

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: June 15, 2021

**Action Agenda
Item No.** 6-c

SUBJECT: American Rescue Plan Act Funding Allocations

DEPARTMENT: County Manager's Office

ATTACHMENT(S):

1. Incremental Allocation Option
2. Accelerated Allocation Option

INFORMATION CONTACT:

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PURPOSE: To approve an allocation of American Rescue Plan Act (ARPA) funds that the County is designated to receive over two draw down periods.

BACKGROUND: The Federal American Rescue Plan Act (ARPA) provides direct allocations to local governments. Orange County is designated to receive approximately \$28.8 million. The first draw down of approximately \$14.4 million was approved by the Board of Commissioners through a budget amendment on June 1, 2021. The second draw down will occur in twelve (12) months. ARPA funds must be obligated by December 31, 2024 and must be fully expended by December 31, 2026.

The ARPA funds are intended to broadly address the negative impacts of the COVID-19 pandemic on individuals, government agencies, organizations, and small businesses. The Treasury Department has issued interim guidance on the use of ARPA funds for local governments. This guidance establishes five broad categories for potential investments:

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,

5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

The interim guidance also indicates that the funds may be used to support education programs aimed at addressing educational disparities and child care programs that promote healthy childhood environments including:

1. Addressing educational disparities through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
2. Promoting healthy childhood environments, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth

County departments were asked to submit proposals consistent with the interim guidance and the goals established by the Board of Commissioners in prior funding allocations. County departments submitted requests totaling over \$44 million. In addition to these proposals, the Board of Commissioners approved budget amendments for FY2021-22 allocating \$5,320,000 to support a broadband infrastructure project, an economic assistance program for property tax relief, and staffing for the Small Business Center at the Orange County Campus of Durham Technical Community College.

This abstract provides two options for allocating the funds. The first option (**Attachment 1**) takes an incremental approach to funding decisions. It funds the items approved in the FY2021-22 Budget, including \$5.3 million in budget amendments, as well as situations where funding will be required to close FY2020-21 in a positive fund balance position and initiatives that require funding between the date of adoption and November 1, 2021.

This option contemplates another review of funding allocations in September and October which may result in additional allocations during the FY2021-22 fiscal year. In total, this option allocates \$12,366,261 and preserves \$16,473,461 for future funding decisions.

The second option (**Attachment 2**) accelerates funding allocations to provide most funding in the first two years of the plan. This option is limited by cash flow availability in the first year as the County has only accepted approximately \$14.4 million of its total \$28.8 million allocation in FY2021-22. As a result, the broadband infrastructure project is divided over two fiscal years, and funds for emergency housing assistance direct payments are reduced by \$750,000 from the total \$4 million request in the first year and are spread over a span of three years instead of two years.

Over the summer, staff will continue to monitor and review opportunities to use ARPA funding in partnership with other jurisdictions, to leverage outside funding, and to structure other potential funding sources in a way that serves residents with the most appropriate programs while maintaining the County's flexibility to respond and adapt as conditions and needs dictate. For example, some departments are currently aware of potential streams of funding for programs that are also eligible for ARPA expenditures. In an effort to prioritize funding sources and streamline

access to those programs, a team of County department directors will be convening bi-weekly to ensure efficient and user friendly processes.

The Housing and Community Development Department also requested a total of \$4 million annually in direct assistance to households throughout the County. However, during the past year, municipalities have contributed federal funds as well as local funds to help support their residents. This partnership would allow the County to potentially repurpose funds currently designated for emergency housing support. County staff have initiated discussions with Town staff about jointly funding this program, but the Towns may not make final funding recommendations until later in the summer. County staff have also been exploring a cost share framework to support the Street Outreach, Harm Reduction, and Deflection program that would be sustainable in the long run after federal funding is exhausted.

Finally, the County's Broadband Task Force is closely monitoring State and Federal programs where the County's ARPA investments may leverage outside funding support. That group will continue to meet over the summer to recommend a design and implementation approach that can be executed swiftly and can leverage those outside funding partnerships.

FINANCIAL IMPACT: The County is designated to receive a total of \$28,839,722 in American Rescue Plan Act funds. One half of the funds have already been drawn down while the remaining half will be available in twelve months.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goals are applicable to this item:

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.
- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**
The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

ENVIRONMENTAL IMPACT: There is no Orange County Environmental Responsibility Goal impact associated with this item.

RECOMMENDATION(S): The Manager recommends the Board approve an allocation of American Rescue Plan Act funds to be distributed for use upon adoption of this abstract. *Options 1 and 2 (attached) offer suggestions for that allocation.*

Once a final spending plan is adopted, the Manager also recommends that the Board receive quarterly reports on the status and rate of expenditure as well as any new or emerging needs so that the Board may make adjustments to the spending plan in the future.

Attachment 1

ARPA Plan for Incremental Spending

<i>Preserves \$16,473,461 for Future Allocation</i>

Community Supports	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	
Continuation of expanded lunch program	FY2021-22 Budget				\$ -	Funded in FY2021-22 Budget
SOHRAD Funding	\$ 160,000				\$ 160,000	Grant funding ends in October
Crisis/Diversion Facility Planning					\$ -	RFP can proceed without funding
National Deflection Training Conference	\$ 11,200				\$ 11,200	Discounted summer registration
.5 FTE Grants Admin position in the CJRD	FY2021-22 Budget				\$ -	Funded in FY2021-22 Budget
Community Think Tanks / Food Policy Agenda - Food Council					\$ -	Need to confirm partnership
Community Food Baseline Assessment - Food Council					\$ -	Need to confirm partnership
Continuation of Language Access Services	FY2021-22 Budget				\$ -	Funded in FY2021-22 Budget
WIFI for Library checkout to maintain collection	\$ 12,000				\$ 12,000	Funds four (4) months of service
TOTAL	\$ 183,200	\$ -	\$ -	\$ -	\$ 183,200	

Employment and Child Care	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	
Subsidized employment					\$ -	Use FY2021-22 base budget first
Computer loan program for employment participants					\$ -	Use FY2021-22 base budget first
Support for low wage workers					\$ -	Use FY2021-22 base budget first
Child care support for families: parent fees					\$ -	Use FY2021-22 base budget first
Child care support for families: 50 additional families					\$ -	Use FY2021-22 base budget first
Increase youth enhancement fund	\$ 25,000				\$ 25,000	Provide funding for summer activities
Stabilization program for former foster youth					\$ -	Use FY2021-22 base budget first
TOTAL	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	

Eviction Diversion and Housing Supports	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	Notes
Direct EHA Program Expenditures - rental assistance, utility assistance, etc.	\$ 1,300,000				\$ 1,300,000	Four months of full funding
Admin (Personnel) - EHA and Housing Helpline Temp Staff	FY2021-22 Budget				\$ -	Funded in FY2021-22 Budget
Admin (Personnel) - EHA Coordinator	FY2021-22 Budget				\$ -	Funded in FY2021-22 Budget
Replenish funds in locally-funded urgent repair program	FY2021-22 Budget				\$ -	Funded in FY2021-22 Budget
Internet hotspots (10 devices plus service for 12 months) - Partnership					\$ -	Need to confirm partnership

Homeless Programs Coordinator - Partnership to End Homelessness	FY2021-22 Budget							\$ -	Funded in FY2021-22 Budget
Housing Locator - Partnership to End Homelessness	\$ 28,810							\$ 28,810	43% County
Eviction Diversion Program Staffing	FY2021-22 Budget							\$ -	Funded in FY2021-22 Budget
Eviction Diversion Program Backup Attorney								\$ -	Use pro bono attorney if necessary
TOTAL	\$ 1,328,810	\$ -	\$ 1,328,810						

Recovery Supports	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	
"Restart the Arts" Grants for cultural organizations					\$ -	May receive State funds
Small Business Recovery Grant Program					\$ -	Delay for Fall review
Recovery cost-share grants for food businesses					\$ -	Delay for Fall review
Tourism and Hospitality Recovery	FY2021-22 Budget				\$ -	Funded in FY2021-22 Budget
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	

Response and Resilience	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	
Replace temporary facility modifications with permanent modifications	\$ 51,136				\$ 51,136	Work will commence during summer
Powered Air Purifying Respirators (PAPRS) - Emergency Medical Services					\$ -	Delay for Fall review
Information Technology Infrastructure and Fiber Connectivity	\$ 674,629				\$ 674,629	Equipment will be purchased over summer
Countywide Multi-Factor Authentication Security Initiative	\$ 150,000				\$ 150,000	Software will be purchased over summer
TOTAL	\$ 875,765	\$ -	\$ -	\$ -	\$ 875,765	

Revenue Replacement	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	
Arts Commission FY21-22 Budget Deficit	\$ 16,000				\$ 16,000	Revenue Replacement
Arts Commission FY22-23 Budget Deficit					\$ -	Delay for Fall review
Sportsplex Revenue Replacement for FY2020-21	\$ 790,000				\$ 790,000	Need to prevent fund deficit in FY2020-21
Visitors Bureau Revenue Replacement for FY2020-21	\$ 560,000				\$ 560,000	Need to prevent fund deficit in FY2020-21
TOTAL	\$ 1,366,000	\$ -	\$ -	\$ -	\$ 1,366,000	

Budget Amendments	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	
Create a Countywide Economic Assistance Fund	\$ 250,000				\$ 250,000	Full Request
Durham Technical Community College for Small Business Center	\$ 70,000				\$ 70,000	Full Request
Broadband Infrastructure Design and Implementation	\$ 5,000,000				\$ 5,000,000	Full Request
TOTAL	\$ 5,320,000	\$ -	\$ -	\$ -	\$ 5,320,000	

TOTAL Recommended Requests	\$	9,098,775	\$	-	\$	-	\$	-	\$	9,098,775
FY21-22 Recommended Budget ARPA	\$	3,267,486					\$		\$	3,267,486
Outside Agencies		FY2021-22 Budget					\$			-
GRAND TOTAL	\$	12,366,261	\$	-	\$	-	\$	-	\$	12,366,261
							\$	28,839,722		Total ARPA Allocation
							\$	16,473,461		Balance

Attachment 2

ARPA Plan for Accelerated Spending

All Funding Allocated

Community Supports	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	
Continuation of expanded lunch program	FY2021-22 Budget	\$ 119,229			\$ 119,229	Two Years at Full Request
SOHRAD Funding	\$ 160,000	\$ 250,000			\$ 410,000	Two Years at Full Request
Crisis/Diversion Facility Planning	\$ 40,000				\$ 40,000	One Time
National Deflection Training Conference	\$ 11,200				\$ 11,200	One Time
.5 FTE Grants Admin position in the CJRD	FY2021-22 Budget	\$ 40,000			\$ 40,000	Two Years
Community Think Tanks / Food Policy Agenda - Food Council		\$ 6,880			\$ 6,880	One Time - 43% County
Community Food Baseline Assessment - Food Council		\$ 2,150			\$ 2,150	One Time - 43% County
Continuation of Language Access Services	FY2021-22 Budget	\$ 15,000			\$ 15,000	Two Years at Full Request
WiFi for Library checkout to maintain collection	\$ 35,000	\$ 35,000			\$ 70,000	Two Years at Full Request
TOTAL	\$ 246,200	\$ 468,259	\$ -	\$ -	\$ 714,459	

Employment and Child Care	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	
Subsidized employment	\$ 288,000	\$ 328,718			\$ 616,718	Full Request Accelerated
Computer loan program for employment participants	\$ 25,000				\$ 25,000	Full Request Accelerated
Support for low wage workers	\$ 25,000	\$ 25,000			\$ 50,000	Full Request Accelerated
Child care support for families: parent fees	\$ 600,000				\$ 600,000	Full Request Accelerated
Child care support for families: 50 additional families	\$ 540,000	\$ 450,000			\$ 990,000	Full Request Accelerated
Increase youth enhancement fund	\$ 50,000	\$ 25,000			\$ 75,000	Full Request Accelerated
Stabilization program for former foster youth	\$ 10,000	\$ 10,000			\$ 20,000	Full Request Accelerated
TOTAL	\$ 1,538,000	\$ 838,718	\$ -	\$ -	\$ 2,376,718	

Eviction Diversion and Housing Supports	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL	Notes
Direct EHA Program Expenditures - rental assistance, utility assistance, etc.	\$ 3,250,000	\$ 4,000,000	\$ 4,000,000		\$ 11,250,000	Two Years at Full Request
Admin (Personnel) - EHA and Housing Helpline Temp Staff	FY2021-22 Budget	\$ 295,564			\$ 295,564	Two Years at Full Request
Admin (Personnel) - EHA Coordinator	FY2021-22 Budget	\$ 71,056			\$ 71,056	Two Years at Full Request
Replenish funds in locally-funded urgent repair program	FY2021-22 Budget				\$ -	One Year at Full Request
Internet hotspots (10 devices plus service for 12 months) - Partnership	\$ 4,400	\$ -			\$ 4,400	One Time - 43% County

Homeless Programs Coordinator - Partnership to End Homelessness	Grant Funded FY2021-22	\$	22,790			\$	22,790	Two Years at Full Request			
Housing Locator - Partnership to End Homelessness		\$	28,810	\$	28,810		\$	57,620	Two Years at Full Request		
Eviction Diversion Program Staffing	FY2021-22 Budget	\$	170,000			\$	170,000	Two Years at Full Request			
Eviction Diversion Program Backup Attorney		\$	35,000	\$	35,000		\$	70,000	Two Years at Full Request		
TOTAL		\$	3,318,210	\$	4,623,220	\$	4,000,000	\$	-	\$	11,941,430

Recovery Supports	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL						
"Restart the Arts" Grants for cultural organizations	\$	100,000			\$	100,000	Full Request				
Art on the Hill Program		\$	50,000		\$	50,000	Full Request				
Small Business Recovery Grant Program	\$	500,000	\$	250,000	\$	-	\$	-	\$	750,000	One Year at Full Request
Recovery cost-share grants for food businesses	\$	100,000	\$	80,000	\$	-	\$	-	\$	180,000	One Year at Full Request
Tourism and Hospitality Recovery	FY2021-22 Budget				\$	-			\$	-	One Year at Full Request
TOTAL	\$	700,000	\$	380,000	\$	-	\$	-	\$	1,080,000	

Response and Resilience	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL						
Replace temporary facility modifications with permanent modifications	\$	171,000	\$	-	\$	171,000	One time expense				
Powered Air Purifying Respirators (PAPRS) - Emergency Medical Services	\$	124,000	\$	-	\$	-	\$	-	\$	124,000	One time expense
Information Technology Infrastructure and Fiber Connectivity	\$	674,629	\$	-	\$	-	\$	-	\$	674,629	One time expense
Countywide Multi-Factor Authentication Security Initiative	\$	150,000	\$	-	\$	-	\$	-	\$	150,000	One time expense
TOTAL	\$	1,119,629	\$	-	\$	-	\$	-	\$	1,119,629	

Revenue Replacement	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL					
Arts Commission FY21-22 Budget Deficit	\$	16,000			\$	16,000	Revenue Replacement			
Arts Commission FY22-23 Budget Deficit		\$	54,000		\$	54,000	Revenue Replacement			
Sportsplex Revenue Replacement for FY2020-21	\$	790,000			\$	790,000	Need to prevent fund deficit in FY2020-21			
Visitors Bureau Revenue Replacement for FY2020-21	\$	560,000			\$	560,000	Need to prevent fund deficit in FY2020-21			
TOTAL	\$	1,366,000	\$	54,000	\$	-	\$	-	\$	1,420,000

Budget Amendments	FY2021-22	FY2022-23	FY2023-24	FY2024-25	TOTAL		
Create a Countywide Economic Assistance Fund	\$	250,000			\$	250,000	Full Request
Durham Technical Community College for Small Business Center	\$	70,000			\$	70,000	Full Request
Broadband Infrastructure Design and Implementation	\$	2,500,000	\$	2,500,000	\$	5,000,000	Full Request
TOTAL	\$	2,820,000	\$	2,500,000	\$	5,320,000	

TOTAL Recommended Requests	\$	11,108,039	\$	8,864,197	\$	4,000,000	\$	-	\$	23,972,236	
FY21-22 Recommended Budget ARPA	\$	3,267,486							\$	3,267,486	
Outside Agencies			FY2021-22 Budget	\$	1,600,000				\$	1,600,000	Two Years
GRAND TOTAL	\$	14,375,525	\$	10,464,197	\$	4,000,000	\$	-	\$	28,839,722	
									\$	28,839,722	Total Available
									\$	-	Balance