



Legislation Text

File #: 2021-0031, **Version:** 1

To: County of Sonoma Board of Supervisors
Department or Agency Name(s): County Administrator's Office
Staff Name and Phone Number: Sheryl Bratton, (707) 565-2431
Vote Requirement: Majority
Supervisory District(s): Countywide

Title:

COVID-19 Legislative Update and Consideration of Local Aid Programs

Recommended Action:

- A) Receive an update on the Federal and State COVID-19 Measures implemented since January 5th, 2021.
- B) Provide direction to staff regarding the Local Aid Strategies on programs to address the financial impacts of COVID-19 and direct staff to return to the Board for further action, or, alternatively authorize additional appropriations to support Local Aid strategies and authorize the Director of Health Services, Community Development Commission, Department of Emergency Management, Office of Equity, County Counsel, and/or Economic Development Board, or designee, to execute the Local Aid Strategies approved by the Board, to execute agreements, disperse funding, and to obtain necessary resources, services, supplies, equipment, and such other properties and to bind the county for the fair value thereof not to exceed the appropriations authorized (4/5th Vote Required).

Executive Summary:

This COVID-19 Legislative Update and Consideration of Local Aid Programs item is a continuation of the COVID Fiscal Update, Community Needs, Eviction, and Sick Leave Policies discussion presented to your Board on January 5th, 2021. Per direction received from Board Members, staff has returned to update the Board on state and federal proposals released since the last presentation to your Board on January 5th, 2021. Prior to considering any additional local aid allocations, it is important to note that \$20.3 million of funding has been previously allocated by your Board for numerous strategies since the beginning of September 2020. Included in this agenda item is a breakdown of the details, allocation amounts, and community served with the previously implemented aid programs.

Discussion:

I. COVID-19 Legislation and Policies

Since the last update to your Board on January 5th, significant state and federal support has been proposed.

State Proposals

On January 8th, the Governor released his 2021-22 state budget proposal. The proposed budget prioritized urgent needs in homelessness, COVID-19 response and economic recovery efforts. Below is a summary of the

proposals.

Food Assistance

California Food Assistance Program (CFAP)

CFAP Emergency Allotments bring CalFresh households to the maximum allotment for their household size. The Governor's January budget proposal includes \$11.4 million one-time General Fund for CFAP Emergency Allotments, which are projected to continue through December 2021.

Food Banks

The Governor's January budget proposal includes \$30 million one-time General Fund for the Department of Social Services to fund food banks and existing Emergency Food Assistance Program providers. This funding would be used to mitigate increases in nutrition assistance needs of Californians.

Rental Assistance

Federal Rent Assistance and Eviction Protections

The Governor is requesting the Legislature's speedy passage of COVID-19 eviction protection legislation, as well as early budget action to deploy all of the \$2.6 billion in federal rent assistance allocated to California and local governments-\$1.4 billion of which is allocated to the state and \$1.2 billion of which is directly allocated to local governments with populations over 200,000. Sonoma County's application for Emergency Rental Assistance was approved by the Treasury Department and \$14,697,467 was received on January 22, 2021. It is unclear how the Governor proposes to link the funding directly allocated to counties and cities from the United States Treasury to the state budget proposal. In his budget press conference, however, the Governor referenced the federal rental assistance funding in the context of the ongoing debate on extension of the statewide COVID-19 eviction protections. As counties recall, key tenant and landlord protections from Chapter 37, Statutes of 2020 (AB 3088) will expire on February 1, 2021 without additional action.

Financial Assistance for Individuals

The Governor is asking the Legislature to approve an \$11.2 billion recovery package in the current year, plus \$2.7 billion in the budget year. One area of emphasis in this package is relief for individuals which would include \$600 checks to low-income workers.

Business Support

In addition to the \$500 million in business grants made available earlier this month, the Governor is also asking the Legislature to approve \$550 million for grants to small businesses and non-profit cultural institutions, and fee relief for hard-hit industries such as restaurants and personal services.

Federal Proposals

On January 14th, then President-Elect Biden released a nearly \$2 trillion coronavirus rescue package proposal to support households, businesses and state and local governments.

Food Assistance

The proposed American Rescue Plan includes \$3 billion in emergency funds for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), the proposal would extend the recently enacted Supplemental Nutrition Assistance Program (SNAP) benefit increase of 15 percent from its June expiration to

September. The proposal also seeks to temporarily waive the state match for SNAP and other programs to ensure that resource-strapped states and counties can still meet growing program demand.

Rental Assistance

The plan seeks to extend the eviction and foreclosure moratoriums and continue applications for forbearance on federally guaranteed mortgages until September 30, 2021 to prevent evictions and loss of homes during the pandemic. The current Federal eviction moratorium is set to expire at the end of January 2021. The proposal would provide funding for legal assistance for households facing eviction or foreclosure. The plan would provide \$30 billion in rental and energy and water assistance for families, in addition to the \$25 billion already allocated by Congress for emergency rental assistance to meet the need for families. This includes an additional \$25 billion for the emergency rental assistance program and \$5 billion to cover home energy and water costs and arrears through programs like the Low-Income Home Energy Assistance Program (LIHEAP), for struggling renters.

Financial Assistance for Individuals

The proposal includes several policy levers for directing financial assistance to struggling families and individuals, including:

- A third round of Economic Impact Payments worth \$1,400 per person, following the same income eligibility guidelines established under the CARES Act and the year-end relief package.
- \$400 per week unemployment insurance benefit, a \$100 increase from current law, to supplement laid off workers to cover household expenses. The benefit would be available through September 2021. The plan also would extend unemployment insurance benefits to workers who have exhausted their regular unemployment compensation benefits and extend financial assistance for self-employed workers, including ride-share drivers, who do not typically qualify for unemployment compensation benefits.
- Temporary expansion of the Child Tax Credit to \$3,000 per child (\$3,600 for children under age 6) for one year while also making it fully refundable to expand access to children living in households that currently lack enough income to qualify. During this period, children aged 17 would also qualify for the credit.
- Temporary expansion of the Earned Income Tax Credit for childless workers by increasing the size of the maximum credit, raising the income limit for the credit and expanding the eligible age range 25-64 to 19-65 (excluding full-time students aged 19-24).
- Support cash assistance through the Temporary Assistance for Needy Families (TANF) program by providing an additional \$1 billion in emergency funding for states to meet the needs of increased caseloads.

Business Support

- The proposal would provide \$15 billion in flexible equitably distributed grants to small businesses most impacted by the COVID-19 pandemic.
- The plan would invest \$25 billion in successful state, local, tribal, and non-profit small business financing programs to generate as much as \$175 billion in low interest loans and venture capital to

help grow entrepreneurs across various job sectors.

Local Government Aid

The American Rescue Plan calls on Congress to provide \$350 billion in emergency funding for state, local and territorial governments.

II. Implemented Strategies Overview

In the past six months, your Board has approved the implementation of numerous aid strategies in an effort to help those impacted by the COVID Pandemic. Beginning on September 1st, programs funded with CARES dollars began to provide rental assistance, business stabilization grants, and food distribution. Emergency financial assistance for COVID positive or quarantining individuals, gift cards for testing, and hotel rooms to assist individuals to quarantine were strategies applied to census tracts significantly affected by the virus and approved during the October 20th Board Meeting. Per the direction from the Board, staff was asked to present at the first meeting in 2021 an all-encompassing view of programs implemented by the County and any potential ongoing needs as most strategies ended on December 31st.

During the January 5th meeting, data was presented from the just expired aid programs on individuals and businesses assisted, funds expended, and ongoing community needs to showcase each program's accomplishments, effectiveness, and for discussion on continuing the support through the end of this fiscal year. Also during the meeting funding for the ongoing support for the emergency financial assistance (\$1,216 per individual) and hotels rooms for quarantining were included in the COVID financial plan and approved through June 30, 2021. Funding was allocated for the month of January of \$414,788 to increase the emergency financial assistance from \$1,216 to \$1,700 per individual and \$300,000 to continue the food distribution program. Below is a table showing the current commitments the County has made to strategies assisting the community:

Implemented Aid Strategies				
Program	Local Organization	Description	Assistance Provided	Aid Provided
Food Program	Council on Aging, Coastal Seniors, Petaluma Peoples Service Center, Sonoma Family Meal, Catholic Charities, Ceres Project, Food for Thought, Salvation Army, Redwood Food Bank	Assisting non-profits to distribute food as a result of the COVID-19 pandemic. \$1.8m from CARES and GF and \$2m from FEMA	1,201,857 meals distributed	\$3,800,000
Financial Assistance	On the Move/CURA, County Financial	Emergency Financial Assistance provided to individuals needing to quarantine in specific census tracts for 10/20/20-6/30/21	6,340 individuals assisted	\$8,124,617 *
Business Relief	Economic Development Board	Provide grants for businesses affected by the COVID pandemic	542 grants distributed	\$2,500,000
Rental Assistance and Legal Aid Defense	Community Development Commission and Legal Aid	Assist those impacted by Eviction Defense Moratorium and awarded \$4.677M for Rental Assistance including \$2.3M from Community Development Block Grant.	770 families served	\$4,800,000
Gift Cards for COVID Testing	Department of Health Services	Incentive Program / Financial Assistance: Offer incentive in the form of a gift card for all individuals in the target census tract (through 12/30/20)	20,000 gift cards	\$851,999
Hotel Accommodations	Department of Health Services	Isolation / Quarantine Support: Provide hotel accommodation for positive individuals who cannot safely isolate in their own home	35 hotel rooms near target census tracts	\$2,568,662

* Funding for 1/1/21-6/30/21 was included in the ongoing COVID Financial Response and \$414,788 to increase funding from \$1,216 to \$1,700 for January allocated during the 1/5 Board Meeting

Community partners have been working with the County to provide data and an understanding of those most vulnerable and impacted by the effects of the pandemic. Many of the strategies developed have been the result of coordination with community organizations. The ever-changing dynamics results in imperfect and incomplete data requiring reassessing and contacting different partners in the community to recognize where to apply the County's efforts. Though there are currently gaps in the Federal, State, and County assistance programs leaving many individuals struggling, staff continues to work to recognize those gaps and solve for ways to address the needs.

III. Local Food Distribution Program

COVID Emergency Food Task Force

To date COVID Emergency Food Task Force has expended \$3.8 million (which includes \$1.5 million of CARES, \$2 million from FEMA, and \$300,000 from County General Fund Contingencies) to nine Sonoma County non-profits to assist in closing the gap created by increased, sustained demand for food since March 2020.

The funding has provided more than 1,108,857 meals to residents in Sonoma County experiencing food insecurity due to COVID. This includes full prepared meals, groceries, and combinations of both as needed by residents. Funding supported Council on Aging, Coastal Seniors, Petaluma Peoples Service Center, Sonoma Family Meal, Catholic Charities, Ceres Project, Food For Thought, Salvation Army, and Redwood Empire Food

Bank. While non-profits have continued to fund raise, the amount of funds raised cannot keep pace with increasing and sustained demand. Some government allocations have assisted Food Banks and Meals on Wheels programs, but again not to close the gap between needs. On January 5th, 2021, your Board allocated \$300,000 to continue funding of these community organizations to distribute food through January 31, 2021.

FEMA Public Assistance is currently extended through March 15, which can provide for reimbursement of up to 75%, which would make County cost a net of \$75K each month. Reimbursement from FEMA takes a significant amount of time to occur so dedicating local funding is a prudent financial practice. \$300K monthly would support the Emergency Food Task Force to distribute 93,000 meals a month. As noted above, the Governor's proposal includes \$30 million one-time General Fund for the Department of Social Services to fund food banks and existing Emergency Food Assistance Program providers.

IV. Financial Assistance

COVID-19 Urgent Response and Aid (CURA) Project

Department of Health Services is collaborating closely with the COVID-19 Urgent Response and Aid (CURA) Project coordinated by On the Move, a locally based non-profit organization. The CURA Project continues to deliver essential support and services in connection to healthcare, testing navigation, and emergency financial assistance to the Latinx and Indigenous communities in Sonoma County.

CURA partners with five Family Resource Centers located across the county to provide comprehensive case management and to provide emergency financial assistance to those required to isolate and/or quarantine.

The first tranche of emergency financial assistance (EFA) came from a partnership with the Community Foundation Sonoma County. CURA began distributing EFA on October 13, 2020, and by November 20, 2020 the funds had been completely expended. DHS was able to re-allocate existing funds from the CURA contract to fund another \$300,000 in EFA, which was also completely expended by December 18th, 2020. DHS launched an income stabilization program, and through a partnership with Child-Parent Institute and CURA, and distributed another \$869,440 to COVID-19 impacted families.

Ensuring that programs are flexible and have minimum restrictions are critical to their success. This ensures access to funds to those members of our community in most need. Working with philanthropic partners like Community Foundation Sonoma County has resulted in addressing critical community needs.

Referrals for County-allocated financial assistance (\$1,216) for people with COVID who must isolate and those who must quarantine due to exposures began on November 27, 2020. Similar to the CURA application process, County case investigators and contact tracers perform a preliminary screening for eligibility at the time of initial interview. Those who are provisionally qualified are submitted to On The Move/CURA subcontractor Child Parent Institute's (CPI) team for collection of needed documentation, approval, and issuance of an assistance check. The support has been well-received and is essential for the economic survival of many of the families this program has touched.

Ensuring that programs are unrestricted are critical to their success. This ensures access to funds to those members of our community in most need. On January 5th the Board considered increasing the monthly payments from \$1,216 to up to \$1,700 per individual in order to align with the cost of living of many residents in Sonoma County.

On January 5th, your Board approved funding from contingencies to increase the financial assistance payments

to \$1,700 for the month of January 2021 at a cost of \$414,788.

UndocuFund

During the January 5th Board meeting, there was a suggestion to consider providing financial assistance through UndocuFund. In March of 2020, UndocuFund began raising funds and issuing aid to needy undocumented families in Sonoma County in response to the pandemic. During the 10 months from March to December of 2020, UndocuFund issued 4,948 checks totaling \$4,184,250 at an average of \$846 per check.

At first glance, this may seem significant, but it's important to add some deeper context. If broken down by the 10-month period, that's an average of less than \$84.00 per month per individual. This demonstrates how little this is in relation to the type of aid available for documented individuals who can receive up to \$450 per week in unemployment that was initially supplemented by an additional \$600.00 and currently supplemented by \$300.00.

Undocumented individuals have also not benefitted from the \$1,200 and \$600 stimulus checks issued by the federal government; even though many have citizen children, thus denying the dependent stimulus for these families as well.

When looking at providing aid, UndocuFund typically looks at whether the family has lost work or whether their hours have been decreased, the number of wage earners, the cost of their rent, and the household size. Due to limited funds, UndocuFund has been issuing grants ranging from \$500 to \$2000.

The most common ask is help with rent. Most families indicate being behind on rent. However, every ask has been dealing with a loss of job or hours. Outside of farmworkers, a significant number of people are dealing with job or hour losses due to the hospitality industry (hotels and restaurants). Domestic workers have seen a significant number of job loss.

After the Trump administration's changes to the public charge definition as it relates to immigration, undocumented families are much more wary and hesitant to apply for government assistance in fear it will adversely impact their potential to at some point in the future qualify for some path to legal status. Even with this program, it is something that people often ask if it will impact them in that regard.

There is an estimated 38,500 undocumented individuals in the County. The program has been receiving 500 applications for grants a month on average. In January, 800 applications have been received. A 1,000 applications have been put on hold as a result of individuals previously receiving assistance from UndocuFund.

As an example only, if the County were to fund \$1 million, financial assistance could be provided to approximately 1,250 individuals at the average grant amount of \$800 each. If UndocuFund were able to leverage the \$1 million with a match from philanthropic sources, financial assistance could be extended to 2,500 individuals.

V. Business Relief

The Sonoma County Business Stabilization Grant distributed \$2.5 million through the Economic Development Board that was allocated during the September 1st meeting. Here is the data as to how the program distributed the funds:

- Total applicants - 1305
- Total approved - 542 (42%)
- Total funded - \$2,345,000 (\$155,000 contracted for grant administration)
- Hispanic/Latino grantees - 132 (24%)
- Women grantees - 315 (58%)
- Low-Moderate income grantees - 434 (80%)

On December 30, 2020, the state of California launched a \$500 million California Small Business COVID-19 Relief Grant Program for eligible California businesses and non-profits. Grants up to \$25,000 are available, with actual amounts based on revenue. Round 1 has already closed but round 2 applications can be received beginning on February 2nd, according to the program website. The Governor is asking the Legislature to approve an additional \$550 million for grants to small businesses and non-profit cultural institutions, and fee relief for hard-hit industries such as restaurants and personal services.

During the January 5th Board Meeting, staff was asked about the possibility of offsetting or waiving county fees on businesses. As the Board is aware, the County charges environmental health fees on different businesses for the services and inspections required for those businesses. The California Code of Regulations mandates and delegates the responsibility for environmental health programs and California Health and Safety Code provides environmental health agencies with the ability to charge for services as reasonable. Some of the businesses have been severely impacted by the pandemic and limited in their operations by the state health orders. For example, most recently the Governor's Health Order limits restaurants to take out service only. Body art facilities have been closed most of the pandemic as a result of the State health orders.

Below is a brief synopsis of the individual primary permitting and regulatory programs:

Food Program

The food program is Environmental Health's largest program with more than 5,000 permit and inspection services per year bringing in a budgeted revenue of \$4,375,000 for FY 20/21.

Food facility permits cover a period of one year from the time they open their facility and are automatically renewed annually. Permit fees for food preparation range from \$500 to \$2,000 annually and \$218 an hour for additional services. The fee schedule for Environmental Health fees can be found here:

[<https://sonomacounty.ca.gov/Health/Environmental-Health/Fee-Schedule/>](https://sonomacounty.ca.gov/Health/Environmental-Health/Fee-Schedule/). Facilities with minimal food preparation are inspected once per year and facilities with full preparation (restaurants) receive two inspections a year. Most permanent food facilities have been able to continue operating with modifications throughout the pandemic. The temporary food facilities (community event and booths) are permitted annually. Since most temporary events other than farmer's markets have not been able to operate during the pandemic these permits were not issued and no fees charged. Field inspections were on hold from March through June when new COVID safety protocols were implemented. Staff have been catching up on the inspections.

Body Art

The body art program has 442 annual permits and other services totaling an estimated revenue of \$108,000. Body art permits are issued at the time of the business opening and renewed annually at a cost of \$600 to \$700. Body Art facilities were not able to operate during the first six months of COVID and have been closed again during the current Shelter in Place.

Should the Board be interested in waiving fees or extending the permits for food facilities and body art establishments that have been impacted by the State Health Orders, staff would need direction to come back with formal action. For context on the financial implications of extending or waiving fees, staff has come up with a preliminary estimate of \$374,000 for each month the fees are waived or extended for these facilities.

VI. Rental Assistance

The Board has previously allocated and the Community Development Commission has disbursed \$2.5 million for Rental Assistance and Legal Aid Defense. \$2.377 million was distributed for rental assistance through local nonprofit providers. An additional \$123,000 was awarded from Legal Aid to assist those impacted by Eviction Defense Moratorium.

The County of Sonoma is expected to receive \$14,697,467 from the Federal Emergency Rental Assistance Program and approximately \$2.3 million of Community Development Block Grant funds. This financial assistance will be directed into the community for rent, rental arrears, utilities and home energy costs, and other expenses related to housing. This funding is projected to be distributed starting immediately and should provide important relief to approximately 5,250 households.

Legal Aid

Legal Aid provides crisis legal services to low-income families, children, elders, immigrants, and other vulnerable Sonoma County residents. The Legal Aid HOME Program helps low-income tenants with eviction defense. The economic fallout from COVID-19, and the patchwork of shifting local, state, and federal legal protections has dramatically increased the number of tenants seeking housing legal services from Legal Aid. Legal Aid's housing hotline now receives about 70 calls per week, representing 3 times the average number of calls they received per week pre-COVID. Legal Aid's housing team and one bilingual caseworker - currently handle 800 cases annually. The addition of another housing attorney would allow Legal Aid to scale up to meet the growing need and keep renters stably housed through the duration of the pandemic.

With an investment of \$150,000, Legal Aid could add another housing attorney to their housing team for one year. Legal Aid would leverage bilingual housing caseworkers, and other current housing staff to support the new attorney. Currently they only have two tenant housing attorneys who serve the entire County. An additional housing attorney will increase their capacity to provide crisis housing services by 30%. This investment would allow Legal Aid to serve between 300 and 400 additional low-income tenants (200-250 cases) facing eviction, displacement, and homelessness during the pandemic, and its immediate aftermath.

VII. Fiscal Options for Local Assistance

It is possible that there will be additional local aid in a future Federal relief bill or from the state. President Biden has made it clear that additional pandemic relief is a priority and has proposed a \$1.9 trillion relief package. Greater clarity will come on the potential passage of this bill, at which point we will have better

understanding of the ability to meet County response needs with state or federal support.

Should the Board desire to explore the implementation of additional local aid, the Board has four primary sources of available resources: Infrastructure Sinking Fund, Board Contingencies, General Fund Reserves, and remaining funds from the PG&E settlement.

The Infrastructure Sinking Fund has a balance of \$4,980,000. The Board created the fund during the FY 2019-20_ budget hearings and used one-time funding sources totally \$5 million to create the fund. \$3.1 million of the \$5 million was from Graton casino mitigation fund (from in lieu TOT funds that are available for general purposes under the tribal agreement).

Currently, Board Contingencies stand at \$875,366 after \$1,226,735 was set aside for the ongoing COVID response, \$300,000 for food distribution, and \$414,788 to increase the emergency financial assistance during the January 5th Board Meeting. In addition, \$666,676 allocated to the Permit Sonoma Reconfiguration capital project in FY 2019-20 was restored to the General Fund during first quarter Consolidated Budget Adjustments, which has not been programmed. If this is used to restore contingencies, a total of \$1,467,492 will be available.

Following allocations of PG&E settlement funds for infrastructure projects and fire prevention/vegetation management projects on December 15th, the Board has \$26.76 million in settlement funds that have not yet been allocated, although \$13 million of this will be needed as the local cost share of the \$50 million BRIC grant, should it be received leaving \$13.76 million fully unaccounted for. A portion of these funds could be used to finance COVID response.

The Board could tap into General Fund Reserves in order to finance these emergency appropriations. Unassigned Reserves currently sit at \$52.75 million, or 9.9% of operating revenues. This is \$8.15 million above the minimum Reserve level of 8.3%, or one month's operating revenues, but \$36.45 million below the target reserve level of two months operating revenues. The County Administrator recommends against using reserves for local aid.

Given the potential additional aid that may be allocated by the Biden Administration and the State Legislature in the coming weeks, the Board should also consider waiting to establish any additional local aid program to ensure that the County's program addresses the most critical gaps.

Prior Board Actions:

01/05/2021 - COVID Fiscal Update, Community Needs, Eviction, and Sick Leave Policies

12/15/2020 - Department of Health Services COVID-19 Emergency Response

10/20/2020 - Enhanced COVID-19 Response Strategy

09/01/2020 - Coronavirus Relief Fund Community Needs Funding Plan

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY 21-22 Projected	FY 22-23 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			

Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

The fiscal impacts of this item will depend on the strategies implemented. Staff will return to the Board with appropriation increases during Consolidated Budget Adjustments.

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

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1 - Local Aid Program Matrix

Attachment 2 - Implemented Strategies

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

None