



Board Agenda Item 30

DATE: July 18, 2023

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: State Local Fiscal Recovery Funds, Subrecipient Agreement with Fresno Community Development Financial Institution DBA Access Plus Capital

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Subrecipient Agreement for American Rescue Plan Act - State Local Fiscal Recovery Funds (ARPA-SLFRF) with Fresno Community Development Financial Institution, DBA Access Plus Capital, to fund technical and financial assistance for small businesses and startups in rural communities that faced a disproportionate negative impact due to the COVID-19 pandemic, total not to exceed \$200,000.

Approval of the recommended action will allocate \$200,000 of ARPA-SLFRF to Fresno Community Development Financial Institution DBA Access Plus Capital (Access Plus Capital) to fund the provision of technical assistance and subsequent grants for at least 35 small business start-ups and emerging businesses. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, SLFRF would not become available to Access Plus Capital to fund financial and technical assistance to small businesses and startups in rural communities of Fresno County.

FISCAL IMPACT:

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

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. The approved expenditure plan included \$14,105,219 in SLFRF to be made available to qualifying subrecipients through a 30-day application solicitation period and selection review process. On June 21, 2022, your Board approved the earmarking of \$13,954,929 to provide funding to 22 subrecipient proposals, including Access Plus Capital (\$200,000) for the assistance to small business program.

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 summarize the recommended subrecipient agreement.

Access Plus Capital, Assistance to Small Businesses

Since 2008, Access Plus Capital represents that it has provided technical assistance consisting of financial services and business expertise to businesses in Central California with the goal of eliminating economic barriers to financial success through fair and equitable community investment.

SLFRF provided under this Agreement will provide funding assistance to Access Plus Capital to address the negative economic impacts of the COVID-19 pandemic through grants that will be made available to Fresno County impacted small businesses and disproportionately impacted small businesses by funding technical assistance designed to strengthen the business.

Access Plus Capital will engage at least 35 start-ups and emerging small businesses in rural communities in a cohort-based entrepreneurial training program, which will provide technical assistance intended to provide participants with skills to launch, maintain, and grow their businesses. Upon completion of the program and submission of a business license and completed business plan, each business will receive a start-up grant of \$2,940. Access Plus Capital's marketing and outreach activities will target small business owners, entrepreneurs of color, and women-owned and other businesses in historically underserved communities. Under the recommended Agreement, the Program will serve Fresno County-based impacted small businesses located in underserved areas or disadvantaged communities, and disproportionately impacted small business identified in Qualified Census Tracts.

Under the Final Rule, Treasury acknowledges small businesses faced significant challenges during the pandemic, with minority-owned businesses facing additional obstacles, including disparities rooted in systemic issues present before the pandemic and overrepresentation in industries hit hardest by the economic downturn compared to non-minority owned businesses.

Therefore, programs including, but not limited to, loans or grants made available to impacted small business and disproportionately impacted small business to mitigate financial hardship such as decline in revenues or impacts of business closures, assistance to implement COVID-19 prevention and mitigation tactics, or technical assistance, counseling, or other services to assist with business planning needs are enumerated uses of SLFRF. Additionally, Treasury provides that programs that assist small businesses, which may include small business start-ups, microbusinesses, and individuals seeking to start small start-ups, could be responsive to the negative economic impacts of the pandemic. These programs could include assistance with additional costs associated with COVID-19 mitigation tactics, or if a small business start-up or microbusiness faced greater difficulty accessing credit than prior to the pandemic or faced increased costs to starting the business due to the pandemic, or if a particular small business or microbusiness had lost expected start-up capital due to the pandemic.

REFERENCE MATERIAL:

BAI #7, June 21, 2022

BAI #3, February 1, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Access Plus Capital

CAO ANALYST:

Gavin Harrison