



Board Agenda Item 4

DATE: August 22, 2023

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: State Local Fiscal Recovery Funds - Second Round Award List

RECOMMENDED ACTION(S):

1. **Receive presentation on the County Administrative Office's Recommended Second Round Award List for the County's American Rescue Plan Act (ARPA) - State Local Fiscal Recovery Funds (SLFRF) (the "Second Round Award List"); and**
2. **Discuss and accept the Second Round Award List and earmark recommended funds for each program to be funded by ARPA-SLFRF (\$4,225,000); and**
3. **Direct staff to further vet and return to the Board with proposed agreements for each of the programs in the Second Round Award List for the Board's approval.**

The second action enables your Board to discuss and adjust, as necessary, the recommended Second Round Award List for programs to be funded by the SLFRF program. The third action would direct staff to further evaluate each program for SLFRF eligibility and return to your Board with written agreements for each of the earmarked programs that qualify as eligible uses under the-SLFRF program. There is no Net County Cost associated with the recommended actions. The recommended Second Round Award List, if approved, will earmark \$4,225,000 of ARPA-SLFRF funds to 10 programs. County Administrative Office (CAO) staff would return to your Board at a later date with written agreements for approval. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may modify the list of second round recommended proposals from those recommended by the CAO and choose to fund other subrecipient applications that were submitted to the CAO during the 47-day solicitation period, subject to review and confirmation of SLFRF eligibility by County staff.

FISCAL IMPACT:

There is no increase in Net County Cost associated with recommended actions. Costs for the implementation of each recommended program will require the execution of a written agreement acceptable to the County with each of the awarded entities. All subrecipient payment requests submitted to the CAO must be in writing and include detailed purchase orders, receipts, and reimbursement requests, detailing items purchased, and expenses incurred or anticipated to be incurred in support of the completing the awarded program.

The CAO and Auditor-Controller/Treasurer-Tax Collector will review all written payment requests to ensure compliance with ARPA-SLFRF restrictions prior to releasing payments to the awarded subrecipients.

Sufficient appropriations are included in FY 2023-24 Auditor-Controller/Treasurer-Tax Collector Org 1033 - Disaster Claiming, Fund 0026, Subclass 91021.

DISCUSSION:

The United States Department of the Treasury's (Treasury) Title 31, Code of Federal Regulations, Part 35 Coronavirus SLFRF Interim Final Rule ("Interim Final Rule") and Final Rule ("Final Rule") establish a framework for determining the types of programs and services that are eligible under the ARPA. SLFRF may be used for eligible activities under the following general categories:

- A. Respond to the COVID-19 public health emergency or its negative 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 in 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 its subrecipients, must return any funds to the Treasury which are not obligated by December 31, 2024, and any funds not expended to cover such obligations 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 allocation of SLFRF. On June 21, 2022, your Board earmarked \$13,954,929 to provide funding to 22 subrecipient proposals submitted during a 30-day open application period.

On November 8, 2022, your Board earmarked an additional \$4,225,000 for a second-round open application period, which took place from November 18, 2022, through January 4, 2023. County staff provided an email notification to over 400 representatives consisting of several community-based organizations, made a social media announcement, and held a Zoom webinar from 6:00 p.m. to 7:00 p.m. on November 29, 2022, that covered the subrecipient application materials. At the conclusion of the application period, which closed at 5:00 p.m. on Wednesday, January 4, 2023, the County received a total of 42 applications representing an estimated total value of \$38.8 million, categorized as follows:

- Category A: Respond to the COVID-19 public health emergency or its negative economic impacts
 - o Requested amount: \$32.8 million, estimate
- Category D: Necessary infrastructure improvements to address water capacity, water storage, or wastewater facilities in disadvantaged communities in the County
 - o Requested amount: \$6 million, estimate
- 34 applications were received by non-County entities
- 8 applications were received by County departments

On January 10, 2023, staff compiled all applications received during the open solicitation period. Staff convened on three occasions (February 1, 2023, February 16, 2023, and April 4, 2023) to provide input regarding each application submittal, determine funding within a reasonable budget and timeline, and to determine the applications that best align with your Board's adopted Guiding Principles and support a strong and equitable recovery from the COVID-19 pandemic. A copy of the reviewing criteria and all subrecipient applications submitted to the CAO are available on Fresno County's ARPA website. On May 15, 2023, County staff convened to discuss and finalize the recommended Second Round Award List (Attachment A). The recommended Second Round Award List would earmark funds for nine subrecipient programs valued in total at \$3,734,239, subject to each subrecipient entering into an agreement with the County, which would be approved by your Board at a later date. The remaining \$490,761 would earmark funds for a program submitted by the County's Internal Services Division, Facilities Department (Facilities), subject to the

department returning to your Board to request approval of a budget resolution. All recommended programs fall under Category A, Respond to the COVID-19 public health emergency or its negative economic impacts.

If your Board approves the second recommended action, staff will further vet and work with the recommended subrecipients to finalize the scopes of work, set timelines, and establish key performance indicators acceptable to the County for each program. Staff will return to your Board with written agreements for each of the earmarked programs for your Board's consideration and approval.

Second Round Award List

1. Poverello House, 501.c.3, SA 2023-09, Kitchen Renovation Project

Funding Amount: \$1,500,000

Expenditure Category: Other Public Health Services (1.14)

Poverello House opened its commercial kitchen facility in the early 1990s with a capacity to provide approximately 1,200 free daily meals for people in need living in Fresno. Since then, their services have expanded to prepare 2,500 daily meals, including through the provision of meals to other nonprofits and emergency shelters located throughout the County. Poverello House represents that food insecurity has increased through the course of the pandemic, with Poverello House projecting an increase demand of 5,500 daily meals by the end of 2023, which exceeds the capacity of the current kitchen's design.

On May 9, 2023, your Board approved Agreement No. 23-216 to provide Poverello House with \$1,000,000 for this program through the ARPA-SLFRF Homelessness Initiatives approved on May 17, 2022. Funds will provide additional funding support for the remodel and construction of a new kitchen facility, which at completion may total approximately \$2.6 million.

Poverello House is located at 412 F St, Fresno, CA 93706, in Qualified Census Tract (QCT) 06019000300 with a reported population of 3,755 people, a median household income of \$38,167, and poverty percentage of 48% according to the five-year reports prepared by the US Census, American Community Survey estimates for the five years of 2017 through 2021. The Final Rule identified food insecurity as a negative economic impact of the COVID-19 public health emergency, specifying that food insecurity was exacerbated in disadvantaged communities, areas in QCTs, and moderate to low-income households, with food assistance as an enumerated eligible use and capital expenditures related to food banks and other facilities primarily dedicated to addressing food insecurity as eligible uses under ARPA.

2. Habitat for Humanity Fresno, Inc. (Habitat for Humanity), 501.c.3, SA 2023-30, Gravity Drainage System

Funding Amount: \$573,200

Expenditure Category: Long-Term Housing Security: Affordable Housing (2.15)

On June 7, 2022, your Board approved Agreement No. 22-224 to assist with unanticipated construction costs for the construction of seven affordable homes in the City of Firebaugh (City). Habitat for Humanity represents that the City completed recent upgrades to the City's storm drainage system in the surrounding area which eliminated the need for a costly storm water lift station to be installed for the construction of Habitat for Humanity's affordable housing subdivision. Instead, the City recommends backfilling an existing ponding basin that will include a gravity drainage system that will serve the seven affordable homes and the subsequent phase II of the subdivision.

Habitat for Humanity requests funds to backfill an existing ponding basin that will include a gravity drainage system that will help increase affordable housing stock in the City. In doing so, Habitat for Humanity represents that it can leverage state and federal funding to develop 18 additional affordable

homes to be available to low-income individual for ownership. The City's population consist of 97% of residents are Hispanic or Latino, 47% rent, and 29% live below the federal poverty line. The development would make homes available for residents with 40-80% of the Area Median Income (AMI).

The Final Rule has designated investment to address the lack of affordable housing and promotion of the development of affordable housing to increase long-term housing security for impacted communities as responsive to the negative economic impacts of the pandemic.

3. Fresno Area Hispanic Foundation (FAHF), 501.c.3, SA 2023-02, Assistance to Mobile Food Vendors

Funding Amount: \$500,000

Expenditure Category: Technical Assistance, Counseling, or Business Planning (2.30)

Funds will support FAHF's Mobile Food Vendors Program through the provision of technical assistance and grants to local mobile food vendors. Technical assistance will focus on the areas of licensing, permits, financial management, and marketing; grants will be used to partially cover costs to purchase mobile carts pre-approved by the County's Public Health Department.

The Treasury acknowledges small businesses faced significant challenges during the pandemic, with minority-owned businesses facing additional obstacles, including disparities rooted in system issues present before the pandemic and overrepresentation in industries hit hardest by the economic downturn compared to nonminority owned businesses. The Final Rule provides that programs, including but not limited to loans or grants made available to impacted small businesses and disproportionately impacted small businesses to mitigate financial hardship are enumerated uses of SLFRF.

4. Fresno County Internal Services Division, Facilities (ISD), SA 2023-06, HQ Maintenance/Repairs

Funding Amount: \$490,761

Expenditure Category: Public Sector Capacity: Effective Service Delivery (3.4)

ISD represents that its Facilities Headquarters (HQ) is the maintenance hub for the County, including for all County public health sites. This includes repairs to mechanical, heating, cooling, ventilation, electrical, plumbing, and structural systems, as well as janitorial services such as cleaning, sanitizing, and retrofitting workspaces for COVID-19 prevention and mitigation. Funds would be used to improve the HQ's HVAC systems, roof, rain gutters, and abatement of lead to improve air quality, reduce the spread of COVID-19, and reduce safety hazards for staff. The Treasury provides that installation and improvement of ventilation systems in public facilities is an enumerated use of ARPA-SLFRF for mitigation and prevention of COVID-19.

5. Self-Help Enterprises, 501.c.3, SA 2023-11 & SA 2023-12, Cherry Crossings I, Community Center and Playground

Funding Amount: \$210,000

Expenditure Category: Strong Healthy Communities: Neighborhood Features that Promote Health and Safety (2.22)

Crossing I is a 72-unit affordable multifamily complex being developed in the City of Sanger to serve families and farmworker households that are at or below 60% of the area median income. The project includes a 3,800 square foot community center intended for family gatherings, community workshops, space for after-school programs and resident services (e.g., youth STEM programs, computer lab and classes, financial literacy and budgeting, health and wellness activities, health screenings, and obesity prevention), as well as office space for staff.

Funds will support the new affordable housing development through the purchase of playground equipment and equipment/appliances for the community center which would serve and benefit children, youth, and future residents of the 72-unit complex.

The Treasury recognizes that neighborhood features that promote improved health and safety outcomes response to the pre-existing disparities that contributed to COVID-19's disproportionate impacts on low-income communities, including enumerated eligible uses such as recreational facilities.

6. Self-Help Enterprises, 501.c.3, SA 2023-12, Guardian Village, Community Center and Playground

Funding Amount: \$210,000

Expense Category: Strong Healthy Communities: Neighborhood Features that Promote Health and Safety (2.22)

Guardian Village is a 48-unit affordable multifamily complex being development in the City of Reedley to serve families and farmworker households that are at or below 50% of the area median income. The project includes a 3,861 square foot community center intended for family gatherings, community workshops, space for after-school programs and resident services (e.g., youth STEM programs, computer lab and classes, financial literacy and budgeting, health and wellness activities, health screenings, and obesity prevention), as well as office space for staff.

Funds will support the new affordable housing development through the purchase of playground equipment and equipment/appliances for the community center which would serve and benefit children, youth, and future residents of the 48-unit complex.

The Treasury recognizes that neighborhood features that promote improved health and safety outcomes response to the pre-existing disparities that contributed to COVID-19's disproportionate impacts on low-income communities, including enumerated eligible uses such as recreational facilities.

7. Westside Family Preservation Services Network (WFPSN), 501.c.3, SA 2023-15, San Joaquin Youth Empowerment Center

Funding Amount: \$349,039

Expenditure Category: Addressing Emotional Disparities: Academic, Social, and Emotional Services (2.25)

Funds will support the implementation of WFPSN's Youth Empowerment Center (YEC) in the community of San Joaquin and neighboring rural areas, which would serve youth ages 10-24 with wellness and recovery activities, such as education, socialization, life-skills training, and peer support. The Final Rule provides that programs or services that address educational disparities are enumerated uses for disproportionately impacted households.

8. Central California Food Bank (CCFB), 501.c.3, SA 2023-19

Funding Amount: \$202,000

Expenditure Category: Other Public Health Services (1.14)

CCFB represents that it is the largest food bank in Central California, serving over 300,000 people each month in Fresno, Madera, Kings, Kern, and Tulare Counties.

Their program, Groceries2Go (G2G), allows households in need of food assistance to schedule an appointment online for food pick up or delivery, serving an average of 500 households in 71 Fresno County zip codes via delivery in partnership with Amazon.

Their School Pantry Program supports families by providing access to food resources for students and their families at schools.

Funds will support CCFB's GTG program through the purchase of a sprinter van, which would be utilized to serve communities in an additional 21 zip codes currently identified as ineligible for delivery services by Amazon. Funds will also purchase refrigeration and/or freezer units, dolly carts, pallet jacks, and other storage equipment for five school sites in rural communities.

The Final Rule identified food insecurity as a negative economic impact of the COVID-19 public health emergency, specifying that food insecurity was exacerbated in disadvantaged communities, areas in QCTs, and moderate to low-income households, with food assistance as an enumerated eligible use and capital expenditures related to food banks and other facilities primarily dedicated to addressing food insecurity as eligible uses under ARPA.

9. Auberry Sawmill, Inc., General Stock Corporation, SA 2023-17

Funding: \$140,000

Expenditure Category: Economic Impact Assistance: Other (2.37)

Funds will support the creation of future workforce programs in the areas of forest restoration, conservation, and recreation in the Sierra National Forest. Funds will assist the Auberry Sawmill, a small business, fund the purchase of switchgear and transformers coming from PG&E's main line at Auberry Sawmill operation site.

Auberry Sawmill is a small business in the unincorporated community of Auberry. The Auberry Sawmill had six employees and contractors during its operation at the beginning of March 2021 through its September 2021 closure. Auberry Sawmill represents that its closure was due to wholesale lumber prices experiencing a tremendous reduction in demand due to the pandemic and lack of commerce. Auberry Sawmill represents that since its closure, the small business has been negatively impacted. In 2021 and 2022, Auberry Sawmill sought financing and experienced difficulties securing financing given the fact that there are no other small sawmills in the area. Auberry Sawmill also represents that, prior to its closure, it provided job training to unemployed individuals.

The Final Rule identified assistance to impacted small business, in particular small businesses that faced greater difficulty accessing credit than prior to the pandemic or faced increased costs to starting the business due to the pandemic or if particular small businesses had lost expected startup capital due to the pandemic.

10. Valley Center for the Blind, 501.c.3, SA 2023-14

Funding: \$50,000

Expenditure Category: Other Public Health Services (1.14)

Funding will support transportation for people with disabilities to attend medical appointments, work, and access other community resources. Valley Center for the Blind represents that transportation is cited as the most significant barrier to equity for people with disabilities, indicating that numerous factors (e.g., staffing shortages, equipment failure, delays) make public transportation unreliable in accessing healthcare, employment, and other resources.

The Final Rule has designated services that respond to the impacts of the public health emergency may include supports for long-term recovery, such as transportation. The Final Rule includes as an enumerated eligible use supports for vulnerable populations to access medical or public health services. The Treasury also provides that efforts to accelerate rehiring and thus reduce unemployment, such as assistance with transportation to and from a jobsite or interview is an eligible use of SLFRF.

REFERENCE MATERIAL:

BAI #35, May 9, 2023
BAI #9, November 8, 2022
BAI #7, June 21, 2022
BAI #42, June 7, 2022
BAI #32, May 17, 2022
BAI #3, February 1, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A - Recommended Second Round Award List

CAO ANALYST:

George Uc