

# City of Sacramento

## Legislation Text

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File #: 2020-01098, Version: 1

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**Title:**

**City Council COVID-19 Response: CARES Act Framework and Funding Priorities; Workforce Development Recovery Program Grant Funding for the California Mobility Center; Sacramento Employment Training Agency; and Greater Sacramento Urban League (Two-Thirds Vote Required)**

File ID: 2020-01098

**Location:** Citywide

**Recommendation:**

Pass a Motion: 1) by two-thirds vote waiving Sacramento City Code section 4.04.020 and Council Rules of Procedure Chapter 7, Section E.2.d that mandate all labor agreements and all agreements greater than \$1million shall be made available to the public at least ten (10) days prior to Council action; and 2) authorizing the City Manager or City Manager's designee to execute CARES Act grant agreements for the Workforce Development Recovery Program with the following: a) California Mobility Center for an amount not to exceed \$1,468,406; b) Sacramento Employment and Training Agency for an amount not to exceed \$1,178,837; and c) Greater Sacramento Urban League for an amount not to exceed \$1,755,750.

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**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Coronavirus Relief Fund Programs
- 3-California Mobility Center CARES Act Grant Agreement [TO BE DELIVERED]
- 4-Sacramento Employment Training Agency CARES Act Grant Agreement
- 5-Greater Sacramento Urban League CARES Act Grant Agreement

## Description/Analysis

**Issue Detail:** On March 13, 2020, the City declared a local emergency in response to the spread of the COVID-19 pandemic. Several actions were taken by the City to provide immediate economic relief to city businesses and residents, including the funding of small business loans of \$1.1 million to City businesses, procurement of emergency supplies for the homeless (estimated at \$250,000), emergency meal programs, and lodging for essential City staff. On April 21, 2020, the City received \$89.6 million from the Coronavirus Relief Fund (CRF), which was created by the CARES Act.

**Framework and Funding Priorities:** On May 12, 2020, Council participated in a workshop to discuss a CRF framework and funding priorities and on May 26, 2020 adopted a general framework proposed by the Mayor for funding priorities. During the workshop, Council expressed overall interest in funding programs and projects that provide small business assistance, get people back to work, offer opportunities for youth enrichment, address homelessness and housing issues, and support families impacted by this pandemic. The deadline for expending CRF funds is December 30, 2020. Given this short time frame, Council requested staff identify projects and programs for immediate CRF funding and implementation.

A working group of departments has been working with the City Attorney's and Auditor's offices to prepare CARES Act funding recommendations and review funding suggestions for eligibility and alignment with identified Council priority areas:

- **Small Business Assistance:** Financial, technical, and entrepreneurship assistance to small businesses, non-profits, and community-based organizations (CBOs).
- **Workforce Training:** Fund programs and partner with workforce development providers, CBOs, and educational partners at all levels to retrain and uptrain workers dislocated due to the pandemic.
- **Youth Enrichment:** Implement robust programs, curriculum, and service for youth, including providing the necessary transportation and technology to support these programs.
- **Family Services:** Funding to support additional services for Sacramento families, including the expansion and availability of childcare services, food access, and programs that address domestic violence exacerbated by the stay-at-home orders.
- **Homeless Services & Rapid Re-Housing:** Services to place unhoused individuals into permanent housing and implement homeless aversion programs.
- **Arts, The Creative Economy & Tourism:** Financial and technical assistance directly to support the arts, tourism, and creative economy that have been devastated by the current pandemic.

Additionally, Council expressed a commitment to equity and inclusion. Each program and project will be screened through an equity lens to ensure CARES spending benefits our entire community, particularly those communities most impacted.

**Workforce Development Recovery Program:**

COVID-19 has had significant impacts on businesses and jobs. These impacts have resulted in staggering layoff numbers and displaced jobs. To mitigate the impacts of job loss and unemployment, Council approved an allocation of \$10 million in CARES Relief Funds on July 28, 2020 to support a Workforce Development Recovery Program.

Following Council approval, the City issued a Notice of Funding Availability (NOFA) requesting service providers to respond with programs that will directly support workforce organizations and institutions in providing employment training and job placement services for Sacramento jobseekers that have been dislocated and unemployed due to the COVID-19 crisis.

The NOFA was posted on August 3, 2020 and closed on August 13, 2020. The City received over 40 responses to the NOFA with a cumulative request for funding of over \$22.7 million. After a thorough evaluation process, staff recommends funding awards to the California Mobility Center, Sacramento Employment and Training Agency, and Greater Sacramento Urban League to provide employment resources, including:

- Upskilling and reskilling training opportunities in high-demand industries and occupations.
- Direct job placement or internship opportunities.
- Assistance with addressing employment barriers caused by COVID-19 and other supportive services to aide jobseekers in securing employment.

On August 25, 2020, Council authorized the City Manager to proceed with executing CARES Act grant agreements with a list of 30 recommended organizations to implement the Workforce Development Recovery Program. Staff is seeking Council approval for the larger grant awards with the California Mobility Center (CMC) for \$1,468,406; Sacramento Employment and Training Agency (SETA) for \$1,178,837; and Greater Sacramento Urban League (GSUL) for \$1,755,750.

All three organizations will bring much needed resources and opportunities to Sacramento's residents who have lost their jobs due to layoffs and/or closures resulting from the COVID-19 pandemic. The CMC will implement a Workforce Pathways program to provide advance manufacturing scale up training, retraining, internships, and transferrable and valued job skills for 600 people. SETA will expand its On-the-Job Training (OJT) program, assisting up to 300 Sacramento residents who have been laid-off or unemployed due to COVID-19 to receive up to 240 hours of on-the-job training and job placement. The GSUL effort will train up to 250 people for jobs that require digital skills and job placement with Sacramento companies experiencing growth in digital/computer

jobs.

**Policy Considerations:** The City has been impacted by the global pandemic. Establishing programs and budgets that include federal CARES Act funding is consistent with City Council action relative to state and federal grant awards. Providing subawards of CRF funds to mitigate the effects of the COVID-19 public health emergency as provided in the grant agreements is a necessary expenditure.

**Economic Impacts:** CARES Act funds and other eligible federal and state grants will assist the City in providing economic relief to residents and business that have been impacted by COVID-19. Additionally, CARES Act spending will support and advance inclusive economic growth, improve the health of neighborhoods and support people, places, and actions that promote overall economic recovery and impacts immediately and well beyond this pandemic.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA); National Environmental Policy Act (NEPA):** The proposed action is not a project under CEQA because it relates to government fiscal activities that do not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment. (Cal. Code Regs., tit. 14, §§15060 (c)(3), 15378(b)(4)). The proposed action involves activities that are exempt from NEPA under title 24, section 58.34, of the Code of Federal Regulations.

**Sustainability:** None

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Accepting the federal CARES Act funding and establishing COVID programs and budgets will allow the City to provide economic relief to its residents and businesses that have been impacted by COVID-19.

As noted, the City issued a NOFA on August 3, 2020 and received over 40 responses. An evaluation panel, comprised of members from the City's Investment Committee: Workforce Working Group and a State of California Workforce Development and Human Services Department representative, reviewed and scored responses based on criteria outlined in the NOFA.

Once the evaluation panel completed review and scoring, staff utilized the following methodology to develop a list of funding recommendations:

- NOFA Responses receiving an average score of 80 or above were recommended for an award up to 75% of their request with certain exceptions due to targeted communities, funding

request, and high demand in the field.

- NOFA Responses receiving a score between 75 and 80 were recommended for an award amount up to 60% of their request with exceptions due to high demand in the field and eligibility.
- Proposals receiving a score less than 75 were considered on a case-by-case basis based on need and funding availability. Proposals considered for funding were recommended for an award up to 60% of their request.

Of the 30 recommended organizations and funding requests, 11 recommendations are exclusively targeting youth, representing over 15% of the funding recommendations. In addition, 9 of the non-exclusive youth recommendations are to organizations for programs that offer services to all ages, providing youth additional opportunities to participate. Collectively the list of funding recommendations is projected to serve 11,120 dislocated workers.

**Financial Considerations:** On April 21, 2020, the City received \$89.6 million from the Coronavirus Relief Funds (CRF) to address impacts related to the COVID-19 pandemic. Funding of \$10 million from the Coronavirus Relief Fund (Fund 2704) for the Workforce Development Recovery Program was allocated as part of the Coronavirus Relief Program (G02610100) approved at the July 28, 2020, Council meeting. The current CRF program schedule reflecting City Council approved recommendations through September 8, 2020, is included as Attachment 2.

**Local Business Enterprise (LBE):** Not applicable