



SUMMARY REPORT

Agenda Date: 10/24/2023

To: Board of Supervisors

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

Staff Name and Phone Number: Angela Struckmann, 565-5800, Alegría De La Cruz, 565-8709, and Christel Querijero, 565-2431

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

American Rescue Plan Act (ARPA) - Sonoma County Community Resilience Program Update

Recommended Action:

- A) Receive American Rescue Plan Act (ARPA) Community Resilience Program (CRP) Update.
- B) Authorize the Director of the Human Services Department to execute agreements and/or amendments as needed to effectuate any project renewals or terminations for the second cycle of the American Rescue Plan Act Community Resilience Program (ARPA CRP) (January 1, 2024 through December 31, 2024).
- C) Authorize the Director of the Human Services Department to execute an additional one-year (through December 31, 2025) option to extend contracts that demonstrate successful performance.
- D) Adopt a Personnel Resolution to extend 9.0 full-time equivalent (FTE) time-limited allocations through June 30, 2026, to allow for the one-year extension of successful projects - 3.0 FTE Program Planning and Evaluation Analysts, 3.0 FTE Administrative Aides and 1.0 FTE Accounting Technician in the Human Services Department and 2.0 FTE Department Analysts in the Office of Equity.
- E) Approve staff's recommended method and process for reallocating funds that become available due to ARPA CRP contract modifications.
- F) Authorize the Director of Human Services to approve contract modifications in accordance with staff's recommended process.

Executive Summary:

The American Rescue Plan Act (ARPA), signed into law on March 11, 2021, allocated to the County nearly \$96 million in federal recovery funds to assist individuals and communities most impacted by COVID-19. On December 14, 2021, the Board allocated ARPA funds to eight categories; the largest allocation was made to the **Community Resilience Program** (approximately \$40 million), and the second largest to COVID-19 Response (\$15 million). ARPA funds must be obligated by December 31, 2024, and expended by December 31, 2026.

This item is an update on the **Community Resilience Program (CRP)**, an innovative program to support community organizations in implementing projects that serve populations most adversely impacted by COVID-19. The CRP was approved by the Board to achieve three goals:

- Award funds to community organizations with historically little or no experience working with local, state, or federal funding, but that are best positioned to serve the most marginalized communities.
- Build these organizations' capacity to successfully utilize and apply for future local, state, and federal funding by offering technical assistance and training over the entire term of the CRP.
- Define more targeted outcomes and metrics using an Anti-Racist Results-Based Accountability approach to improve demographic data collection, performance and contract monitoring, and to establish new ways for staff to assess the impacts the County's investments in service delivery to the intended communities.

Through an intensive community engagement process, the CRP identified nine priority areas: 1) assistance to workers, 2) childcare and childcare facilities, 3) culturally responsive disaster response, 4) educational disparities, 5) financial assistance, 6) food assistance, 7) housing and shelter, 8) mental health, and 9) small business and non-profit organizations. The independent community review committee approved by the Board on December 14, 2021 then evaluated community organizations' proposals and recommended 27 of them for funding. The Board approved funding for these proposals on May 24, 2022; contracts were approved for an initial 18-month period from July 1, 2022, through December 31, 2023. In alignment with the timeline set forth in the May, 2022 Board item, staff is now returning to your Board with recommendations on which projects should be renewed/tentatively renewed for an additional year, through December 31, 2024. The December, 2024 end date was the original final date for all work to be complete under the CRP model presented in May, 2022. However, as described in more detail in the Discussion section of this item, staff is recommending that successful agreements have the option to extend an additional year, to December 31, 2025, which also necessitates a one-year extension of the time-limited positions needed to support this program.

This item also introduces staff's recommendations related to the funding reallocation methodology and the CRP contract modification process.

Discussion:

ARPA CRP Design and Results

The Board supported the American Rescue Plan Act (ARPA) Community Resilience Program (CRP) as an experiment with implementing innovative investment and contract management strategies. Since its inception, the CRP has centered community and lived experience in the decision-making structure to ensure programs have their intended impact. Throughout the duration of the CRP performance period, staff have offered and will continue to offer training and technical assistance that goes beyond a traditional contract management approach.

The Anti-Racist Results-Based Accountability (AR-RBA) approach has been applied to deepen contractor-funder relationships, improve client outcomes, and enhance program monitoring. AR-RBA implementation has increased demographic data collection in the Upstream Shared Outcomes Measurement System (SOMS). The data allows staff to determine which investments have more impactful programming when anti-racist principles are considered. With this data, staff have created a map that overlays data showing information clients served by supervisorial district and census block level). The map can be found here:

<<https://sonomacounty.maps.arcgis.com/apps/webappviewer/index.html?id=ccdc3c8c1a1c4e69b977bd586598a069>>

Attachment 1 is a summary of individuals served from January through June 2023. *Attachment 2* includes examples of program highlights.

CRP Data

Members of the public can read about CRP impact and success stories via the Clear Impact Scorecard, an interactive community-facing dashboard that shows CRP program impacts by performance metrics (output and outcome). Explanations of the data and action items can also be viewed on the dashboard. The data can be found at the following link:

<https://upstreaminvestments.org/impact-make-a-change/arpa-community-resilience-programs/arpa-community-data>. Data is disaggregated by race/ethnicity for all programs that had more than 11 individual race/ethnicity participants. Information is available in English and Spanish and can be printed in report format.

Contract Renewal Evaluation Process

CRP contracts were executed for an 18-month term from July 1, 2022, through December 31, 2023. As December 31, 2023 nears, the Human Services Department and Office of Equity staff have been working with contractors and a federal audit monitoring firm to evaluate contractor status and program progress. Staff used the following questions and criteria to evaluate status:

- Is the contractor on track to utilize the funding provided within the contract term?
- Is the intended population and region being served?
- Is the project in compliance with federal audit requirements? If not, is the contractor developing improvement plans as determined by the federal audit monitoring firm?

As a result of this evaluation, staff determined whether a project should be renewed, tentatively renewed, or not renewed. Staff recommends that one project be renewed, and one not renewed. The remaining 25 projects are tentatively renewed. The full list of project renewal status with details describing what requirements need to be addressed for renewal is included as *Attachment 3 - Funding Renewal Matrix*.

- RENEW - Career Technical Education (CTE) Foundation (\$1,100,210). CTE's project meets all requirements for program renewal. The program is on track with budget expenditures, total numbers served and region where people were served are in alignment with the scope and there were no findings in the Federal Audit monitoring assessment.
- NOT RENEWED - Sonoma Applied Villages (SAVS) (\$1,960,000). SAVS does not meet the requirements for program renewal. Program implementation is dependent on the purchase of land by SAVS partner, St. Vincent de Paul, specifically included in the proposal to be in the Roseland area. The land has not been acquired and after 16 months the program has not been started. Staff recommend non-renewal for the program and reallocation of the funds.
- TENTATIVE RENEWAL \$36,817,857. See *Attachment 3*.

Projects that have been tentatively renewed have individual quality improvement plans based on staff and federal audit monitor recommendations. In most cases, projects in the tentative renewal category are due to findings in the federal audit monitoring criteria; these compliance requirements extend not just to the fiscal lead, but also to subcontractors - some of which have very limited staffing. The first cycle of federal audit monitoring concluded in early October, 2023; as of this writing, staff is in the process of evaluating these findings, working with community partners and determining how best to address these findings to ensure that

projects can be successful. This work is currently in process and is the top priority for CRP staff at this time. In addition, in cases where contracts are in the tentative renewal category for programmatic reasons outside the scope of federal monitoring, staff is also providing targeted technical assistance and training to support capacity building and strengthen program outcomes.

Organizations have until December 31, 2023, to implement the recommended changes and, with complete and adequate justification, can request extensions to finalize implementation by March 31, 2024, if needed. Organizations that do not complete the adjustments outlined in the quality improvement plan by the established deadlines will not be renewed or may see a reduction in their total award amounts. Any unspent funds will be reallocated consistent with the Board's approved reallocation process, which is described in the CRP Funding Reallocation section of this Board item.

CRP Contract Extensions

To comply with federal funding regulations, all ARPA funds must be obligated by December 31, 2024, and expended by December 31, 2026. Under the current CRP design, all contracts would conclude by December 31, 2024. However, due to the factors below, staff is recommending that the CRP be updated to include the ability for successful projects to be extended up through December 31, 2025.

- Partner organizations have been challenged by the need to put contract management systems in place while also learning the rigors of managing federal funds and the requirements for enhanced demographic data collection.
- Organizations are working in diligent partnership with County staff. Leveraging lessons learned will help organizations be better positioned to continue delivering services as intended.
- The extension would significantly relieve time pressures for contractors to accomplish their scopes of work and allow the intended program benefits to come to fruition.

Timing and Notification. If the Board approves staff's recommendation, the Human Services Department Director will authorize one-year contract extensions, to December 31, 2025, for contractors in good standing that have the demonstrated capacity to fully expend funds and meet program goals by December, 2025. Staff will provide an update to the Board on extensions in September, 2024.

Extension of Time-limited Positions. County CRP contract management positions expire on June 30, 2025, six months after the end of the CRP when all CRP contracts expire on December 31, 2024. During this period, staff will wrap up program activities and finalize reporting elements. The Board's approval of one-year contract extensions for CPR contractors necessarily requires a one-year extension of all contract management positions and an extension of the contract with the federal audit monitoring firm. Staff recommends extending all CRP positions below through June 30, 2026; the duties for all positions can be found in Attachment 4: Summary of CRP Staff Duties.

Human Services Department:

- 3.0 Full-Time Equivalent (FTE) Program Planning and Evaluation Analysts
- 3.0 FTE Administrative Aides
- FTE Accounting Technician

Office of Equity:

- 2.0 Department Analysts

The anticipated staffing cost of the one-year extension is approximately \$2.0 million. More detailed costs are included in Attachment 5 - Staffing Extension Budget. About \$1.3 million of extension costs can be funded through FY22-23, most of which were result of vacancies within the program positions, and the remainder of savings attributable to less than anticipated COVID response costs.

CRP Funding Reallocation**Funding Cycle 1 (July 1, 2022 through December 31, 2023)**

Contracts that are not renewed during Cycle 1 will result in unspent funds that are available for reallocation to other purposes. Given the number of contracts currently in tentative renewal status, it is difficult to predict which, if any, will be terminated. Any savings associated with terminations will not be known until March 2024. When known, staff recommends the following reallocation method:

1. Direct the known savings from SAVS (approximately \$1.8 million) to the broader homelessness category in ARPA to maintain the intentionality of utilizing these funds for homeless services. This redirection will be a critically needed source of funding for the Department of Health Services (DHS) Homelessness Division to implement plans proposed to the Board of Supervisors on September 12. DHS and Sonoma Public Infrastructure (SPI) have been collaborating to implement the projects. Should the redirected funds from the SAVS project not be available, DHS will need to identify a different source of funding for the projects described on September 12.
2. Direct all remaining savings to the CRP to be re-allocated to successful CRP projects and to provide funding for costs not covered by FY22-23 savings to extend time-limited staff positions needed to support the contract extensions. The reallocation of funds to successful projects will be based on the Human Services Department, the Office of Equity and the County Administrator's Office staff analysis to determine which contracts are best positioned to utilize an increased contribution and what level of increase the organization could realistically absorb. Reallocation decisions will also consider whether and which geographic regions may have been under-resourced based on CPR data.

Final Funding Cycle (January 1, 2024, through December 31, 2024)

Staff will determine which programs are eligible for a one-year extension by September 2024. If unspent program funds become available, the priority will be to reallocate funds to successful CRP programs using the approach described above. If funds cannot be retained within the CRP, they will be immediately directed towards allowable general governmental purposes, which is allowable under ARPA legislation, in order to ensure that funds are considered "obligated" by December 31, 2024. This will essentially act as unanticipated revenue within the General Fund, and may, in turn, translate into larger than planned year-end savings by the end of FY24-25. Such savings will no longer have any ARPA limitations and would then be available to be programmed during FY25-26 budget hearings.

Given the firm requirements for funds to be fully obligated by December 31, 2024, staff does not anticipate any unspent funds or reallocation decisions to be made after that date. All funds should be fully expended by December 31, 2026, in accordance with obligations made as of December 31, 2024.

Contract Modification Process

During the first funding cycle, some organizations requested contract modifications. ARPA program staff reviewed these requests and, when necessary, included County Counsel. To formalize the process for future contract modification requests, staff used the Human Services Department's contract practices and policies as a template. Process details are available in Attachment 6 - Process to Amend Contracts. Key elements of the process:

1. Contractors will submit requests in writing.
2. ARPA program staff will evaluate change requests. Contract changes that are clearly in alignment with both the approved proposal and scope of work will likely be approved.
3. Change requests that appear to substantially deviate from the original proposal and/or scope of work will be reviewed by a panel of representatives from the Human Services Department, the Office of Equity, County Counsel, and the County Administrator's Office. Panelists will confirm they do not have a conflict of interest with any of the parties involved. If the panel recommends, the Director of the Human Services Department will approve the requested modifications.
4. If the panel does *not* approve the modification request, the contractor will be notified and given the opportunity to demonstrate that program objectives can be met without the modification. If the contractor cannot demonstrate this, the project may be terminated.

Communication with Stakeholders

In order to ensure that the recommendations in this item are grounded in the identified community needs and proposal reviews, staff shared them with the ARPA Equity Workgroup and the Community Review Committees.

Next Steps and Proposed Timeline

If the Board approves the recommended actions, next steps will follow the timeline below:

Timeframe	Activity
Now through March 31, 2024	Staff works with tentatively approved projects to ensure all recommended corrections are completed.
March 31, 2024	Projects for the 2024 cycle are fully approved and available funds from terminations or budget reductions are redistributed per the Funding Cycle 1 reallocation approach.
June 2024	Through a consent item, staff will update the Board on projects that were renewed, reduced or terminated, including which renewed projects received additional funding as a result of the Funding Cycle 1 reallocation approach.
September 2024	Through a consent item, staff will update the Board on: • Which projects are recommended for the optional one-year extension • Whether other remaining funds were programmed for general governmental purposes in order to ensure all funds are obligated by December 31, 2024.

June 2025	If General Fund savings were realized as part of the reallocation of ARPA funds to general governmental purposes, the Board may program available funds during FY25-26 budget hearings. Such funds would be one-time in nature and not subject to the limitations under ARPA.
December 31, 2025	CRP projects conclude.
June 2026	Final report to the Board reporting on the successes of the CRP, lessons learned, data collected and its usability for future policy development, and opportunities to use lessons learned.

Strategic Plan:

This item directly supports the County’s Five-year Strategic Plan and is aligned with the following pillars, goals, and objectives.

- OE1-5 Objective 5: Align procurement and grant guidelines with strategic priorities and racial equity principles.
- HSC1-2 Objective 2: Identify gaps in the Safety Net system of services and identify areas where departments can address those gaps directly, and seek guidance from the Board when additional resources and/or policy direction is needed.
- HSC1-3 Objective 3: Create a “no wrong door” approach where clients who need services across multiple departments and programs are able to access the array of services needed regardless of where they enter the system.
- HSC2-1 Objective 1: Safety Net departments will begin tracking data using results-based accountability (RBA) for key programs to establish common outcome measures, such as increased service access and utilization by communities of color, or decreased homelessness
- HSC2-3 Objective 3: Identify and eliminate data gaps for underrepresented groups, and collaborate with the community to implement measures to mitigate the negative impacts caused by the lack of access to services by racial and ethnic groups that are disproportionately under-served by 2026.
- RESJ1-4 Objective 4: Develop a shared understanding of key racial equity concepts across the County and its leadership.
- RESJ3-1 Objective 2: Establish regular and publicly available reports on racial equity in County policies, programs, and services.
- RESJ 4-2 Objective 2: Collaborate with community members and stakeholder groups to develop racial equity strategies for County emergency response, economic recovery and resiliency planning efforts.
- RESJ 4-3 Objective 3: Begin implementing strategies for regular community engagement to guide racial equity efforts.

Racial Equity:**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

Yes; please see Attachment 7 - Racial Equity Analysis.

Prior Board Actions:

12/06/22: File #2022-1075, received an update on American Rescue Plan Act Community Resilience Program Status Update and approved community resilience program administration capacity improvements.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5948417&GUID=63E476AA-80B5-4129-B84A-D31D52D7B8FC&Options=ID%7CText%7C&Search=2022-1075>

05/24/22: File #2022-0376, approved 27 department and community proposals for ARPA funding; authorized Director of Human Services Department, or designee, to execute contracts with selected organizations.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5653998&GUID=9FB5C12C-F225-4A2D-839A-F3B8201E2585&Options=ID%7CText%7C&Search=%232022-0376>

12/14/21: File # 2021-1386, provided direction for funding on County items and approved Community Investment funding areas and funding amounts.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5351534&GUID=28CE5BAF-B7FA-4D8E-A7B2-94FE0D321E14>

12/07/21: COVID-19 Emergency Response Strategy, Appropriations and Delegated Authority Update

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5342889&GUID=9B479C1B-E49B-420D-ADAB-56E99C667644>

11/02/21: File # 2021-1197, received ARPA Funding Plan implementation update and provided staff direction for 12/14/21 meeting; received presentation and reports on COVID-19 economic impact from Dr. Rob Eyler and Dr. Marlene Orozco; authorized the Director of the Human Services Department to execute a contract with the selected vendor from the RFP for Enterprise Resource Planning System process to support compliance with ARPA funded county programs.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5201329&GUID=B3BBAF50-1712-4D00-B396-CF979C676FE7>

09/14/21: File # 2021-0828, received County department preliminary proposals with recommendations for funding. Board determined that community input should be heard prior to making department allocations.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5126710&GUID=F3967CD0-540C-4CCD-BFCF-0A566F6C1F08>

07/27/21: File # 2021-0730, received an update on Community Funding portion of ARPA implementation, including a focus on Equity-Centered RBA. Allocated resources for ARPA implementation.

<https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=5036678&GUID=93689015-BB8C-4ACC-9B97-E711B0CA3389>

FISCAL SUMMARY

Expenditures	FY 23-24 Adopted	FY 24-25 Projected	FY 25-26 Projected
Budgeted Expenses			

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Additional Appropriation Requested			
Total Expenditures	\$0	\$0	\$0
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$0	\$0	\$0

Narrative Explanation of Fiscal Impacts:

There is no change to the total APRA budget with this Board action.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
Program Planning and Evaluation Analyst	\$7,755.39-\$9,426.83	0	0
Department Analyst	\$7,421.45-\$9,019.84	0	0
Administrative Aide	\$5,965.68-\$7,249.26	0	0
Accounting Technician	\$5,315.20-\$6,459.64	0	0

Narrative Explanation of Staffing Impacts (If Required):

Extend 2.0 Time-limited Full Time Equivalent Program Planning and Evaluation Analyst positions and 3.0 Administrative Aide positions in the Human Services Department Planning, Research, Evaluation and Engagement Team through June 30, 2026. Extend 1.0 Time-limited Full Time Equivalent Program Planning and Evaluation Analyst position in the Human Services Department Contracts and Procurement Unit and 1.0 Time-limited Full Time Equivalent Accounting Technician in the Human Services Department Fiscal through June 30, 2026.

Extend 2.0 Time-Limited Full Time Equivalent Department Analyst positions in the Office of Equity through June 30, 2026.

Attachments:

- Attachment 1: Summary of Individuals Served
- Attachment 2: CRP Program Highlights
- Attachment 3: Funding Renewal Matrix
- Attachment 4: Summary of CRP Staff Duties
- Attachment 5: Staffing Extension Budget

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Attachment 6: Contract Modification Process

Attachment 7: Racial Equity Analysis

Attachment 8: Resolution to extend Time-Limited Positions

Attachment 9: Scorecard Directions

Related Items “On File” with the Clerk of the Board:

N/A