

BUSINESS OF THE COUNCIL OF THE CITY OF HALF MOON BAY

AGENDA REPORT

For meeting of: **September 17, 2024**

TO: Honorable Mayor and City Council

VIA: Matthew Chidester, City Manager

FROM: Karen Decker, Economic and Community Vitality Manager
Julissa Acosta, Management Analyst

TITLE: **OPPORTUNITY CENTER CONTRACT AMENDMENTS**

RECOMMENDATION:

Receive an update on the Opportunity Center of the Coastsides and adopt a resolution authorizing the City Manager to:

- 1) Amend a grant agreement with the County of San Mateo to extend operations of the Opportunity Center of the Coastsides to a term ending on September 30, 2025; and
- 2) Amend the current service provider contracts for employment, small business, entrepreneurship, and Opportunity Center operational services to a term ending on September 30, 2025, in an amount not to exceed \$1,069,122.

FISCAL IMPACT:

There is no net fiscal impact to the City. All contracts and contract amendments referenced in this staff report are funded by a \$2,500,000 grant from the County of San Mateo.

STRATEGIC ELEMENT:

This recommendation supports the *Fiscal Sustainability, Healthy Communities and Public Safety, and Inclusive Governance* Elements of the Strategic Plan.

BACKGROUND:

As part of its commitment to provide relief to individuals and businesses impacted by COVID and to position the coastsides economy for long-term resiliency, the City Council sponsored the Coastsides Recovery Initiative. That effort resulted in a public report, *Building a More Equitable, Vibrant and Resilient Coastsides Economy*. Substantiated by findings and recommendations from that report, the San Mateo County Board of Supervisors approved a \$2,500,000 funding allocation to support the development of the Opportunity Center of the Coastsides (OCC) – a first-of-its-kind service center for job seekers, small businesses, and entrepreneurs. On February 7, 2023, City Council authorized staff to execute a grant agreement with the County to accept the grant, to develop and operate the OCC, and to retain qualified service providers

through a request for proposals process (Resolution No. C-2023-04). On April 20, 2023, the City entered into an agreement with the County for a grant term ending September 30, 2024.

Staff identified an ideal location for the OCC in the heart of downtown Half Moon Bay. On September 5, 2023, City Council authorized staff to enter into a 2-year lease agreement for approximately 3,900 square feet of commercial space located at 637 Main Street. Council also authorized staff to execute a sublease agreement with the Half Moon Bay Chamber of Commerce and Visitors Bureau for a portion of the premises (Resolution No. C-2023-87). The Chamber was also contracted by the City to provide oversight of the daily operations and facility management of the OCC (Resolution No. 2023-68).

While tenant improvements were underway, staff onboarded qualified service providers in each of the following areas: rapid employment services and career training (provided by JobTrain), small business development and support services (provided by Renaissance Entrepreneurship Center), and a new business incubator to support startups focused on resiliency tech (provided by American Energy Society). With workforce development, small business support, the business incubator, and the Chamber all under one roof, the community was introduced to the OCC at a ribbon cutting ceremony that took place on April 4, 2024.

To date, 42-percent of the \$2,500,000 grant has been expended. The priority for staff has always been to maximize direct services to the community for as long as possible while simultaneously identifying alternate funding streams to ensure long-term sustainability of the OCC. With the upcoming City-County contract term expiring September 30, 2024 (which implicates all City-service provider contracts responsible for OCC program delivery), contract extensions are necessary to continue services and programming for the duration of the grant.

DISCUSSION:

Much has occurred since the launch of the OCC. The following includes program highlights to date:

Employment Services

JobTrain is a 501c3 nonprofit educational and training institution accredited by the Western Association of Schools and Colleges and approved by the Bureau of Private Post Secondary Education. Its flagship career training programs combine vocational training, academics, essential skills development, wrap-around supports, skills upgrade programming, and more, preparing clients to turn their lives around—from unemployment/underemployment and poverty to gainful employment and success. JobTrain has been providing services on the Bayside since 1965 but expanded its service area to include the Coastside when it became part of the OCC programming.

JobTrain’s OCC team became fully staffed in May 2024, which includes one regional director and two employment specialists - two of whom are bilingual in Spanish and English.

JobTrain has enrolled 59 clients in job-seeker services and as of August 15 had been placed in jobs. Twenty-five percent of clients are low-income, 38% are very-low income and another 25% extremely low-income.

In addition to providing services at the OCC, JobTrain staff established satellite office hours at County Supervisor Mueller's mid-coast office. Satellite office hours at Moonridge and in Pescadero are in progress.

Staff recommends JobTrain's contract for services be amended through a term ending on September 30, 2025, in an amount not to exceed \$350,372.

Small Business Support Services

Renaissance Entrepreneurship Center (Renaissance) is a 501c(3) that provides intensive entrepreneurship training on the introductory and business planning levels, individual consulting, industry specific training, access to capital and resources, business incubation and ongoing support. These are services that all entrepreneurs need to start, build, and grow sustainable small businesses.

To date Renaissance has served 63 clients, close to 40 percent of which (25) are extremely low-income, and another 49 percent (31) are between extremely low and moderate income. Renaissance has hosted 10 workshops in collaboration with the Monterra Credit Union, Puente de la Costa Sur, Mid-Peninsula Housing (Moonridge), the Half Moon Bay Library, and Coastside Hope. It has also offered 8 different series including a 10-week Business of Childcare series with 5 clients. Renaissance is also preparing to host a Zero to Food Trucking series in the fall in collaboration with City staff.

Staff recommends Renaissance's contract for services be amended through a term ending on September 30, 2025, in an amount not to exceed \$300,000.

Business Incubator

American Energy Society is a professional association for innovators and experts that provides news and information, events, and business development services for those working to solve the biggest challenges in human history. The organization has more than 135,000 members and is the largest professional society for energy and sustainability in the world. AES operates the business incubator, Coastside Venture Studio (CSVS), and mentors start-ups with promising ideas to address climate-related challenges in the areas of food, water, and the built environment.

AES has recruited and is currently working with 5 startups as part of the inaugural CSVS cohort with shared values around people, planet, and profit – a triple bottom line. AES has engaged 14 advisors that provide each startup with support that is tailored to their immediate and specific needs, from legal incorporation (including establishment of Half Moon Bay as headquarters) to general administration, from customer discovery to marketing. Of all the ways CSVS is helping its startups, the most significant are also the most important: the startups are growing as

commercial enterprises, ultimately having a positive impact on the Coastside economy (new jobs, new tax revenues, aligned industries, etc.).

The incubator has received strong media coverage. AES and City staff also had the opportunity to present on the CSVS at the United Nations Sustainable Development Solutions Network in Kansas City. Finally, AES has secured a verbal commitment from an outside entity (name withheld) to financially support the Coastside Venture Studio for a total amount that matches the funding of the second year on an annual basis starting in year 3 and ongoing if all key performance indicators are met.

Staff recommends American Energy Society's contract for services be amended through a term ending on September 30, 2025, in an amount not to exceed \$250,000.

Facility Management and Support Services

The Half Moon Bay Coastside Chamber of Commerce & Visitor's Bureau (the Chamber) is an integral part of the OCC and provides office and facility management, coordination of meeting and classroom space, and support to co-located service providers. The Chamber serves as the first point of contact for clients, directing them to the appropriate service providers based on needs. The Chamber also plays a key role in marketing and outreach for the OCC, including through print, digital and social media channels.

The Chamber was the lead agency in coordinating the grand opening of the OCC in March with a ribbon-cutting celebration and the participation of state, county, and community leaders. Since that time, the Chamber has been active in creating a welcoming, inviting space and helping onboard service providers into their office spaces. Multiple businesses, residents and service provider staff and leadership have noted the "inviting" atmosphere and cohesive set up. The Chamber has actively promoted all classes, events and services at the OCC, resulting in over 9,000 Nextdoor views and 4,000 website views. The Chamber's role has proven critical for the successful operation of the OCC. In fact, City of South San Francisco staff are considering inviting the local Chamber to play a similar role at their Economic Advancement Center.

Staff recommends the Chamber's contract for services be amended through a term ending on September 30, 2025, in an amount not to exceed \$168,750.

Evaluation

With \$75,000 in funding from the Chan Zuckerberg Initiative, the City contracted with Head and Heart Advisory (HHA) to design, conduct, and report on an evaluation and learning project focused on the implementation of Economic Advancement Centers in three San Mateo County Communities: South San Francisco, Half Moon Bay, and North Fair Oaks. Each of these centers is at a different stage of development, with the Economic Advancement Center-South San Francisco as the longest open and running of the three. Thus, a developmental lens and context-sensitive approach will be applied in the evaluation to consider both of these two formative factors. Regardless of these differences, however, it is expected that valuable learning will emerge from a cross-site examination of process, progress, outcomes, challenges,

and lessons learned that can contribute to the ongoing effectiveness of the economic opportunity centers as well as to their long-term sustainability as vital resources to these communities.

No additional action is requested for this contract.

CONCLUSION:

If approved, staff will amend the agreement with the County of San Mateo to a contract term ending September 30, 2025. Staff will subsequently amend the existing service provider contracts to a term ending September 30, 2025, and continue funding the service providers in an amount not to exceed \$1,069,122.

ATTACHMENTS:

Resolution authorizing the City Manager to 1) amend a grant agreement with the County of San Mateo to extend operations of the Opportunity Center of the Coastsides to a term ending on September 30, 2025; and 2) amend the current service provider contracts for employment, small business, entrepreneurship, and Opportunity Center operational services to a term ending on September 30, 2025, in an amount not to exceed \$1,069,122.