



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive Office
Department No.: 012
For Agenda Of: January 25, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Director(s) Contact Info: Mona Miyasato, County Executive Officer
Nancy Anderson, Assistant County Executive Officer

DocuSigned by:
Mona Miyasato
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SUBJECT: Microbusiness COVID-19 Relief Grant Program from the Office of Small Business Advocate (CalOSBA) Grant Award

County Counsel Concurrence

As to form: Yes

Other Concurrence: **Risk Management**

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

It is recommended that the Board of Supervisors:

- A. Approve and authorize the Chair, or designee, to execute on behalf of the County a Grant Agreement with the State of California Office of the Small Business (CalOSBA) accepting the Microbusiness COVID-19 Relief Grant Program award in the amount of \$556,119.99 for the period of January 21, 2022, through December 30, 2022 (Attachment A);
- B. Delegate authority to the County Executive Officer, or designee, to act on behalf of the County in the implementation of the MBCRG Program, subject to the Board’s ability to modify or rescind this delegated authority at any time;
- C. Delegate authority to the County Executive Officer to approve subsequent amendments to the Grant Agreement required to implement the MBCRG Program within the scope and amount of the original agreement, upon review and concurrence by Risk Management, the Auditor-Controller, and County Counsel;
- D. Approve Budget Revision Request #0008069 (Attachment B) to increase appropriations of \$556,120 in the County Executive Office General Fund for Services and Supplies funded by unanticipated Microbusiness COVID-19 Relief Grant revenue from the CalOSBA; and

- E. Determine that the recommended actions are not the acceptance and approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the project is a creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary:

The California Microbusiness COVID-19 Relief Grant Program (MBCRG) was created in 2021 to assist qualified microbusinesses that have been significantly impacted by the COVID-19 pandemic in California by the Office of the Small Business Advocate of the Governor's Office of Business and Economic Development. The grants will assist qualifying small businesses negatively affected by the COVID-19 pandemic, in accordance with specified criteria, including geographic distribution based on COVID-19 restrictions and industry sectors most impacted by the pandemic.

The County of Santa Barbara seeks authorization to execute a grant agreement (Attachment A) with CalOSBA in the amount of \$556,119.99 for the period of January 21, 2022 through December 30, 2022 to execute the MBCRG program with the Santa Barbara Foundation as the fiscal agent and administering the program.

Background:

On November 16, 2021, staff brought forth a fiscal agent agreement with Santa Barbara Foundation to seek authorization from the Board to submit a funding application in the amount of \$556,119.99 or such other allocation provided by CalOSBA for the MBCRG program. Upon Board approval, the County submitted a funding application to CalOSBA for the MBCRG Program funding on November 30, 2021. The County applied for the program as the grantmaking entity and fiscal agent, and designated the Santa Barbara Foundation a subgrantee to administer the program and funds to small businesses within the County, if awarded. The one time grant funding will consist of \$2,500 grants to eligible microbusinesses impacted by COVID-19 and related health and safety restrictions.

On December 22, 2021, the County received the Notice of Intent in the amount of \$556,119.99 for the California Microbusiness Covid-19 Relief Grant Program and received the grant agreement on January 7, 2022 to be executed no later than February 1, 2022.

Program Description

The MBCRG Program was created to assist qualified microbusinesses that have been significantly impacted by the COVID-19 pandemic with grants in the amount of \$2,500 to each eligible microbusiness that is selected for an award.

Design and Partnership

The County has designated the Santa Barbara Foundation to implement and administer the program as described in the fiscal agent agreement. This includes making application forms available to businesses from as early as January 21, 2022, but no later than November 30, 2022. Funding is limited, and applications will be reviewed and processed as received in a completed form. Complete applications may be submitted to the Santa Barbara Foundation via online portal or via mail to (or as otherwise directed by Santa Barbara Foundation to ensure both

electronic and non-electronic means and to ensure reasonable accommodations). The County and SBF will also partner with local community stakeholders and local Chambers of Commerce for this program.

SBF's microbusiness assistance program management will consist of the following:

- Review and either approve or deny applications for assistance in accordance with the County Subrecipient/Fiscal Agent Agreement
- Collect repayment from previously approved assistance for program participants who violate program requirements in consultation with County
- Provide recommendations for policy improvements or clarifications
- Appoint a member whose responsibility it is to maintain records of all necessary documents for each business applicant
- Reporting and Recordkeeping

If the Santa Barbara Foundation denies an application, it shall prepare and send a letter to the applicant indicating the reason(s) for denial. Upon approval of a program application, eligible businesses selected for award will execute a grant agreement with the Santa Barbara Foundation.

Eligible Use of Funds

Microbusiness owner who is a recipient of a grant pursuant to this Program will need to self-certify that grant funds will be used for one or more of the following eligible uses:

- The purchase of new certified equipment including, but not limited to, a cart.
- Investment in working capital.
- Application for, or renewal of, a local permit including, but not limited to, a permit to operate as a sidewalk vendor.
- Payment of business debt accrued due to the COVID-19 pandemic.
- Costs resulting from the COVID-19 pandemic and related health and safety restrictions, or business interruptions or closures incurred as a result of the COVID-19 pandemic, as defined in subdivision (1) of Section 12100.83.

Discussion:

Staff recommends the Board authorize the Chair or designee, to execute a grant agreement with the California Office of the Small Business Advocate in the amount of \$556,119.99 for the period of January 21, 2022 through December 30, 2022. To execute the program, the County will work with Santa Barbara Foundation ("Foundation") for administration and implementation of a MBCRG program in Santa Barbara County in a total contract amount not to exceed \$556,119.99 and provides for an administrative fee for the Foundation not to exceed 20% of the total contract amount.

Performance Measure:

The Santa Barbara Foundation (Subrecipient) will provide administration oversight and insure that all microbusinesses that receive the grant award meet program qualifications and eligibility criteria under CalOSBA implementing regulations, County Guidelines, and will provide supporting reporting documentation as required in the program guidelines.

Fiscal and Facilities Impacts:

Budgeted: Budget Revision #0008069 is requested for approval to establish FY 21-22 funding.

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Fiscal Analysis:

Grant funding has been allocated to Santa Barbara County based off of population size as of January 1, 2021 and has been awarded at \$556,119.99. The Santa Barbara Foundation's administration cost shall not exceed 20% of the maximum allocated amount or other amount set forth by CalOSBA. Administrative costs to the Foundation will approximately \$111,224 if they use up to 20% of the total award amount, based on actual costs submitted to the County. The remaining balance of \$444,896 will go directly to \$2,500 microbusiness grants, resulting in approximately 177 grants awarded throughout the County. This Board letter seeks authorization to execute a grant agreement with CalOSBA, accepting the funding amount of \$556,119.99 for the period of January 21, 2022 through December 30, 2022.

Key Contract Risks:

The Grant Agreement may be terminated by either party upon 30 days written notice. The Grant Agreement imposes procedural and reporting requirements on the County that could be subject to audit by the State in the future. The Grant Agreement also requires the County to indemnify the State for claims arising from the County or its agent's breach of the agreement.

Special Instructions:

Please return one copy of the executed Grant Agreement to Jasmine McGinty at jmcginty@countyofsb.org, ext. 3108.

Attachments:

Attachment A – Grant Agreement with CalOSBA
Attachment B – Budget Revision Request No.: 0008069

Authored by:

Jasmine McGinty, Principal Analyst, County Executive Office

cc: Jackie Carrera, The Santa Barbara Foundation