



Economic Development Division

One Time Funding – Program Overview

December 14, 2021

Raissa de la Rosa, Economic Development Division Director

Tara Thompson, Arts & Culture Manager

Rafael Rivero, Economic Development Specialist

Socorro Shiels, Diversity, Inclusion, and Equal Employment Officer

PROGRAMS BY FUND SOURCE

PG&E

- Enhanced Infrastructure Finance District (EIFD)

\$80,000 allocated

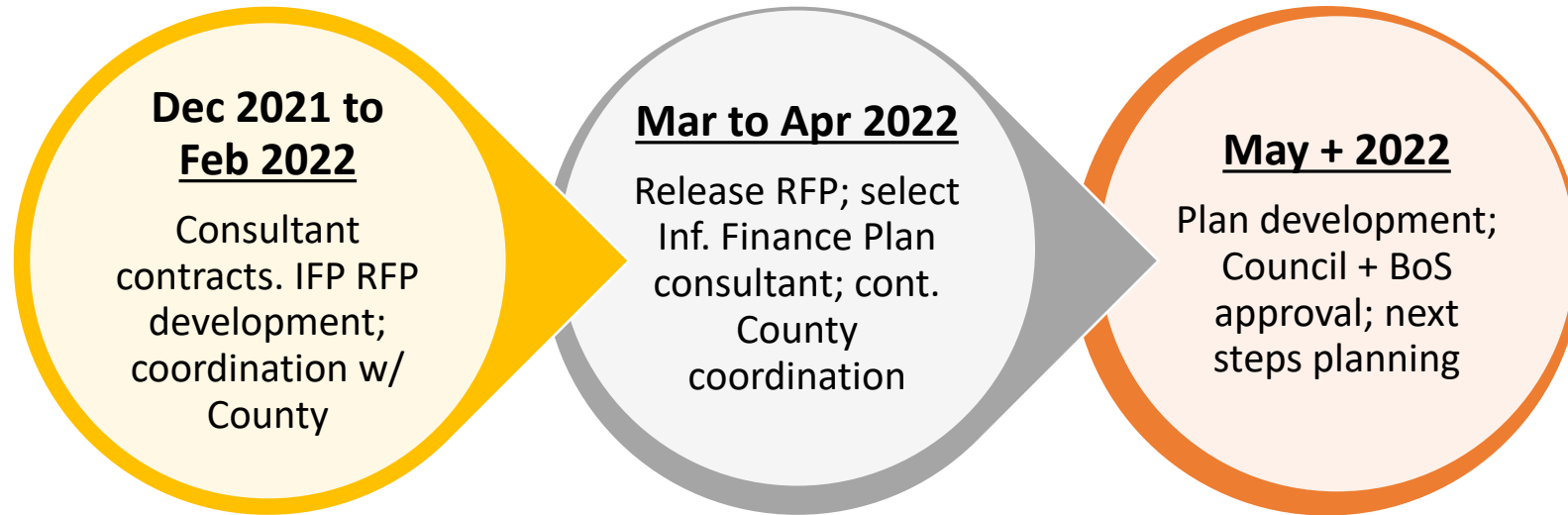
- Infrastructure Finance Plan (includes Fiscal Impact Report)
 - Bond Counsel
 - Other subsequent expenses
- Other EIFD Funds:
 - Gamble Strategies: RED grant + ED Program funds

ARPA

- Guaranteed Basic Income: \$1,008,000
- Childcare Funding: \$2,900,000
- Children's Savings Account: \$1,575,000
- Small Business Tenant Improvement Program: \$1,000,000



EIFD – \$80,000 PG&E FUNDS



CONSIDERATIONS

- Area(s)
- Project Types
- Level of County Participation
- Available Financing Mechanisms



ARPA

Tenant/Facade Improvement – \$1,000,000

Tenant Improvement Program Placemaking Façade Improvement Program

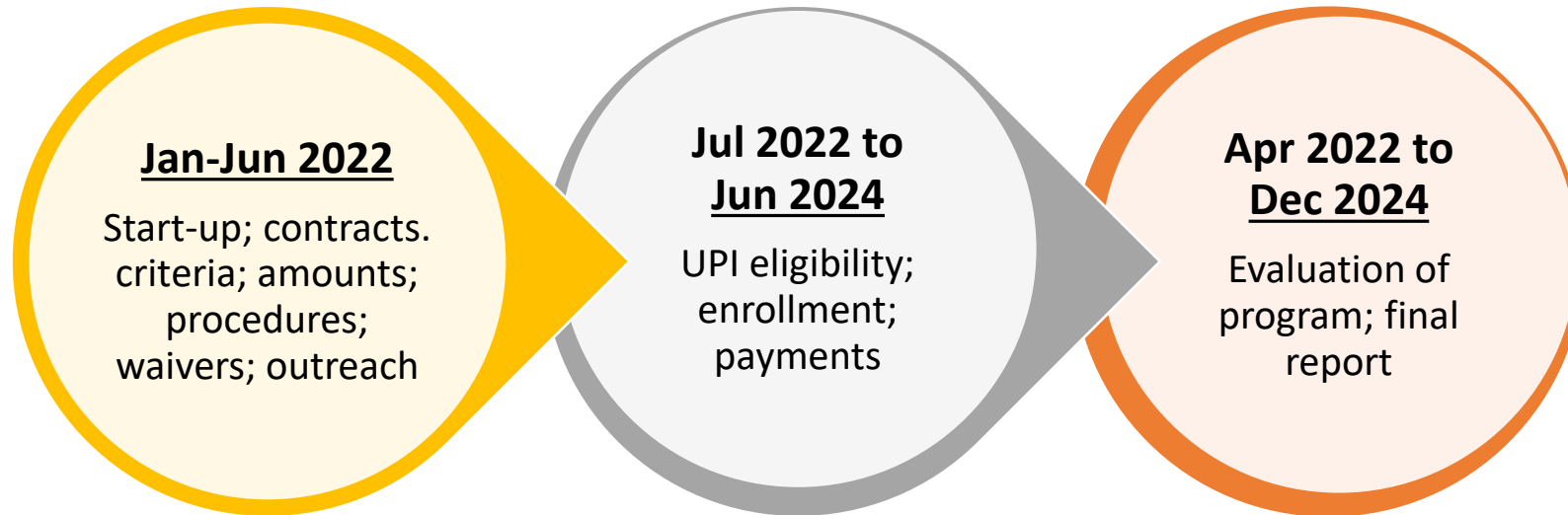
Process:

- One grant application with options to apply for either or both programs
- Targeted marketing and outreach will identify potential business applicants in Equity Priority. Materials will be available in English and Spanish, and collateral will be distributed virtually and in-person.



ARPA

Guaranteed Basic Income – \$1,008,000



Administered by SoCo
Human Services Dept.

Includes additional
wrap-around services:

- Financial
- Employment Prep
- Social Services
- Pre-School

Will work together to:

- Align funding
amount
- Set target
population

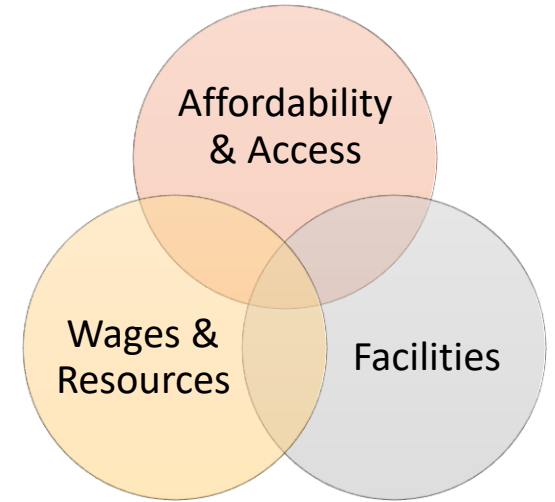
PROGRAM COST	5% SOCO ADMIN COST	TOTAL ARPA REQUEST
\$960,000	\$48,000	\$1,008,000



ARPA

Childcare Funding – \$2,900,000

PROGRAM COST	5% SOCO ADMIN COST	TOTAL ARPA REQUEST
\$2,755,000	\$145,000	\$2,900,000



CHILDCARE FACILITY GRANT PROGRAM:

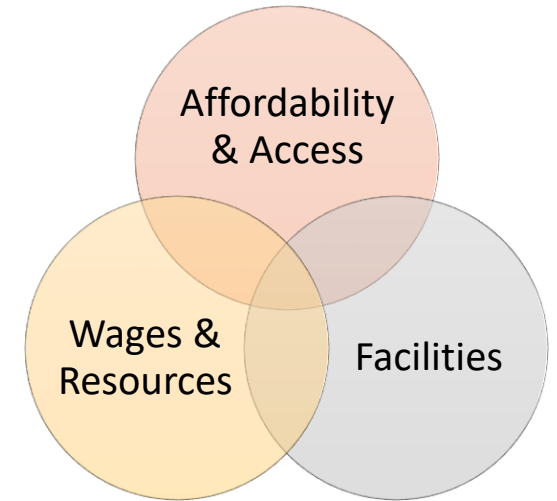
- % based up to 75% of total project cost
- RFP process – Spring 2022
- Funds obligated by 12/31/2024;
Expended by 12/31/2026
- Facility must serve children living in high priority area
- Eligible applicants: Local Education Agencies, 501(c)3 orgs operating a state or federal subsidized program, and private operators accepting AP vouchers/need-based scholarships for at least 50% of children
- Priority points for infant-toddler care providers
- Annual use of funds report required through 2030



Childcare Facility Fund – \$1,400,000

REVOLVING LOAN PROGRAM:

- % based up to 50% of total project cost
 - Up to 75% if hit certain criteria – e.g. location, who served
 - Facility must serve children living in high priority areas
- Up to 10-year repayment plan
- Zero interest
- Annual use of funds report required through 2030



Children Saving Account CSA


City of Santa Rosa

Transformative Equity Based ARPA Investments



Why this strategy



- “Baby Bonds” local interest being addressed by existing state level movement- a law was passed to support it
 - Research about creating a college going culture and shifting aspirational narratives
 - Not just college post secondary schools
 - Changes in trajectory and lifetime earnings
 - Intergenerational poverty busting initiative about savings, school and work
 - Savings Accounts (costs of post secondary)
 - College going culture for school choices from very early age in diverse families
- 

Children Savings Account (CSA) = state level strategy

- AB 132 Post Secondary Education Trailer Bill language
- CalKIDS (2021)
 - Kids Investment and Development Savings Program
 - Golden State ScholarShare College Savings Trust



First 5 California identified as key independent governmental agency to build the system – sole source



PROGRAM LOGIC MODEL

INPUTS	ACTIVITIES	OUTPUTS	Short Term OUTCOMES	Medium Term OUTCOMES	Long Term OUTCOMES
<ul style="list-style-type: none"> • <i>ScholarShare</i> 529 College Savings Accounts • \$100 seed deposits • Online account access • 1:1 and small group financial coaching & education • Parent program participation awards • Savings award match deposits • Child Development resources • FRC events and services <p>Administration</p> <ul style="list-style-type: none"> • First 5 - account custodian, liaison w/<i>ScholarShare</i> • Funding 	<ul style="list-style-type: none"> • FRCs outreach and engage families, establish accounts for children, ages 2-5 • First 5 seeds and makes deposits into CSAs • Parents access accounts • Parents set financial goals and milestones and participate in coaching sessions/classes • Coaches provide parents child development resources • Coaches assist parents to open personal checking or savings • Families participate in FRC events, services and celebrations 	<ul style="list-style-type: none"> • # of accounts established • \$ deposited in 529 accounts • # of deposits • # of times parents review online accounts • # parents opting in to coaching • # of coaching sessions • # parents receiving participation stipends & savings matches and amounts • # unbanked parents open bank accounts • # parents that create a household budget 	<ul style="list-style-type: none"> • Increase parent optimism • Reduced parent stress • Improved parent sense of financial security • Increased confidence in parenting • Increased parent understanding of child development & contributors to school readiness and success • Improved parenting skills/behaviors • Increased sense of belonging, shared community values and expectations and college-bound future 	<p>Parent</p> <ul style="list-style-type: none"> • Increased expectation that child will succeed academically • Increased expectation that child attend postsecondary • Increased college savings <p>Child</p> <ul style="list-style-type: none"> • Improved child social-emotional development • Improved child cognitive development • Improved child health and physical development 	<ul style="list-style-type: none"> • Increased parent/household economic stability • Child is ready to succeed in kindergarten • Child graduates from high school • Child is college and career ready • Child attends post-secondary school/training • Increased child socio- economic status
<p style="text-align: center;">CONTEXTUAL FACTORS</p> <div> <ul style="list-style-type: none"> • Parent interest/capacity for financial education and coaching • Parent education level • Total household income </div> <div> <ul style="list-style-type: none"> • Household income and wealth • Teen parenthood • Institutionalized racism </div> <div> <ul style="list-style-type: none"> • Biological relation of primary caregiver • Homelessness • Social/family connections and supports </div> <div> <ul style="list-style-type: none"> • Documentation status • ECE and other services received • Trauma experienced by parents or child </div>					

Why ScholarShare for the 529?

ScholarShare is California's 529 college savings plan that is named for the section of the IRS code.

- It's managed by TIAA-CREF, famous for conservative strategies and excellent performance.
- The fees are incredibly low. In fact, they are lower than many retail mutual funds.
- Anyone (grandparents, aunts, uncles, friends) can open a ScholarShare account for any child, even if the parents have one already.
- Anyone can contribute to an existing ScholarShare account.
- Morningstar, which ranks mutual funds, name ScholarShare as one of the nine best college savings plans in the nation.
- There are a wide variety of investment options.
- Earnings grow tax-deferred.
- Disbursements, when used for tuition and other higher education expenses, are federal and state tax-free.
- The account can be used at any higher education facility that is eligible for federal funding. This includes some overseas universities and trade schools.
- **This has been chosen by the state as the provider therefore it is fully vetted, monitored, and has a government infrastructure built around it.**

Does a family lose access to the funds?

- Always have access to funds
 - Subject to state and federal taxes 10% federal tax, 2.5 % CA state tax
 - Plus 10% penalties if not available to transfer and do not attend eligible post secondary program
- If unfortunate death or disability of young person and no ability to transfer
 - no penalty but still subject to taxes