

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
April 12, 2022
10:30 AM

To: Board of Supervisors

Through: Ann Edwards, County Executive
Bruce Wagstaff, Deputy County Executive, Social Services

From: Emily Halcon, Director of Homeless Initiatives
Ethan Dye, Director, Department of Human Assistance

Subject: Approve Additional Project Recommendations For Housing And Homeless Projects In Phase One Of The American Rescue Plan Act In The Amount Of \$5,856,900; And Approve Staffing Requests In The Amount Of \$2,315,697 To Operationalize Projects In The Department Of Human Assistance

District(s): All

RECOMMENDED ACTION

1. Approve project recommendations for Phase One of the American Rescue Plan Act in the Housing and Homelessness Strategic Investment Area in the amount of \$5,856,900; and
2. Approve request from the Department of Human Assistance (DHA) from the Administration allocation in the amount of \$2,315,697 to fund the staffing necessary to support and administer the projects assigned to DHA.

BACKGROUND

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA) (HR 1319) into law. Funding within ARPA includes \$350 billion for a Coronavirus State and Local Fiscal Recovery Fund (SLFRF). Of this amount, 57% has been allocated to local governments, with \$65.1 billion going directly to counties. Sacramento County's share is approximately \$300 million. Of this amount, approximately \$150 million was received in May 2021, and the remaining \$150 million is scheduled to be received in May 2022.

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All SLFRF allocations must be obligated by December 31, 2024, fully spent by December 31, 2026, and can be spent by counties for purposes that fall within these overall categories:

- Support public health expenditures.
- Address negative economic impacts caused by the public health emergency.
- Replace lost public sector revenue.
- Provide premium pay for essential workers.
- Invest in water, sewer, and broadband infrastructure.

On November 2, 2021, the Board of Supervisors approved three Strategic Investments for the Phase One Funding Allocation across top priority issue areas, as follows:

- Housing and Homelessness: housing and support for people experiencing homelessness, affordable housing.
- Health: COVID-19 response, public health, mental health and substance abuse treatment.
- Economic Response: addressing negative economic impacts to residents, communities, and businesses.

On January 11, 2022, the first set of project recommendations was presented to the Board in each of the priority areas, including six projects totaling \$17,520,000 from the Housing and Homelessness priority area. In addition, as a separate action on March 8, 2022, the Board approved an allocation of \$5,000,000 to support the construction of the Mirasol Village affordable housing development in partnership with the Sacramento Housing and Redevelopment Agency (SHRA).

The table below reflects projects that have been previously approved:

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Previously Approved Projects: Housing and Homelessness

Total Allocation		\$59,538,527
Project Name	Department	Amount
Landlord Engagement and Re-Housing Supports	Office of Homeless Initiatives and Human Assistance	\$10,000,000
Sacramento County Social Health Connect*	Health Services	\$5,000,000
Community Nursing Encampment Unit Pilot	Health Services	\$700,000
Community Nursing Children and Families Unit	Health Services	\$1,500,000
Encampment Management Information Database	Technology	\$160,000
River District Outreach Navigation	Human Assistance	\$160,000
Total Allocated January 11, 2022		\$17,520,000
Mirasol Village Affordable Housing (<i>allocated March 8, 2022</i>)		\$5,000,000
Advance to Economic Response (to be refunded in Phase Two)		\$473,823
Advance to Revenue Replacement for Food Insecurity (to be refunded in Phase Two)		\$3,609,993

Total Remaining Phase One Allocation	\$32,934,711
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* Total project is \$10,000,000 and was funded with \$5,000,000 each from the Housing and Homelessness and Health allocations.

Since these approvals, staff has continued to work with community partners on other projects, focusing on those priorities identified in the January 11th Board letter:

- Housing development projects, including potential Project Homekey projects that will increase permanent affordable housing for people exiting homelessness and for lower income households to help prevent homelessness.
- Funding to support development of new low barrier, housing-focused sheltering programs, including potential partnerships with the cities in the County.
- Funding to support development of the necessary infrastructure to improve access to the homeless system of care, including shelter and housing.

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Today’s recommendation includes an additional four projects totaling \$5,856,900 in funding, as summarized below. Attachment 1 provides a summary of each of the recommended projects.

Recommended Projects: Housing and Homelessness

Total Allocation Available			\$32,934,711
Project Number	Project Name	Department	Amount
1	Water Delivery for Encampments	Health Services	\$150,000
2	Mather Community Campus Master Plan	General Services	\$249,900
3	American River Parkway Sheltering Supports	Human Assistance	\$2,457,000
4	Coordinated Access System Enhancement	Human Assistance and Office of Homeless Initiatives	\$3,000,000
Total Recommended Allocations			\$5,856,900
Total Remaining Phase One Allocation			\$27,077,811

Department of Human Assistance Project Administration

The ARPA Housing and Homelessness projects do not have any eligible funding sources under DHA’s current social services allocations. For these new program projects, and under ARPA reporting guidelines, DHA is requesting new limited-term positions and will redirect certain existing staff to support the fiscal and program management needs. DHA is requesting to use ARPA funds in the amount of \$2,315,697 to administer the projects over the life of the projects, at an estimated annual cost of \$917,686, to be able to support the work efforts, including the salaries, benefits and associated overhead costs. \$1,115,200 of these costs were incorporated into the Landlord Engagement and Re-Housing Supports project, approved by the Board on January 11, 2022; however, after discussion with the Office of Budget and Debt Management, it was determined that it would be more appropriate to allocate all of DHA’s administrative costs to the Administration allocation. Alternatively, these costs could be funded by Net County Cost.

For the approved and recommended projects to be assigned to DHA listed above, DHA is requesting 5.0 FTE new positions and the redirection of a portion of two existing staff (0.7 FTE) utilizing ARPA funding. As part of the Landlord Engagement and Re-Housing Program project funds for staffing, \$1,115,200 was previously approved for the life of the project, at an annual

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estimated cost of \$446,080. The new request from the ARPA Administration funding will cover the remaining estimated cost over the life of the projects in the amount of \$1,200,497, at an estimated annual cost of \$471,606. If approved, the new positions will be included in DHA's FY 2022-23 Requested Budget.

Financial Management Staff:

- 0.3 FTE Accounting Manager (existing staff) to manage and oversee a small finance team, separate from those finance staff who administer the DHA Federal and State regulations for Public Assistance programs. This would allow focus on the overall fiscal ARPA components; with staff responsible for professional accounting and fiscal duties, in support of the ARPA Housing and Homeless program projects;
- 1.0 FTE Senior Accountant (new position) to perform a wide variety of more difficult and complex accounting and fiscal duties;
- 1.0 FTE Accountant to fill an FTE that was previously approved by the Board for the Landlord Engagement and Re-Housing Supports project to perform a wide variety of professional accounting and fiscal duties, establish and maintain accounting records, review, reconcile and analyze accounting and financial transaction records including sub-recipient documents; and
- 1.0 FTE Account Technician (new position) responsible for technical accounting work, reviewing and recording financial transactions and performing technical and supervisory duties.

Program Staff:

These DHA staff will support the projects through contract development and oversight; ensure adherence to ARPA requirements; track and report programmatic activities and outcomes; and coordinate contract actions with other DHA staff, County Purchasing, other Departments, and contractors/service providers.

- 0.4 FTE ASO II (existing staff)
- 1.0 FTE Human Services Program Planner Range B (new)
- 1.0 FTE Human Services Program Planner, Range B to fill a FTE that was previously approved by the Board for the Landlord Engagement and Re-Housing Supports project to support these ARPA projects.

FINANCIAL ANALYSIS

Along with other recommendations approved by the Board, the project recommendations in this Board letter result in a total use of the County's

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ARPA SLFRF funding of \$8,172,597, of which \$501,200 is expected to be spent during FY 2021-22. The FY 2021-22 costs will be absorbed within the Departments' existing appropriations. The remaining appropriations and revenue will be included in the Departments' future year Requested Budgets. SLFRF revenue will offset eligible expenditures, with no net impact to the County's General Fund.

Attachment(s):

ATT 1 – Project Recommendation Summaries