



# Board Agenda Item 34

DATE: December 17, 2024

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Amendments to State Local Fiscal Recovery Funds Subrecipient Agreements with the 21st District Agricultural Association, Fresno Metropolitan Ministry, and Valley Caregiver Resource Center

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute First Amendment to Subrecipient Agreement No. 23-356 for American Rescue Plan Act - State Local Fiscal Recovery Funds (ARPA-SLFRF) with the 21st District Agricultural Association (The Big Fresno Fair), modify the expenditure plan, authorize the California Construction Authority as The Big Fresno Fair's fiscal agent, and update the modification clause, with no increase to maximum compensation (\$205,000);**
  - a. **Authorize the County Administrative Officer or designee to approve and execute written changes to line items in the project budget, which, when added together during the term of the Agreement do not exceed ten percent (10%) of the total maximum compensation payable to The Big Fresno Fair, and which do not result in any change to the maximum compensation amount payable to the Big Fresno Fair;**
2. **Approve and authorize the Chairman to execute Second Amendment to Subrecipient Agreement No. 22-531 for ARPA-SLFRF with Fresno Metropolitan Ministry (FMM), to revise the Program's internal timelines and update the notice provision, with no increase to maximum compensation (\$512,000); and**
3. **Approve and authorize the Chairman to execute Second Amendment to Subrecipient Agreement No. 22-537 for ARPA-SLFRF with Valley Caregiver Resource Center (VCRC), to revise the Program's internal timelines and update the notice provision, with no increase to maximum compensation (\$451,071).**

There is no Net County Cost associated with the recommended actions, which will revise timelines within the agreements with The Big Fresno Fair, FMM, and VCRC that would prematurely end the Programs prior to their completion. The recommended amendments are intended to ensure the Subrecipients have sufficient time within the constraints of the ARPA-SLFRF guidelines to successfully complete their respective Programs. The recommended amendment for The Big Fresno Fair adds current language to the Modification clause, which will allow the County's Administrative Officer or designee to consider and approve written requests for budget revisions within 10% of the maximum compensation. Recommended action 1.a. will delegate limited signature authority to the County Administrative Officer to make the previously described revisions to the agreement budgets, if requested. All these items are countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, the maximum allocation of ARPA-SLFRF to The Big Fresno Fair, FMM, and VCRC would not become available to fund the implementation of the programs. Alternatively, should your Board choose not to approve item 1.a, any future changes related to budget modifications for The Big Fresno Fair would need to come back to your Board for review and approval.

FISCAL IMPACT:

There is no increase to Net County Cost associated with the recommended actions. The program is fully funded with ARPA-SLFRF. Sufficient appropriations are included in the FY 2024-25 Adopted Budget for the Auditor-Controller/Treasurer-Tax Collector 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 2021 Interim Final Rule ("Interim Final Rule") (for expenditures before April 1, 2022) and the 2022 Final Rule ("Final Rule"), which establish a framework for determining the types of programs and services that are eligible to receive the SLFRF under ARPA. The Final Rule became effective on April 1, 2022.

On December 23, 2022, with Congress' approval of the Consolidated Appropriations Act 2023 the ARPA-SLFRF legislation was revised to include new flexibilities to use funding to provide relief from natural disasters or address the negative economic impacts of natural disasters, to fund certain surface transportation projects, and fund Title I projects under the Housing and Community Development Act of 1974. On September 20, 2023, Treasury published the 2023 Interim Final Rule (IFR) for the new eligible uses in the SLFRF program which became effective upon publication. On November 20, 2023, Treasury published the Obligation IFR which amended the definition of "Obligations" and included additional flexibility for recipients with respect to the ARPA-SLFRF program. The implementation of the ARPA-SLFRF program is regulated by the following: 2021 IFR, 2022 Final Rule, 2023 IFR, and the Obligation IFR.

SLFRF may be used for eligible activities under seven 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;
- D. Make necessary investments in infrastructure such as water, sewer, and broadband;
- E. Emergency Relief from Natural Disasters;
- F. Surface Transportation Projects; and
- G. Title I Projects.

Treasury's guidance permits SLFRF to be used to cover costs for eligible activities within those seven general categories for the period that begins March 3, 2021, and ends on December 31, 2024. Recipients, such as the County, 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. For Surface Transportation and Title I Projects, Treasury requires that SLFRF under these two categories must be expended by September 30, 2026. Under Section 602(c)(3) of the ARPA, the County may transfer SLFRF to constituent units of government or non-profits for eligible uses for the purpose of meeting ARPA's goals. The Big Fresno Fair is a State entity through the Department of Agriculture, and FMM and VCRC are private, nonprofit 501(c)(3) organizations.

On June 21, 2022, your Board approved the Ad-Hoc Committee's First Round Subrecipient Priority List which earmarked funds for proposals that may be funded either in whole or in part by the County's allocation of SLFRF. The approved First Round Subrecipient Priority List included The Big Fresno Fair (\$205,000) for

loss of revenue, Fresno Metropolitan Ministry (\$512,000) for Food to Share Programs, and Valley Caregiver Resource Center (\$451,071) for negative economic impacts.

### **21st District Agricultural Association, The Big Fresno Fair**

The Subrecipient is an entity of the California Department of Food and Agriculture's Division of Fairs and Expositions that hosts the Big Fresno Fair, a two-week annual event that attracts nearly 600,000 people to the Fresno Fairgrounds, located at 1121 S Chance Ave, Fresno, CA 93702 (Cedar and Butler Aves). The Big Fresno Fair showcases the region's agricultural heritage and vast industry through exhibits and educational attractions. The events at the fairgrounds generate an economic impact of more than \$77.1 million to Fresno County annually.

On July 18, 2023, your Board approved Subrecipient Agreement No. 23-356 with The Big Fresno Fair, which was intended to respond to the negative economic impact to the impacted tourism, travel, and hospitality industry, and to support a strong and equitable recovery from the COVID-19 pandemic and economic downturn.

Since the approval of Agreement 23-356, The Big Fresno Fair discovered that language in the Agreement specifically tied the funding awarded to the 2023 Big Fresno Fair, among other activities, although the benefits of the Program will improve ventilation for all future Big Fresno Fair events. Due to challenges scheduling and completing the Program in time for the 2023 Big Fresno Fair, the agreement should be revised to indicate the benefits of the Program are for future Big Fresno Fair events among other activities. Additionally, due to the State Department of Agriculture contracting all capital and facility maintenance projects through a fiscal agent, the Agreement needed to be clarified to indicate that the County could interact with The Big Fresno Fair's fiscal agent on behalf of The Big Fresno Fair.

### **Fresno Metropolitan Ministry, 501.c.3.**

On November 29, 2022, your Board approved Agreement No. 22-531 with FMM to fund the increased service level capacity in its "Food to Share" food distribution program for calendar years 2023 and 2024. Fresno Metro's program rescues healthy edible foods that would otherwise be thrown away and redistributes to individuals and families in need from disadvantaged neighborhoods with no cost to the recipients.

On July 18, 2023, your Board approved the First Amendment to Agreement 22-531, which reduced the administrative burden to implement the Program by revising the expenditure plan and the Modification clause and authorizing the County Administrative Officer to approve written changes that do not exceed 10% of the total maximum compensation.

Since the approval of the First Amendment, it has been determined that certain language in the Agreement indicates the Program will be completed by December 31, 2024. However, due to unexpected challenges with the specific requirements of Uniform Guidance, it is more likely a significant portion of the Program funds will not be expended until after December 31, 2024, and the Agreement language needs to be amended to allow the Program to continue for the term allowed by ARPA, which will ensure FMM can fully expend the awarded grant funds.

### **Valley Caregiver Resource Center, 501.c.3.**

On November 29, 2024, your Board approved Subrecipient Agreement No. 22-537 with VCRC to address negative economic impacts of the pandemic to the "OASIS Adult Day Program," a daycare program for individuals suffering from early signs of Alzheimer's Disease and other dementia impairments for calendar years 2022 and 2023.

On January 23, 2024, your Board approved the First Amendment to Agreement 22-537, which was intended

to reduce the administrative burden to implement the Program by revising the expenditure plan and the Modification clause and authorizing the County Administrative Officer to approve written changes that do not exceed 10% of the total maximum compensation.

Since the approval of the First Amendment, it has been determined that certain language in the Agreement indicates the Program was completed on June 30, 2024. However, due to unexpected challenges with the specific requirements of Uniform Guidance, a significant portion of the Program funds could not be expended by that date, and the agreement needs to be amended to allow the Program to continue for the term allowed by ARPA, which will ensure VCRC can fully expend the awarded grant funds.

Approval of the recommended actions would revise the limiting timeline language in each agreement that would prematurely end the respective Programs with Big Fresno Fair, FMM, and VCRC, and add language in The Big Fresno Fair agreement's modification clause, which would allow the County's Administrative Officer or designee to consider and approve future written requests for budget revisions totaling up to 10% of the maximum compensation, with no change to the maximum compensation.

REFERENCE MATERIAL:

BAI #24, July 9, 2024  
BAI #28, January 23, 2024  
BAI #31, July 18, 2023  
BAI #7, June 21, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Agreement with The Big Fresno Fair  
On file with Clerk - Amendment No. 2 to Agreement with FMM  
On file with Clerk - Amendment No. 2 to Agreement with VCRC

CAO ANALYST:

John Toepfer