



# COUNTY OF HUMBOLDT

For the meeting of: 5/10/2022

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File #: 22-497

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**To:** Board of Supervisors

**From:** County Administrative Office

**Agenda Section:** Consent

**SUBJECT:**

American Rescue Plan Act (ARPA) Professional Services Agreement to Administer Childcare Grant and Loan Program

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Authorize the Chair of the Board to sign a professional services agreement with the Arcata Economic Development Corporation (AEDC) for \$4,899,166 to provide financial and technical support to the local childcare industry (Attachment 1);
2. Authorize the County Administrative Officer (CAO) to approve budget modifications to AEDC's project proposal through the term of the agreement; and
3. Authorize the CAO, or a designee thereof, to execute any and all subsequent amendments to the professional services agreement with AEDC, after review and approval by County Counsel and Risk Management.

**SOURCE OF FUNDING:**

American Recue Plan Act (3232-120200), State and Local Fiscal Relief Fund (SLFRF) via Federal - Disaster Relief Line Item (4535)

**DISCUSSION:**

On Aug. 10, 2021, your Board reviewed a proposed spending plan for ARPA funding in the amount of \$13.1 million and directed staff to enter into sole source agreements with outside agencies for administration of an economic impact grant program. That spending plan detailed three broad categories as follows:

Proposed ARPA Spending Plan FY 2021-22 - \$13,165,276		
% of 21-22 ARPA Allocation	Projected \$ Amount	Category/Purpose
60%	\$7,889,166	<b>Category 1. Economic Impacts - Small business, non-profit grant program, special districts and other economic support</b>
25%	\$3,291,319	<b>Category 2. Government Services - Road repair and improvements</b>
15%	\$1,974,792	<b>Category 3. Contingencies – County-eligible costs</b>

**Recommendations #1 and #2**

At the Aug. 10, 2021, meeting your Board also adopted priority funding areas for the economic impact grant program as follows: childcare, housing, telehealth and broadband. Since that meeting, staff have worked with AEDC, First 5 Humboldt, Changing Tides Family Services and the Department of Health & Human Services to develop a project proposal that provides economic support to the local childcare industry within the allowable uses set forth by the US Treasury for State and Local Fiscal Relief Funding (SLFRF), authorized by ARPA. The project background (Attachment 2) The agreement before your Board would provide \$4.8 million in funding to AEDC to administer a grant a loan program as detailed in Exhibits A and B of the attached contract. Those programs are as follows:

- \$2.25 million: Childcare retention bonuses
- \$50,000: Hiring bonuses of \$500 for 100 providers
- \$150,000: Forgivable loans of \$7,500 to transition centers/homes from preschool to infant/toddler care
- \$400,000: Educational loan forgiveness for those who receive early childhood degrees
- \$1.25 million: Childcare subsidies for working parents
- \$140,000: Business support to help providers take advantage of funding opportunities
- \$175,000: Establish a Child Care Sustainability Commission to study the local industry and develop a plan to maintain programs in the attached plan.

Finally, as AEDC and local childcare partners move to implement the programs within the project description, those agencies may determine that some programs are more effective than others. As such, Recommendation #2 would authorize the CAO to approve modifications in AEDC’s submitted project budget to allow the agency to award more funding in other areas. Any such changes would be required to be included in the final report AEDC will submit at the end of the program.

**FINANCIAL IMPACT:**

The attached professional services agreement with AEDC has a total payable of \$4,856,500 for the period of April 26, 2022 through Dec. 31, 2026. However, in the event local, state or federal funding is reduced or eliminated, the County of Humboldt may reduce the above-referenced maximum amount payable or terminate the attached professional services agreement with AEDC. In addition, if after July 1, 2024 AEDC has not obligated all of its award, the county may recover any amount of the funding

that has not been obligated, as well as AEDC's pro rata share of administrative costs.

Expenditure appropriations related to the attached agreement was included in the adjusted Fiscal Year 21-22 budget for ARPA (3232-120200). Funding for the attached professional services agreement with the AEDC is available through ARPA and SLFRF. As a result, approval of the agreement with AEDC will not impact the General Fund.

**STRATEGIC FRAMEWORK:**

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs .

**OTHER AGENCY INVOLVEMENT:**

First 5 Humboldt, Changing Tides

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

Your Board could choose not to approve the attached professional services agreement with AEDC. However, staff does not recommend this option as the economic impact grant portion of your Board's spending plan was driven by feedback from the business community, and the need for childcare was a top priority. This professional services agreement will provide support for the childcare industry.

**ATTACHMENTS:**

1. Professional Services Agreement with AEDC
2. Child Care Stabilization for a Strong Humboldt Economy and Healthy Family Program Details

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: I-3  
Meeting of: Aug. 10, 2021  
File No.: 21-1002