COVID-19 RECOVERY – ARPA STIMULUS FUNDING

July 19, 2021

City Council Meeting

American Rescue Plan Act (ARPA) Funding Update

Overview

- ARPA Funding Overview

- Proposed Uses for ARPA Funds

ARPA FUNDING OVERVIEW

American Rescue Plan Act of 2021

- **American Rescue Plan Act (ARPA) Signed Into Law March 11, 2021**
  - $1.9 Trillion Total
  - $350B to states and local governments
    - $65B to counties
    - $65B to cities

THE AMERICAN RESCUE
PLAN ACT OF 2021

Local Fiscal Recovery Funds

- **Payments to Local Governments**
  - First tranche - 60 days after enactment
  - Second tranche - 12 mo. after first tranche
- **San Leandro Allocation – $18.6M**
  - $9.3M received in May 2021
- **U.S. Treasury Guidelines**
  - Issued in May 2021
  - More updates are expected

THE AMERICAN RESCUE
PLAN ACT OF 2021

Eligible Uses of ARPA Funding

- **COVID-19 Eligible Expenditures**
  - Services to contain and mitigate COVID-19
  - Behavioral healthcare services including mental health, substance abuse treatments, and services to promote access to social services

- **Negative Economic Impact**
  - Assistance to households
  - Support for small businesses and nonprofits
  - Support to impacted industries such as tourism, travel, and hospitality sectors

Eligible Uses of ARPA Funding

- **Premium Pay for Eligible Workers**
  - Can be used retroactively
  - Offering additional support to those who will bear the greatest health risks (workers at food production facilities, grocery stores, janitors/sanitation workers, warehouse workers, truck drivers, etc.)

- **For Government Services to the Extent of the Loss of Revenues**
  - Government services – directly provide services or aid to citizens
  - Infrastructure including maintenance
  - Fire, police, or public safety

Eligible Uses of ARPA Funding

- **Investments in Water, Sewer, and Broadband Infrastructure**
  - Make necessary improvements to improve access to clean drinking water and support vital wastewater and stormwater infrastructure (e.g., building/upgrading facilities and transmission systems)
  - Build broadband infrastructure with modern technology providing reliable download and upload speeds
  - Assist household to support internet access or digital literacy

Ineligible Uses and Timeframe

- **Ineligible Uses**
  - Fund pension deposits
  - Replenish reserves/rainy day funds
  - Pay for debt service payments, legal settlements, or judgements
  - Offset reductions in taxes
- **Eligible Costs Timeframe**
  - Covered period is March 3, 2021-December 31, 2024
  - Costs can be incurred by **December 31, 2024, or December 31, 2026** if funds are obligated by December 31, 2024
- **Interim Report – August 31, 2021**
- **Project & Expenditure Report – October 31, 2021**
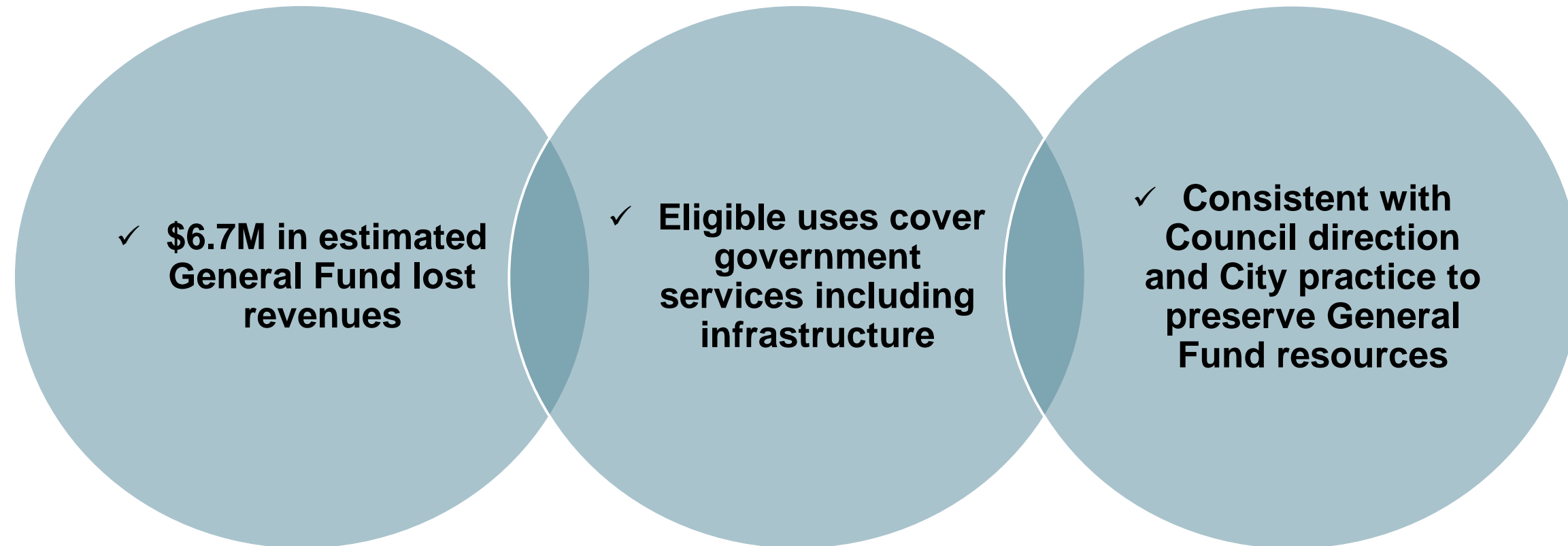 - Then 30 days after end of each quarter thereafter

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PROPOSED USES OF ARPA FUNDS

Key Principles for Utilizing Funds

- Recover lost revenues first ✔
- Maximize investments for the community
- Assess City operations and community needs
- Meets City Council priorities
- Partner with nonprofits and other organizations
- Use one-time funding for one-time expenditures
- Use restricted resources first

Replacing Revenues for Gov't Services

✓ **$6.7M in estimated General Fund lost revenues**

✓ **Eligible uses cover government services including infrastructure**

✓ **Consistent with Council direction and City practice to preserve General Fund resources**

Key programs funded in 21-22 Budget:

☐ Infrastructure maintenance

☐ Human services

☐ Library services

☐ Recycling program

☐ Park and street maintenance

Proposed Uses

Facilities & Infrastructure:

☐ Recovery Plan & Administration Assist - HdL ✔

☐ Technology Upgrades & Digital Divide

☐ Emergency Preparation & Response – management systems, training, vaccination, testing, and PPE

☐ HVAC & Filtration Upgrades – Library, Senior Center, City Hall, etc.

☐ Cleanliness - Clean Streets Team

Proposed Uses

Human Services:

☐ Food insecurity support

☐ Domestic violence programs

☐ Mental health & homelessness services

☐ Short-term & Long-Term homeless navigation center

☐ RV safe zone parking solution to address homelessness

Proposed Uses

Community Development:

☐ Commercial relief grants

☐ Small Business Assistance (website assistance, restaurant revitalization)

☐ Work force development / retraining (outsourced to consultant)

☐ Shop Local / Reopening Marketing

☐ Additional housing counseling / fair housing support

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Proposed Uses

Engineering & Transportation:

☐ Broadband infrastructure enhancements

☐ Road paving (included in revenue loss ✓
offset)

☐ Trash capture storm water phase III (if earmark is unsuccessful)

☐ North area storm drainage improvements

Next Steps

☐ Council Direction/Feedback

☐ Additional Staff Research / Program Development

☐ Proposed Recovery Plan – Fall 2021