oaks Community Council on the status of the North Fair Oaks EAC quarterly, starting in January of 2023.

Funding for Performance Evaluation and Learning Cohort Support for All Three Centers

In addition to the \$500,000 grant in support of the North Fair Oaks Center, CZI has agreed to contribute \$100,000 for a joint evaluation of all three Economic Advancement Centers (South San Francisco, Half Moon Bay, and North Fair Oaks). The joint evaluation will include the hiring of a contractor to evaluate the performance outcomes of all three centers, identify and recommend ongoing best practices, and facilitate knowledge/learning sharing among the three site coordinators. The City of Half Moon Bay is serving as the fiscal agent for the \$100,000 evaluation grant from CZI, thus no action is required from the Board related to those funds.

FISCAL IMPACT

The County's agreement with the City of Half Moon Bay will be funded with ARPA funds to the extent available and eligible in the amount of \$2,500,000. The County's support of the North Fair Oaks Center will also be funded with ARPA funds to the extent available and eligible in the amount of \$2,500,000. However, to the extent appropriate, the total allocation of \$5,000,000 may ultimately be covered by reimbursement from funds provided through other state and/or federal funds that may be made available in connection with the County's response to the COVID-19 pandemic. The ATR presented to the Board will recognize the receipt of \$500,000 in funds from CZI to support the start-up and initial operation of the North Fair Oaks EAC.