



# **American Rescue Act (ARPA) Workshop October 19, 2021**



# Staff

- Brad Raulston, City Manager
- Tony Winney, Assistant City Manager
- Molly Brennan, Administrative Services Director
- Roberto Yano, City Engineer



# Workshop Agenda

## ARPA Overview

- Interim Final Rule
- Eligibility Criteria
- Funding Categories

## Strategic Planning

- CIP Prioritization
- Other Uses
- Community Engagement Process

## Recommendation

## Public Comment

## City Council Direction

# ARPA Overview

- \$1.9 trillion economic stimulus bill titled the American Rescue Plan Act of 2021 (ARPA)
- \$350 billion was allocated for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and promote economic growth.
- City of National City total allocation is \$18,010,907. The City has received half of the funding, \$9,005,453.50, and will receive the other half around June 2022.
- All expenditures need to be incurred by December 31, 2024 and paid by December 31, 2026.



# ARPA Funding Objectives

The four funding objectives of the State and Local Fiscal Recovery Funds are:

1. Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control.
2. Replace lost public sector revenue to provide government services to the extent of the reduction in revenue experienced due to the pandemic.
3. Respond to the negative economic impacts of the pandemic, including assistance to households, small businesses, and non-profits, and aid to impacted industries.
4. Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations.

# Interim Final Rule

- US Treasury published preliminary final rule on May 17, 2021 (Recent update has recommended agencies follow interim final rule since final rule is uncertain)
- Funding categories and eligibility criteria are summarized as follows:
  - General Fund Offsets from Eligible Budgeted Expenses
  - Projects in Qualified Census Tracts
  - Response to Negative Impacts from Pandemic
- Spending plan could be adjusted if US Treasury changes the eligibility criteria in the final rule



# ARPA Funding Categories

## Budgeted Uses of ARPA Offsetting General Fund Expenditures

- Total FY 22 Budget = \$2,060,000
- FYs 23 and 24 = \$2,010,000 each year
- Total \$6,080,000

## Eligible Budget Expenditures

- Personnel expenditures to bring staffing back to pre-pandemic levels across all departments
- Parks & Recreation maintenance due to increased demand on outdoor facilities and promoting healthy childhood environments
- Homeless services, including the Homeless Outreach Team in the Police Department and the homeless services provided by the Neighborhood Services Department
- Library digital literacy and youth focused programming
- Storm drain projects
- Chamber of Commerce contribution for COVID-19 economic recovery work (one-time)



# ARPA Funding Categories

Response to Negative Impacts. The following are also examples of directly eligible ARPA costs that staff can explore further:

- Premium pay for eligible city employees - \$900,000 recommended
- More premium pay can be added later and is currently being considered through negotiations
- Additional storm drain infrastructure (\$200,000 budgeted now)
- Other outdoor and health oriented expenses in qualified census tracts
- Affordable housing land acquisition and development
- Small business assistance



# ARPA Funding Categories

Qualified Census Tract Eligible Expenditures for Outdoor and Health Oriented Community Projects – Total \$2,475,000

- Las Palmas Pool Emergency Repairs - \$2,250,000
  - Replaster - \$1 million
  - Deck Rehabilitation - \$1,250,000



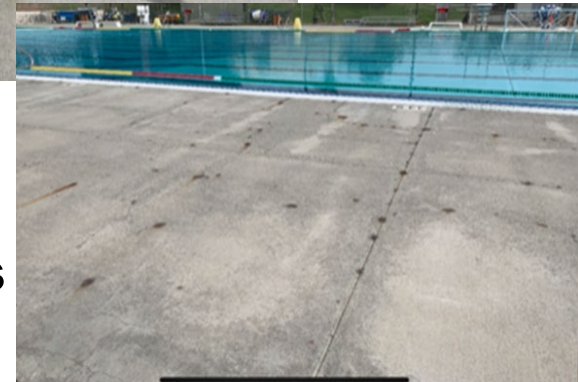
- Major holes on sides of pool
- Losing an estimated 7000 gallons per day



**Plaster and decking replacement deferred since 2016**



**Steel inside decking has rusted and is exposed**



# ARPA Funding Categories

## Design and Outreach Costs Related to Strategic Planning and CIP Prioritization for Remaining Funding - \$225,000

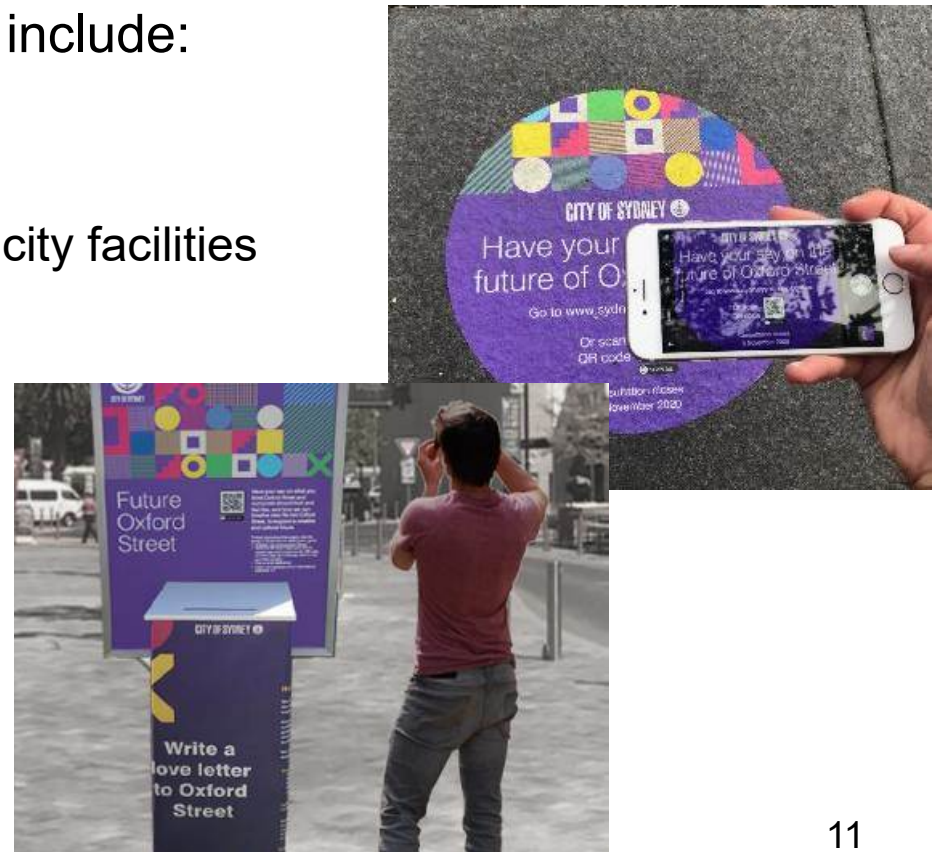
- 1<sup>st</sup> quarter 2022 public process to prioritize spending on eligible uses through strategic planning
- Additional funding sources will be considered such as Prop 68 grants, other State grants, and potential infrastructure/climate bill
- \$100k for concept design costs both Kimball and Las Palmas Parks
- \$25k for consultant to organize and execute community outreach process to assist with strategic planning and CIP prioritization

# Strategic Planning

Staff proposes utilizing strategic planning process to develop outreach and public participation in prioritizing ARPA and other CIP funds.

Examples of outreach efforts could include:

- Online survey
- Open house
- Information kiosks in parks and city facilities
- Town hall meetings
- City Council workshops
- City Council retreats
- Budgetary participation



# Staff Recommendation

Staff recommends allocating the 1<sup>st</sup> phase of ARPA funding as follows:

- \$6,080,000 of General Fund expenditures over the next three fiscal years that can be shifted to ARPA funding
- \$900,000 of premium pay for eligible city employees
- \$2,250,000 of facility improvements costs (pool deferred maintenance/emergency repairs)
- \$225,000 for design and outreach costs to prepare for strategic planning involving the prioritization of the 2<sup>nd</sup> batch of ARPA
  - 1<sup>st</sup> phase spending plan recommendation is \$9,455,000
  - Remaining funds for 2<sup>nd</sup> phase spending plan would be \$8,555,907

Staff seeks specific direction on outreach process related to proposed strategic planning and CIP prioritization for 2<sup>nd</sup> phase spending plan



# Public Comments



# City Council Comments/Direction