



July 26, 2022

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Subject: Receive and File a Report for Proposed Use of American Rescue Plan Act (ARPA) Funding Set Aside by Your Board on April 26th, 2022 for Economic Vitality Programs in the Amount of the \$3,000,000; Authorization for the Auditor-Controller to Process the Necessary Budgetary Transactions to Establish Appropriations and Revenues of \$3,250,000 to Implement the Four Proposed Economic Vitality Programs Identified; Approval of, and Authorization for the Interim County Executive Officer to Enter Agreements with the Economic Development Collaborative and Other Vendor(s), to Support the Administration and Implementation of These Programs.
(Recommendation No. 2 requires 4/5ths Vote.)

Recommendations:

1. Receive and file a report for the proposed use of the \$3,000,000 in American Rescue Plan Act (ARPA) funding set aside by your Board on April 26th of 2022 for Economic Vitality programs.
2. Authorize the Auditor-Controller to process the necessary budgetary transactions to establish appropriations and revenues of \$3,250,000 to implement the four proposed Economic Vitality programs identified (4/5ths vote required):

INCREASE	1030-1034	Services and Supplies	\$ 3,250,000
INCREASE	1030-1034	Intergovernmental Revenues	\$ 3,250,000

3. Approve and authorize the Interim County Executive Officer to enter agreements with the Economic Development Collaborative and other vendor(s), to support the administration and implementation of these programs.

Fiscal Mandates/Impact: Division 1030 – CEO Various Grants

Mandatory:	No
Source of Funding:	American Rescue Plan Act (ARPA)
Funding Match Required:	No
Impact on Other Departments:	N/A

Summary of Revenues and Costs:

	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Revenues:	\$3,250,000	\$ 0
Costs:		
Direct	\$3,250,000	
Indirect-Dept	\$ 0	\$ 0
Indirect-County CAP	\$ 0	\$ 0
Total Cost	\$3,250,000	\$ 0
Net County Cost	\$ 0	\$ 0
Recovered Indirect Costs	\$ 0	\$ 0

FY 2022-23 Budget Projection for CEO Various Grants – Division 1030				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$ 144,100	\$ 144,100	\$ 144,100	\$ 0
Revenue	\$ 144,100	\$ 144,100	\$ 144,100	\$ 0
Net Cost	\$ 0	\$ 0	\$ 0	\$ 0

Background:

The COVID-19 pandemic has created both a health and economic crisis for Ventura County. To mitigate the devastating economic impacts of this emergency on our local business community, your Board has authorized multiple assistance measures to support local businesses. These assistance measures have included tens of millions of dollars in fee waivers, rental assistance, and business grants just to name a few. Many Ventura County businesses that survived the pandemic are still in recovery mode with increased debt and the continuing need to evolve their business models to our post-pandemic world. To retain these businesses and ensure an equitable and inclusive recovery, it is essential for business owners stay connected with resources and assistance.

Discussion:

On April 26, 2022, your Board approved reserving \$3 million in ARPA funds for Economic Vitality projects. Today we are presenting four projects to invest \$3.25 million toward ensuring an equitable and inclusive economic recovery.

The process for selecting these proposed projects included input from community partners and members of the County State and Local Recovery Fund (SLFRF) Advisory team. These proposed projects were selected because they each meet all of the following priority attributes:

1. Eligibility criteria for ARPA;
2. An important part of the recovery process;
3. In alignment with the Economic Vitality Strategic Plan (EVSP);
4. Ready for implementation now; and
5. Has opportunities to prioritize low income and disadvantaged communities

Projects 1-3 below are in partnership with the Economic Development Collaborative (EDC) and its affiliated organizations such as the Small Business Development Center (SBDC) and Fathomwerx. For these projects, EDC would be the sub-grantee of the funds and responsible to implement the programs and report outcomes. Project 4 would be executed and managed internally by the Economic Vitality Team with vendor support.

Project Overview

1. Business Assistance and Capital Access	\$2,220,000
2. Childcare Technical Assistance and Capacity Building	\$360,000
3. Fathomwerx Start-up Business Support	\$420,000
4. VC Business Forward Enhancements & Outreach Campaign	\$250,000
Total	\$3,250,000

Project 1: Business Assistance and Capital Access

The Business Technical Assistance & Capital Access Program (BTACAP) is the single most critical need for maintaining services and building capacity in response to the elevated level of demand for business services. It provides business technical assistance and capital access services to assure effective continuing engagement going forward for small businesses through the pandemic recovery period. The volume of business clients utilizing these services has skyrocketed during the pandemic and the additional Federal and State funding provided early in the pandemic are no longer available. This support is especially vital as it contributes to the ongoing capacity to support all Ventura County businesses, including the several thousand businesses that already received more than \$70 million in County Business Assistance Grants, business loans, and other state and federal funding.

Anticipated Outcomes – Project 1

- The EDC will deliver professional-level business technical assistance to small businesses through its SBDC and Loan Program staff and corps of some 55 business advisors.
- The EDC plans to assist 3,600 small businesses, create 600 jobs, retain 600 jobs at-risk, counsel 120 new business starts, and achieve \$150,000,000 in client capital infusion, \$75,000,000 in increased sales, assist a minimum of 60 loan clients with 35 clients applying and closing 22 loans totaling \$1,500,000 during the program.
- The EDC will focus services on Ventura County with additional focus on areas most at risk according to Dr. Jamshid Damooei's report "Profile of COVID-19, Community, Business, Nonprofit & Worker Impacts" paying particular attention to the HUD QCTs.

Project 2: Childcare Technical Assistance and Capacity Building

Childcare/Early Child Education is a highly regulated, essential service that operates on very thin profit margins. Both Licensed Child Care Centers (CCC) and Family Child Care Homes (FCC) are a critical part of the childcare delivery system. Research shows two-

thirds of childcare centers across the U.S. closed in April 2020 and one-third remained closed in April 2021. Since the pandemic began in California, over 8,500 licensed childcare sites have shut down. Local outreach to providers and the current experience of families and workers seeking childcare slots for their children confirms that the constraints continue. Absent support and assistance, the consequence of these closings will continue to negatively impact the entire system of care for the families in our community and the availability of workers to support our economy.

The Childcare Technical /Capacity Building Program (CTCBP) provides financial support for specialized capacity-building training for EDC Small Business Advisors focused on home or family-based (FCC) early childcare provider business management issues and regulations. This specialized business training will be different, but complementary to existing training (in collaboration with the County Office of Education, First 5 Ventura County, and Child Development Resources) for the providers on quality care and standards. This support for the sustainability and efficient operation of this business model also serves to advance the quality of care for the region's children and families. The business model for FCCs is particularly vulnerable to disruption. While the business and services are essential for supporting working parents and providing quality care for children, the profit margins are thin, and their small scale means they cannot generally adapt to disruption. This project will improve the business owners' capacity to optimize the management of revenue and expense and their integration of resilience into operations, helping to assure the continuity of care and service.

Anticipated Outcomes – Project 2

- The newly specialized SBDC Advisors will offer childcare-specific consulting to a minimum of 30 companies each year for a total of 90 companies over three years. This activity will expand and enrich ongoing work and collaboration with First 5 Ventura County and the County Office of Education.
- The CTCBP program will incentivize each childcare client to participate with a stipend for participation in the program. Additionally, CTCBP will scholarship a software program specifically designed for FCCs.
- The EDC plans to train six SBDC advisors each year on ECC topics and regulations, assist 90 FCC clients, and award 90 stipends to FCCs during the three-year program.
- The EDC will focus services on Ventura County early childhood providers with additional focus on the HUD Qualified Census Tracts within the county.

Project 3: Fathomwerx Start-up Business Support

Start-up businesses were especially hard hit by the pandemic. However, the pandemic also spurred a surge in start-up businesses that are now outpacing startup closures by approximately 8 percent. *Small businesses are responsible for two-thirds of net new jobs.* Entrepreneurship should be at the foundation of a vibrant and sustainable regional economic plan.

The Fathomwerx Start-up Business Project's goal is to bolster the chance of survival for micro, small, and high-tech startup companies. The Fathomwerx partnership and

connections to the Naval Base and the Port of Hueneme uniquely position it to be a significant resource to high-tech start-ups. The Fathomwerx Start-up Business Project will provide a customized program of services specifically designed for these businesses. This includes mentoring in technology areas, high-technology business guidance, access to technology groups and events specifically focused on start-up high-tech needs, training in equity funding, pitch deck development, and much more. This project aims to create a more sustainable environment for start-up technology companies.

Anticipated Outcomes – Project 3

- The Fathomwerx Start-up Business Project metrics include 300 micro, start-up, and small tech clients, 25 new business starts, 50 mentor introductions, 20 investor introductions, 20 contracts secured, 50 jobs created, \$1.5 million in increased sales, and 30 events over the life of the project.
- The EDC will focus on start-up businesses in Ventura County and companies in areas most at risk according to the report “Profile of COVID-19, Community, Business, Nonprofit & Worker Impacts” paying particular attention to the HUD Qualified Census Tracts within Ventura County.

Project 4: Business Forward VC Enhancements & Outreach Campaign

The Business Forward VC website was in development before the pandemic after being identified as a component of the County EVSP. It was unveiled in the summer of 2020, amidst the pandemic response efforts. The next phase of development is to expand the information and strategically brand and market it to the Ventura County business community raising awareness, connections to local resources, and improving business retention. One of the most impactful and impressive responses to the pandemic was the level of countywide community collaboration. A myriad of community-based organizations and Ventura County departments and agencies closely collaborated to communicate and provide services for affected residents, businesses, and workers. As these organizations return to new normal operations, it is imperative to provide a new hub of information to consolidate information from multiple sources and make it easier for businesses to find and connect with available resources. This will allow us to continue supporting small business owners through the pandemic recovery and beyond.

The Economic Vitality team will develop a plan to create a comprehensive Ventura County business outreach strategy and redesign the VC Business Forward website (www.BusinessForwardVC.org). The Business Forward website will be a resource hub that will stay focused on timely and comprehensive post-pandemic recovery, resources, business support, and initiatives. The outreach plan will build on the extensive contact list and data collected by the County through the Covid outreach efforts and the Business Assistance Grant programs. Ongoing communication will support the business community (post-crisis), especially those businesses that were previously hard to reach or had never previously engaged with resource providers.

Anticipated Outcomes – Project 4

- A communication firm will assist the county to create content, re-brand the website, and develop a communications campaign to inform the business community about this vital resource.

- The newly rebranded Business Forward VC website will be the hub for all resources and business support initiatives.
- 100,000 unique visitors to the website annually
- Generate 50 leads to the incorporated cities for business relocation or expansion on an annual basis
- Generate 100 leads annually to CBOs for business resources and assistance
- Create reinvestment in county communities

Conclusion:

The initiatives proposed here build on the success of the pandemic response and will continue further our investment in the County's communities and economy. These projects align with the County's Economic Vitality Strategic Plan and comply with ARPA allowable activities. In partnership with community-based organizations, the Economic Vitality efforts of the county will reach previously underserved business owners and further the high level of engagement that propelled us through a devastating economic event.

For more questions, please contact:

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Thank you,



Gloria Elisa Martinez
Economic Vitality Manager



Dr. Sevet Johnson
Interim County Executive Officer