THE COUNTY OF YUBA

TO: Board of Supervisors
FROM: Kevin Mallen, County Administrator
SUBJECT: Approve an overall plan for use of federal Coronavirus Aid, Recovery, and Economic Security Act (CARES Act) funds and use of the initial two payments of the County's CARES Act allocation from the State

DATE: August 11, 2020
NUMBER: 412/2020

Recommendation
Approve an overall plan for use of federal Coronavirus Aid, Recovery, and Economic Security Act (CARES Act) funds and use of the initial two payments of the County's CARES Act allocation from the State.

Background/Discussion
The CARES Act was signed into law on March 27, 2020. The Act provided funds directly to cities and counties with populations of 500,000 or more and provided funds directly to the states to address the needs of smaller cities and counties. The funds are to be used to offset the cost of response to COVID from March 1, 2020 to December 30, 2020. The State of California was provided approximately $15 billion in total CARES Act funds and with the adoption of their FY 2020-21 budget appropriated $1.3 billion to counties to be distributed based on population.

For Yuba County the distribution of CARES Act funds is estimated to be $8,043,258, based on our population. However, the State is concerned about counties statewide following the State’s orders in response to COVID and as such, there are requirements counties must be follow and attest to in order for the State to disburse the funds. In order to ensure cities and counties continue to comply with the statewide orders the State has elected to disburse the funds incrementally as well. Yuba County received its first CARES Act funds on July 30, 2020 in the amount of $1,340,543 which represented 1/6 of the total allocated to the County. Based on communications from the State, the County should receive payment in the same amount in the month of August bringing the total to $2,681,086.

Due to a variety of factors, including the timing and uncertainty of the payments from the State, as well as the numerous and future potential needs in our community and County operations in response to
COVID, staff is recommending that the Board take action on an overall plan in strategic areas of need to use the CARES Act funds as well as specifics on use of the initial $2,681,086. As a requirement of receiving CARES Act funds from the State, the State requires that a report be provided by September 1st outlining how the County intends to utilize the funds. Subsequent to the Board’s action today, staff will submit the required report in conformance with the Board’s action.

The recommendation on overall use of CARES Act funds received by the County is to focus funds into three categories based on need, with up to 60% focused on our communities and businesses, and a fourth category to address uncertainties that may arise and need to be addressed by the County in response to COVID.

CARES Act funds general use categories:

- Support to businesses impacted by COVID 20-30% of funds
- Support to the community sectors impacted by COVID 20-30% of funds
- Cost recovery for County operational costs in response to COVID 20-30% of funds
- Uncertainties/contingency 10-15% of funds

Staff is recommending the following specific programs and uses be funded with the initial $2,681,086.

- Small business grant program $525,000
- County operational costs March-June (preliminary estimate) $284,000
- County telework costs (preliminary estimate) $500,000
- Sheltering (capital costs + 2 months of operations) $640,000
- Childcare $250,000
- Food to vulnerable population $150,000
- Non-profits impacted by COVID $150,000
- County operational costs July-September (preliminary estimate) $182,000

Staff will be returning in future meetings for approval of actions to implement the specific programs and uses identified above as well as to discuss specifics of additional CARES Act funds once received or likely to be received.

**Committee Action**
Due to time constraints this item is being presented directly to the full Board for consideration.

**Fiscal Impact**
General Fund None
Non-General Fund $2,681,086 CARES Act