

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.3
(ID # 23660)

MEETING DATE:

FROM : BOS DISTRICT 5:

Tuesday, November 28, 2023

SUBJECT: BOS DISTRICT 5: Approve the Fifth District American Rescue Plan Act (ARPA) Fund allocation to the Department of Housing and Workforce Solutions (HWS) for the Riverside County Nonprofit Assistance Fund (RCNAF), District 5. [\$1,000,000 - 100% American Rescue Plan Act (ARPA) Funding.]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Allocation of \$1,000,000 in federal funding under the American Rescue Plan Act (ARPA) from the Fifth Supervisorial District to the Department of Housing and Workforce Solutions (HWS), to directly address the negative economic impacts of the pandemic on nonprofits and to support economic recovery efforts of the nonprofit sector located within the County of Riverside's Fifth Supervisorial District;
2. Authorize and Direct HWS to initiate work on the Riverside County Nonprofit Assistance Fund (RCNAF) with Inland Southern California 211+, a Subsidiary of Inland Southern California United Way (ISCUW), to establish ISCUW as an Intermediary Agency of the District 5 RCNAF allocation for a total amount of \$1,000,000 for contract execution through June 30, 2024; and
3. Authorize the Director of HWS, or designee, to administer the RCNAF and take all necessary steps to implement the Subrecipient's Agreements, including but not limited to negotiating, approving, and executing amendments to the Subrecipient's Agreements and subsequent essential and relevant documents to increase and accept additional ARPA funding, subject to the approval as form by County Counsel.

ACTION:Policy

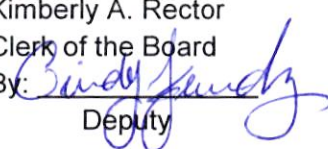

Supervisor Yxstian Gutierrez 11/22/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington and Perez and Gutierrez
Nays: None
Absent: None
Date: November 28, 2023
xc: BOS-Dist. 5, HWS

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Federal ARPA Funding			Budget Adjustment:	No
			For Fiscal Year:	2023/2024

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

On March 11, 2021, President Biden signed into law a \$1.9 trillion economic stimulus bill also known as the COVID-19 Stimulus Package or the American Rescue Plan Act (ARPA). ARPA includes \$362 billion in Coronavirus State and Local Fiscal Recovery Funds (ARPA Fiscal Recovery Funds) for the eligible state, local, territorial, and tribal governments. These ARPA Fiscal Recovery Funds can be utilized for four categories of eligible uses:

1. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
3. For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure

Riverside County's share of the ARPA funding was estimated to be \$479 million, of which the first installment of \$239,937,299 was received on May 10, 2021. Funds must be obligated by December 31, 2024, and are to be expended by December 31, 2026.

On April 27, 2021 (Minute Order 3.5), the Executive Office presented the Board of Supervisors with a preliminary ARPA funding allocation and on October 19, 2021 (Minute Order 3.5), presented a revised funding allocation after the U.S. Treasury released the ARPA interim funding guidelines. The funding allocation obligates funds to seven (7) categories: Infrastructure, Housing and Homelessness, Economic Recovery, County Departments Response, Nonprofit Assistance, Child Care, and Revenue Backfill.

On July 26, 2022 (Minute Order 3.20) the Board of Supervisors approved HWS to move forward with issuing a Request for Proposals (RFP) to identify an intermediary agency (or agencies) to serve as the lead agency to coordinate the countywide competitive grant application process and to provide grants in support of two primary categories of funding assistance that will achieve

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Direct Financial Support and Assistance and Programmatic Funding. A third category was also established for nonprofits needing technical assistance.

On May 2, 2023 (Minute Order 3.20) the Board of Supervisors approved Subrecipient Agreement No. HWS-0004831 and established Inland Southern California 211+, a Subsidiary of Inland Southern California United Way (ISCUW), as the intermediary agency for Direct Financial Support and Assistance Fund.

The Direct Financial Support and Assistance Funding category was established to continue the County's efforts to strengthen, expand, and support the local nonprofit sector located in the Fifth Supervisorial District to amplify their philanthropic roles which have played a critical role in the pandemic response.

Funding Framework:

Nonprofits have faced significant challenges due to the pandemic's increased demand for services and changing operational needs, as well as declines in revenue sources such as donations and fees. This category of assistance is specifically designed to address negatively or disproportionately impacted non-profit organizations located within District 5 under the following criteria:

- a. *Impacted Nonprofits*
 - i. Decreased revenue (e.g., from donations and fees)
 - ii. Financial insecurity
 - iii. Increased costs (e.g., uncompensated increases in service needs)
 - iv. Capacity to weather financial hardship
 - v. Challenges covering payroll, rent, or mortgage, and other operating costs
- b. *Disproportionately Impacted Nonprofits*
 - i. Nonprofits operating in Qualified Census Tracts: Qualified Census Tracts (QCTs) are areas where 50% or more of the households have incomes below 60% of the area median income, or where the poverty rate is 25% or higher. Section 42 of the Internal Revenue Code defines them and further restricts the total population of designated QCTs to 20% of area population. The HUD website offers a [QCT Table Generator](#).

Grants provided under this category will assist impacted nonprofits recover from pandemic impacts and will help build nonprofit capacity. The anticipated grant level is \$25,000 - \$50,000 per nonprofit to be awarded.

The goals are to: a) Financially assist nonprofits with immediate financial stabilization needs resulting from the pandemic's public health and negative economic impacts, and b) Improve long-term financial stability by increasing organizational readiness and alignment with future philanthropic funding. ISCUW will administer the application, grant payments, and reporting.

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The objective of this funding initiative is to provide Direct Financial Support to nonprofit organizations located in the Fifth Supervisorial District in Riverside County. To be eligible, qualified nonprofit organizations must not have previously been awarded grants through the Riverside County Nonprofit Assistance Fund. This funding aims to empower nonprofit organization located within the Fifth Supervisorial District to continue their mission of addressing critical, social, and economic challenges.

HWS will monitor the performance of ISCUW as the subrecipient against goals and performance standards as provided in Amendment No. 1 to Subrecipient Agreement No. HWS-0004831.

Eligibility Criteria

1. Nonprofit organization(s) must be physically located within Riverside County District 5;
2. Nonprofit organization(s) must be a 501(c)(3) or 501(c)(19);
3. Organization(s) must have not been previously awarded through the Riverside County Nonprofit Assistance Fund;
4. Nonprofit organization(s) must demonstrate a fiscal impact as a result of the COVID-19 Pandemic;
5. Nonprofit organization(s) must be in good standing with the IRS and the State of California Attorney General's Office; and
6. Nonprofit organization(s) must showcase how the funding will be utilized to address critical needs within the district.

Application Process

Nonprofit organizations interested in applying for the Direct Financial Support Funding must submit a comprehensive application that outlines their mission, objective, and previous community impact. The application should clearly articulate how the funding will be utilized to address critical needs within the Fifth Supervisorial District. Nonprofits must also provide financial statements, budget plans, and any other relevant documentation that showcases their financial stability and accountability. The application process will be open for a specific period, during which nonprofits can submit their applications online through a designated online platform. The applications then will be reviewed and evaluated by a panel comprised of community leaders, experts, and representatives from the Fifth District of Riverside County.

The purpose of this funding initiative is to provide a fair and equitable opportunity for nonprofits located in the Fifth Supervisorial District that were not awarded through the Riverside County Nonprofits Assistance Fund. Through this funding, nonprofits will be empowered to address critical needs within the district, fostering positive change and community development. The selection process will be rigorous and transparent, ensuring that the awarded organization have the capacity to effectively utilize the funds and maximize their impact.

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Monitoring and Reporting

Awarded nonprofits will be required to submit progress reports at regular intervals detailing the utilization of funds and the impact achieved. Monitoring visits may be conducted to ensure compliance and effective utilizations of funds. Nonprofits will be encouraged to share success stories, case studies, and testimonials, showcasing the positive outcomes resulting from the funding.

Impact on Citizens and Businesses

The proposed Direct Financial Support funding program will utilize American Rescue Plan Act funding to mobilize the nonprofit sector in addressing the needs of disproportionately impacted communities within the Fifth Supervisorial District. Nonprofits in these regions specialize in providing key social assistance services to historically low-income and underserved residents. Revitalizing these nonprofits will renew economic stability to key partnering agencies, small local businesses, and other employers which were negatively impacted by the pandemic.

Additional Fiscal Information

The full cost of this project is \$1,000,000 to be allocated to District 5 of Riverside County. This project is strictly funded with American Rescue Plan Act (ARPA) funds.

ATTACHMENTS

Prev.Agn.Ref.: (07/26/2022; 3.20)
(05/02/2023; 3.20)


Stephanie Perez, Deputy Director of Admin. Services 11/22/2023