



Legislation Text

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Report regarding a resolution approving Budget Amendment Number 23.063, accepting a \$1 million grant for the Economic Advancement Center provided by California Assembly Bill 179 and administered through the California Governor's Office of Business and Economic Development, and appropriating the funds in the Economic & Community Development Department's operating budget. (*Ernesto Lucero, Economic Development Manager*)

RECOMMENDATION

Staff recommends that City Council approve Budget Amendment Number 23.063, accept a \$1 million grant to the City of South San Francisco for the Economic Advancement Center appropriated from California Assembly Bill 179, or Budget Act of 2022, and administered through the California Governor's Office of Business and Economic Development (GO-Biz), and appropriate the funds in the Economic & Community Development Department's operating budget.

BACKGROUND

On September 8, 2022, Governor Gavin Newsom signed Assembly Bill 179, or the Budget Act of 2022, appropriating \$1 million to support the Economic Advancement Center ("EAC") located in South San Francisco. The \$1 million grant was made possible by the support of California Senator Josh Becker who has been an advocate for the development of the services provided at the EAC. On October 13, 2022, a check presentation and press conference were held at the EAC by Senator Becker and regional elected officials in North San Mateo County.

Since July 2021, Renaissance Entrepreneurship Center ("Renaissance") has been providing small business and entrepreneurial support services to local small businesses, and JobTrain has been providing workforce development services to local unemployed and underemployed residents. Workforce development services have included rapid employment placement, career pathway development, and cohort training programs geared towards enhancing economic mobility for community members. In June 2023, approval of the renewal of annual contracts with Renaissance and JobTrain will be considered by the City Council.

What initially started as a focus on South San Francisco small businesses as well as unemployed and underemployed residents, the EAC has now grown to provide services to other North San Mateo County communities including the Cities of Brisbane, Daly City, Millbrae, San Bruno, Pacifica, and the Town of Colma. As North San Mateo County has had a strong demand for services, and has historically been underserved, the EAC, with its central location to support small businesses and those in need of workforce development support fills a resource gap and continues to attract grant funding support at the federal, state, regional, and local levels.

To date, the EAC has attracted \$3,034,165 in grant funding to support the main services provided within the space, as well as the operations of the EAC, augmenting the City of South San Francisco's initial investment of \$2 million. Of the \$3,034,165 in grant funding, financial partners include:

- County of San Mateo - \$200,000
- California Workforce 9.0 - \$100,000
- U.S. Department of Labor (earmark through Congresswoman Speier) - \$500,000

- U.S. Economic Development Administration - \$1,134,549
- Corporate sponsorships - \$99,616
- GO-Biz (earmark through Senator Becker) - \$1,000,000

DISCUSSION

On April 4, 2023, the City was informed that the \$1 million grant from AB 179 would be administered through GO-Biz. City staff are currently in the process of developing a scope of work and budget with GO Biz that meets their program requirements, while augmenting funding for existing commitments at the EAC. As many of the other grants received are on different expenditure schedules, City staff are proposing to use this specific funding over Fiscal Years 2022-23, 2023-24, and 2024-25.

The GO-Biz grant funding will support a portion of three main components of the functions of the EAC including small business and entrepreneurial support services, workforce development services, and operations of the building (such as front-desk support, rent, utilities, and maintenance). As the implementation of the EAC approaches two years of services offered to the community, the programs and operations of the building cost on average \$1.25 million annually, which includes approximately \$500,000 each for small business and workforce development services, and approximately \$250,000 to operate the building.

City staff will return to City Council in June 2023 for renewal of service contracts and an update on program funding and accomplishments. Thereafter, staff will return to Council on a biennial basis with a report on how funds are supporting services offered and who is being served.

FISCAL IMPACT

Approving Budget Amendment Number 23.063 has no fiscal impact on the General Fund. Acceptance of this grant, administered through GO-Biz, does not require a match.

RELATIONSHIP TO STRATEGIC PLAN

This item supports the City Council Strategic Goal of improving quality of life for the local economy and residents.

CONCLUSION

Approval of the resolution will allow the City to formally accept the \$1 million grant administered by the California Governor's Office of Business and Economic Development and allow City staff to work with the state agency on an agreed upon scope of work, budget, and reportable metrics to show how the funds are supporting economic mobility and advancement in North San Mateo County.