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2021 MAY -5 AM 11:58

CLERK OF THE BOARD  
ORANGE COUNTY  
BOARD OF SUPERVISORS

543B

## Memorandum

**Date:** May 5, 2021

**To:** Clerk of the Board of Supervisors

**CC:** County Executive Office *KAF*

**From:** Katrina Foley, Second District Supervisor  
Doug Chaffee, Vice Chairman of the Board of Supervisors *Doug Chaffee*

**Re:** Supplemental Item for the May 11, 2021 Board of Supervisors Meeting –  
American Rescue Act Funds

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Please add a supplemental item to the agenda for the May 11, 2021 Board of Supervisors meeting to allocate \$15 million in American Rescue Plan Act funding equally between the five supervisorial districts for economic support to small businesses and nonprofits within Orange County, in response to COVID-19.

The attachments provide the recommended actions and background information.

**RECOMMENDED ACTION(S):**

1. Allocate \$15 million in American Rescue Plan Act funding equally between the five supervisorial districts for economic support to small businesses and non-profit organizations within Orange County, in response to COVID-19.
2. Authorize the Board of Supervisors' members to allocate their districts' designated funding to meet the economic needs of small businesses and non-profit organizations in accordance with American Rescue Act Plan (ARPA) guidelines, which include, but are not limited to, Education and Childcare Stabilization needs.
3. Authorize the Board of Supervisors' members to establish small business and non-profit organization definitions by region or supervisorial district.
4. Authorize the OC Community Resources Director or designee to negotiate and execute contracts as needed for administration and implementation of the small business and non-profit economic support program(s)

**SUMMARY:**

Allocate \$15 million in American Rescue Plan Act funding for economic support to small businesses and nonprofits, which will provide much needed resources for response and recovery efforts related to the COVID-19 emergency.

**BACKGROUND INFORMATION:**

In May of 2020, the Orange County Board of Supervisors allocated \$75 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act dollars for small business support, which was crucial to address the initial economic impacts of COVID-19.

As a result of the second wave of COVID-19, the American Rescue Plan Act of 2021 was passed and signed in order to addresses the continuing economic impacts of COVID-19.

At the April 27, 2021 meeting of the Orange County Board of Supervisors, \$5 million of ARPA funding, \$1 million to each supervisorial district, for economic support to small businesses and non-profit organizations, including arts-related small businesses and non-profits, and \$10 million of ARPA funding, \$2 million to each supervisorial district, for meal gap programming were adopted.

The County of Orange has approximately \$28,695,250 in ARPA funds that have yet to be allocated from the first round of funding.

According to the National Association of Counties Legislative Analysis of American Rescue Plan Act of 2021, allowable Uses of Funds for Counties \* Pursuant to the statutory language of PL 117-2, Recovery Fund dollars can be used for the following purposes:

1. to respond to the COVID-19 public health emergency or its negative economic impacts, including: assistance to households, small businesses, and nonprofits or to aid impacted industries such as tourism, travel, and hospitality. *Note: the aforementioned are examples of allowable expenditures and are specifically cited in the statute. Forthcoming guidance from the Treasury Department will provide additional details regarding eligible uses of funds.*
2. to provide premium pay to individuals performing essential work during the public health emergency or by providing grants to eligible employers that have essential workers;
3. for the provision of government services to the extent of the reduction in revenue (i.e. online, property, or income tax) due to the health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; or,
4. to make necessary investments in water, sewer, or broadband infrastructure

Other categories defined in the American Rescue Plan Act include, but are not limited to

- Child Care Stabilization
- Behavioral and Mental Health
- Housing and Utility Assistance
- Aging Services
- Vaccine Confidence Education
- Small Business and Economic Development

**FINANCIAL IMPACT:**

Please see Attachment A for Financial Impact detail.

**STAFFING IMPACT:**

N/A

**REVIEWING AGENCIES:**

Auditor-Controller

**ATTACHMENT(S):**

Attachment A - FY 2020-21 April Budget Adjustments

Attachment B - Government Code Sections

Attachment C – NACO Legislative Analysis for Counties: American Rescue Plan Act of 2021