



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 7/27/2021

To: Board of Supervisors, County of Sonoma

Department or Agency Name(s): Office of Equity, Human Services Department, Economic Development Board, County Administrator's Office

Staff Name and Phone Number: Alegría De La Cruz, 565-8709; Angela Struckmann, 565-6990; Sheba Person-Whitley 565-7170; Sheryl Bratton, 565-3778

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

American Rescue Plan Act Funding Plan

Recommended Action:

- A) Receive ARPA Funding Plan implementation update and provide direction to staff.
- B) Adopt Resolution adjusting the FY 2021-22 Office of Equity staffing allocation effective July 27, 2021 to add two time-limited Department Analyst term limited positions.

Executive Summary:

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.

The federal government allocated \$96 million directly to the County of Sonoma, not including cities, tribes, or other jurisdictions. Consistent with eligible use of funds, during FY 2021-22 budget hearings the Adopted budget includes \$19.5 million from the ARPA allocation to finance a portion of the FY 21-22 \$48 million estimated for COVID-19 response costs from Health Services and other county supporting agencies. The balance is assumed to be financed with \$15 million from FEMA and \$13.5 million from grants. The Adopted budget included 2.0 positions for the Human Services department, which anticipated using the Upstream Platform and the Results-Based-Accountability (RBA) system to evaluate community grants issued with ARPA funds.

Today's report seeks Board input on the ARPA Funding Plan process designed thus far and recommends increasing the Office of Equity capacity to work with the Human Services Department-Upstream Investment

program, and the County Administrator. Increase capacity is requested to ensure equity and inclusion are part of the evaluation design that will result in ARPA investments recommendations for the Board's approval, as well as performing community engagement tasks to meet the Board's priority of equity and inclusion.

Discussion:

Overview of the ARPA

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021, the third major aid package coming from the Federal Government in response to the COVID-19 epidemic. Among other provisions, the Act provides resources to local governments to combat COVID-19 and its ongoing effects on the country, its people, and its economy. As part of this package the County of Sonoma will receive \$96,018,973. Half of this funding was received in May 2021, and the other half will be delivered in the spring of 2022. All funding must be obligated by December 31, 2024 and spent by December 31, 2026.

Under the legislation, funding can be used to address five areas:

- 1) Support ongoing public health response to COVID-19
- 2) Address negative economic impacts of the pandemic
- 3) Replace public sector revenue loss
- 4) Provide premium pay for essential workers
- 5) Invest in water, sewer, and broadband infrastructure.

Based on the Treasury Department's preliminary guidelines, the County does not expect to be able to apply the revenue loss category to any funding. The guidelines call for a single calculation for the entire entity in question, and do not allow for exclusions of one-time or special purpose revenues. As such, the receipt of PG&E settlement funds in 2020 cancels out the significant revenue loss the County would have otherwise recorded. Setting aside the PGE settlement funds, the County's revenue losses due to COVID exceed \$50 million. This does not impact the total allocation for the County, but does limit potential uses of the funds to the other four categories. Should the guidelines change, the County may be able to apply a portion of the funding to general government purposes under the designation of revenue loss.

At Budget Hearings, staff presented a plan to distribute funding under three primary pillars:

- 1) Funding for COVID-19 response
- 2) Funding for departmental projects
- 3) Funding directly to the community

Funding for COVID-19 response totaling \$19.5 million is included in the FY 2021-22 adopted budget. This funding will ensure that the County has the resources it needs in order to continue to respond to the pandemic, including the potential for a long tail as a portion of the population remains unvaccinated.

Departments are working on proposals for projects under the second pillar. These will be evaluated based on a number of factors, including ARPA eligibility, alignment with the Strategic Plan, and the furtherance of

promoting racial equity and social justice in the way the County departments deliver core services. Staff will return on September 14 to present initial proposals to the Board. At that time the Board will prioritize proposals and select which they would like to move forward for more detailed project development. Funding will not be allocated at that meeting.

The third pillar of funding allocated directly to the community is being managed by Upstream Investments in conjunction with the Office of Equity and the Economic Development Board. On November 2, staff will return to discuss and finalize areas for distribution based on community needs. During Budget Hearings, the Board requested that these departments return to present more information on the process for assessing community needs in alignment with the Department of Health's report on COVID-19 response and needs.

On December 14, the Board will meet to determine final funding allocations to County projects and to the key areas of need for direct funding to the community. As dictated by ARPA, the Board and the Public will receive regular updates on the funding through the duration of the grants.

Update on Community Process

Overview & Opportunities

In May, 2020, in response to epidemiological data from the Department of Health Services that showed a dramatically disproportionate rate of COVID-19 infection in the Latinx and indigenous language-speaking communities, combined with existing and known structural inequities that created a higher risk for COVID-19 infection and resulting economic and health impacts, the Department of Health Services established the Latinx Health Work Group to ensure that the County's COVID-19 response to this racialized spike was supported by the wisdom of lived experience and connection to communities being disproportionately harmed. This group has grown, morphed, and flexed itself to the changing needs of disproportionately impacted communities of color during the pandemic.

Equity Design

The effort resulted in an "Equity Design" process. The process centers impacted communities in the planning and implementation work of culturally responsive disaster response - has identified the need for bilingual and bicultural staff, created new messages, new partnerships, new collaborations, and new connections between community based organizations, the communities they serve, and County staff, including the creation of the CURA (COVID-19 Urgent Response and Aid) Project.

The Latinx Health Work Group provides a powerful example of the productive work that deep community engagement can provide, including significant improvements to the County's ability to provide culturally responsive information and services to disproportionately burdened community members. Importantly, these services and resources also benefit our County's economic health and well-being, as many of the most impacted community members include a great majority of the County's essential worker population.

The Economic Development Board's (EDB) disbursement of \$2.3 million in emergency stabilization funding to Sonoma County businesses also demonstrates the power of an equity-focused program design and delivery. By utilizing equity-based principles and available data about the disproportionality in impact and lack of access to federal resources, EDB set up five remote service centers to provide technical assistance and overcome access challenges, with targeted outreach created in two languages. Additionally, EDB included equity and access priorities into the contract with the grant administrator. As a result, the program achieved the following results:

- 1) 48% of grant recipients identified as Black, Indigenous, People of Color (BIPOC)

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- 2) 24% of grant recipients identified as of Hispanic or Latino origin
- 3) 58% of grant recipients identified as Female
- 4) 81% of grant recipients qualified as Extremely Low to Moderate income

The review and analysis of Health Department epidemiologic data (contained here https://experience.arcgis.com/experience/1edbb41952a8417385652279305e878d/page/page_29/) continues to demonstrate an outsized impact on communities of color, even as the pandemic wanes. At the outset, it was clear that the Latinx and indigenous language-speaking populations were experiencing the greatest disproportionate burdens due to COVID-19. However, new epidemiological data (also available above) illuminates a path towards the inclusion of more underrepresented and underserved communities of color in the County's work to respond more effectively to specific impacted communities. For example, Sonoma County Black and Pacific Islander communities are experiencing disproportionality in new COVID-19 cases, and has spurred the Department of Health Services and the Office of Equity to expand their initial efforts to include impacted community members in planning and implementation of vaccination outreach and delivery efforts.

ARPA Equity Work Group

To support the ARPA Implementation Plan, the Office of Equity proposes to utilize an Equity Design process that builds on the best practices of the Latinx Health Work Group through the creation of an ARPA Equity Work Group. This Group will develop community priorities and areas of focus and plans to operationalize those priorities through the RFP/funding process for community investments.

The process for creating the membership of the ARPA Equity Work Group will include a short application for the applicant to complete, a letter of recommendation from a community member or community-based organization, and an interview with a multi-departmental panel of Equity Core Team members, and staff and leadership from a number of County departments.

The Office of Equity proposes to form the ARPA Equity Work Group during the month of August and will meet at least once to inform the Board's September 14, 2021 discussion. After receiving further direction from the Board on September 14, the ARPA Equity Work Group will continue to work to develop unmet community and business needs, evaluation criteria, and to support a community engagement process that will co-create our County's path to an equitable recovery from this pandemic, as well as to inform and support the County's future equitable disaster response.

The ARPA Equity Work Group engagement will also be supplemented by targeted focus group meetings with community based organizations, outreach to each supervisorial district in the county, as well as a review and analysis of recent community feedback and public comment. This proposed combination of community engagement strategies recognizes the ongoing work that our community partners have undertaken throughout the pandemic, and will ensure that the funding criteria and investments reflect community needs.

This approach will be paired with forthcoming (August 2021) industry and occupation-level data from EDB through their consultant, Dr. Robert Eyler, that demonstrates areas of ongoing need for economic and workforce recovery that present opportunities for investment. This approach will also include the Office of Equity and the Human Services Department's work to update the Portrait of Sonoma and to co-develop an action agenda with a community Design Team.

Lastly, data from the Portrait of Sonoma County update, expected to be available in September, 2021, will be used to assess community need. The Portrait of Sonoma County uses the Human Development Index to highlight disparities across education, income and health indicators. In addition, the updated report will also be informed by and respond to the numerous crises that have struck our County since 2017, all of which have disproportionately harmed low-income BIPOC communities. New sources of data will be used to augment our traditional sources with a view to capturing the effects of these crises in real time and this information will inform ARPA investment strategies. Measure of America, the organization completing this updated report and agenda for action, will release it to the public in November, and has agreed to make the data available for internal use only by the County for ARPA planning purposes in September.

Execution & Outcomes Tracking

The Office of Equity will work with Human Services' Upstream Investments team to apply a racial equity +

Results Based Accountability (equity + RBA) model to develop and track internal and external progress in addressing disproportionate outcomes related to the COVID-19 pandemic. Working with community organizations and community members, the County will develop and apply a set of specific performance measures and metrics on these new resources to achieve a just and equitable recovery. With the support of expert resources in the Office of Equity's consultant Equity & Results, working together with our community, County departments will learn how to develop new mechanisms to strategically disrupt common funding and investment practices that may perpetuate inequities and replace them with actions that address the root causes of the problem and lead to improved outcomes for disproportionately impacted members of communities of color

Upstream Investments is a Policy Initiative chartered by the Board of Supervisors to advance evidence-informed prevention focused practices across the County. Organizations with effective practices and programs have the highest potential to improve education, health and economic wellness for all Sonoma County residents. On April 2, 2019, the Board of Supervisors adopted a set of Safety Net Contracting Principles (see <https://sonomacounty.ca.gov/CAO/News/Contracting-Principles-Letter-from-the-Safety-Net-Departments/>). Subsequently, on 3/10/2020 the Board of Supervisors accepted Results-based Accountability (RBA) as the approach to operationalize these principles. See <https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=4388232&GUID=64C25113-9FF5-4C48-A86A-C32A464190B8&Options=&Search=>

RBA provides an evidence-based process and tools to collaboratively develop shared outcomes and monitor the progress of these investments. Once earmarked, funding categories can be identified based on a community needs assessments derived from the combined data available from Safety Net county programs, community partners, and the 2020 census quantified (if available) through Healthy Places and/or Human Development indices. RBA is used for planning, reporting, and monitoring of performance measures for CBO contracts with plans for complete adoption in the next 3-5 years. Upstream staff are committed to using RBA to implement a collective impact approach to improving community well-being through evidence-based interventions.

Utilizing a RBA approach to support the County's racial equity work builds on this expertise and deep work with our community-based partners who are also implementing RBA. The Office of Equity, together with the Upstream team, will help to center equity at the core of all of the County's RBA efforts tracking ARPA investments intended to achieve an equitable recovery. By linking the County's equity and RBA efforts and utilizing a racial equity + RBA approach in the way the County measures the impact of specific equity-driven ARPA allocations, the County will be able to track efforts grounded in data to show which investments have supported greater equity.

Using a combination of community engagement and the racial equity + RBA approach, the Board will have the additional capacity to inform CBO funding categories, result areas, performance indicators, and known prevention strategies. This framework ensures that those American Rescue Plan Act funds directed at an equitable recovery can achieve the greatest impact. The investment evaluation and outcomes tracking process will detail intended results, proven strategies, and focus on disproportionately impacted communities and populations.

After engagement with the ARPA Equity Work Group, the Office of Equity and HSD-Upstream staff will continue seeking Board direction and approval for the funding areas. Staff will then develop, coordinate, and manage the process from assessing needs to drafting the Request for Proposals. The Board may decide to

award grants. Once the grant contracts are in place, staff will work together with community-based program staff to develop shared performance measures to track progress at the program level. In addition, an online dashboard will be developed to transparently track program progress in real time, while connecting program-level efforts to results and population indicators.

The investments will be sustained over a three-year period. During this time period, the contracts will be actively monitored through the racial equity + RBA process. This process includes capacity building for staff and community partners on how to develop and track new equity metrics, as well as regularly scheduled meetings with contracted CBOs to ensure intended outcomes are and will be achieved. Staff recommends year 2 and 3 funding agreement is contingent on the attainment status of preceding year expected outcomes.

Using an expanded functionality of HSD-Upstream RBA Apricot tracking system, the county will establish performance measures for each contract/program, and develop an online dashboard to track performance measures and the contribution to population indicators.

Resources Needed

Office of Equity

- Two full-time time-limited Departmental Analyst positions (ending 12/31/24, in concurrence with the funding term of ARPA), hired as quickly as possible.
 - One Department Analyst (engagement) position will engage with our community members and community based organizations to develop community priorities, to ensure equitable access to these critical funds, and to support community members and community based organizations to create accountability metrics to ensure they are partners in achieving the racial equity principles embedded in the ARPA as well as the County's Racial Equity & Social Justice Strategic Plan pillar. This Analyst will continue to hold responsibility for the ARPA Equity Work Group, and to transition that group into its next iteration, whether it's with the Department's ARPA proposals or with the LatinX work group. Community engagement will continue through the ARPA funding term to ensure the effectiveness of the program and report feedback to your Board.
 - One Department Analyst (data) position will work with Equity & Results to drive the Office of Equity's work to develop a strong set of equity priorities and criteria with the Upstream Team, as well as accountability metrics so that this significant investment in recovery reaches and supports communities of color who experienced disproportionate impacts. This Analyst will continue to work with community-based organizations and with the Upstream Team to manage and track the equity impacts from this funding stream. Data collected by the analyst will be packaged and presented to your Board for an understanding of those benefiting from the ARPA funding.

The Office of Equity will co-lead our County's effort to ensure equitable allocation of American Rescue Plan Act (ARPA) funds to address the disproportionate public health and economic impacts on the hardest hit communities, populations, and households by COVID-19. The Office of Equity is working to support the Human Services Department, the Economic Development Board, the Department of Health Services, the

Community Development Commission, and the County Administrator’s Office to understand the efficacy and impact of previously invested COVID-19 funding on meeting the needs of these community members during the pandemic. Engagement with the community and collecting data are necessary to understanding and ensuring the program is reaching the population of community that was disproportionately effected by COVID-19 pandemic. One Department Analyst position will drive our work to develop a strong set of priorities and criteria to ensure an equitable distribution of these additional funds, and accountability metrics so that this significant investment in recovery reaches and supports communities of color who experienced disproportionate impacts. The second Department Analyst position will engage with our community members and community based organizations to develop community priorities, to ensure equitable access to these critical funds, and to connect community members and community based organizations to those accountability metrics to ensure they are partners in achieving the racial equity principles embedded in the ARPA as well as the County’s Racial equity & Social Justice Strategic Plan pillar.

High Level Timeline

Approval of these proposed actions will form the basis for a mid-September presentation on community and business needs, as well as inform the Board’s decision to approve areas of focus and issue authority to award ARPA funds during the first quarter of 2022.

Prior Board Actions:

N/A

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY22-23 Projected	FY 23-24 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$391,721	\$366,796	\$377,817
Total Expenditures	\$391,721	\$366,796	\$377,817
Funding Sources			
General Fund/WA GF			
State/Federal	\$391,721	\$366,796	\$377,817
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$391,721	\$366,796	\$377,817

Narrative Explanation of Fiscal Impacts:

The Office of Equity will add two Department Analysts in its effort to ensure equitable distribution of American Rescue Plan Act (ARPA) funds. Costs to add these positions will be \$356,096 in FY 21-22, \$366,796 in FY22-23, and \$377,817 in FY23-24 including 7% for overhead costs. Contract costs of \$35,625 are included in year 1 for

data technical assistance.

Appropriations for the added positions and contract costs in the Department of Human Services and Office of Equity will be added during 1st Quarter Consolidated Budget Adjustments.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
Department Analyst	\$6,085-\$7,400	2	0

Narrative Explanation of Staffing Impacts (If Required):

The data Department Analyst is needed to effectively develop and operationalize a draft performance plan for internally focused and externally facing strategies, including baseline data that identify racial disparities, along with additional strategies for future implementation and associated performance measures. The data analyst will lead the development and implementation of a racial equity-focused Results-Based Accountability process with our Upstream Investment partners to operationalize and track the progress of achieving racial equity through ARPA investments.

The engagement Department Analyst will develop, coordinate, and implement the Office's public participation initiatives to link disproportionately impacted community members and groups with the County's need to assess community need, to develop and confirm community priorities, as well as to connect with and prepare culturally responsive community based organizations to access these funds to ensure equitable distribution, and thus, equitable recovery from the COVID-19 pandemic.

Attachments:

Personnel Resolution

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