

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.5  
(ID # 15108)

MEETING DATE:  
Tuesday, April 27, 2021

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: American Rescue Plan (ARP) Act Funding Allocations

RECOMMENDED MOTION: That the Board of Supervisors:

1. Review and provide direction on the proposed first year funding allocation for the American Rescue Plan (ARP) Act funds.

ACTION: Policy

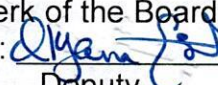
  
Jeff Van Wagenen, County Executive Officer 4/22/2021

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Perez and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, and Perez  
Nays: None  
Abstain: Hewitt  
Date: April 27, 2021  
xc: EO

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: NA</b>			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 20/21 – 21/22	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND**

On March 11, 2021, President Biden signed the *American Rescue Plan Act of 2021* (H.R. 1319) into law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts.

As part of the \$362 billion in federal fiscal recovery aid for state and local governments, \$65.1 billion is provided in direct aid to counties. Riverside County's share of the American Rescue Plan funding is estimated to be \$479 million and will be received over a two-year period. The Executive Office is presenting the attached allocation plan (Attachment A) for the Board's consideration, discussion, and direction. Our Cities in Riverside County are expected to receive an additional \$439 million in direct funding, and our education sector will also be receiving direct allocations from ARP (Attachment B). Additionally, Federal funding will be made available through targeted ARP program grants and FEMA for specific programs such as vaccine distribution and testing.

The deadline for expenditure of the ARP funds is December 31, 2024. The County's share of the funding will be received in two installments. The first installment is expected to be received by May 11, 2021. The second installment is expected to be received no sooner than 12 months following the first installment. The recommendations contained herein are to program allocation of the first installment, assess the programs delivered over the first year, evaluate the overall public health and economic conditions as they progress over this next year, and adjust the expenditure recommendations for the second year accordingly.

**The U.S. Treasury Department is expected to release detailed eligibility guidelines in early May. These guidelines may require reassessment and adjustment of some of the recommendations contained herein.** The Executive Office is recommending that the Board consider, discuss, and provide general direction on the recommended allocation plan, for the Executive Office to return with an updated



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allocation recommendation after we have received the guidance from the U.S. Treasury Department.

The general eligibility categories for the funds include their use to:

- Respond to or mitigate the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
- Provide government services to the extent of the reduction in revenue (i.e. online, property or income tax) due to the public health emergency.
- Make necessary investments in water, sewer, or broadband infrastructure.
- Respond to workers performing essential work.
- The National Association of Counties American Rescue Plan Act legislation analysis can be found under Attachment C.

**RECOMMENDED FIRST YEAR ALLOCATION PLAN**

This plan is separated into broad categories, similar to the approach that we used with the CARES Act funds. Detailed programs will be developed for each individual category and returned to the Board for future consideration and approval. In general, the recommended allocations are founded on the following broad principles:

- Provide recovery funding to those sectors of our economy and society that are struggling most to recover from the pandemic.
- Have a constituent and community-based focus. The CARES Act expenditures were primarily used on the County's *Response* to the pandemic, as we dealt with the many public health and emergency management needs of testing and tracing, modification of facilities to create safe spaces, and the impacts on the hospital and medical care infrastructure. The intent is to primarily focus the funds on the *Recovery* of our communities as we rebuild.
- Provide a vehicle for transformational investment in our County's Recovery from COVID-19, so that when we look back on the expenditure of these one-time funds in the coming years we can point to positive outcomes that were

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sustainable, contributed to the growth of our communities, and added to our long-term resiliency to deal with other potential future disruptions to our economy and public health systems.

- Provide for countywide equity. The allocations for the Economic Recovery, Homelessness Solutions, Infrastructure, and Non-Profit Assistance are generally intended to be allocated by Supervisorial districts, or across programs and projects that benefit multiple districts.
- Focus on one-time investments, rather than funding ongoing operational costs for County Departments or community partners, so that we are not creating on-going obligations that will impact the County's General Fund into the future.

With these principles in mind, the Executive Office is recommending that the following categories be established. Individual Form 11s for each category, with operational detail on how the funds would be expended, will be brought forward for the Board's consideration.

**Economic Recovery** – Develop programs to assist businesses and industries struggling to rebound from the pandemic as well as focus on strategic investment projects for future economic growth and resiliency. The Economic Recovery Task Force will provide an Economic Recovery framework for Board approval in May to maximize opportunities for a strong and equitable recovery.

**Housing and Homelessness Solutions** – This one-time investment will significantly increase local sheltering capacity, permanent supportive housing units and affordable housing which are critical to addressing homelessness.

**County Department Response** – Our County Departments, in particular our health system (Public Health, Behavioral Health, Hospital and health clinics), along with our Emergency Management Department, continue to be on the front lines of our response. We will be maximizing the use of FEMA and other ARP direct grants to fund these programs, but there will still be a need for use of County ARP funds to cover shortfalls.

**Infrastructure** – Infrastructure is a new category that was not eligible under CARES. The legislative language specifically names water, sewer, and broadband as eligible infrastructure expenses. The Treasury guidelines may provide more detail on infrastructure eligibility.

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**Non-Profit Assistance** – We are recommending a significant expansion of funding assistance to our Non-profit community compared to what was allocated through CARES. Our Non-profits provide essential community support services that will assist in our recovery and increase our resiliency as a County moving forward.

**Revenue Backfill** – ARP provides eligibility for revenue backfill of lost revenue due to the negative economic impacts of COVID-19. The recommended expenditures for revenue backfill center primarily on dramatically reduced interest income and funding for specific departments that were particularly hard hit through the loss of user fees due to COVID-19.

**Rental Assistance** – The County has received a separate allocation of \$57 million in Federal funds earlier in 2021. These funds will be used to assist with rental and utility relief for impacted residents.



# Attachment A



## ARP Allocation Plan Executive Office Recommendation

# American Rescue Plan Act 1st Year Funding Allocations



Economic Recovery

*\$54 million*



Housing & Homelessness

*\$50 million*



County Departments Response

*\$48 million*



Infrastructure

*\$45 million*



Revenue Backfill

*\$22 million*



Non-Profit Assistance

*\$20 million*

*ARPA 1st Payment \$239 million*



Rental Assistance

*\$57 million*