



Board Agenda Item 29

DATE: September 6, 2022

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: State Local Fiscal Recovery Funds - Subrecipient Agreements
-Del Rey Community Service District
-ACTS Foundation

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute Subrecipient Agreement for American Rescue Plan Act State Local Fiscal Recovery Funds with Del Rey Community Service District in the amount of \$418,000 to fund the design, surveying and engineering, environmental review, and construction of a groundwater recharge project in the unincorporated Community of Del Rey; and**
- 2. Approve and authorize the Chairman to execute Subrecipient Agreement for American Rescue Plan Act State Local Fiscal Recovery Funds with the ACTS Foundation in the amount of \$500,000 to fund increased service capacity in its food and supplies distribution programs: Grocery Giveaway, CityServe, and the Senior Citizens Grocery Delivery for calendar years 2023 and 2024.**

Approval of the first recommended action will allocate Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to Del Rey Community Service District (Del Rey CSD) to fund the design, surveying and engineering, environmental review, and construction of a groundwater recharge project in the Community of Del Rey (Del Rey), a disadvantaged unincorporated community in the County. Del Rey CSD represents that the recharge project is necessary to ensure that the Del Rey continues to have access to groundwater supply, to improve the groundwater aquifer's recharge capacity, and to help comply with local and state groundwater mandates. The Final Rule designates necessary investment in water infrastructure that meets the Environmental Protection Agency (EPA) Clean Water State Revolving Fund (CWSRF) requirements as an eligible use of SLFRF.

Approval of the second recommended action will allocate SLFRF to the ACTS Foundation to fund the increased service level capacity in its food and supplies distribution programs: Grocery Giveaway, CityServe, and the Senior Citizens Grocery Delivery for calendar years 2023 and 2024. The ACTS Foundation's programs address food insecurity and provide essential supplies to individuals and families in need, including senior citizens, from disadvantaged neighborhoods in and near northwest City of Fresno at no cost to the recipients. The Department of the Treasury's 31 CFR Part 35 SLFRF Final Rule (Final Rule) designates food assistance programs that benefit impacted individuals, households, and communities as responsive to the negative economic impacts of the COVID-19 public health emergency and an eligible use of SLFRF.

The two recommended actions are responsive to the public health emergency and are designed to support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. Recommended

Action No. 1 pertains to District 4, while the benefits of Recommended Action No. 2 are anticipated to be countywide.

ALTERNATIVE ACTION(S):

If your Board were not to approve the recommended actions, SLFRF would not become available to the Del Rey CSD or the ACTS Foundation. Del Rey CSD's groundwater recharge project would be delayed until another funding source is secured by Del Rey CSD. Additionally, the ACTS Foundation's programs would continue to operate within a limited capacity until another funding source becomes available and secured by ACTS Foundation.

FISCAL IMPACT:

There is no increase in Net County Cost associated with recommended actions. Costs for recommended actions [Del Rey CSD groundwater recharge project (\$418,000) and the ACTS Foundation distribution of food, household goods, and community resources (\$500,000)] will be funded through Auditor-Controller/Treasurer-Tax Collector Org 1033 - Disaster Claiming, Fund 0026, Subclass 91021, Account 7295.

DISCUSSION:

The American Rescue Plan Act of 2021 (ARPA) established the SLFRF Program, which delivered \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The Department of the Treasury's 31 CFR Part 35 Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule ("Interim Final Rule") (for expenditures before April 1, 2022) 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 four 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 investments in water, sewer, and broadband.

The Final Rule permits SLFRF to be used to cover costs for eligible activities within those four general categories for the period that begins March 3, 2021, and ends on December 31, 2024. Recipients, including the County, and its subrecipients, must return any funds to the U.S. Department of 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 the Del Rey CSD groundwater recharge project (\$418,000) and the ACTS Foundation distribution of food, household goods, and community resources (\$500,000).

Del Rey CSD

Under Section 602(c)(3) of the ARPA, the County may transfer SLFRF to special-purpose districts and nonprofit organizations for eligible uses for the purpose of meeting ARPA's goals. Del Rey CSD is a special purpose district under the ARPA and the ACTS Foundation is a private nonprofit 501(c)(3) organization listed as an eligible entity under the ARPA.

The Final Rule designates necessary investment in water infrastructure that meets the EPA's CWSRF requirements as eligible use of SLFRF. Del Rey CSD provides street lighting, water, sewer, storm drainage, and solid waste, and park maintenance services in the Del Dey, a disadvantaged community of approximately 1,261 residents, located in a census block group with a reported median household income of \$29,766 (census block group 060190069001). Del Rey CSD represents that it draws domestic water supply from five underground water wells and a recharge project is necessary to ensure that the Del Rey continues to have access to groundwater supply, to protect the local aquifer, and to help the Del Rey CSD, a groundwater user, to comply with State's Sustainable Groundwater Management Act of 2014 (SGMA).

SLFRF provided under the Del Rey CSD Subrecipient Agreement will fund the design, surveying and engineering, environmental review, and construction of the Carmel Avenue Basin, Del Rey Avenue Basin, canal turn outs and conveyance facilities to divert surface water from nearby canals into Del Rey CSD's two recharge basins. The Del Rey CSD represents that the project would help to annually recharge approximately 193 acre-feet of water back into the aquifer, ensure that Del Rey CSD avoids an overdraft scenario, and achieve its long-term goal for groundwater sustainability. Del Rey CSD represents that the project is eligible under the CWSRF's category of groundwater protection and restoration, aquifer recharge projects, and therefore is an eligible use of SLFRF under the ARPA.

ACTS Foundation

The Final Rule specified that food insecurity was exacerbated in many communities, specifically in disadvantaged communities, areas in qualified census tracts, and in moderate to low-income households across the United States more than in those households with higher incomes. Under the Final Rule, food assistance programs that benefit impacted individuals, households, and communities are responsive to the negative economic impacts of the COVID-19 public health emergency, and are an eligible use of SLFRF.

The ACTS Foundation's mission is aimed at providing food, supplies, and education to the underserved communities through three key programs: the Grocery Giveaway, CityServe, and the Senior Citizens Grocery Delivery programs, which provide food and supplies assistance to underserved individuals and families in the County. The Grocery Giveaway and CityServe programs are curbside events held on the second and fourth Saturdays of each month at the ACTS Foundation's distribution warehouse, located at 4798 North Marty Avenue, Fresno, CA 93711, where individuals and families in need may pick up free bags of groceries and supplies. The distribution warehouse is located in a disadvantaged area in northwest City of Fresno, in census tract 06019004205 which, according to the U.S. Census Bureau American Community Survey (ACS) five-year reports, the tract reported an estimated population of 6,000 residents and a median household income of \$49,283 during the surveyed period 2016 to 2020.

The Senior Citizens Grocery Delivery program is a service available for senior residents to request wellness check-ins and food deliveries twice per month, generally on the second and fourth Saturdays of each month, at no cost to each client. The ACTS Foundation represents that its service capacity has been negatively impacted by the COVID-19 public health emergency, as the demand for food assistance from individuals and families experiencing food insecurity has drastically increased during the course of the pandemic.

SLFRF provided under the ACTS Foundation Subrecipient Agreement will provide funding assistance to increase capacity service levels to meet the community's demand in the Grocery Giveaway, CityServe, and the Senior Citizens Grocery Delivery programs consisting of personnel salaries and benefits, utility fees, operational and office supplies, food and bagging costs, facility security, and transport fuel expenditures for calendar years 2023 and 2024, which will benefit disadvantaged neighborhoods and populations in and near northwest City of Fresno at no cost to individuals and families in need. The recommended agreement requires that the ACTS Foundation track the number of individuals fed through its food distribution events held at its warehouse location, number of distribution events, and number of residents receiving food deliveries through its programs.

With your Board's approval of the recommended actions, SLFRF funds will be allocated for the Del Rey

CSD groundwater recharge project (\$418,000) and the ACTS Foundation for distribution of food, household goods, and community resources (\$500,000).

REFERENCE MATERIAL:

BAI #7, June 21, 2022
BAI #3, February 1, 2022
BAI #7, August 24, 2021
BAI #7, July 13, 2021
BAI #36.1, May 25, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Del Rey CSD
On file with Clerk - Agreement with ACTS Foundation

CAO ANALYST:

Ahla Yang