



**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: 11-16-2021
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors

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

DocuSigned by:

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SUBJECT: Approval of Execution of a Fiscal Agent Agreement with the Santa Barbara Foundation to Implement a Microbusiness COVID-19 Relief Grant Program with grant funding from the Office of Small Business Advocate (CalOSBA)

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. Authorize the County Executive Officer, or designee, to submit a funding application in the amount of \$556,119.99, or such other allocation amount that the State of California makes available to the County of Santa Barbara, and execute all certifications, standard forms, and other related documents to the State of California Office of the Small Business Advocate for Round 1 funding from the California Micro-Business COVID-19 Relief Grant program;
- B. Authorize the County Executive Officer, or designee, to execute an agreement with the Santa Barbara Foundation (“Foundation”) for administration and implementation of a California Micro-Business COVID-19 Relief Grant program in Santa Barbara County, subject to the following conditions:
 - 1. The agreement has 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;
 - 2. The agreement is in a form substantially similar to the attached Fiscal Agent Agreement;
 - 3. The agreement is subject to review and concurrence by Risk Management, Auditor-Controller and County Counsel;

- C. 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.

In partnership with the Santa Barbara Foundation, the County of Santa Barbara seeks authorization to submit a funding application in the amount of \$556,119.99 or such other allocation provided by CalOSBA for the MBCRG program. While the County will apply as the grantmaking entity and fiscal agent, staff recommends designating The Santa Barbara Foundation as a subgrantee to administer the program and funds to small businesses within the County. The one time grant funding will consist of \$2,500 grants to eligible microbusinesses impacted by COVID-19 and related health and safety restrictions. The application process requires that the County have a fully executed fiscal agent agreement to qualify for an award. If awarded funding, staff will return to the Board for approval of a grant making agreement with CalOSBA and approval of any amendments to the fiscal agent agreement, if any are necessary.

Background:

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. Definition of eligible microbusinesses can be found in Exhibit A of Attachment A.

Design and Partnership

If the grant is awarded to the County, the County designates the Santa Barbara Foundation to implement and administer the program and make 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

Page 3 of 4

- 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 County Executive Officer, or designee, to submit a funding application in the amount of \$556,119.99, or such other allocation amount that the State of California makes available to the County of Santa Barbara. Along with this designation the County in conjunction with the Santa Barbara Foundation will execute all certifications, standard forms, and other related documents for Round 1 funding from the California Micro-Business COVID-19 Relief Grant program. In addition, staff recommends the Board authorize the County Executive Officer, or designee, to execute an agreement with the Santa Barbara Foundation (“Foundation”) for administration and implementation of a MBCRG program in Santa Barbara County with conditions listed below. If the County does not receive the grant award, the County may revoke the fiscal agent agreement with SBF.

- The agreement has 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;
- The agreement is in a form substantially similar to the attached Fiscal Agent Agreement;
- The agreement is subject to review and concurrence by Risk Management, Auditor-Controller and County Counsel;

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:

There is no budgetary transaction associated with this item. Should the County be awarded the MBCRG grant, the County designates the Santa Barbara Foundation as a qualified non-profit organization to administer the program funds. The Santa Barbara Foundation will retain twenty percent (20%) of the allocated MBCRG funds for program administration. Staff will return to the Board for the necessary budgetary transaction to passthrough the grant funding to SB Foundation if the County is ultimately awarded the funds.

Fiscal Analysis:

Approximately fifty million dollars (\$50,000,000) is available during the grant period, which will be awarded by CalOSBA in no more than two rounds; Round 1 for eligible county entities, and Round 2 will be open to remaining county governments that did not apply in this first round, and open to nonprofits as eligible grantmaking entities. Applicants will need to demonstrate the capacity and scalability to request the full funding amount allocated per county and to deploy countywide to microbusinesses that meet the eligibility requirements. Santa Barbara County's allocated award based off of population size as of January 1, 2021 is set 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. If the County were to receive the full allocated award, administrative costs to the Foundation would be approximately \$111,224. This is an estimated dollar amount based and will be based on actual administrative cost from SBF 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.

Key Contract Risks:

The fiscal agent agreement is contingent upon the County receiving an award of funding from CalOSBA and provides for payment on a reimbursement basis. The agreement includes standard termination provisions. The terms of any grant making agreement with CalOSBA will be presented to the Board for consideration at a later Board hearing.

Staffing Impacts:

No new staffing impacts. The Program recommended for funding will be overseen by the Santa Barbara Foundation.

Special Instructions:

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

Attachments:

- Attachment A – Fiscal Agent Agreement with The Santa Barbara Foundation
- Attachment B - California Microbusiness COVID-19 Relief Grant Program Grantmaking Entity Round 1 Request for Proposals

Authored by:

Jasmine McGinty, Principal Analyst, County Executive Office

cc: Jackie Carrera, The Santa Barbara Foundation