



providers at a time of profoundly increasing demand due to the impacts of state restrictions for County business owners, employees, their families and the community-at-large.

Please note the Placer Shares team will report back to the Board in 2021 with a full report on its grant administration efforts to date, including this last round of 2020 CARES funding.

**FISCAL IMPACT**

As proposed, the Placer Shares grants initiative has been funded by the County's federal CARES dollars, with the receipt of its full \$41.1 million allotment from the State in mid-October. To date the County has dedicated \$16M of its CARES funding for small business/non-profit assistance, and the lessons learned from this program will be useful to inform potential future assistance in the anticipated likelihood of addition federal Covid aid funding.

**ATTACHMENTS**

1. BOS Staff Report on Next Steps on Placer Shares - December 1, 2020
2. BOS Staff Report on Next Steps for Placer Shares - October 27, 2020



- With the initial Placer Shares grant cycle ending on September 7, 1,250 grants totaling \$7.5 million were awarded to priority small businesses and non-profits.
- On October 6, the Board of Supervisors approved the use of the remaining funds for an extended small business grant cycle that closed on October 23.
- In response to continuing community needs (presented in the attached October 27 staff report), the BOS approved an additional \$5M in CARES monies to fund the Placer Shares grants submitted to date, as well as an additional funding round for more impactful larger small business grants. Additionally, it approved a subsequent funding round for non-profit grants as well in recognition of social service safety net demands (food insecurity, rental/housing assistance, mental health/counseling needs) as the Covid crisis extends into the winter months.
- On November 16, 2020, in response to rising Covid cases statewide, Gov Newsom moved Placer County to the most restrictive purple tier for business openings (along with 40 other CA counties), as per the State's Blueprint for a Safer Economy (<https://covid19.ca.gov/safer-economy/>).
- With this sudden and drastic change for Placer County's businesses large and small, on November 17, the Board discussed potentially expanding the current Placer Shares Impact Grants to larger employers, as well as Chamber/community collaboratives looking to help local merchants survive a more extreme closure environment.
- On November 19, 2020, the State issued a [limited Stay at Home Order](#) to slow the spread of Covid-19 in purple counties such as Placer, further exacerbating the economic and social impacts shared at the October 27 BOS meeting. This latest order establishes a curfew prohibiting non-essential businesses and personal gatherings between 10PM and 5AM beginning Saturday, November 21 at 10PM.

Taken together, the above-referenced State actions are compounding the Placer County geography of need. While the current Impact Grants cycle has not yet closed at this writing, staff will report back at the Board's December 1 meeting with a Placer Shares grant initiative update and a potential future funding round for Placer County's ever-changing needs landscape.

### **FISCAL IMPACT**

As proposed, future funding rounds would be funded by the County's federal CARES dollars, with the receipt of its full \$41.1 million allotment from the State in mid-October. To date the County has dedicated up to \$14M (34%) of its CARES funding for small business/non-profit assistance, but the outlook for continued significant needs warrants additional funding consideration, balanced in the context of the County's Covid related program needs.

Attachment: BOS Report on Next Steps on Placer Shares Impact Grants (Oct 27, 2020)



**MEMORANDUM  
COUNTY EXECUTIVE OFFICE  
ADMINISTRATION**  
County of Placer

TO: Honorable Board of Supervisors                      DATE: October 27, 2020

FROM: Todd Leopold, County Executive Officer  
By: Jane Christenson, Assistant Chief Executive Officer

SUBJECT: Next Steps on Placer Shares: Grant Extension and Future Funding Consideration

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**ACTION REQUESTED**

- (1) Receive an update on the Placer Shares small business grant program extension,
- (2) Provide direction on potential future funding to extend, expand and/or invest in additional non-profit and small business assistance, and
- (3) Pending BOS direction on future funding, transfer funds to the Sierra Business Council (SBC) and authorize the CEO to execute an addendum to the SBC contract/subrecipient agreement to execute the program. As with the initial funding round, third party administration costs for SBC range from 3.5% - 5%, with a 10% fee for the community foundations.

**BACKGROUND**

On March 27, 2020, the federal CARES Act was signed into law. One aspect of the CARES Act established the Coronavirus Relief Fund (CRF) with a \$150 billion appropriation to all states and jurisdictions over 500,000 in population. Under the CARES Act, the CRF is to be used to reimburse states, territories, tribal and local governments for specified Coronavirus/Covid-19-related expenses. While larger CA counties began receiving funding in April, smaller counties began receiving funding in monthly installments via the State budget process beginning July 30, with Placer County's receipt of its full \$41.1 million allotment in CARES funding this month.

On July 28, the Board of Supervisors approved the proposed County and non-County uses of CARES funding, including the dedication of \$8M of its CARES funding to assist small businesses and non-profits with their Covid-19 related needs. To execute the grant initiative, Placer County contracted with the Sierra Business Council as its third-party administrator to administer the program (review grant applications, determine eligibility, disburse funding at a lower cost, distribute awards and coordinate any requisite funding follow-up activities, including federal/state reporting on the use of funds), known as **Placer Shares**.

With the initial Placer Shares grant cycle ending on September 7, 1,250 grants totaling \$7.5 million were awarded to priority small businesses and non-profits. On October 6, the Board of Supervisors approved the use of the remaining funds for those small businesses that did not participate in this initial round of funding. With the now-extended grant cycle closing on October 23, staff will share program metrics at the Board meeting as an additional indicator of continuing community need. Furthermore, the Board asked staff to outline potential future funding

considerations based on the small business/non-profit needs outlook as the Covid crisis extends into the winter months.

Based on the Sierra Business Council's and community foundations' insights on their respective sectors, an assessment of current Placer County needs follows below:

### Small Business

- Between August 2019 and August 2020, total jobs in the Placer County region decreased by 89,500 jobs or 8.7%.
- Leisure and hospitality sectors led the regional decline, shedding 32,200 jobs.
- Accommodation and food services sectors (down 23,600 jobs) were responsible for the majority of job losses.
- Arts, entertainment, and recreation lost 8,600 jobs.
- Nationwide, leasing at shopping centers/malls (with apparel/department stores as major tenants) plummeted 75% relative to the average activity to date over the last four years.
- In 2020, Placer County had a 16% share of total Small Business Administration (SBA) loans in the region, with the sharpest decline since 2012 of small business lending.
- The State's Blueprint for a Safer Economy precludes many business sectors from fully reopening for the foreseeable future, deepening the economic impacts noted above.

### Non-Profit

- Placer County unemployment has affected 55% of renters and 40% of homeowners.
- Area food banks have tripled the number of food drives due to need.
- Regional non-profit funding is down \$4 million in eastern Placer, \$17.7 million on the western slope.
- Sierra Community House reports a 1,418% increase in housing assistance requests and a 200% increase in helpline calls.
- Placer County Suicide Hotline call volume has increased over 30% and counseling demand has increased 20% with lengthening wait lists for mental health services.
- Sierra Senior House reports a 100% increase in senior services demand.
- Over the last four winters, the Emergency Warming Center has seen a 170% increase in nightly shelter counts and 2020 pandemic safety protocols are reducing shelter capacity.
- Inventory for vacant long-term rentals is 0%-2%, per the Tahoe Prosperity Center.
- County residential real estate prices are up an average of 6.9% over last year. Eastern Placer County prices have increased 22.4% over the last year (30% in Tahoe City per Redfin data), exacerbating affordability challenges for many residents.
- Also in eastern Placer County, the post-summer shoulder season of large meetings/conferences is precluded by State Covid-closures, compounding job losses and resulting food and housing insecurity concerns the region is already experiencing.

In response to the current and anticipated impacts noted above, there are several future funding alternatives for the Board's consideration. Please note in all instances, it is proposed future funding would be available to those who participated in prior funding cycles, given the continuing economic/social stress of Covid impacts:

*Extension.* At an additional funding level of \$1 million, funding would be equally split between the small business and non-profit sectors, extending the priority funding criteria and grant amounts of the initial round of Placer Shares funding for small businesses, while working with our community foundation partners to allocate non-profit funding for essential first-order needs.

*Expansion.* In expanding the funding to \$3 million, grant levels would increase over the initial funding round, targeted exclusively to the most-impacted business sectors. Non-profit grants would be earmarked for critical safety net services at risk, as determined by our community foundation partners (Placer Community Foundation, Tahoe-Truckee Community Foundation).

*Investment.* With increased funding of \$5 million, a shift in funding emphasis is proposed for the non-profit sector to safeguard the foundation of support services for those facing food and shelter crises due to the prolonged closures and resulting job losses. At a time when philanthropic giving is down, social service demands are escalating, and this increased level of investment is to preserve key community business anchors and safety net providers at a time of growing economic uncertainty on the foreseeable horizon.

## **FISCAL IMPACT**

As proposed, the potential future funding alternatives would be funded by the County's federal CARES dollars, with the receipt of its full \$41.1 million allotment from the State in mid-October. To date the County has dedicated a significant portion of its CARES funding for small business/non-profit assistance, but the outlook for continued significant needs warrants additional funding consideration, balanced in the context of the County's Covid related program needs.

