



SUMMARY REPORT

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**Agenda Date:** 9/1/2020

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**To:** Board of Supervisor and Board of Commissioners

**Department or Agency Name(s):** County Administrator, Department of Health Services, Human Services Department, Economic Development Board, Department of Emergency Management, and Community Development Commission

**Staff Name and Phone Number:** Sheryl Bratton - 565-2431, Barbie Robinson, Karen Fies, Sheba Person-Whitley, Tina Rivera; Chris Godley, Alegria De La Cruz

**Vote Requirement:** 4/5th

**Supervisorial District(s):** All Districts

**Title:**

Coronavirus Relief Fund Community Needs Funding Plan

**Recommended Action:**

- A) Approve the CARES Act Coronavirus Relief Fund Funding Plan
- B) Delegate authority to the Economic Development Board to enter into the contracts necessary to utilize \$1.5 million to support small businesses
- C) Delegate authority to the Department of Health Services to enter into contracts necessary to utilize up to \$1.5 million to address the Latinx COVID-19 spike in Sonoma County
- D) Delegate authority to the Community Development Commission to enter into the contracts necessary to utilize \$2 million for the Project HomeKey
- E) Delegate authority to the Community Development Commission to enter into the contracts necessary to utilize \$1.5 million for rental assistance and eviction defense programs
- F) Delegate authority to the Emergency Management Department to enter into contracts necessary to utilize \$1.5 million for food programs.
- G) Approve a Budget Resolution adjusting the Appropriations of the COVID-19 Fund by \$8 million to expend Coronavirus Relief Funds consistent with the approved expenditure Plan (4/5<sup>th</sup> Vote Required)

**Executive Summary:**

This item seeks the approval of several actions that will implement the County's strategy for deploying Coronavirus Aid, Relief, and Economic Security (CARES) Act Relief Funds to support community needs. During the July Budget Workshops, the Board directed staff to develop a funding plan that would distribute \$8 million of CARES Relief Funds towards four areas of community needs impacted by the Coronavirus: housing through the Project HomeKey and rental assistance programs; small business impacts; food assistance; and resources and supports to the Latinx community which has been disproportionately impacted by the Coronavirus.

**Discussion:**

The CARES Act Relief Funds have very specific eligibility requirements including a funding period that runs from March 1 through December 30, 2020. The County was allocated \$50.6 million in federal pass-through CARES Act Relief funding with the adoption of the State Budget. These funds are exclusively intended to assist local governments with responding to the COVID-19 emergency and any unspent funds must be returned to the State.

Consistent with the Board's direction and given these tight parameters, staff has convened to develop a community funding plan that strives to ensure CARES Act Relief Funds serve the highest need, remain in the community, and meet federal and state funding requirements.

When possible, staff and community partners will assist individuals to seek ongoing and existing State and Federal sources of safety net services, such as CalFresh and CalWORKs, before seeking CARES Act funding.

To ensure funds are spent as effectively and efficiently by the state-required deadlines, staff is requesting that the Board delegate authority to Departments to finalize program designs and implement the funding plan/program focus areas discussed below. Departments' collaboration on the development of this funding plan have relied upon the Contracting Principles for Safety Net Services Programs approved by the Board on April 2, 2019, which outline how the Board and Departments shall work together to set priorities, determine funding recommendations, and implement and manage contracts.

Other processes developed to ensure funds are spent within the limited period include establishing separate accounts within the COVID-19 disaster fund in order to track and account for expenditures. The utilization of this system also allows the County Administrator to adjust the budget between the CARES Act Relief Fund projects in the event projects are not spending as anticipated to avoid forfeiture of funds. County Counsel has dedicated an attorney to exclusively work with the Departments to ensure contracts meet federal and state requirements, and do not unnecessarily burden non-profit partners.

### **Overall Need and Community Requests**

All segments of Sonoma County's population has been touched by the health, economic, and/or social impacts of the Coronavirus and worldwide evidence suggest that the most vulnerable communities are disproportionately bearing the burden of this pandemic. The community impacts of the COVID-19 pandemic have been far-reaching and the \$50.6 million in CARES Act Funds allocated to the County are just not enough.

As the Board is aware, the County tried to reverse the decision by the Federal Department of Treasury that determined Sonoma County was not eligible to receive a direct allocation, arguing that our population was short of the 500,000 population threshold by 58 people of because our populations has shrunk due to our recent disasters. For comparison purposes, the County of Stanislaus with a population of 550,000 received a direct allocation of \$96 million.

Working with the \$8 million carved out by the Board, the Departments collaborating on this effort relied upon their understanding of the programmatic needs of the community, as wells as information from partner agencies and recent community requests received to develop the proposed community funding plan. The following reflects the information we have received from community partners to help quantify the need:

Included at Attachment B, is a letter from Sonoma County Community Organizations Active in Disasters (COAD), which is an organization formed to coordinate local community-based organizations to prepare for, respond to, and recover from disasters. The Sonoma County COAD has identified the following as the greatest need as a result of the COVID-19 Emergency and recommends funding the following types of programs with CARES Act Relief Funds:

- Rental and Financial Assistance

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- 211 Data Sharing
- The Latinx Community
- Resiliency through Food

Additionally, data obtained from Dr. Eyer highlights the impact of the COVID-19 Emergency upon businesses within Sonoma County. As shown in the table below all industry sectors have been severely impacted by the COVID-19 Emergency.

Average decrease in revenue, by industry:		Average Decrease in employment, by industry:	
Accommodation, Food Svc.	62%	Accommodation	55%
Arts, Entertainment, Rec.	57%	Arts, Entertainment	40%
Transportation/Warehousing	45%	Transportation	33%
Agriculture	25%	Manufacturing	15%
Manufacturing	20%	Retail	13%
Retail	18%	Construction	11%
		Agriculture	7%

Included as Attachment C, are Board sponsored requests received from community based organizations seeking funding for food programs, legal aid, senior programs, small business micro loans and a workforce investment program. The requests seek a mix of ongoing and one-time funding and some but not all of the requests, as indicated by the requestors are eligible for CARES Act Relief Funds. The table below summarizes the requests:

Organization	Amount	Program	One-Time	Ongoing	CARES Eligible
Council On Aging	\$250,000	Senior Nutrition		x	x
Vintage House	\$10,000	Senior Services		x	x
Coastal Seniors	\$24,150	Meals On Wheels		x	x
Petaluma People Svs	\$100,000	Senior Services	x		
Legal Aid of SC	\$45,000	Senior housing/elder abuse	x		
Santa Rosa Chamber	\$4,000,000	Micro Business Loans			x

**Funding Plan Recommendations**

Consistent with the Board’s direction, staff offers the following focus areas as the basis of the funding plan. To implement and fully spend by the deadline of December 30, 2020, staff is requesting the Board delegate

authority to Departments as indicated by the Recommended Actions.

Focus Area 1 - Grant Assistance for Small Businesses (\$1.5 Million)

The Sonoma County Business Stabilization Grant Fund (Fund) is intended to serve as a local safety net for Sonoma County businesses during extended phases of the COVID-19 pandemic. The objective of the Fund is to provide financial assistance necessary for local small and micro-businesses, which were not well positioned to take advantage of federal CARES act provisions previously made available. It is estimated that there are xx local small and micro-businesses located in Sonoma County. Goals of the Fund include mitigation of closure-related damages, retention of employees, coverage of fixed costs and other expenses necessary to avoid permanent closure, with a focus on historically underserved groups and populations. The fund is anticipated to provide 200 grants between \$5,000 and \$10,000 to businesses that have been directly impacted by COVID-19 related closures and orders. Staff expects the fund to be fully subscribed in a short amount of time. Once funds are exhausted, the EDB will continue working with local business owners to identify resources critical for business survival. Please see Attachment D, Program Summaries for additional details.

Focus Area 2 - Addressing the Latinx COVID-19 Spike (\$1.5 Million)

The years of disaster and emergencies - the Sonoma Complex and Kincade fires, flooding, the power shutoffs - have unmasked and exacerbated the depth and breadth of long-standing health and social inequities in Latinx and indigenous communities. In May 2020, the Department of Health Services (DHS) established the Latinx Health Work Group in an effort to engage Latinx community leaders to provide recommendations for how to build the County's COVID-19 public health response that incorporates equity and cultural humility. By bringing together and elevating the voices of community leaders and service providers to provide recommendations and strategies for improving the Department's efforts, the Department and the Work Group developed a Request for Proposals to address underlying inequities and to create the conditions to support the reduction of COVID-19 infection and transmission in the Latinx and indigenous language-speaking communities. The proposed project is a collaborative and coordinated approach with a strong County role to institutionalize its connection to these service providers with financial support and clear referral protocol.

The program will include culturally responsive engagement, outreach and education, wrap around case management services and emergency financial assistance, and coordination with Federally Qualified Health Clinics (FQHCs) and other health care providers. These strategies address prevention as well as isolation support to ensure that those who are awaiting COVID-19 results or after receiving a positive COVID-19 diagnosis receive the resources and services needed to comply with the order. Many members of the Latinx and indigenous community are essential workers, employed in key sectors that have supported all in the County during our shelter in place orders. The goal here is to present Latinx and indigenous language-speaking residents an integrated system of social service and other resources, to support and recognize their important role in our community, and to create a stronger, healthier, and more unified Sonoma County. Both engagement and quarantine/isolation are important strategies in fighting the spread of the disease, but many in these communities are disconnected to our health and other social service institutions, and as a result, their health, and the health of the community, is at greater risk.

The program proposes to utilize existing community organizations that currently serve the Latinx communities through the county, and facilitates collaboration between them to focus on particular communities at risk.

When CARES Act funding is disbursed to support the development of new infrastructure and connectivity between institutions and systems, these organizations will continue to leverage other public, private, and philanthropic funding to deliver services. It is anticipated that during the period of September - December, a minimum of 500 Latinx and indigenous language-speaking families will be provided comprehensive, coordinated services and emergency financial assistance. Because these families will be connected to existing community-based organizations of support, they will also be able to benefit from the other services and supports that service providers currently have in place to support community members including schools/distance learning supports; access to culturally-responsive mental health practices; food distribution programs; and educational and employment opportunities. Please see Attachment D, Program Summaries for additional details.

### Focus Area 3 -Project HomeKey (\$2 Million)

Project Homekey is Administered by the California Department of Housing and Community Development (HCD). Under Project Homekey, \$600 million in grant funding is being made available to local public entities, including cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing. In addition, the State is providing \$50 million in General Funds to provide initial operating subsidies under the program which must be expended by June 30, 2022. Of the total funding available, \$91 million is set aside for Bay Area communities.

The Homekey funds must be used to provide housing for individuals and families experiencing homelessness or at risk of experiencing homelessness and who are impacted by the COVID-19 pandemic and must be spent by December 30, 2020. A local match is required and CARES Act funds will assist in providing the match necessary to apply for these available.

The properties under consideration for the Homekey grant are the Hotel Azura in Santa Rosa and the Sebastopol Inn in Sebastopol. If the County's application is approved, the Sonoma County Community Development Commission will own these properties. The Commission is committed to creating homes for all in thriving and inclusive communities. We achieve this mission through the provision of homeless services, preserving and creating affordable housing, and critical community infrastructure. These two properties will serve approximately 75 individuals.

The Hotel Azura will initially consist of 44 interim housing units that will ultimately be developed into permanent supportive housing (PSH) to house COVID-19 vulnerable homeless individuals that are currently being sheltered by the County in response to the COVID-19 pandemic. The units are all studios (hotel rooms) configured as 22 single beds and 22 double beds. The Sebastopol Inn consists of 31 turnkey housing units that will ultimately be transitioned into permanent supportive housing to house COVID-19 vulnerable homeless individuals that are currently being sheltered by the County in response to the COVID-19 pandemic. The units are all studios with kitchenettes and configured as two suites. Many of the units have balconies and patios, with a former pool area that is well setup to accommodate a community garden or other outdoor community space.

Comprehensive services will be provided at the interim housing provided at the Hotel Azura. Critical to the success of the County's existing non-congregate sites is the use of a nurse-based models to ensure residents

are receiving adequate care. The Commission will seek to work with a developer as well as a property manager with a strong record of accomplishment in facilities maintenance, development, operations in both traditional and supportive service models. Additional support will come from ACCESS Sonoma County (Accessing Coordinated Care and Empowering Self Sufficiency) - ACCESS identifies and coordinates services for the most vulnerable residents to improve their access to the services and programs of the safety net and to also move them through it to greater self-sufficiency and improved well-being.

#### Focus Area 4 - Rental Assistance (\$1.5 Million)

The Rental Assistance Program will be designed to serve low income tenants, as well as low income landlords, who may need additional support due to the State's prohibition of eviction proceeding currently in place. Currently, there are 430 individuals and/or families on the CDC's rental assistance waiting list as a result of job loss or reduction in hours due to COVID-19. These individuals and/or families have indicated they cannot make their next rent and/or mortgage payment. Household vulnerabilities include seniors over the age of 65, disabled individuals with access and functional needs, undocumented individuals who are disproportionately impacted, as well as single heads of households. Under the proposed CARES funding for this focus area, up to six months of assistance can be provided, and can include back payments of rent and past due utilities, as well as current rental payments or current utility bills. Eligible applicants must demonstrate that they have not been able to pay or have not received rental payments for any period of time starting March 1, 2020, and will need to certify that the reason is related to COVID-19.

A Request for Proposal will be released so that community based organizations with experience running emergency assistance programs will be able to apply for the use of Coronavirus Relief Funds (CRF) for a rental assistance program. It is possible that more than one contractor will be selected given the tight timeline to spend the CRF funds.

In order to leverage the CRF funds, the Commission is recommending that approximately \$887,000 available in CDBG funds be distributed for a similarly structured program that can be used for assistance starting in January 2021, so that the resources are available in the New Year. Combined, the two programs are anticipated to serve approximately 350 individuals and/or families.

Legal Aid of Sonoma County provides assistance to low-income landlords. From June 2019 to June 2020, legal aid assisted 79 landlord households. These low-income landlords are commonly known as "mom and pop" establishments. There are approximately 15,000 landlords in this category county-wide that rely upon their rental income for their livelihood. Without adequate rental streams, most wouldn't be able to pay their property related expenses such as taxes, mortgage, and maintenance. Legal Aid reported that landlords experience difficulty in accessing forbearance programs and some report applying and may not know for months whether they qualify or not. Staff is recommending that \$140,000 in CARES Act Relief Funding be provided to Legal Aid for legal aid assistance, resources, strategies and best practices for outreach to approximately 160 low-income landlords during this pandemic.

It is important to note that the design of this program is two-fold - to ensure that low-income tenants are protected in order to keep them housed and impacts to low-income landlords are minimized. Please see Attachment D, Program Summaries for additional details.

#### Focus Area 5 - Food Programs (\$1.5 Million)

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Food security was identified as a key concern in developing the County’s response to COVID-19. To date, the County, via the Food Resources Task Force, has allocated \$2 million to nine non-profits support food supplies and meals for impacted or isolated residents. While there has been a modest reduction in demands for these food resources, overall demand remains at historic highs for economically vulnerable households, including the highly impacted LatinX community, those asked to isolate/quarantine, continued record unemployment, and the high-risk senior populations’ needs for limited meal delivery.

While trying to be as efficient as possible, the partner agencies’ budgets and donations would not be able to keep pace with the new elevated levels of demand for supplemental food resources without the County’s continued assistance.

Table: Below are the agencies, population and funding levels funded March - August by DEM’s Food Resources Task Force.

Agency	Population Served	Awarded Through August 2020
Council on Aging	Senior meal delivery	\$175,000
Petaluma Peoples Services	Senior meal delivery	\$72,500
Coastal Seniors	Senior meal delivery	\$53,500
Ceres Foundation	Medically tailored meals for health referrals	\$330,000
Food for Thought	Medically tailored meals/groceries; Latinx COVID referrals	\$110,000
Salvation Army	Meals for all types of residents and supplemental groceries	\$49,000
Redwood Empire Food Bank	Supplemental Groceries for Latinx, seniors, undocumented, and unemployed	\$625,000
Catholic Charities	Meals and supplemental groceries for Latinx, seniors, undocumented, and unemployed	\$150,000
Sonoma Family Meals	Emergency meals to a variety of agencies in the county that serve LatinX, seniors, undocumented, and unemployed	\$412,500
	<b>Total</b>	<b>\$1,977,500</b>

To ensure our most vulnerable communities are assisted with limited funding, the Department of Emergency Management (DEM) (who manage these contracts) will work with the Human Services Department (HSD) to analyze current usage and need data, and overlaps with HSD existing programs and food contracts, to identify food service gaps to determine on-going or new contracts through the Emergency Management Department needed to support the food insecurity of Sonoma County residents as a result of COVID-19. If approved by the Board, DEM and HSD will complete a timely analysis. Until this analysis has been completed, staff do not have a final determination of agencies to be funded, funding amounts, or numbers to be served.

**Prior Board Actions:**

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 20-21 Recommended</b>	<b>FY21-22 Projected</b>	<b>FY 22-23 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	\$8,000,000		
<b>Total Expenditures</b>	<b>\$8,000,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal	\$8,000,000		
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$8,000,000</b>	<b>\$0</b>	<b>\$0</b>

**Narrative Explanation of Fiscal Impacts:**

Attachment A includes a Budget Resolution appropriating \$8 million dollars from Fund 10150, the COVID-19 Emergency Fund.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

**Attachments:**

Attachment A - Budget Resolution

Attachment B - COAD Letter

Attachment C - Community Requests for Funding

Attachment D - Program Summaries for Small Business, Latinx, and Rental Assistance programs

**Related Items "On File" with the Clerk of the Board:**



