



## COUNTY OF NEVADA COUNTY EXECUTIVE OFFICE

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### NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

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**MEETING DATE:** July 14, 2020

**TO:** Board of Supervisors

**FROM:** County Executive Office

**SUBJECT:** Resolution accepting Coronavirus Relief Funds (CRF) from the State of California pursuant to the applicable provision of subdivision (d) of the Control Section 11.90 of the Budget Act of 2020, approval of the CRF Expenditure Plan, and directing the Auditor-Controller to amend various Fiscal Year 2020/21 Budgets (4/5 affirmative vote required)

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**RECOMMENDATION:** Approve the resolution.

**FUNDING:** The State of California has allocated \$10,004,000 in Coronavirus Relief Funds (CRF) to Nevada County. These funds will be used reimburse the County for costs related to the COVID-19 pandemic and public health response as well as be used to support economic and community resiliency from COVID-19 related hardships. Funds will be spent according to the CRF Expenditure Plan (Expenditure Plan) that is included below. The Expenditure Plan will impact numerous county budgets including the General Fund, Health and Human Services Agency, Sheriff, Office of Emergency Services and Information and General Services. A budget amendment is included in the resolution.

**BACKGROUND:** On March 10, 2020 the Board of Supervisors approved Resolution 20-062 proclaiming a local emergency in Nevada County due to rapid spread of COVID-19 and threat to Nevada County. On March 19, 2020, the Governor of California issued a statewide order requiring all Californians to remain in at their home or place of residence, except as necessary to carry out essential activities.

In response to the COVID-19 public health and economic crisis throughout the country, the federal government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") on March 27, 2020. Included in the \$2 trillion economic relief package, was approximately \$150 billion of CRF monies directed at States, local governments, and Tribal entities for economic and disaster relief. On June 29, 2020, Governor Newsom signed into law

the Budget Act of 2020, which allocated an additional \$1.3 billion of State CRF monies, including \$10 million allocated to Nevada County to be distributed over six months, in equal installments. In addition to allocations to counties, cities were provided separate allocations, including approximate amounts of \$50,000 to Nevada City, \$159,000 to Grass Valley, and \$200,000 to Truckee.

As a requirement of receiving funds, on June 30, 2020 the County Chief Executive Officer designee completed the Certification for Receipt of Funds pursuant to paragraph (2) or (3) of subdivision (d) of Control Section 11.90 of the Budget Act of 2020 including that CRF funds would be expended following certain State and Federal requirements. The certification requirements include those stated in the Budget Act that CRF monies be used to cover only those costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, for the State or local government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. Also required as condition of receipt of funds are: adherence to federal and state health guidance and orders; use of funds as stated in Control Section 11.90 of the Budget Act of 2020; submission to the State of various reports on expenditures and return of unspent funds; and retention of records to support eligible expenses.

Additional guidance on eligible uses of CRF has been provided by the US Treasury department.<sup>1</sup> Eligible expenses include those related to the direct emergency response to address medical and public health needs as well as some expenditures related to the secondary effects, e.g., economic hardships and disruptions. CRF monies cannot be used to replace lost revenues to the County.

County staff has worked through the Budget Subcommittee to recommend the following Expenditure Plan for use of CRF funds. Expenditures necessary to mitigate and respond to COVID-19 are expected to exceed the County's total allocation of CRF funds. As such, the plan includes other funding related to CRF expenditure categories with the expectation that all available funding sources will be leveraged to maximize available new COVID-19 related funding through FEMA, Project Roomkey, California Department of Public Health, and other state and federal funding. The Expenditure Plan includes the following recommendations:

<b>CRF Expenditure Plan</b>			
Item	Est. Total Amount (in Millions)	Funded through CRF	Other Funding Sources [1]
<b>County Response to COVID-19 Impacts:</b>			
Medical and Public Health Expenditures	\$3.43	\$3.03	\$0.40
Other Staffing & Payroll – Covid-19 Related	\$1.19	\$0.67	\$0.52
Emergency Response/Operations	\$3.20	\$2.80	\$0.40
Housing and Homelessness	\$1.37	\$0.50	\$0.87
<b>Subtotal County Response</b>	<b>\$9.19</b>	<b>\$7.00</b>	<b>\$2.19</b>
<b>Economic &amp; Community Resiliency</b>	<b>\$3.00</b>	<b>\$3.00</b>	<b>-</b>
<b>TOTAL</b>	<b>\$12.19</b>	<b>\$10.00</b>	<b>\$2.19</b>

<sup>1</sup> <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>; <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

[1] Includes FEMA and other State revenues including Project Roomkey and Public Health related grant funding programs

\$7 million expenses for County Response to COVID-19

- **Medical and Public Health Expenditures** (\$3.03M) – including expenditures for goods and services and staffing costs: staffing costs (\$1.1M); contact tracing and quarantine/isolation support (\$1.6M); testing facility costs and support; and personal protective equipment (PPE) for the first responders, Public Health, and county-wide government facilities (\$160K); other expenses (\$170K).
- **Emergency Response/Operations** (\$2.80M) – includes goods and services and staffing costs: staffing costs (\$600K); teleworking and remote service delivery capacity, physical barriers, sanitation and other health and safety (\$1.1M); Office of Emergency Services COVID-19 response coordination (\$800K); Jail protective measures (\$200K), and other related costs (\$100K).
- **Other Staffing and Payroll Costs** (\$0.67M) – for staff whose services are “substantially dedicated” to mitigating or responding to the COVID-19 public health emergency;
- **Housing and Homelessness** (\$0.50M) – includes care of homeless populations to mitigate COVID-19 effects as outlined in Nevada County Homeless Plan, housing of homeless populations and to facilitate compliance with public health measures.

\$3 million expenses for Economic & Community Resiliency

\$3 million in CRF funding is recommended as Economic & Community Resiliency related expenditures, to be spent on projects that would: expand community wireless and broadband access; add to funding for the Nevada County Relief Fund activities; and financial assistance to the police departments of Nevada City, Grass Valley, and Truckee. These dollars are recommended to be invested into the community as follows:

Item	Amount (in Millions)
Community Wireless, Emergency Communication & Broadband Accessibility <i>(contingent on compatibility with Federal guidance)</i>	\$0.75 - \$1.00
Nevada County Relief Fund	
Micro Grants to Small Businesses and Non- Profits	\$0.25
Macro Grants for Anchor Institutions/Organizations within the County	\$1.50
Municipal Police Departments	\$0.25 - \$0.50
Total	\$3.00

Grants for small businesses and community organizations would be administered through the processes developed by the Nevada County Relief Fund. These funds will target businesses and community based organizations and non-profits impacted by COVID-19. A new grant program will be developed and administered by the Nevada County Relief Fund to allocate macro grants to anchor institutions/organizations that are critical to maintaining the county’s economic infrastructure. Anchor institutions are enduring organizations that have missions aligned with economic, human and intellectual resources of their communities. They play a vital role in their

communities and economies. For example various research has pointed to arts and cultural organizations as playing such a vital role, and the impact on Nevada County has been documented in the Arts & Economic Prosperity study done by the Nevada County Arts Council in 2019.

The funding for the city police departments within Nevada County, in coordination with the Nevada County Sheriff's department, would create enhanced collaborative alignment to assist in complying with state health orders and other state and federal funding requirements. Specific requirements pertaining to this funding will be outlined in an MOU between the County and recipient agencies, and will be consistent with state certification as described on page 2 above.

The funding for communications and broadband would be administered by the Information and General Services agency, and would be used for projects that can expand telecommute and/or distance-learning capacity countywide, or improve COVID-19 related emergency communications, prior to December 30, 2020. This portion of the plan is contingent upon identification of a viable project that meets state and federal guidance.

If the CRF Expenditure Plan is approved by the Board, the next steps would to be further develop specific projects, agreements and contracts and bring them to the Board for approval. In addition, the County Executive Office will periodically brief the Board on the status and use of the CRF funds and will recommend amendments to the Expenditure Plan as needed.

Given the need for additional funding to address the COVID-19 response by the County as well as needed investment in countywide economic and community support from COVID-19 hardships, we recommend that Board approve this resolution.

Initiated by: Martin Polt, Deputy County Executive Officer  
Approved by: Alison Lehman, County Executive Officer