



# Board Agenda Item 28

DATE: January 27, 2026

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Amendment to State and Local Fiscal Recovery Funds, Subrecipient Agreement with Self-Help Enterprises

## RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute a First Amendment to Subrecipient Agreement No. 23-570 with Self-Help Enterprises (Subrecipient) for provision of American Rescue Plan Act - State and Local Fiscal Recovery Funds (ARPA-SLFRF), which will revise Section 1 General Obligation of the Subrecipient to add subsection N. Management and Fiscal Agent, and will revise the expenditure plan to include additional recreation amenities with no increase to the maximum compensation (\$210,000)**

There is no Net County Cost associated with the recommended action. Approval of the recommended action will add Cherry Crossing LP as the Management and Fiscal Agent under a new subsection N of Section 1 General Obligation of the Subrecipient Agreement and will revise the expenditure plan to include additional recreational amenities as allowable expenditures with no increase to the maximum compensation. This item pertains to a location in District 4.

## ALTERNATIVE ACTION(S):

If the recommended action is not approved, the maximum allocation of ARPA-SLFRF would not become available to the Subrecipient to fully expend the award under the current expenditure plan for the program.

## FISCAL IMPACT:

There is no increase to Net County Cost associated with the recommended action. The program is fully funded with ARPA-SLFRF. Sufficient appropriations are included in the FY 2025-26 Adopted Budget for the Auditor-Controller/Treasurer-Tax Collector Org. 1033 - Disaster Claiming, Fund 0026, Subclass 91021, Account 7845.

## DISCUSSION:

On November 20, 2023, the U.S. Department of Treasury (Treasury) published the Obligation Interim Final Rule (Obligation IFR) which amended the definition of "Obligations" and included additional flexibility with respect to the ARPA-SLFRF program. After the SLFRF obligation deadline of December 31, 2024, Treasury's guidance permits recipients to amend existing contracts after the obligation deadline, so long as the amended contract is within substantially the same scope and for substantially the same purpose as the original contract. Per Treasury's Frequently Asked Questions (FAQ 17.16), if those requirements are met, amendments can be made after Treasury's obligation deadline.

On October 24, 2023, your Board approved Subrecipient Agreement No. 23-570 (Agreement) with the Subrecipient to fund the purchase of a play structure, bicycle racks, and recreation equipment for the community center at the Cherry Crossing I Sanger affordable housing project.

Since then, the Subrecipient represents that they installed the play structure, bicycle racks, and recreation equipment at the Cherry Crossing within budget. To maximize the grant, the Subrecipient installed additional recreational amenities such as barbeque pits, picnic tables, turf grass, site furnishings, shaded areas, and a basketball/sports court, all of which increase recreation opportunities for the residents of Cherry Crossing. The Subrecipient represents the additional recreation amenities are eligible expenditures under the ARPA-SLFRF Program, however, because they are not specifically listed in the Agreement's expenditure plan, the Subrecipient is not able to fully recover their costs and fully expend the grant.

Approval of the recommended action will also revise Section 1, General Obligation of the Subrecipient Agreement and add subsection N. Management and Fiscal Agent. The Subrecipient represents that Self-Help Enterprises is the sole owner and manager of the Cherry Crossing LP, which is their legal entity used to fund the construction of Cherry Crossing. The Subrecipient, via Cherry Crossing LP, retained a general contractor to manage the construction of Cherry Crossing, oversee subcontractors, and make payments to the subcontractors. Accordingly, the ARPA-SLFRF reimbursements will be distributed to the Subrecipient for the costs incurred in support of the Program. Approval of the recommended action will help to expeditiously expend the remaining portion of the grant.

REFERENCE MATERIAL:

BAI #30, October 24, 2023

BAI #4, August 22, 2023

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Agreement 23-570 with Self-Help Enterprises

CAO ANALYST:

George Uc