



**County Administrative Office
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: July 14, 2020 - Revised

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
CONTACT PERSON: Paul Guerrero PHONE: 559-636-5005		

SUBJECT: Approve the County of Tulare CARES Act Funding Plan for Federal Coronavirus Aid, Relief, and Economic Security Act funds

REQUEST(S):

That the Board of Supervisors:

1. Approve the County of Tulare CARES Act Funding Plan for initial usage of \$48,938,000 of the Coronavirus Aid, Relief, and Economic Security Act funds due to the Coronavirus Disease 2019 public health emergency for necessary expenditures incurred and all budgetary and accounting transactions necessary to process associated transfers and reimbursements to cover costs for Fiscal Years 2019/20 and 2020/21 as determined by the County Administrative Officer with Auditor-Controller concurrence.
2. Review and provide direction to staff regarding the COVID-19 Business Assistance Program Guidelines to provide \$5 million in grants to small businesses for the implementation of COVID-19 health and safety measures.
3. Direct the County Administrative Officer to provide a final CARES Act Expenditure Report.
4. Approve the necessary budget adjustments per the attached AUD 308 (4/5ths vote required).

SUBJECT: Approve the County of Tulare CARES Act Funding Plan for Federal Coronavirus Aid, Relief, and Economic Security Act funds

DATE: July 14, 2020

SUMMARY:

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. This legislation authorizes more than \$2 trillion to combat the Coronavirus Disease 2019 (COVID-19) and its economic effects, including cash relief for individual citizens, loan programs for small business, support for hospitals, other medical providers, schools, and various types of economic relief for impacted businesses and industries.

The CARES Act established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion to the fund. Under the CARES Act, the CRF is to be used to make payments for specified uses to states and certain local governments (counties and municipal governments) with populations of over 500,000. Tulare County did not receive initial CRF funding because its population is under 500,000. However, within the Governor's Enacted Budget, the County was allocated approximately \$48.9 million of the State's funding for COVID-19 expenditures, impacts, and effects with respect to the public emergency. The County has submitted its Certification Form to the California Department of Finance, meeting the July 10, 2020 deadline, and anticipates receiving the allocated funding by July 30, 2020.

Eligible Uses of CARES Act Funding

In accordance with the CARES Act, CRF funds are to address actions necessary to directly respond to the public health emergency with respect to the COVID-19, such as, expenditures addressing medical or public health needs, as well as second-order effects of the emergency, such as, providing economic support to those suffering from employment or business interruptions due to COVID-19 related business closures. CRF payments cannot be used to cover revenue loss resulting from the COVID-19 pandemic. The statute also specifies that expenditures using CRF payments must be "necessary." The Department of the Treasury understands this term broadly to mean that an expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending CRF payments.

The CARES Act specifies that payments from the CRF may only be used to cover 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 (the date of enactment of the CARES Act) for the State or government; and
3. Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

The U.S. Treasury issued initial guidance regarding the eligible uses for CRF on April 22, 2020, which continues to evolve, and has issued updates on CRF

SUBJECT: Approve the County of Tulare CARES Act Funding Plan for Federal Coronavirus Aid, Relief, and Economic Security Act funds

DATE: July 14, 2020

Frequently Asked Questions (FAQ) documents.

County of Tulare CARES Act Funding Plan

The County's use of \$48,938,000 CARES Act funds for the public health emergency are deemed necessary to respond and mitigate the effects of the COVID-19 pandemic and have been summarized in the proposed County of Tulare CARES Act Funding Plan. The Plan includes guiding principles set forth by the County Administrative Officer for the use of CARES Act funds and allocates funding into the following categories:

1. Local Government Support: \$29.8 million
To modify Countywide facilities and operations in response to COVID-19.
2. Community Investment: \$14.1 million
To provide economic relief to vulnerable members of the community that have been impacted by COVID-19.
3. Contingency: \$5 million
To provide for unforeseen expenditures or impacts caused by COVID-19.

This initial funding plan will likely change as more information becomes available from the U.S. Treasury and the State of California.

In order to set up the appropriate budgetary and accounting mechanism to transfer funds from CRF for utilization, the budgetary actions listed on the attached AUD 308 are necessary. The Auditor has also set up a Special Revenue Fund where CRF monies will be deposited and account for qualifying expenses.

COVID-19 Business Assistance Program

The proposed Community Investment allocation of \$14.1 million the County's CARES Act Funding Plan includes \$5.5 million to support local small businesses through the COVID-19 Business Assistance Program. It is proposed that this program would be administered by the Workforce Investment Board (WIB), and would provide Tulare County small businesses with up to \$5,000 in grant funding for the reimbursement of eligible COVID-19-related operating expenses incurred March 19, 2020 through September 30, 2020 to cover expenses related to implementing COVID-19 health and safety measures within business.

Eligible uses of grant funds would include rent payments, utility costs, cleaning supply and disinfectant costs, personal protective equipment costs, social-distancing-reconfiguration costs, and costs associated with limiting cash-handling. The proposed program guidelines are located in Attachment C. It is requested that the Board provide direction to staff regarding possible modifications to the proposed guidelines.

SUBJECT: Approve the County of Tulare CARES Act Funding Plan for Federal Coronavirus Aid, Relief, and Economic Security Act funds

DATE: July 14, 2020

The program will distribute \$5 million as direct grants to small businesses, and \$500,000 will be set aside for administrative costs to WIB. Staff intend to return to the Board with an agreement between the County and WIB for the administration of this program.

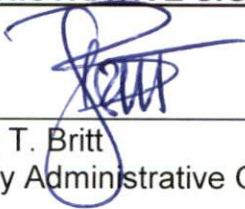
FISCAL IMPACT/FINANCING:

All necessary expenditures incurred by Tulare County due to the COVID-19 Pandemic will be covered up to the \$48.9 million CARES Act funding the County is allocated to receive for Fiscal Years (FY) 2019/20 and 2020/21. Departments that have eligible incurred expenses in FY 2019/20 will set up a revenue accrual for CARES Act funding reimbursement. The remaining CARES Act funding is identified in the attached AUD 308 budget adjustment which distributes funds for FY 2020/21 COVID-19 eligible expenses. The CAO recommends centralizing the initial distribution of funds to a select few County departments for ease of administration and rapid deployment of funds, initial departments consist of: Health & Human Services Agency, Information and Communications Technology, Capital Projects, Purchasing, and Workforce Investment Board and are reflected in the AUD 308 budget adjustment form. There is no Net County Cost to the General Fund.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The County's five-year strategic plan includes the Safety and Security Initiative to provide for the safety and security of the public. The approval of the County of Tulare CARES Act Funding Plan for CRF funding addresses impacts, mitigations, emergency preparedness, responses, and effects caused by the public health emergency with respect to COVID-19.

ADMINISTRATIVE SIGN-OFF:



Jason T. Britt
County Administrative Officer

cc: County Administrative Office

Attachment(s):

A - County of Tulare CARES Act Funding Plan

B - AUD 308

C - COVID-19 Business Assistance Program Guidelines

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF APPROVE THE)
COUNTY OF TULARE CARES ACT) Resolution No. _____
FUNDING PLAN FOR FEDERAL)
CORONAVIRUS AID, RELIEF, AND)
ECONOMIC SECURITY ACT FUNDS)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

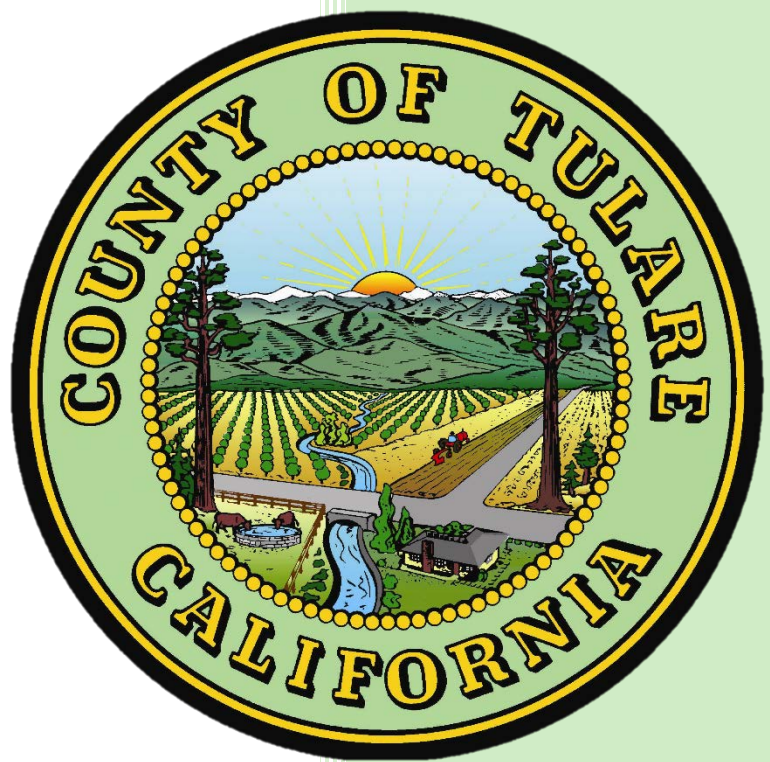
* * * * *

That the Board of Supervisors:

1. Approved the County of Tulare CARES Act Funding Plan for initial usage of \$48,938,000 of the Coronavirus Aid, Relief, and Economic Security Act funds due to the Coronavirus Disease 2019 public health emergency for necessary expenditures incurred and all budgetary and accounting transactions necessary to process associated transfers and reimbursements to cover costs for Fiscal Years 2019/20 and 2020/21 as determined by the County Administrative Officer with Auditor-Controller concurrence.
2. Reviewed and provided direction to staff regarding the COVID-19 Business Assistance Program Guidelines to provide \$5 million in grants to small businesses for the implementation of COVID-19 health and safety measures.
3. Directed the County Administrative Officer to Provide a final CARES Act Expenditure Report.

4. Approved the necessary budget adjustments per the attached AUD 308 (4/5ths vote required).

County of Tulare CARES Act Funding Plan



County Administrative Office

7/14/2020



COUNTY OF TULARE CARES ACT FUNDING PLAN

July 14, 2020

BACKGROUND

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The legislation authorized more than \$2 trillion to combat the Coronavirus Disease 2019 (COVID-19) and its economic effects. The CARES Act also established the Coronavirus Relief Fund (CRF) and appropriated \$150 billion for payments to States and local governments. Within the Governor's Enacted Budget, Tulare County was allocated approximately \$48.9 million in CARES Act CRF funding for COVID-19 expenditures, impacts, and effects with respect to the public emergency.

The following CARES Act Funding Plan outlines the County's proposed use of its \$48.9 million allocation. The amounts stated in each category may be subject to modifications based on operational needs in the COVID-19 pandemic response, as determined by the CAO with Auditor-Controller concurrence; however, the County intends to utilize and allocate these funds in the following categories: local government support, community investment, and an unallocated contingency for unforeseen expenses or changes under the CARES Act rules. The CAO will allocate specific amounts towards Board-approved categories to meet COVID-19 response in an expedited fashion.

GUIDING PRINCIPLES

The County Administrative Officer recommends the following guiding principles in defining Tulare County's strategy for utilizing CARES Act funds. These guiding principles and funding plan address impacts, provide mitigations, enhance emergency preparedness and responses, and reduce effects caused by the public health emergency of COVID-19.

1. CRF funds are intended to address COVID-19 related public health and safety while building resilience and fostering economic stability for County residents, employees, community-based organizations, and businesses.
2. Ensure compliance with applicable law and regulations relating to the expenditure of such funds.
3. Allocate funds for one-time uses that avoid ongoing obligations for the County.
4. Use existing procurement and other County processes where possible to expedite distribution and avoid duplicated administrative burdens.
5. Support County services to soften the economic impact and effects of the COVID-19 pandemic on County residents.
6. Fund programs and/or grants that reduce the burden on residents and businesses from the economic impacts of COVID-19 to the extent possible.
7. The CARES Act provides that payments from the CRF may only be used to cover costs that are:
 - a. Necessary expenditures incurred due to response and mitigation of the COVID-19 public health emergency.



COUNTY OF TULARE CARES ACT FUNDING PLAN

July 14, 2020

- b. Not accounted for in the budget most recently approved as of March 27, 2020, for County of Tulare.
 - c. Were costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
8. The County is required to agree to all of the following conditions as a receipt of funding:
- a. Adhere to federal guidance and the State's stay-at-home requirements and other health requirements as directed in gubernatorial Executive Order N-33-20, any subsequent Executive Orders or statutes, and all California Department of Public Health orders, directives, and guidance in response to COVID-19 emergency.
 - b. Use the funds in accordance with all applicable provisions of subdivision (d) of Control Section 11.90 of the Budget Act of 2020.
 - c. Report on expenditures and summarize regional collaboration and non-duplication of efforts within the region by September 1, 2020, and return any funds that are unspent by October 30, 2020 (unless extended by the Department of Finance based on reported expenditures to date), and repay the state for any costs disallowed after federal review.
 - d. Retain records to support reported COVID-19 eligible expenditures and participate in audits as outlined by the federal government and State.

CARES ACT FUNDING PLAN

1. PROPOSED LOCAL GOVERNMENT SUPPORT: \$29,838,000

The stated amount may be subject to change based on operational needs for COVID-19 pandemic response as determined by the CAO.

Countywide expenditures incurred due to COVID-19 in FY 2019/20 since March 1, 2020 through June 30, 2020. Other eligible expenses related to response and mitigation of COVID-19 from July 1, 2020 through December 30, 2020.

- **Salary and Benefit Costs**
Reimburse or cover costs of salaries and benefits of employees who are dedicated to "substantially dedicated to responding to or mitigating the COVID-19 public health emergency".
- **Retrofit County Facilities**
GSA will select County facilities to be retrofitted with touchless restroom fixtures, physical changes to accommodate social distancing, barriers for public counters, sanitizing dispensers in lobbies, signage, and other improvements to create a safer environment for County employees and Tulare County residents who visit County buildings.



COUNTY OF TULARE CARES ACT FUNDING PLAN

July 14, 2020

- **Telework Technology Upgrade**
TCiCT will work to expand and improve the capability of the County's technology infrastructure, networks, platforms and employee devices to telework and enhance their ability to provide quality service to residents.
- **Personal Protective Equipment (PPE) and Disinfectants Procurement**
GSA Purchasing will oversee the centralized procurement of PPE and sanitizing disinfectants for County needs.
- **Mobile COVID-19 Testing and Health Screening**
HHSA will partner with community health care clinics or hospitals to provide mobile testing and health screening units particularly in the unincorporated areas of the County.
- **Expanded services due to COVID-19**
Cover increased costs of services or programs administered through HHSA as a result of the impacts and effects of COVID-19.
- **Expand Testing Capability and Contact Tracing**
HHSA will expand testing capability and contact tracing capacity through December 30, 2020.
- **Other Eligible Countywide Expenses**
Other eligible countywide expenses related to response and mitigation of COVID-19 as determined by the CAO.

2. PROPOSED COMMUNITY INVESTMENT: \$14,100,000

The stated amount may be subject to change based on operational needs for COVID-19 pandemic response as determined by the CAO.

Community investment expenditures due to COVID-19 in FY 2020/21.

- **Small Business Support: \$5,500,000**
Support local small business impacted by COVID-19 pandemic through a COVID-19 Business Assistance Program administered by the Workforce Investment Board.
- **Health Care Support**
Reimbursement for unexpected costs due to COVID-19 and other potential operational costs for COVID-19 patient surge capacity, testing, isolation units, and alternative care sites, administered by HHSA.
- **Rental and Utility Assistance Program**
HHSA will partner with community-based organizations to administer a program to assist with rent and utilities for families impacted by COVID-19.



COUNTY OF TULARE CARES ACT FUNDING PLAN

July 14, 2020

- **Food Assistance**
HHSA will administer funding to community-based organizations to assist with food bank purchases and delivery for families impacted by COVID-19, senior citizens and other vulnerable populations.
- **Homeless Transitional Housing**
The County will explore purchasing hotels/motels for transitional housing for people experiencing homelessness in the COVID-19 environment. Other federal funding may be available to rehabilitate these facilities for long-term use after the pandemic.
- **Local Chamber of Commerce Educational Support**
HHSA will partner with the Chambers of Commerce to conduct outreach, educate and assist local businesses in following State issued industry guidelines to operate safely during the COVID-19 public health emergency.
- **Upgrade and Rehabilitate Parks**
GSA will rehabilitate County owned parks to meet State issued COVID-19 safety protocols and guidelines.
- **Other Eligible Community Expenses**
Other eligible community expenses related to response and mitigation of COVID-19 as determined by the CAO.

3. CONTINGENCY: \$5,000,000

The stated amount may be subject to change based on operational needs for COVID-19 pandemic response as determined by the CAO.

Countywide and community investment expenditures due to COVID-19 in FY 2019/20 and FY 2020/21.

Contingency funds are designated for unforeseen expenditures or impacts caused by the COVID-19 public health emergency. Contingency funds may be used to increase any previously mentioned allocation, reserved for eligible uses not identified in this plan, or may be retained in the event CARES Act rules and regulations change in relation to the use of Coronavirus Relief Fund monies.



COVID-19 BUSINESS ASSISTANCE PROGRAM GUIDELINES

7/14/2020

BACKGROUND

On March 11, 2020, the County Coordinator of Emergency Services proclaimed a local emergency due to the presence of COVID-19 within Tulare County, which was later ratified by the Board on March 17, 2020. Since that time, the severity of the local emergency has increased daily, with additional reported cases of COVID-19 infections and related deaths in all areas of California, the U.S., and throughout the world. On March 19, 2020, Governor Newsom issued Executive Order N-33-20, ordering all California residents to stay at home, except as needed to maintain the continuity of operations in infrastructure sectors critical to protect the health and well-being of all Californians.

With the COVID-19 emergency, many small businesses nationwide are experiencing economic hardship as a direct result of the public health measures taken to minimize the public's exposure to the virus. These measures, some of which are government-mandated, are being implemented nationwide and include the closures of restaurants, bars, gyms, and personal care services such as nail and hair salons. In addition, based on the advice of public health officials, other measures, such as keeping a safe distance from others or even stay-at-home orders, are being implemented, resulting in a dramatic decrease in economic activity as the public avoids commercial centers, retail stores, and other businesses.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. Funding is designated for emergency assistance and health care response for individuals, families, and businesses affected by the coronavirus pandemic. Tulare County is eligible to receive \$48.9 million in CARES Act funding, which will be utilized in accordance with the Board-approved Tulare County Funding Plan (Plan). The Plan earmarks \$14.1 million for community investment, \$5.5 million of which is earmarked for support to small businesses impacted by the COVID-19 pandemic.

The County intends to provide this support to small business in the form of grants, up to \$5,000 per small business with ten or fewer employees, for the reimbursement of eligible COVID-19-related operating expenses and to cover future expenses related to implementing COVID-19 health and safety measures within business. Examples of expenses eligible for grant reimbursement or funding include rent payments, utility costs, cleaning supply and disinfectant costs, personal protective equipment costs, social-distancing-reconfiguration costs, and costs associated with limiting cash-handling.

GRANT PROGRAM GUIDELINES

The following are Tulare County COVID-19 Business Assistance Program guidelines.

Purpose

The intent of the Tulare County COVID-19 Business Assistance Program is to provide local small businesses, that have experienced a loss in revenue due to COVID-19, with financial assistance in implementing COVID-19 health and safety measures.

Eligible Uses

Funding may be used to cover the following eligible business expenses incurred between March 19, 2020 through September 30, 2020:

1. Rent
2. Utilities
3. Other expenses associated with operating business in a way that protects employees and customers from exposure to COVID-19 and helps prevent the virus' spread. Examples include cleaning and disinfectant supplies for employees and customers, face masks, gloves, service counter modifications, plexiglass shields, social distancing signage, health and safety signage, systems that encourage social distancing and limit cash handling, etc.

Eligibility Requirements

1. Applicants must attest to a loss of net revenue as a result of COVID-19 pandemic.
2. Applicants shall be a for-profit business physically located and operating in Tulare County with a demonstrated economic need and negatively impacted by COVID19.



COVID-19 BUSINESS ASSISTANCE PROGRAM GUIDELINES

7/14/2020

3. Business must have 10 full-time equivalent employees or fewer. Self-employed businessowners are eligible.
4. Applicants must demonstrate that the business has been operating for at least two full years prior to March 19, 2020 (business license, utility bill, lease agreement).
5. Applicants must have no unpaid or delinquent property taxes. Applicants with existing payment plans in good standing are eligible.
6. Selected businesses will be required to sign a reporting agreement to be carried out throughout the term of the grant.
7. Business applicant will not be eligible to apply if business has been approved or has received disaster relief funding such as Paycheck Protection Program, SBA Economic Injury Disaster Relief Loan or a loan from an incorporated city in Tulare County.

Grant Award and Administration

1. The Tulare County Small Business Grant Program will be administered by the Tulare County Workforce Investment Board.
2. Grants will be allocated in amounts up to \$5,000 per small business as defined.
3. Grants will be limited to one (1) per small business as defined.
4. The \$5 million will be distributed evenly between County Supervisorial Districts, \$1 million per district. In the event that there are not a sufficient number of eligible recipients in a given district, the balance of that district's allocation will be redistributed evenly between those districts that have a surplus of applicants.
5. Eligible grant recipients will be selected by lottery to receive funding.

Reporting Requirements

1. All eligible expenses must be reported to the County by September 30, 2020

