



# COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

## SUMMARY REPORT

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**Agenda Date:** 9/14/2021

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**To:** Board of Supervisors

**Department or Agency Name(s):** County Administrator's Office

**Staff Name and Phone Number:** Peter Bruland, 565-2431

**Vote Requirement:** Majority

**Supervisorial District(s):** Countywide

**Title:**

American Rescue Plan Act: County Departments-Agencies' Preliminary Proposals

**Recommended Action:**

Select County Departments-Agencies' Preliminary Proposals seeking funding through the American Rescue Plan Act for further development and consideration for funding on December 14, 2021

**Executive Summary:**

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021, and [interim final rules <https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf>](https://home.treasury.gov/system/files/136/FRF-Interim-Final-Rule.pdf) were issued in May. ARPA provides funding to state and local governments to aid the response to and mitigate the impacts of the COVID 19 pandemic, including promoting long-term strategies that will address impacts on the most-affected communities. ARPA allocates \$96 million directly to the County of Sonoma. Cities in Sonoma County are receiving separate allocations, either directly or through the state. See attachment E for the allocations directed to the 9 cities. □

At the June 2021 Budget Hearings, staff presented a plan to distribute funding under three primary categories:

- 1) Funding for COVID-19 response: During budget hearings, approximately \$19.5 million was included in the FY21-22 Adopted Budget for on-going COVID-19 response costs covering July 2021 through June 2022, based on estimates generated prior to budget hearings. The Adopted Budget included 2 positions in the Human Services Upstream team to support outward facing community partnerships ARPA program development and implementation.
- 2) Funding for County Departments/Agencies' projects/programs
- 3) Funding directly to community partners

On July 27, the Board received the ARPA Funding Plan implementation update, which included the following elements.

- Departmental Proposals would be submitted in a two-part process, with preliminary proposals being presented to the Board on September 14, at which time the Board would select proposals that should move forward for more detailed project development.
- The Board approved the process associated with the Community funding process; staff will return to the Board on November 2 to finalize areas for distribution based on community needs.

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- (Board selected Departmental Proposals and areas will be presented to the Board on December 14 for approval and funding mechanics execution. □
- Approved two term-limited positions in the Office of Equity to assist in needs assessment, community outreach, and implementation of the ARPA community portion. □

This item presents the Departmental Proposals, and requests that the Board select proposals to move forward for further development in anticipation of the final funding determination to be made at the December 14, 2021 Board Meeting. No funding is recommended for final allocation at this meeting. Staff from the County Administrator's Office and the Office of Equity have evaluated proposals and recommendations are included with this item.

More information about ARPA and the County's process for allocating funds can be found on the 'County's ARPA website <<https://sonomacounty.ca.gov/CAO/ARPA/>>.

**Discussion:**

The American Rescue Plan Act (ARPA), signed into law on March 11, 2021, with an [Interim Rule published on May 17, 2021](https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf) <<https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>>, provides federal resources to local governments to “change the course of the pandemic and deliver immediate relief for American workers, as stated by the White House announcing its passage (see <<https://www.whitehouse.gov/wp-content/uploads/2021/03/American-Rescue-Plan-Fact-Sheet.pdf>> ).”

Additionally, according to the U.S. Department of the Treasury, the funding objectives are to: support urgent COVID-19 response efforts; replace lost revenue for eligible local governments to support vital public services and help retain jobs; support immediate economic stabilization for households and business; and address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.

**ARPA funding must be obligated by December 31 2024, and fully expended by December 31 2026.**

More specifically, the act allows for use of funding in five categories:

- Supporting the public health response
- Addressing negative economic impacts
- Replacing revenue loss
- Providing premium pay for essential workers
- Investing in water, sewer, and broadband infrastructure

Of these, the category of replacing revenue loss allows for the use of funds up to the amount calculated for general government purposes and is thus the least restrictive use. As part of its guidelines the Department of Treasury issued a specific formula for the calculation of revenue loss as it applies to ARPA. The formula calls for each entity receiving funds to make a single calculation including all non-federal revenue sources. Due to the timing of the receipt of PG&E settlement funds, the County does not show revenue loss according to the Treasury guidelines. This does not impact the total size of the County's award, but does limit uses to projects that meet one or more of the other four criteria. On July 7th, your Board formalized a request to the US Treasury to not consider legal settlements related to disasters as general revenue in the Coronavirus State and local Fiscal Recovery Fund calculation of lost revenue. This request was submitted the US Treasury via formal letter and through the US Treasury Recovery Fund Comment Portal

<<https://www.federalregister.gov/documents/2021/05/17/2021-10283/coronavirus-state-and-local-fiscal-recovery-funds>>. Copies of the letter were also circulated to our state and federal elected representatives. We anticipate a final rule addressing this issue will be out in the Fall.

A total of 53 preliminary departmental proposals were submitted by departments/agencies totaling more than \$143,000,000. The County Administrator’s Office lead an iterative evaluation process of these proposals that included:

- Determining if proposals were eligible under ARPA guidelines in categories other the broad “revenue loss” category.
- Evaluating proposals for considerations such as: likelihood of operational success within the ARPA timeframe; confirmation that proposals were one-time in nature, consistent with the one-time nature of funding. □
- Identifying themes between proposals.
- Working with Office of Equity and the CAO’s Policy, Grants and Special Projects team to identify proposals with strong adherence to the Strategic Plan, including Racial Equity and Social Justice.

As an initial step in review, staff examined all proposals for eligibility under the ARPA criteria. Sixteen of the departmental proposals were found to be eligible only under the revenue loss criteria. As we currently have not confirmed ARPA funds can be used under this criterion, and as the total for eligible projects exceeds the total amount of available ARPA funding, staff is not recommending these proposals for further consideration.

All proposals that are being presented in full are eligible under one of the other ARPA-eligible categories. It is also useful to note that a central theme in the details associated with each of these categories is an intent to serve low income communities and communities of color, who have been disproportionately affected by the pandemic.

Based on this review and evaluation process, proposals have been grouped into 5 categories:

Category	# of Proposals	\$ Amount Requested
Recommended to move forward for further evaluation (including recommended with modifications)*	17	72,343,380
Additional eligible projects for consideration	11	21,296,362
Not Recommended	3	2,220,000
Include in Community Funding discussion**	6	21,733,637
Not eligible other than “Revenue Loss”	16	33,951,516
<b>Total</b>	<b>53</b>	<b>151,544,895</b>

*\*Some items recommended for inclusion with modifications are likely to see funding requests reduced in final version*

*\*\*Some proposals submitted by departments would be more appropriate as submissions under the Community Award Process*

Proposals in the green, yellow, red and blue categories are included in full with this Board item in Attachment A. Given the current ineligibility of gray items, these are included in the Board materials as a list only - see

Attachment B. □

Recommended/Recommended with Modifications (Green)

Proposals that are being recommended without significant re-working, along with cost estimates are as follows:

- New Morgue and Public Health Lab, \$27,246,560. The current Morgue and Public Health Lab, located on the Chanate site, need to be replaced in the near future. The COVID pandemic has made it clear that the County needs to maintain testing capacity, and this item is eligible under supporting the public health response and impacts to vulnerable communities.
- Enterprise Level Consolidated County GIS Map, \$450,000. Currently the County has a number of GIS maps available to the public and staff, but does not have a consolidated source. Other useful public data, such as census data on race and ethnicity, is available through other sources but not in combination with County data sets. By bringing county data and other data together in one place, this project will improve both public information and County's ability to analyze and address issues in an equitable framework, including the ability to focus on communities most impacted by COVID 19.
- Funds for Affordable and Supportive Housing via the County Fund for Housing (CFH), \$5,000,000. Housing remains a critical issue for the County, and the unhoused have been particularly hard-hit by the Pandemic. In addition, economic impacts have put additional residents at risk of homelessness. Providing additional support will help address the health and economic impacts of COVID.
- Community Engagement Partnership (ARPA), \$400,000. The COVID 19 epidemic has highlighted the existing need for better engagement with the community. By developing a community engagement strategy, this item will directly address Strategic Plan objectives while enabling the county to address health and economic impacts of COVID on the hardest hit members of the community.
- Language Access, \$310,000. While the County has made strides in improving language access over recent years, there is not currently a unified plan to guide departments across the organization to meet these needs. By developing such a plan, this item will meet a strategic plan objective and will support the community of non-English speakers, which has been disproportionately affected by the pandemic.
- Concurrent Hazard Preparedness Planning, \$52,000. The County has faced a number of concurrent disasters in recent years, most notably the LNU and Glass Fires of 2020, which required response including sheltering even as the County dealt with the pandemic. This preparedness will help with ongoing COVID response as well as future disasters.
- Crisis Stabilization Unit (CSU) Capital Improvements - Generator, \$335,000. The CSU currently does not have generator capacity. In providing for uninterrupted operations at the facility, it directly supports behavioral healthcare needs that are exacerbated by the pandemic.
- Psychiatric Health Facility (PHF) Operations, \$1,687,500. The County is moving to create a PHF to meet the needs of County residents by supporting those whose crises do not stabilize within the 24-hour window that the CSU is meant to operate under. This project will help get the PHF started by providing a portion of the operating costs through the ARPA period, enabling staff to identify additional funding

sources going forward. This project directly supports behavioral healthcare needs that are exacerbated by the pandemic.

Full descriptions can be found in Attachment A.

Projects in this category, based on the Treasury Interim Rule, had clear alignment with ARPA eligibility categories, the County's Strategic Plan, addressed a specific Board priority and were determined to be operationally achievable. While all proposals currently submitted are preliminary and may require further work if selected to be advanced by the Board, the County Administrator's Office (CAO) is recommending that 9 of the 17 proposals be significantly recast to increase collaboration between various departments or otherwise ensure that the projects best meet county needs and ARPA criteria. □

- Three of these proposals, Emergency Management's "Emergency Congregate Shelter Program Enhancement" and "2030 Comprehensive Mass Care Capabilities Development Project," along with Health Services/Office of Equity's "Equity in Disaster Response and Resilient Recovery", speak to the need for equity in both disaster response planning as well as recovery. The CAO recommends that the Department of Emergency Management, Office of Equity and Health Services collaborate on the concepts and needs enumerated in these proposals and ensure an effective focus on serving vulnerable communities that are most impacted by COVID.
- The Child Support Services proposal, "Sonoma County Child Support Services Outreach and Education Program," and the Human Services proposal, "CalFresh Mobile Office," both propose mobile services projects, so the CAO recommends that these departments determine if there are opportunities for collaboration in development of a mobile service model that will better reach communities of color and low-income residents, who are disproportionately impacted by COVID. □
- The Sheriff's "Enhanced Law Enforcement Training in De-escalation and Cultural Responsiveness" and IOLERO's "Community Oriented Policing Program" have overlaps and interdependencies, and the CAO recommends that these departments collaborate on the concepts presented in these proposals to ensure that needs of law enforcement and the community are met. □
- The "Access Sonoma Broadband" proposal presented by the Economic Development Board is under development, and requires further work to ensure that proper resources are requested in order to enable to County to leverage other funding sources for the full program.
- The "Homes 4 the Homeless Vocational Youth Training Program" submitted by Probation should be tailored to consider how it can best function both as a vocational program and as a project to aid in homeless response within Sonoma County.

Full descriptions can be found in Attachment A.

#### Additional Eligible Projects for Consideration (Yellow)

Projects in this category differ from those in the Green/Recommend category for a number of reasons. All were eligible under ARPA guidelines, but some had a less clear nexus with the Strategic Plan, and others were found to have likely on-going costs that would exceed the funding timeline associated with ARPA funds.

Not Recommended (Red)

Three projects have not been recommended for further consideration, generally as they are clearly on-going projects with limited alignment to the Strategic Plan or other Board priorities.

Include in Community Funding Discussion (Blue)

These are projects that represent strong concepts, but would be better suited as proposals submitted by, or in partnership with, community groups rather than being administered by County departments.

In addition to the department proposals, the County has received written requests for ARPA funds from other interested parties and community partners that may not necessarily fit into the community funding discussion coming on November 2. Therefore, we have attached those requests so the Board is aware of them.

**NEXT STEPS**

The County Administrator's Office is recommending that the Board select specific proposals to be advanced for funding considerations. Elements of the final proposals process will include:

- refinement of cost estimates;
- implementation plan and schedule;
- validation of the operational viability of each proposal;
- further refinement of strategic plan and equity connections, including development of plans for implementation that include community input and review of connections toward serving communities that were most impacted by COVID.

Community funding areas recommended for consideration will be presented to your Board on November 2.

Final proposals and request for funding approvals will be brought before your Board on December 14.

In addition to departmental and community funding, two complicating factors should be noted that will also weigh into the final determination on December 14.

- First, the COVID 19 situation continues to evolve. Currently, the situation is significantly worse than was anticipated in June. As such, need for COVID 19 response will be reevaluated in December and the original \$19.5 million allocation may need to be adjusted.
- Second, it is important to note that ARPA comes with significant reporting requirements. The fact that funds will be awarded to County departments, sub-recipients and directly to community groups, further complicates reporting requirements. As a result, a team of staff from Human Services, Auditor-Controller-Treasurer-Tax Collector and the County Administrator's Office is working together to determine the administrative requirements, costs and tools needed to ensure compliance with this federal funding. To that end, this team is evaluating the best strategy to ensure reporting compliance while minimizing the creation of manual work for County staff and community partners. This may include conducting a Request for Proposals for a third-party software platform that will substantially reduce internal staff time to manage community grant applications and adhere to reporting requirements. To date, two positions have been approved for the Human Services Department and two

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for the Office of Equity to aid in ARPA implementation. Additional use of ARPA funding for compliance and implementation may be needed to ensure that federal guidelines are adhered to.

On December 14, staff will return to the Board to seek direction on:

- 1) Updated funding amounts for on-going COVID Response.
- 2) Determine which final departmental proposals to fund
- 3) Allocate funding to various Community Need Areas and delegate authority to relevant Department Heads to execute policy direction including funding agreements as needed.
- 4) Approve Administrative Costs amounts, and if timing allows, approve an agreement for a third-party software platform to manage the community grant award process and support for reporting compliance for all award recipients.

**Prior Board Actions:**

July 27, 2021: Received an update on Community Funding portion of ARPA implementation and allocate additional resources for ARPA implementation.

June 15, 2021: Approve plan for distribution of ARPA funding as part of Budget Hearings.

**FISCAL SUMMARY**

**Narrative Explanation of Fiscal Impacts:**

There is no fiscal impact of this item. Items selected to move forward will be further developed and considered for final funding determinations in December.

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

None

**Attachments:**

- Attachment A: Eligible departmental proposals
- Attachment B: List of ineligible proposals
- Attachment C: Hospital Council Letter
- Attachment D: Sonoma County Area City Managers Letter
- Attachment E: ARPA funding for Cities

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

None