



County Executive Office
Memorandum

568D

May 14, 2020

To: Clerk of the Board of Supervisors
From: Frank Kim, County Executive Officer *Frank Kim*
Subject: Exception to Rule 21

RECEIVED
2020 MAY 15 AM 10:10
CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

The County Executive Office is requesting a Supplemental Agenda Staff Report for the May 19, 2020, Board Hearing.

Agency: Social Services Agency
Subject: Agreement for Supplemental Financial Support for Emergency Food Distribution Services
Districts: All Districts

Reason for supplemental: This emergency agreement for Supplemental Financial Support for Emergency Food Distribution Services Agreement with two (2) local food banks needs to be heard as soon as possible to support community based efforts of providing food to Orange County residents impacted by COVID-19 pandemic. Agreement funding will be used to supplement the food banks' traditional funding sources of grants, donations and private support if such sources are insufficient to meet residents' food needs. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Concur:

Michelle Steel

Michelle Steel, Chairwoman of the Board of Supervisors

cc: Board of Supervisors
County Executive Office
County Counsel



SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

MEETING DATE: 05/19/20
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: Social Services Agency
DEPARTMENT HEAD REVIEW: *[Signature]*
DEPARTMENT CONTACT PERSON(S): An Tran (714) 541-7707
Dianne Breault (714) 541-7823

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SUBJECT: Agreement for Supplemental Financial Support for Emergency Food Distribution Services

CEO CONCUR

[Signature]

CEO Signature

COUNTY COUNSEL REVIEW

Approved as to Form
Action
Candlyn S. Frost

County Counsel Signature

CLERK OF THE BOARD

Discussion

4/5 Vote

Budgeted: No

Current Year Cost: 1,000,000

Annual Cost:
FY 2020-21 \$2,000,000

Staffing Impact: N/A

of Positions:

Sole Source: N/A

Current Fiscal Year Revenue: N/A

Funding Source: Fed: 100% (CARES Act)

County Audit in last 3 years N/A

Prior Board Action: N/A

RECOMMENDED ACTION(S)

1. Approve Agreement with Second Harvest Food Bank of Orange County, Inc. and Community Action Partnership of Orange County for Supplemental Financial Support for Emergency Food Distribution Services with a maximum shared aggregate obligation of \$3,000,000, for the term of May 19, 2020, through October 31, 2020.
2. Direct the Auditor-Controller to increase Other Charges appropriations by \$1,000,000 in Social Services Agency (100-063-063-4001-3800-0000) offset by an equivalent increase to Federal - Disaster Relief (100-063-063-4001-7060-CD19) for payment of eligible Coronavirus Aid, Relief and Economic Security Act funding to Second Harvest Food Bank of Orange County, Inc. and Community Action Partnership of Orange County.

3. Direct the Auditor-Controller, upon receipt of the initial invoice from Second Harvest Food Bank of Orange County Inc., which is approved by the Social Services Agency, to issue a payment in the amount of \$500,000 payable to Second Harvest Food Bank of Orange County, Inc. as a one-time advance payment.
4. Direct the Auditor-Controller, upon receipt of the initial invoice from Community Action Partnership of Orange County, which is approved by the Social Services Agency, to issue a payment in the amount of \$500,000 payable to Community Action Partnership of Orange County as a one-time advance payment.

SUMMARY:

Approval of the Supplemental Financial Support for Emergency Food Distribution Services Agreement with Second Harvest Food Bank of Orange County, Inc. and Community Action Partnership of Orange County will allow the County of Orange to support community based efforts of providing food to residents of Orange County impacted by the Novel Coronavirus Disease Outbreak pandemic.

BACKGROUND INFORMATION:

On March 13, 2020, President Trump declared a National Emergency Concerning the COVID-19 Outbreak. Subsequent to this declaration, the United States Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act, California Governor Gavin Newsom issued Executive Order N-33-20 that ordered California residents to stay home or at their place of residence to protect public health and the County of Orange Board of Supervisors (Board) adopted Resolution No. 2020-11 ratifying the local health emergency declared by the County's Health Officer. As of April 9, 2020, 51 states and territories had "stay at home" orders in place.

The COVID-19 pandemic and resulting high unemployment have caused an unprecedented scale of Orange County residents seeking emergency food assistance from community organizations including Second Harvest Food Bank of Orange County, Inc. and Community Action Partnership of Orange County (Food Banks). Due to the impact of the COVID-19 pandemic, the Federal Government has determined that it may be necessary as an emergency protective measure to provide food to meet the immediate needs of those who do not have access to food as a result of COVID-19 and to protect the public from the spread of the virus.

The Food Banks are local non-profit community-based organizations with long histories of serving Orange County residents. They have been on the front line providing emergency food assistance by distributing food directly to Orange County residents and by supporting more than 500 Orange County organizations in their efforts to provide food for the food-insecure communities they serve. The Food Banks are normally funded by grants, donations and private support. However, due to the COVID-19 pandemic and resulting high unemployment, these financial resources are at risk of rapidly being depleted such that food needs of Orange County residents cannot be met by these traditional funding sources.

Prior to the COVID-19 pandemic, approximately 96,245 households in Orange County were identified as food insecure and served by the Food Banks. Due to the increased unemployment rate that may reach 16 percent, it is projected that an additional 76,189 households will need emergency food assistance in May and June. The cost for the Food Banks to serve these additional households is \$25 weekly, per household, which includes food, storage and distribution of food. It is anticipated that the number of households

needing assistance will incrementally decrease commensurate with decreases in unemployment rates as residents return to work.

With Board approval, the County may provide supplemental funding to the Food Banks should their traditional funding resources become insufficient to meet residents' needs. Food Banks shall apply for all available funding opportunities and contributions (e.g., federal stimulus grants, state programs, donations, private grants) and shall request supplemental funding from the County only when other resources have been exhausted.

Funding for the proposed Agreement for Supplemental Financial Support for Emergency Food Distribution Services may include, but is not limited to, CARES Act and Federal Emergency Management Agency (FEMA) funding, which reimburses for actual costs only. Funding is limited to available sources to support efforts related to the pandemic and is not a County general fund obligation. In addition, funding is intended for the purchase of grocery items, other commodities necessary for the packaging of food, storage and distribution of food. The Food Banks will submit monthly invoices to the County to document their actual expenditures. In order to ensure an adequate stock of groceries are purchased and ready for distribution as soon as possible, the County may provide the Food Banks a cash advance in a combined amount not to exceed \$1 million (equivalent to two months of total funding). Such advance will be offset by reducing amounts paid through invoices submitted for the final two months of the Agreement.

This agreement does not currently include subcontractors or pass through to other providers. See Attachment B for Contract Summary Form.

FINANCIAL IMPACT:

Funding of this Agreement is 100 percent federal through the CARES Act and/or FEMA Public Assistance. Upon Board approval, funds will be appropriated in Social Services Agency Budget Control 063 in the current year and FY 2020-21 for payment to the Food Banks.

The proposed Agreement includes provisions that the Agreement is contingent upon the availability of funds and inclusion of sufficient funds in the budget approved by the Board for each fiscal year the Agreement remains in effect or operation. In the event such funding is terminated or reduced, the County may terminate the Agreement, reduce the County's maximum obligation or modify the Agreement, without penalty.

STAFFING IMPACT:

N/A

REVIEWING AGENCY

Auditor-Controller

ATTACHMENT(S):

Attachment A - Agreement with Second Harvest Food Bank of Orange County and Community Action Partnership of Orange County, #MPY0419

Attachment B - Contract Summary Form