

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY**

DEPT: Chief Executive Office

BOARD AGENDA:9.3  
AGENDA DATE: May 18, 2021

**SUBJECT:**

Consideration of Strategic Priorities for the Use of \$107 Million American Rescue Plan Act (ARPA) Funding Allocated to Stanislaus County and Related Actions

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2021-0210**

On motion of Supervisor C. Condit----- Seconded by Supervisor B. Condit-----  
and approved by the following vote,  
Ayes: Supervisors: B. Condit, Withrow, Grewal, C. Condit and Chairman Chiesa-----  
Noes: Supervisors: None-----  
Excused or Absent: Supervisors: None-----  
Abstaining: Supervisor: None-----

- 1)  Approved as recommended
- 2)  Denied
- 3)  Approved as amended
- 4)  Other:

MOTION:

ATTEST: Kelly Rodriguez  
KELLY RODRIGUEZ, Assistant Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:9.3  
AGENDA DATE: May 18, 2021

CONSENT

CEO CONCURRENCE: YES

4/5 Vote Required: No

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**SUBJECT:**

Consideration of Strategic Priorities for the Use of \$107 Million American Rescue Plan Act (ARPA) Funding Allocated to Stanislaus County and Related Actions

**STAFF RECOMMENDATION:**

1. Consider Strategic Priorities to designate American Rescue Plan Act (ARPA) funds of \$107 million to develop a spending plan that will support the County's recovery from the economic impacts of the COVID-19 pandemic emergency.
2. Authorize the Chief Executive Officer, or designee, to sign the Treasury's Acceptance of Award Terms in order to accept allocated ARPA funds.
3. Direct staff to negotiate an Agreement or Memorandum of Understanding with Stanislaus Equity Partners, Inc. to memorialize the terms and conditions upon which the County will invest funds to support and expedite the development of the organization and community investment initiatives and return to the Board of Supervisors for final approval.

**DISCUSSION:**

Background

On March 4, 2020, the Governor issued a Proclamation of the State of Emergency in the State of California related to the 2019 Novel Coronavirus (COVID-19) pandemic. On March 17, 2020, the Board of Supervisors adopted a resolution ratifying the declaration of a local health emergency and issued a Proclamation of a Local Emergency related to COVID-19. In times of declared emergencies, the Local Health Emergency declaration enables the County to more effectively respond to the outbreak, potentially obtain reimbursement for the response, and ensure the County's public health professionals have the necessary tools at their disposal aimed at keeping the community safe.

The State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act (ARPA), was signed into law by President Biden on March 11, 2021. The bill includes \$65.1 billion in direct, flexible aid to every county in America. An additional \$65.1 billion has been allocated to States, metropolitan cities, and nonentitlement units of local government.

The U.S. Department of the Treasury will oversee and administer these payments to state and local governments, and every county is eligible to receive a direct allocation from Treasury. Municipalities and counties will receive funds in two tranches – with 50 percent in 2021 and the remaining 50 percent no earlier than 12 months from the first payment. The U.S. Treasury is required to pay the first tranche to counties not later than 60-days after enactment, and second payment no earlier than 12 months after the first payment. Recently, the treasury posted on its website “States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches.” This is an indicator that funds may be paid out in one payment but it is unclear if counties are included in the criteria for a single payment. As of May 10, 2021, the State of California was identified on the website as eligible for a single payment. Funds must be used by December 31, 2024 and all projects funded with ARPA completed by December 31, 2026. Stanislaus County has been allocated \$106,959,250 through ARPA. In addition, the nine Stanislaus County incorporated cities are estimated to receive a combined total of \$86.3 to \$91.8 million in ARPA funds directly for use within the respective cities.

This agenda item is intended to describe the initial categories of funding amounts recommended by County staff for consideration of the Board of Supervisors. For those priorities supported by the Board, staff will further develop detailed implementation plans and return to future Board meetings to discuss each plan category and formal recommendations where needed. Initial funding priorities include supporting families/individuals in need, community infrastructure, initiation of a new community development corporation and economic development/job creation. A summary of each category follows.

#### Supporting Families/Individuals in Need (\$5 million)

ARPA funds provide an unprecedented opportunity to make a difference in the community and to build-up supports for county residents needing safety net services. Social inequities prevented some residents from taking advantage of programs/services in existence pre-COVID, and the pandemic has exacerbated difficulties for individuals/families already struggling with self-sufficiency and meeting basic life needs. Given the multitude of safety net programs in place in the County, augmented through several Federal/State funding streams to ensure adequate food, shelter and access to health services to prevent COVID spread and aid recovery, staff have identified a need to assist individuals and families to access the array of funding/services, rather than funding additional programs/supports. In consultation with the department heads from the priority area of Supporting Community Health, approximately \$5 million will be provided to the Community Services Agency (CSA) to administer contracts with Community Based Organizations (CBOs) and Family Resource Centers (FRCs) building on the current year model in which service scope is designed to assist the County with the CRF-funded COVID pandemic response.

The contracted services, targeted to be effective July 1, 2021 through December 31, 2024, will shift to navigation and/or capacity-building in these CBOs to provide stability

in the community safety net. Multi-year contracts will allow the FRCs to staff this work and to focus on system improvement and outcomes. The following are the types of activities that will be encouraged through the scope of work:

- Provide navigation services to remove barriers preventing individuals and families from accessing COVID-19 recovery support services;
- Provide community case management services: facilitate access to services, benefits and programs to aid in COVID recovery and broadly for improved health and well-being;
- Provide general Community Health information, resource and referral services to assist individuals and families in accessing health, mental health, substance abuse services, social services, public assistance services, benefits and programs and COVID relief services, benefits and programs;
- Capacity Building which may include unrestricted funds in a specified amount to recognize COVID impact to fundraising and time needed for recovery.

Staff from the Chief Executive Office will work with CSA and the General Services Agency to develop contracts for navigation and capacity-building and will return to the Board of Supervisors for consideration of the recommended final program design and supporting contracts.

#### Community Infrastructure – Urban Pockets/County Communities (\$50 million)

Stanislaus County has been working for a number of years to address infrastructure deficiencies within unincorporated developed neighborhoods of the County. On August 23, 2011, the Stanislaus County Board of Supervisors took several actions intended to guide infrastructure improvements and support the annexation of unincorporated pocket areas to incorporated cities. For residential neighborhood infrastructure projects utilizing redevelopment and community development grant funds, the Board action placed priority on those with public health and safety needs. The installation of sewer mainlines and potable water systems would be the first priority. Storm drainage would be considered a second priority in areas subject to persistent standing water problems.

Further, the Board adopted a resolution supporting the annexation of unincorporated county residential pockets within adopted city spheres of influence. The greatest impediment to such annexations is providing municipal infrastructure (curbs, gutter, sidewalks, streets, sewer, storm drain, lighting, etc.) consistent with city standards. Such infrastructure improvements are costly and without an adequate funding source. In the past, Stanislaus County has utilized a variety of sources of funds (redevelopment, community development block grant, highway user tax, federal/state grants) to advance work in this area slowly.

In 2019, Stanislaus County began to develop cost estimates for public improvements consistent with city standards and to prepare an expanded analysis of key criteria in order to prioritize urban pockets for annexation. The analysis evaluated 41 individual pocket areas. The urban pockets are located in all 5 Supervisorial Districts but predominantly around Modesto, Turlock, Ceres and Riverbank. A preliminary analysis revealed a total of 7,641 total parcels with infrastructure needs in the 41 pocket areas

examined. Further, \$453 million was the estimated cost associated with needed infrastructure improvements in these pocket areas.

In 2020, a companion analysis was conducted of 13 County Communities: Cowan, Crows Landing, Del Rio, Denair, East Oakdale, Grayson, Hickman, Keyes, Knights Ferry, Monterey Park, Salida, Valley Home, and Westley. A preliminary analysis revealed a total of 9,453 total parcels with infrastructure needs in the 13 County Communities. Further, \$178 million was the estimated cost associated with needed infrastructure improvements in the County Communities.

ARPA funds provide a unique opportunity for Stanislaus County to begin making a “dent” strategically on the infrastructure needs in its urban pockets. County staff would like to refine its assessment of associated costs and also begin having intentional conversations with City partners around this topic. It will also be important to develop a framework for the prioritization of the urban pockets considering factors such as associated costs, likelihood of annexation, disadvantaged community status, leveraging of outside sources potential, etc. During development of this framework, it will be important to engage residents and community stakeholders to ensure that the approach is sound. A significant investment of the anticipated ARPA funds in the range of \$30-\$50 million for this effort could certainly help move the needle for Stanislaus County in this area.

#### Community Development Corporation (CDC) (\$5 million)

In 2018, the Stanislaus Community Foundation contracted with LOCUS Impacting Investing to review workforce, wage and business data, and to better understand the economic ecosystem of Stanislaus County. The study yielded several findings including the lack of two unique organizations from our local landscape – Community Development Corporations (CDC) and Community Development Financial Institutions (CDFIs):

- CDCs are 501(c)(3) non-profit organizations, created to support and revitalize communities, especially those that are impoverished or struggling. CDCs often deal with the development of affordable housing and a wide range of community services, such as education, job training, healthcare, commercial development, and other social programs.
- CDFIs are private financial institutions dedicated to delivering responsible and affordable lending to low-income, low-wealth, and other disadvantaged people and communities to help them join the economic mainstream. By financing community businesses, including small businesses, microenterprises, nonprofit organizations, commercial real estate, and affordable housing, CDFIs spark job growth and retention in hard-to-serve markets.

Stanislaus Community Foundation identified City Ministry Network (CMN), a proven intermediary between Stanislaus County's underserved residence and community leadership, as an ideal candidate for exploration/formation of a local CDC. Since then, CMN has been providing fiscal and management support to incubate a local CDC. In 2020, CMN approached South Modesto Partnership (SMP), a local public benefit non-profit organization which has served as a grassroots organization committed to community development work with a focus in of one of the City of Modesto's vulnerable communities, South Modesto. On November 19, 2020, the SMP Board voted to transition the organization to a formal Community Development Corporation (CDC). All Board members, with the exception of the Board President and one Board member, stepped down to allow the CDC evolution process to begin.

In December 2020, CMN and SMP began working with the California Community Economic Development Association to restructure SMP to serve as a CDC in Stanislaus County. The new formal legal entity, known as Stanislaus Equity Partners (STEP), is the transitioned entity formerly known as SMP. CMN has served as the fiscal and administrative sponsor of STEP during the incubation period. Effective July 1, 2021, these responsibilities will be transferred to STEP. Preliminarily, STEP will have two core initiatives:

- *Pathways to Homeownership* – collaborate with local housing partners to facilitate the development of innovative and cost-effective housing projects; act as a convener and “gatekeeper” in advocacy of unique pathways to homeownership across sectors; partner with CDFIs and other financial institutions to create financial products and services; connect low-income families to capital and financial products to purchase affordable homes and accumulate wealth; provide technical and administrative support.
- *Economic & Resource Development* - provide business services to underserved communities (consulting services and access to capital); micro-enterprise development (support and invest in low to moderate income entrepreneurialism as a pathway to self-sufficiency).

County staff has vetted the proposal from STEP and has had extensive discussions with the Executive Director/Chief Financial Officer and Director of Resource Development. A 16-member Board of Directors has been assembled to provide direction and oversight and will include a representative from the Stanislaus County Chief Executive Office. Based on the extensive experience of the team assembled and the depth of the existing community partnerships, County staff is confident STEP is in a strong position to serve as a local CDC and effectuate immediate change in our community.

Staff recommends the investment of \$5 million in STEP of which \$1 million is for operational support (STEP is projected to become self-sustaining within three years) and \$4 million is earmarked for development funds and will allow STEP to make immediate and direct impacts in our community. Without this injection of funding, STEP will continue to move forward and serve as a local CDC; however, it could take three to five years before substantial community impact is realized. The County’s investment may also serve as a catalyst for other jurisdictions to consider providing operational and/or capital support for STEP.

If the Board of Supervisors supports staff recommendation, staff from the Chief Executive Office will negotiate an agreement or memorandum of understanding with STEP to memorialize the County’s \$5 million investment and will return to the Board of Supervisors for final review and approval.

Economic Growth/Job Creation (\$30 million)

Cities and counties have entered an unprecedented era of funding opportunities in response to COVID-19. In addition to the funding outlined in this agenda item, staff will consider several new programs in the next 6-12 months specifically designed to support economic recovery from COVID-19. Most of these new funding opportunities are with Federal and State programs and continue to emerge daily. In order to maximize our receipt of public and private investment opportunities, Stanislaus County and all cities must work quickly to align our community around a shared understanding and commitment to specific economic development strategies to facilitate our short-term and long-term economic health in Stanislaus County.

Staff are recommending up to \$30 million in ARPA funding to support future investments in economic development activities focused on the creation of quality job opportunities in our community. In order to identify and prioritize potential economic development strategies, staff recommend support for a consulting engagement to bring together a broad consortium of public and private stakeholders to review existing conditions in Stanislaus County, advise on best practices in high-performing communities and develop a comprehensive plan with specific initiatives designed for our community. There are multiple examples of similar efforts in other communities which have proven successful in attracting and aligning funding for economic development activities. Some of those include the following:

<b>Initiative</b>	<b>Region</b>	<b>Website</b>
Fresno Drive	Fresno County	<a href="http://www.fresnodrive.org">www.fresnodrive.org</a>
B3K Prosperity	Kern County	<a href="http://www.b3kprosperity.org">www.b3kprosperity.org</a>
Inland Economic Growth & Opportunity	Riverside, San Bernardino Counties	<a href="http://www.inlandgrowth.com">www.inlandgrowth.com</a>
Regions Rise Salinas	Monterey, San Benito, Santa Cruz	<a href="http://www.mbep.biz">www.mbep.biz</a>

The initial framework and discussions for a community economic development initiative were introduced by the Stanislaus Community Foundation (SCF). County staff are working through a process with SCF and other stakeholders to define a

success/mission statement for this effort, and to identify potential consulting resources available to facilitate community engagement and expected project deliverables. Staff recommend support for up to 50% of the cost for a consulting engagement, or no more than \$500,000 of the total estimated cost of \$1 million. SCF and the County will pursue additional funding from public and private resources to supplement the County contribution. Staff will return to the Board of Supervisors to request formal approval of this effort and funding once a consulting firm and formal work plan has been identified.

Upon conclusion of this new economic development initiative, staff will evaluate the list of priority strategies to determine what recommendations will be considered for expenditure of the \$30 million-dollar investment fund for economic growth/job creation. The overall timeline is estimated to be six to nine months from initiating the consulting agreement to delivery of recommendations to the Board of Supervisors for investment strategies.

### Conclusion

The American Rescue Plan Act provides unprecedented resources to support our community in this unprecedented time. The funding priorities outlined in this report are intended to deliver tangible and sustainable improvements to the quality of life for the residents of Stanislaus County. In total, staff recommendations include \$90 million of the \$107 million available through ARPA to support the priorities as described in this initial phase. The remaining balance is reserved for additional consideration after the initial development of the core funding priorities.

### **POLICY ISSUE:**

Board of Supervisors' approval is required to set the local policy for the use of ARPA Local Coronavirus Fiscal Recovery funds.

### **FISCAL IMPACT:**

Establishment of strategic priorities is the first step in the development of the spending plan for ARPA; there is no fiscal impact related to the recommended actions at this time. Staff will include any necessary fiscal actions, including the request for budget authority, in future presentations to the Board of Supervisors for consideration and approval in each strategic priority category.

### **BOARD OF SUPERVISORS' PRIORITY:**

Approval of the recommended actions support the Board of Supervisors' priorities of *Supporting Strong and Safe Neighborhoods, Supporting Community Health, Developing a Healthy Economy* and *Delivering Efficient Public Services and Community Infrastructure* by ensuring that ARPA funds are strategically dedicated to local priorities for COVID-19 fiscal recovery that will benefit our community and the people we serve.



**STAFFING IMPACT:**

Existing staff in the Chief Executive Office, County Counsel, Auditor-Controller's Office and various county departments will work together and with community partners to develop detailed plans, fiscal accountability models and proposed agreements to be included and presented in future reports to the Board of Supervisors. Staff are considering additional resources which may be necessary to fully implement the strategies outlined in this report. Any staffing recommendations will be brought forward in a future report or budget process.

**CONTACT PERSON:**

Jody Hayes, Chief Executive Officer	209-525-6333
Patrice Dietrich, Assistant Executive Officer	209-525-6333
Raul Mendez, Assistant Executive Officer	209-525-6333
Tina Rocha, Deputy Executive Officer	209-525-6333
Angelica Ramos, Deputy Executive Officer	209-525-6333

**ATTACHMENT(S):**

1. Acceptance of Award Terms

OMB Approved No.:1505-0271  
Expiration Date: 11/30/2021

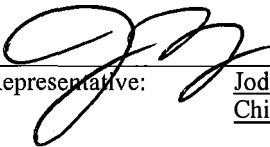
U.S. DEPARTMENT OF THE TREASURY  
CORONAVIRUS LOCAL FISCAL RECOVERY FUND

Recipient name and address: County of Stanislaus 1010 10th Street, Suite 5100 Modesto, California 95354	DUNS Number: Taxpayer Identification Number: Assistance Listing Number and Title: 21.019
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Sections 602(b) and 603(b) of the Social Security Act (the Act) as added by section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2 (March 11, 2021) authorize the Department of the Treasury (Treasury) to make payments to certain recipients from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund.

Recipient hereby agrees, as a condition to receiving such payment from Treasury, to the terms attached hereto.

Recipient:

  
\_\_\_\_\_  
Authorized Representative: Jody Hayes  
Title: Chief Executive Officer  
Date signed: 5/21/21

U.S. Department of the Treasury:

\_\_\_\_\_  
Authorized Representative:  
Title:  
Date signed:

PAPERWORK REDUCTION ACT NOTICE

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 15 minutes per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

U.S. DEPARTMENT OF THE TREASURY  
CORONAVIRUS LOCAL FISCAL RECOVERY FUND  
AWARD TERMS AND CONDITIONS

1. Use of Funds.

- a. Recipient understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.

2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Recipient may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.

3. Reporting. Recipient agrees to comply with any reporting obligations established by Treasury as they relate to this award.

4. Maintenance of and Access to Records

- a. Recipient shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
- b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.
- c. Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.

5. Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.

6. Administrative Costs. Recipient may use funds provided under this award to cover both direct and indirect costs.

7. Cost Sharing. Cost sharing or matching funds are not required to be provided by Recipient.

8. Conflicts of Interest. Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. Compliance with Applicable Law and Regulations.

- a. Recipient agrees to comply with the requirements of section 602 of the Act, regulations adopted by Treasury pursuant to section 602(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.
- b. Federal regulations applicable to this award include, without limitation, the following:
  - i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
  - ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
  - iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
  - iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

- v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
  - vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
  - vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.
  - viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
  - ix. Generally applicable federal environmental laws and regulations.
- c. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury’s implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
  - ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
  - iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
  - iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury’s implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
  - v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.
10. Remedial Actions. In the event of Recipient’s noncompliance with section 602 of the Act, other applicable laws, Treasury’s implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 602(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 602(e) of the Act and any additional payments may be subject to withholding as provided in sections 602(b)(6)(A)(ii)(III) of the Act, as applicable.
11. Hatch Act. Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
12. False Statements. Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.
13. Publications. Any publications produced with funds from this award must display the following language: “This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury.”
14. Debts Owed the Federal Government.
- a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to sections 602(e) and 603(b)(2)(D) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.
  - b. Any debts determined to be owed the federal government must be paid promptly by Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury’s initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.
15. Disclaimer.

- a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.
- b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

16. Protections for Whistleblowers.

- a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.
- b. The list of persons and entities referenced in the paragraph above includes the following:
  - i. A member of Congress or a representative of a committee of Congress;
  - ii. An Inspector General;
  - iii. The Government Accountability Office;
  - iv. A Treasury employee responsible for contract or grant oversight or management;
  - v. An authorized official of the Department of Justice or other law enforcement agency;
  - vi. A court or grand jury; or
  - vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers.

**ASSURANCES OF COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS**  
**ASSURANCES OF COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

As a condition of receipt of federal financial assistance from the Department of the Treasury, the recipient named below (hereinafter referred to as the “Recipient”) provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to the Recipient’s beneficiaries, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits.

The assurances apply to all federal financial assistance from or funds made available through the Department of the Treasury, including any assistance that the Recipient may request in the future.

The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all of the operations of the Recipient’s program(s) and activity(ies), so long as any portion of the Recipient’s program(s) or activity(ies) is federally assisted in the manner prescribed above.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.
2. Recipient acknowledges that Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient’s programs, services, and activities.
3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Recipient and Recipient’s successors, transferees, and assignees for the period in which such assistance is provided.
5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient’s sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

*The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury’s Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with “Limited English Proficiency” in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury’s Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.*

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal

financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.
8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.
9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.
10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that they are effectively monitoring the civil rights compliance of subrecipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

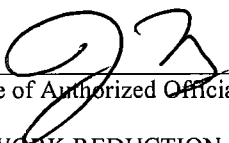
Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

County of Stanislaus  
Recipient

\_\_\_\_\_  
Date

5/21/21

\_\_\_\_\_  
Signature of Authorized Official



Approved As to Form:

\_\_\_\_\_  
Signature of Thomas E. Boze

Thomas E. Boze, County Counsel

**PAPERWORK REDUCTION ACT NOTICE**

The information collected will be used for the U.S. Government to process requests for support. The estimated burden associated with this collection of information is 30 minutes per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

# Consideration of Strategic Priorities for the Use of \$107 Million American Rescue Plan Act (ARPA) Funding Allocated to Stanislaus County

May 18, 2021





# Background

- The American Rescue Plan Act (ARPA) was signed into law by President Biden on March 11, 2021 and totals \$1.9 trillion
- Within the ARPA - The State and Local Coronavirus Fiscal Recovery Fund
- The Legislation includes:
  - \$65.1 billion in direct, flexible aid to every county in America
  - \$65.1 billion for Metropolitan Cities and nonentitlement jurisdictions
  - \$195.3 billion for States

# US Treasury Funding Objectives

- Support urgent COVID-19 response efforts
- Replace lost public sector revenue
- Support immediate economic stabilization
- Address systemic public health and economic challenges

# US Treasury Eligible Uses of Funds\*

- Support Public Health Response
- Replace Public Sector Revenue Loss
- Water and Sewer Infrastructure
- Address Negative Economic Impacts
- Premium Pay for Essential Workers
- Broadband Infrastructure

\* preliminary information; evolving Treasury guidance

# Funds Distribution

- Every county is eligible to receive a direct allocation
- Municipalities and counties will receive funds in two tranches
- Funds must be used by December 31, 2024 and all projects funded with ARPA completed by December 31, 2026
- Stanislaus County has been allocated \$106,959,250 through ARPA. The nine Stanislaus County incorporated cities are estimated to receive a combined total of \$86.3 to \$91.8 million in ARPA funds

# Initial Funding Priorities in Stanislaus County

- Supporting Families in Need
- Community Infrastructure
- Community Development Corporation
- Economic Growth/Job Creation

# Supporting Families in Need (\$5 Million)

- Pandemic has exacerbated social inequities preventing some individuals/families from taking advantage of programs/services to assist with basic life needs and the move to self-sufficiency
- Partnership between CSA, Community Based Organizations (CBOs) and Family Resource Centers (FRCs) for navigation and capacity-building
  - Remove barriers; case management services; facilitate access to services, benefits and programs; resource and referral
  - Capacity building to build up supports for county residents in neighborhoods

# Community Infrastructure (\$50 Million)

- Over time, Stanislaus County has been working to address infrastructure deficiencies within unincorporated developed neighborhoods with limited sources of funds.
- On August 23, 2011, the Board of Supervisors took several actions intended to guide this work and support the annexation of unincorporated pocket areas to incorporated cities, where feasible.
- For residential neighborhood infrastructure projects utilizing redevelopment and community development grant funds at that time, the Board action placed priority on those with public health and safety needs.

# Community Infrastructure

- During its 2011 action, the Board also adopted a resolution supporting the annexation of unincorporated county residential pockets within adopted city spheres of influence.
- The greatest impediment to such annexations is providing municipal infrastructure (curbs, gutter, sidewalks, streets, sewer, storm drain, lighting, etc.) consistent with city standards.
- Such infrastructure improvements are costly and without an adequate funding source.



# Community Infrastructure

- In 2019, Stanislaus County identified its urban pockets and began to develop cost estimates for infrastructure improvements.
- These urban pockets are located in all 5 Supervisorial Districts but predominantly in and around Modesto, Turlock, Ceres and Riverbank.
- A preliminary analysis of the pocket areas examined revealed a total of 7,641 total parcels with infrastructure needs.
- \$453 million was the estimated cost associated with needed infrastructure improvements.

# Community Infrastructure

- In 2020, a companion analysis was conducted of 13 County Communities: Cowan, Crows Landing, Del Rio, Denair, East Oakdale, Grayson, Hickman, Keyes, Knights Ferry, Monterey Park, Salida, Valley Home, and Westley.
- A preliminary analysis revealed a total of 9,453 total parcels with infrastructure needs in the 13 County Communities.
- \$178 million was the estimated cost associated with needed infrastructure improvements.

# Community Infrastructure

- County staff is planning to refine its assessment of infrastructure costs of both urban pockets and County Communities in today's dollars.
- It will also be important to develop a framework for the prioritization of these areas considering factors such as associated costs, likelihood of annexation, disadvantaged community status, leveraging of outside sources potential, etc.
- County staff also plans to engage residents and community stakeholders in this process through public outreach to ensure that the framework is sound.
- A significant investment of ARPA funds of approximately \$50 million could help move the needle for Stanislaus County in this area.

# Community Development Corporation (\$5 Million)

- In 2018, Stanislaus Community Foundation (SCF) commissioned a study to review workforce, wage and business data and to better understand the economic ecosystem of Stanislaus County.
- Study Findings -
  - ✓ Great majority of nonprofits in Stanislaus County are dedicated to social services
  - ✓ Minority-owned businesses are largely disconnected from these services and struggle to gain culturally relevant assistance
  - ✓ There are NO business incubators and accelerators
  - ✓ Pathways to home and business ownership for Low-to-Moderate Income (LMI) residents are limited
  - ✓ Highest priorities are access to affordable homeownership and small business development.
  - ✓ Two unique organizations are missing from our local landscape
    - **Community Development Corporation (CDC)**
    - **Community Development Financial Institutions (CDFIs)**

# Community Development Corporation

- **What is a Community Development Corporation (CDC)?**

- 501(c)(3) non-profit organization
- Support and revitalize communities, especially those that are impoverished or struggling
- Strong focus on *affordable housing development*, with potential to support education, job training, healthcare, commercial development and other social programs

- **What is a Community Development Financial Institution (CDFI)?**

- Private financial institutions dedicated to delivering responsible and affordable lending to low-income, low-wealth, and other disadvantaged people and communities to help them join the economic mainstream
- Spark job growth and retention in hard-to-serve markets by financing community businesses, including small businesses, microenterprises, nonprofit organizations, commercial real estate, and affordable housing
- Two local CDFI's, Valley First Credit Union and Rolling F Credit Union, are expected to emerge in Stanislaus County in 2021

# Community Development Corporation - Timeline

2018

Stanislaus  
Community  
Foundation  
Commissioned  
Study

2020

CMN approached  
South Modesto  
Partnership (SMP)

Dec 2020

SMP initiates  
transition to CDC

July 1, 2021

Local CDC known  
as **Stanislaus  
Equity Partners  
(STEP)** assumes  
full fiscal and  
administrative  
responsibilities

2019

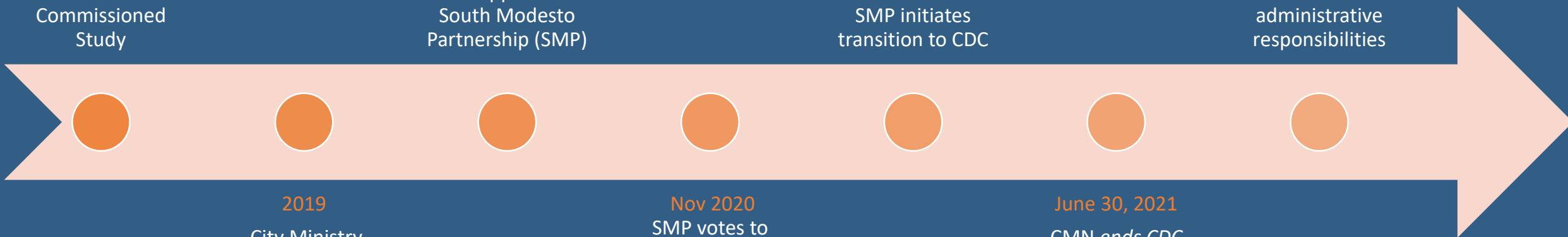
City Ministry  
Network (CMN)  
identified to  
explore/*begin* CDC  
*incubation*

Nov 2020

SMP votes to  
transition to CDC

June 30, 2021

CMN *ends* CDC  
*incubation*



# Community Development Corporation – Local Benefit

- **Pathways to Homeownership**

- Innovative Housing Projects – collaborate with local housing partners to facilitate the development of innovative and cost-effective housing projects
- Partner with CDFIs and other financial institutions to create financial products and services
- Connect low-income families to capital and financial products to purchase affordable homes and accumulate wealth
- Provide technical and administrative support

- **Small Business Development**

- Provide business services to underserved communities (consulting services and access to capital)
- Micro-enterprise development (support and invest in LMI entrepreneurialism as a pathway to self-sufficiency)

# Community Development Corporation – Investment

- **\$1M Investment – Operational Support**

- FY 2021-2022 = \$500k
- FY 2022-2023 = \$350k
- FY 2023-2024 = \$125k
- FY 2024-2025 = \$0
- Substantial number of existing community partnerships
- 7 dedicated staff members with extensive experience
- 16-member Board of Directors

- **\$4M Investment – Development Support**

- Innovative Housing Projects
  - *Support the development of housing units on underutilized private and public properties*
  - *Provide navigation assistance for construction for Accessory Dwelling Units*
  - *Partner with CFDIs to develop loan products and service to support low-income families*
- Attract deeper outside investment in the community



# Community Development Corporation

- **Next Steps**

- Engage in discussions with other private and public partners
- Negotiate agreement with Stanislaus Equity Partners, Inc. to memorialize the terms of the County's \$5 million investment

- **Stanislaus Equity Partners, Inc.**

- **Joe Duran**, Executive Director and Chief Financial Officer
- **Jessica Filbrun**, Director of Resource Development

# Economic Growth/Job Creation (\$30 Million)

- What does it take for our Community to secure a “high performing economy,” enhancing the future quality of life for all residents of Stanislaus County?
  - Alignment of vision and purpose
  - Specific economic development strategies with identified leadership and measurable outcomes
  - Strong public/private partnership
- Many successful examples from other regions
- Unprecedented era of funding opportunities for local governments; need to move quickly

# Economic Growth/Job Creation

- Initial conversations convened by Stanislaus Community Foundation
- Universal interest in pursuing a collaborative approach; many different ideas for how to get there
- Staff recommendation to support up to 50% of the cost (no more than \$500k) for a consulting engagement to deliver a comprehensive public/private economic development strategy
- Strategy will inform potential investments of ARPA funds that will have a direct impact in economic growth and future job creation in Stanislaus County

# Economic Growth/Job Creation

- **Stanislaus Community Foundation**
  - Marian Kannon, President and Chief Executive Officer
- **Beard Land Improvement Company**
  - Dillon Olvera, President and Chief Executive Officer

# Conclusion

- ARPA provides unprecedented resources
- Strategies identified intended to deliver improvements to quality of life for County residents
- Strategies identified would earmark \$90 million
- Balance of ARPA funds for additional consideration after initial development of core funding priorities

## Staff Recommendations

1. Consider Strategic Priorities to designate American Rescue Plan Act (ARPA) funds of \$107 million to develop a spending plan that will support the County's recovery from the economic impacts of the COVID-19 pandemic emergency.
2. Authorize the Chief Executive Officer, or designee, to sign the Treasury's Acceptance of Award Terms in order to accept allocated ARPA funds.
3. Direct staff to negotiate an Agreement or Memorandum of Understanding with Stanislaus Equity Partners, Inc. to memorialize the terms and conditions upon which the County will invest funds to support and expedite the development of the organization and community investment initiatives and return to the Board of Supervisors for final approval.

Questions?