



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 22-095

Board Meeting Date: 2/8/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael P. Callagy, County Manager
Peggy Jensen, Assistant County Manager
Subject: San Mateo County Recovery Initiative Funding

RECOMMENDATION:

Adopt a resolution authorizing:

- A) Allocation of the remaining \$10,000,000 in the first tranche of San Mateo County's American Rescue Plan Act funds to various San Mateo County Recovery Initiatives; and
- B) The County Manager to execute agreements with various providers to implement identified Recovery Initiatives in San Mateo County; and
- C) Staff to report back on the status of the funded Recovery Initiatives prior to the end of the current fiscal year.

EXECUTIVE SUMMARY:

San Mateo County was allocated \$148,050,000 in Federal American Rescue Plan Act (ARPA) funds. The first tranche of these ARPA funds, \$74,025,000, was received in May of 2021. Staff's understanding of current regulations has been that to be eligible to receive the second tranche of ARPA funds (an amount anticipated to be \$74,025,000), the County must, by May 15, 2022, obligate the \$10,000,000 in ARPA funds from the first tranche that remain unobligated. New direction from the U.S. Department of the Treasury appears to reflect that this May 15, 2022 deadline to obligate funds from the first tranche of ARPA money has been rescinded. However, until that regulatory change is confirmed, we are prepared to meet the original deadline to allocate all the first tranche of ARPA funding.

To develop an allocation plan for the remaining ARPA funds, staff worked with the Gardner Center at Stanford University to identify current priorities in our communities that have been most impacted by the COVID-19 pandemic. The results of our work through the Gardner Center shaped the development of projects and programs to be funded with ARPA funds. Staff also partnered with the

Boston Consulting Group (BCG) to work with multiple community partners to develop projects to advance community priorities.

As a result of this outreach and community engagement, staff has developed a proposed allocation plan for the remaining \$10,000,000 in the first tranche of ARPA funds to address the needs of the communities most impacted by the pandemic.

The allocation plan focuses on assisting children and families, addressing basic needs of our most vulnerable residents, promoting economic recovery, and preparing for infrastructure investments. The initial plan was reviewed by the Equity Recovery Group and the Recovery Coordinating Council and components of the plan have been shared with the Home for All Steering Council, the Child Care Coordinating Council and the THRIVE Education and Child Care Committee. Comments from all those groups have been incorporated into the allocation plan presented today, which is summarized below.

Category	Amount	Program Detail
Children and Families	\$4,675,000	• Summer enrichment programs - \$3,300,000 • Family home childcare grants - \$870,000 • Big Lift summer 2022 extra week - \$505,000
Vulnerable Populations Support	\$2,800,000	• Modular housing pilot - \$1,500,000 • Pacifica safe parking program support - \$400,000 • Unincorporated area financial aid - \$500,000 • Mental Health First Aid pilot - \$200,000 • Homelessness provider mental health and wellness grants - \$200,000
Infrastructure Planning	\$1,525,000	• North Fair Oaks Infrastructure Plan - \$1,400,000 • Coastside Infrastructure Planning Support - \$125,000
Economic Recovery	\$1,000,000	• Whole person workforce pilot - \$400,000 • ADA Technical assistance for small businesses - \$400,000 • Women owned / minority owned business certification support - \$200,000
TOTAL	\$10,000,000	

BACKGROUND:

In April of 2020, San Mateo County established the San Mateo County Recovery Initiative (SMCRI). SMCRI brought together over 300 representatives of local agencies, nongovernment organizations, private partners, and community residents, to develop a strategic pandemic recovery plan (“strategic plan”) focused on recovery priorities identified by the participants. Those priorities included assisting communities most impacted by the COVID-19 pandemic with housing and food, supporting our local economy including childcare, after-school care providers and small businesses, assisting people through workforce development programs, and addressing the digital divide and mental health needs.

Over the past 18 months, the Board has allocated over \$50,000,000 in Measure K and federal COVID relief funds, to implement selected strategic plan recommendations. The County investments in COVID relief programs have been supplemented by \$170,000,000 in federal, state, philanthropic and private funds for a total of \$220,000,000 in relief program investments to date for San Mateo County residents.

Part of the County contribution to COVID relief projects has come from the County allocation of ARPA funds. As noted, in May of 2021, the County received \$74,025,000, the first of two installments of the \$148,050,000 County allocation of ARPA funding. To date, staff's understanding of the ARPA regulatory framework has been that, to receive the second tranche of ARPA funds, the County must obligate all the first tranche of ARPA funding by May 15, 2022. (As discussed above, this requirement may change, but given the uncertainty, we believe that we should move forward with a plan to allocate the money that remains in the first tranche of ARPA funding.)

To date, all but \$10,000,000 of the first tranche has been obligated. The remaining ARPA funds are earmarked for projects that advance equity in our communities that have been most adversely affected by the pandemic.

In the fall of 2021, the Silicon Valley Community Foundation (SVCF) awarded the County a \$500,000 grant to get input from our communities of color and residents most impacted by the pandemic on their current priorities and to develop projects that would advance those priorities. To update community priorities, Shireen Malekafzali, County Chief Equity Officer, collaborated with the Gardner Center at Stanford to assess census data and gather community input via a multilingual survey, town halls and focus groups conducted in Chinese, Spanish and English, and interactive posters located in community meeting places.

After assessing all the data, the Gardner Center found that housing was the highest priority for almost all respondents, followed by anxiety related to food and housing insecurity. However, the Gardner Center noted that respondents did not have immediate food needs but, rather, that they were anxious about possible food insecurity in the future. Lower ranked priorities included job training and placement assistance, and access to childcare and out-of-school care. Challenges with accessing county programs and the need for expanded communication with the Latinx community were themes that the Gardner Center noted across all the priorities.

To help develop projects and programs to address community priorities, SVCF funded a contract between the County and Boston Consulting Group (BCG). Working with community providers, subject matter experts and local leaders, BCG developed an extensive list of potential uses of ARPA funds, focused on housing, care and support for children aged 0 to 13, and workforce development. The BCG list was refined over multiple meetings and then combined with proposals developed through community input by Recovery Initiative staff to promote economic recovery and digital equity, and to address mental health needs. The BCG and staff lists were consolidated into an allocation plan that would cost \$84,000,000 to implement.

To create a proposed allocation plan for the remaining \$10,000,000 in the first tranche of ARPA funds from the master list of \$84,000,000 in proposals, the BGC working groups and county staff used the following selection criteria:

- Programs with a high probability of meeting the funding obligation deadline of May 15, 2022 (in the event that this requirement remains in place);
- Programs that promote equity and that advance highly rated community priorities;
- Programs that contribute to community mental health and wellness by addressing issues causing anxiety; and
- Programs that offer a "test and learn" opportunity to determine the best use of second tranche ARPA funds.

Using these criteria, 13 programs and projects from the full \$84,000,000 proposed allocation plan were selected for immediate implementation with the remaining \$10,000,000 in the first tranche of ARPA funds.

DISCUSSION:

The projects included in the \$10,000,000 first tranche proposed allocation plan address four community priority areas: assisting children and families, support for vulnerable populations, economic recovery, and infrastructure planning. The proposed projects are described below, along with the recommended ARPA funding allocation.

Children and Families: \$4,675,000

1. Summer Enrichment Programs: \$3,300,000

In conversations with educators, early learning providers and after-school program directors, staff heard that many students, especially those in kindergarten through second grade, are behind in the development of their social and emotional skills due to isolation and distance learning during the pandemic. When asked what could be done, there was unanimous agreement that summer camps and other supervised group activities would be the fastest and best way to address this issue. Due to the immediacy and extent of the need, staff proposes using \$3,000,000 of ARPA funds to establish a grant program for expansion of summer programs of all types for students in school districts with high numbers of socially and economically disadvantaged students. The grant program would build on the Learning Hub grant program run by the County in 2021 and needs to be implemented immediately as providers are currently planning summer programs.

2. Family Day Care Provider Grants - \$870,000

In 2021, the Build Up collaborative offered \$10,000 grants to family day care providers to assist them in continuing to operate their facilities, which primarily serve infants and toddlers. Applications requesting \$1,500,000 in assistance were received from 150 family day care providers but Build Up was only able to fund \$100,000 in grants. The ARPA allocation would fund an additional 87 grants. Build Up is raising funds for grants for the rest of the eligible family day care grant applicants. Since the applications have already been submitted and reviewed, these funds could be obligated and distributed very quickly.

3. Big Lift Summer 2022: \$505,000

One-time additional funding for the Big Lift in the summer of 2022 will support an additional week of programming for all students, along with recruitment stipends for teachers. With this funding the Big Lift will run for five weeks instead of four.

Support for Vulnerable Populations: \$2,800,000

4. Permanent and Interim Housing: \$ 1,900,000

a. Modular Housing Pilot: \$1,500,000

Affordable housing is the highest priority for our communities that have been most impacted by the pandemic, but it takes multiple years and significant funding to construct new housing from the ground up. This project would provide up-front money for environmental and other pre-development work to test the cost and amount of time it

takes to develop affordable housing with modular units. This is a “test and learn” project that, depending on results of this initial pilot, could be replicated, and expanded with the second tranche of ARPA funds.

b. Safe Parking Program in Pacifica: \$400,000

The Pacifica Resource Center is in contract negotiations with the City to operate a Safe Parking Program, but no funding has been provided by the City. This allocation of ARPA funds would support the program for two years. Operations need to start soon to comply with the terms of a judgment in a lawsuit to which the City of Pacifica is a party. If successful, this program could be replicated in other locations with funds from the County’s second tranche of ARPA funding.

5. Unincorporated Area Financial Aid: \$500,000

The residents of the unincorporated areas of the County on the mid and south coast and North Fair Oaks were heavily impacted by the pandemic. To help households in these communities continue to meet their basic needs, the Human Services Agency is working with the Core Services Agencies that serve these communities to develop a basic needs assistance program.

6. Mental Health and Wellness: \$400,000

a. Mental Health First Aid: \$200,000

The National Council for Mental Wellbeing has offered a Mental Health First Aid training program for many years. The program teaches people how to recognize and support their family, friends, clients, and community members who are dealing with mental health issues. Mental Health First Aid is a train the trainer model with a general training module and specific modules for people interacting with young adults and another module for those working with senior citizens. A pilot project with up to three cities and the County is being discussed. The pilot would offer Mental Health First Aid trainer training to up to 60 city and county staff who, in turn, would train their city and county colleagues. If successful, this program could be expanded with ARPA funds from the County’s second tranche.

b. Homeless Provider Mental Health and Wellness Support: \$200,000

The County relies on multiple community partners to provide services and shelter to our homeless residents. These partners have amazing, devoted staff who worked with our most vulnerable residents throughout the pandemic. In conversations with our non-profit partners, we have learned that they do not have the resources to provide mental health and wellness support, events, and resources to their staff. This grant program for our non-profit partners that serve our homeless residents would provide unrestricted grants that agencies can use host events, provide on-line resources, or provide other types of mental health and wellness support to their staff.

Economic Recovery: \$1,000,000

7. Whole-person Workforce Training and Job Placement Pilot: \$400,000

Under a contract with the County, NOVAworks convened providers of job training and other support programs to develop a new, “whole-person” approach to workforce development. The

“whole-person” approach provides wrap-around support to help clients meet all their needs while training for a new job and working in an apprenticeship. NOVAworks is developing training tracks for childcare, public service, small business, and the trades with multiple community partners. This allocation will support piloting the “whole-person” approach to assess both client willingness to start training at this point in the pandemic and the merits of the new workforce development approach. If clients are ready and the approach is successful, additional funds in the second ARPA allocation could be used to expand the program.

8. Certification Support for Women and Minority Owned Businesses: \$200,000

On January 25, 2022, the Board approved funding the Department of Housing (DOH) Equity Innovation Grant program. DOH received many applications for these grants but was not able to fund all the highly rated applications. One of the unfunded applications, submitted by the Renaissance Entrepreneurship Center, was to help women and minority owned businesses become certified under federal and state rules. This proposal advances equity because being certified as a minority or woman owned business allows these businesses to market themselves to corporations and government entities that prioritize sourcing products and services from businesses with these certifications. This proposal has already been fully vetted by the Department of Housing, which is why it is being recommended for ARPA funding now.

9. ADA Technical Assistance for Small Businesses: \$400,000

Many small businesses in San Mateo County have recently been targeted by Americans With Disabilities (ADA) noncompliance lawsuits. Some businesses, including some owned by immigrants, have closed due to lack of funds to comply with the requirements and to pay the very high penalties that are imposed even if a business owner undertakes all the required updates. This allocation would increase ADA accessibility in the County by piloting a program to help small businesses in North Fair Oaks, and other unincorporated areas meet ADA requirements in their establishments. Up to three cities would be welcome to join the pilot project if they contribute to the cost. If successful, this program could serve as a model for cities and Chambers of Commerce to implement countywide.

Infrastructure Planning: \$1,525,000

10. North Fair Oaks Infrastructure Plan: \$1,400,000

To prepare for the anticipated infrastructure funding provided by the state and federal governments, additional infrastructure planning is recommended for the unincorporated North Fair Oaks area. The Department of Public Works can use its pre-approved consultant list to expedite the awarding of a contract to do this work.

11. Coastside Traffic Improvement Plan Contribution: \$125,000

The Planning and Building Department has received a grant from the State of California to start design of traffic improvements on Highway 1 near the proposed site of the Cypress Point housing development. The state grant has a required County contribution of \$125,000. The proposed allocation would cover the cost of the County funds needed to start this work.

The projects and programs outlined above, if approved by the Board, can all be under contract by May 15, 2022, if necessary. As mentioned, above, the United States Department of the Treasury

recently issued direction which appears to indicate that this May 15, 2022 timeline for obligating/appropriating funds from the first tranche of ARPA funding no longer applies.

However, to provide County staff with all means necessary to ensure access to the second tranche of ARPA funds, we request that the Board of Supervisors grant the County Manager or his designee with authority to negotiate and execute agreements to support the above referenced Recovery Initiative Programs, in the event that the required timeframe for allocation of funds from the first tranche of ARPA funding remains unclear or ambiguous such that it is in the best interest of the County to enter into agreements for the expenditures and programs described above prior to May 15, 2022. If this authority is granted, such agreements will be for amounts that do not exceed those set forth above and that they be on terms and conditions determined in consultation with the Office of the County Counsel.

If staff determines that the May 15, 2022 timeframe for obligating/appropriating funds no longer applies, County staff will bring to the Board of Supervisors for approval all agreements to implement the programs set forth above that are for amounts in excess of \$200,000, with two exceptions. Specifically, in light of the need to make immediate arrangements for summer enrichment programming for 2022 and provided additional funding for the Big Lift, we request that the Board of Supervisors authorize and direct the County Manager or his designee to enter into all agreements that are necessary or appropriate to implement the Summer Enrichment Grants program and funding for the Big Lift that is described above, provided that the such agreements will be for a total amount that does not exceed \$3,300,000 for Summer Enrichment and \$505,000 for the Big Lift and further provided that such agreements will be on terms and conditions determined in consultation with the Office of the County Counsel.

Staff will report back to the Board on the status of all the projects and programs approved for funding with the remaining \$10,000,000 in ARPA funds prior to the close of the fiscal year.

FISCAL IMPACT:

There is no fiscal impact on the County General Fund associated with approving this allocation to implement various Recovery Initiatives in San Mateo County based on the continuing need for recovery support due to the COVID-19 public health emergency and its negative economic impacts. The \$10,000,000 will be provided through the American Rescue Plan Act funds, and has been adopted in the FY 2021-22 budget.