



Board Agenda Item 50

DATE: August 22, 2023

TO: Board of Supervisors

SUBMITTED BY: Sanja Bugay, Director, Department of Social Services

SUBJECT: State Local Fiscal Recovery Fund Subrecipient Agreement with Fresno City Center Corporation

RECOMMENDED ACTION(S):

- 1. Approve proposed amendment to the County of Fresno's American Rescue Plan Act-State Local Fiscal Recovery Fund expenditure plan, approved on May 17, 2022, amending the scope of work for the earmarked Homelessness Initiative 4, Alternative Dwelling Units Project that would provide long-term housing for individuals transitioning out of emergency or transitional housing to be implemented by Fresno Mission Communities, Inc., to instead partially fund the construction of 73 emergency and transitional housing units planned to be built at the City Center campus that will be made available to individuals in need, and individuals and families experiencing homelessness to be implemented by the Fresno City Center Corporation, with no change in proposed funding; and**
- 2. Approve and authorize the Chairman to execute Subrecipient Agreement for American Rescue Plan Act-State Local Fiscal Recovery Fund with Fresno City Center Corporation in the total amount of \$2,429,186, which will partially fund the construction of 73 emergency and transitional housing units planned to be built at the City Center campus that will be made available to individuals in need, and individuals and families experiencing homelessness.**

Approval of the first recommended action will amend your Board-approved American Rescue Plan Act-State Local Fiscal Recovery Fund (ARPA-SLFRF) Homelessness Initiatives-Alternative Dwelling Unit Project, and authorize Fresno City Center Corporation (Subrecipient) to use earmarked funding to help fund the construction, structural improvements, and materials for 73 emergency and transitional housing units planned to be built at the City Center campus that will be made available to individuals and their families, single women and vulnerable youth experiencing homelessness.

Approval of the second recommended action will allocate \$2,429,186 to the Subrecipient to fund a portion of the cost of its City Center housing project to provide emergency and transitional housing to individuals and their families, women, and youth. There is no Net County Cost associated with the recommended actions. This item pertains to a location in District 2, however, the benefits are countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended actions, SLFRF would not become available to the Subrecipient to help fund the City Center emergency and transitional housing project. The project will be delayed until another funding source is identified by the Subrecipient.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. Costs for the recommended actions will be funded with ARPA-SLFRF. Sufficient appropriations are included in FY 2023-24 Recommended Budget for Auditor-Controller/Treasurer-Tax Collector's Org. 1033 - Disaster Claiming, Fund 0026, Subclass 91021, Account 7845.

DISCUSSION:

In May 2021, the U.S. Department of Treasury (Treasury) published Title 31, Code of Federal Regulations Part 35 Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule ("Interim Final Rule") and the Final Rule ("Final Rule"), which establish a framework for determining the types of programs and services that are eligible to receive SLFRF under the ARPA. The Final Rule became effective on April 1, 2022.

SLFRF may be used for eligible activities under the following general categories:

- A. Respond to the COVID-19 public health emergency or its economic impacts;
- B. Provide premium pay for essential workers;
- C. Replace public sector revenue loss, subject to certain limitations; and
- D. Make necessary investments in infrastructure such as water, sewer, and broadband.

The Final Rule permits SLFRF to be used to cover costs for eligible activities within the four general categories for the period that begins March 3, 2021 and ends on December 31, 2024. Recipients and their subrecipients must return any funds to the Treasury which are not obligated by December 31, 2026.

On February 1, 2022, your Board approved the Ad-Hoc Committee's expenditure plan, which earmarked funds for proposals that may be funded either in whole or in part by the County's \$194,063,657 of SLFRF. The approved expenditure plan included a \$6,500,000 earmark to fund the Homelessness Initiatives, to be coordinated by the County Administrative Office, Department of Social Services, and Department of Behavioral Health. On May 17, 2022, your Board approved the Homeless Initiatives consisting of four programs: Rural Outreach Services, Crossroad Village Affordable Housing, Emergency Housing Project, and Alternative Dwelling Units, which would strategically benefit the homeless population and address negative social impacts exacerbated by the pandemic.

Under the approved Alternative Dwelling Units project, SLFRF was initially planned to help the Fresno Mission Communities, Inc. (Fresno Mission) fund a portion of the cost to purchase 64 pre-fabricated units to be used as dwelling units for women and families.

Over the course of a year, Fresno Mission represents that it attempted to get the City of Fresno to contribute funds towards the project, but experienced difficulties getting approval from the City. Fresno Mission represents that it was required to receive approval from Fresno City Council Housing Subcommittee, however, the Subcommittee did not consent to the project. Fresno Mission represents that it has also faced road accessibility issues, and legal property issues that involved Caltrans. Due to the uncertainty with the issues with the City and Caltrans, Fresno Mission represents that it was unable to move forward with the Alternative Dwelling Units project at the Rescue the Children facility.

On March 10, 2023, Fresno Mission submitted a formal request to the County Administrative Office to request consideration to amend its scope of work for the program to instead use SLFRF to fund the City Center campus housing project, located at the City Center campus. County Administrative Office staff reviewed the request and believes that the requested amendment would still align with your Board's initial earmark for the provision of Homelessness Initiative, as the requested amendment would provide emergency and transitional housing units that will be made available to individuals and their families, single

women and vulnerable youth experiencing homelessness to be implemented by the City Center Corporation, a nonprofit 501(c)(3) organization that is staffed and overseen by the Fresno Mission.

Under Section 602(c)(3) of the ARPA, the County may transfer SLFRF to nonprofit 501(c)(3) organizations for eligible uses for the purpose of meeting ARPA's goals. The following section summarizes the recommended agreement.

Fresno City Center Emergency and Transitional Housing at City Center Campus

Fresno Mission is a non-profit faith-based organization with the mission to rescue, restore, and empower through Christ-centered communities of transformation. For over 74 years, Fresno Mission has committed to providing services for persons experiencing homelessness, the incarcerated, the drug-and-alcohol dependent, and those in need of emergency services. The Subrecipient is a subsidiary nonprofit organization that is overseen by the Fresno Mission.

The recommended agreement will provide partial assistance to the Subrecipient to fund the construction, structural improvements, and materials for 73 emergency and transitional housing units planned to be built at the City Center campus that will be made available to individuals in need, and individuals and families experiencing homelessness. The Subrecipient represents that the planned 73 units will range in size from 200 to 600 square-feet in size, will accommodate individuals and families as large as 10, and will have an estimated housing occupancy capacity ranging from 250 to 450 individuals, which may fluctuate depending on guests and quantity of children and youth. The planned City Center site is located in the City of Fresno and identified in a Qualified Census Tract (06019005100) which reported Median Household Income of \$39,444 for the area, according to the five-year reports prepared by the U.S. Census, American Community Survey estimates for the five-years 2016 through 2020.

Construction of the project began in June 2023. Construction is expected to last approximately twelve to fourteen months. The recommended agreement is intended to provide assistance to a nonprofit organization to fund the construction of emergency and transitional housing units, which is anticipated to help increase the Subrecipient sheltering capacity to continue serving the most vulnerable populations in the County, including those individuals and families experiencing homelessness, the incarcerated, the drug-and-alcohol dependent, and those in need of emergency supportive services, and will be responsive to the negative social impacts exacerbated by the public health emergency.

REFERENCE MATERIAL:

BAI #3, February 1, 2022
BAI #32, May 17, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Subrecipient Agreement with Fresno City Center

CAO ANALYST:

George Uc