

County of Sonoma
Recovery Plan

**State and Local Fiscal Recovery
Funds**

2021 Report

County of Sonoma
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GENERAL OVERVIEW

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>, 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 total for COVID-19 response costs from Health Services and other county supporting agencies. 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.

The county is currently working with County Departments and Community groups to provide input and submit project requests for use of ARPA funds.

During FY 2021-22 Budget Hearings, the Board of Supervisors approved a process for the distribution of ARPA funds. This plan calls for funding to be distributed in three primary areas:

1. Funding for COVID-19 pandemic response
2. Funding for strategic investments in County departmental services
3. Funding for direct community support

At Budget Hearings, the Board of Supervisors allocated approximately \$20 million to fund COVID-19 response costs that are not otherwise reimbursable through Federal funding and set a timeline for the other funding distributions, with the following dates set for Board action on ARPA funding:

- June 18, 2021: Board of Supervisors approves ARPA distribution process
- July 27, 2021: Board receives an update on the process for distributing funding directly to the community
- September 14, 2021: Board reviews preliminary departmental proposals for ARPA funding and selects proposals for further development (no funding allocation decisions)
- November 2, 2021: Board defines community funding areas based on needs analysis (no funding allocation decisions)

- December 14, 2021: Board allocates funding to specific departmental proposals and community funding areas

Uses of Funds

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.

The Treasury Department's preliminary 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. Due to the 2017 Wildfire event the county's financial recorded 4 years later a PG&E settlement amount which masks the county's revenue loss experienced due to the Pandemic. Setting aside the PGE settlement funds, the County's revenue losses due to COVID exceed \$50 million. Although the total ARPA allocation for the County does not change, it limits potential uses of the funds to the other four categories. Sonoma County is requesting the guidelines allow the county an exemption so we may 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 (EC 1)
2. Funding for departmental projects (EC 2 – EC6)
3. Funding directly to the community (EC 2 – EC 6)

Funding for COVID-19 response (EC 1) 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. This funding level may need to be increased based on the potential for continued response costs as a portion of the population remains unvaccinated and case rates and hospitalizations continue to rise. 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, to the key areas of need for direct funding to the community and to re-assess funding needed for immediate COVID response. As dictated by ARPA, the Board and the Public will receive regular updates on the funding through the duration of the grants.

Promoting equitable outcomes

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.

Community Engagement and Use of Evidence

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 affected by COVID19 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.

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://sonomacounty.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.

Table of Expenses by Expenditure Category

As of July 31, 2021, Sonoma County has does not have expenditures to report as the County is in the process of designing the ARPA program and evaluating County Departmental and Community projects to submit to the Board for final review and approval. Expenditures will be updated as projects are approved.

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health		
1.1	COVID-19 Vaccination		
1.2	COVID-19 Testing		
1.3	COVID-19 Contact Tracing		
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)		
1.5	Personal Protective Equipment		
1.6	Medical Expenses (including Alternative Care Facilities)		
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency		
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)		
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19		
1.10	Mental Health Services		
1.11	Substance Use Services		
1.12	Other Public Health Services		
2	Expenditure Category: Negative Economic Impacts		
2.1	Household Assistance: Food Programs		
2.2	Household Assistance: Rent, Mortgage, and Utility Aid		
2.3	Household Assistance: Cash Transfers		
2.4	Household Assistance: Internet Access Programs		
2.5	Household Assistance: Eviction Prevention		
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)		
2.8	Contributions to UI Trust Funds*		
2.9	Small Business Economic Assistance (General)		
2.10	Aid to nonprofit organizations		
2.11	Aid to Tourism, Travel, or Hospitality		
2.12	Aid to Other Impacted Industries		
2.13	Other Economic Support		
2.14	Rehiring Public Sector Staff		
3	Expenditure Category: Services to Disproportionately Impacted Communities		
3.1	Education Assistance: Early Learning		
3.2	Education Assistance: Aid to High-Poverty Districts		
3.3	Education Assistance: Academic Services		
3.4	Education Assistance: Social, Emotional, and Mental Health Services		
3.5	Education Assistance: Other		
3.6	Healthy Childhood Environments: Child Care		
3.7	Healthy Childhood Environments: Home Visiting		
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System		
3.9.	Healthy Childhood Environments: Other		
3.10	Housing Support: Affordable Housing		
3.11	Housing Support: Services for Unhoused persons		
3.12	Housing Support: Other Housing Assistance		
3.13	Social Determinants of Health: Other		
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators		
3.15	Social Determinants of Health: Lead Remediation		
3.16	Social Determinants of Health: Community Violence Interventions		
4	Expenditure Category: Premium Pay		
4.1	Public Sector Employees		
4.2	Private Sector: Grants to other employers		
5	Expenditure Category: Infrastructure		
5.1	Clean Water: Centralized wastewater treatment		
5.2	Clean Water: Centralized wastewater collection and conveyance		

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
5.3	Clean Water: Decentralized wastewater		
5.4	Clean Water: Combined sewer overflows		
5.5	Clean Water: Other sewer infrastructure		
5.6	Clean Water: Stormwater		
5.7	Clean Water: Energy conservation		
5.8	Clean Water: Water conservation		
5.9	Clean Water: Nonpoint source		
5.10	Drinking water: Treatment		
5.11	Drinking water: Transmission & distribution		
5.12	Drinking water: Transmission & distribution: lead remediation		
5.13	Drinking water: Source		
5.14	Drinking water: Storage		
5.15	Drinking water: Other water infrastructure		
5.16	Broadband: "Last Mile" projects		
5.17	Broadband: Other projects		
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services		
7	Administrative and Other		
7.1	Administrative Expenses		
7.2	Evaluation and data analysis		
7.3	Transfers to Other Units of Government		
7.4	Transfers to Nonentitlement Units (States and Territories only)		

See Section C(7) on page 27 of the Reporting Guidance for additional information.

Project Inventory

The County will add Project Inventory details once submissions have been evaluated and approved by County Board of Supervisors.