

Santa Cruz County American Rescue Plan Act (ARPA)
Annual Status Report: Nonprofit and Small Business Program

March 31, 2020-March 30, 2021

In the fall of 2021, Santa Cruz County, Arizona commissioned research and an implementation strategy to deploy \$1.5 million of Santa Cruz County's federal ARPA distribution. The Board of Supervisors intent with this funding is help the local small business and nonprofit community mitigate the negative economic impacts experienced from the pandemic.

At a December 7 Board of Supervisors work session (recorded [here](#)), Angela Donelson, Ph.D., AICP, of Donelson Consulting LLC presented a proposed "financial asset building" strategy as to how resources could support businesses, entrepreneurs and individuals (see [slides](#) and [fact sheet](#)). The approach -- backed by three decades of national research -- can help build the net worth of individuals, including to bridge financial emergencies, so they can better achieve financial goals. In January, the Board of Supervisors approved the strategy and funding recommendations, which have been obligated as follows:

- **Nonprofit capacity grants:** Approximately \$500,000 in "Santa Cruz County Nonprofit Grants for Community Financial Capacity." The application and awards process (available [here](#)) is being managed through the Community Foundation for Southern Arizona; contract awards and funding will be made through the county. Nonprofits (501c3 and 501c6) were eligible to apply for grants of \$25,000-\$45,000 to offer classes, training and services to help individuals in the community experiencing negative economic impacts from the pandemic. As part of the process, 41 Santa Cruz County organizations completed an inventory of community resources, available [here](#). The application opened between February 3 and March 25 (a recorded program training is available [here](#).) Contract awards are expected in May.
- **Forgivable loans** Approximately \$1 million in forgivable loans/loans to entrepreneurs, artists and employers (including 501c3 nonprofits) managed through Préstamos CDFI, a division of Chicanos Por La Causa. In May, entrepreneurs and employers will be able to apply for forgivable loans of up to \$25,000, with artists eligible to apply for forgivable loans of up to \$2,500 at <https://www.prestamosloans.org/santa-cruz-loan/>
- **Administration to Date**
 - \$56,170 in county ARPA funding for program administration to two entities:
 1. Community Foundation for Southern Arizona for designing and providing a web-based nonprofit application process, disseminating public information, assembling a committee of reviewers and conducting a grant selection process (grantee selections are expected to be announced in May).
 2. Donelson Consulting LLC: research and program design, writing program and public informational materials, developing and managing RFPs and contracts, responding to community program inquiries, managing program contractors, developing and implementing training materials, program evaluation, and developing recommendations for county compliance with federal funding requirements.
 - \$161,000 in county ARPA funding (16.1% administrative fee on the \$1 million forgivable loan program) obligated for program administration to Préstamos CDFI. Préstamos is a federally-chartered Community Development Financial Institution with significant experience administering loan and grant programs. Administrative costs include forgivable loan program administration, marketing, responding to community program inquiries, conducting outreach events, and federal monitoring compliance (including producing a final audit). CPLC was selected in March through a competitive county RFP process, published Feb. 2, and available [here](#).