



Legislation Text

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Staff Report for Discussion Regarding Implementation of the American Rescue Plan Act (ARPA)

COUNCIL PRIORITY

- Public Safety
- Housing and Homelessness
- Infrastructure
- COVID Recovery
- Fiscal Sustainability and Transparency

SUMMARY

Review the implementation of the American Rescue Plan Act (ARPA) funds.

RECOMMENDATION

Staff recommends the City Council Finance Committee review the implementation of the American Rescue Plan Act (ARPA) funds. The report is for information only.

BACKGROUND

The American Rescue Plan Act (ARPA) was signed into law in March 2021. This \$1.9 trillion COVID-19 stimulus package provides significant resources to state, local, territorial, and tribal governments for COVID-19 response efforts. Within the ARPA, the Coronavirus State and Local Fiscal Recovery Fund provides \$130.2 billion for local governments. The total funding allocation to the City of San Leandro is \$18.6 million; the City has received the it total amount. Funds can be used for the expenditure categories described below.

Eligible Uses Related to the City

- 1) **COVID-19 Response or Negative Economic Impact:** To respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
- 2) **Revenue Recovery:** For the provision of government services to the extent of the reduction in revenue of such state, territory, or tribal/local government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the state, territory, or tribal government prior to the emergency.
- 3) **Infrastructure Investments:** To make necessary investments in water, sewer, or broadband infrastructure.

Generally, ARPA funds must be spent by December 31, 2024. If obligated by year end, the City has until December 31, 2026, to expend the funds.

Since 2021-22, the City Council has appropriated the \$18.6 million for programs such as streets and roads, parks and recreation facilities, human services, library services, and infrastructure. As the City has implemented the various projects and programs, there have been periodic adjustments reflecting program needs/funding status. There are no recommended adjustments currently.

DISCUSSION

Attachment A to the staff report presents the implementation status for each project. Projects started as early as 2021-22, and they are in different project phases including planning/assessment and implementation. Below are highlights of the implementation status for six of the projects.

Commercial Relief Grants: Provides grants for commercial tenants to pay past due rent, paid directly to landlord. This grant program is nearing completion, and the remaining funds will be utilized in 2023-24 for additional business assistance grants and programs, which may include permanent outdoor dining and business organization assistance.

Small Business Technical Assistance: Provides assistance and services for businesses in areas such as: adapting business models and physical setup to changing customer demand (including outdoor dining), creating an online presence while setting up ordering systems, accessing capital, and understanding and accessing City services and permitting. Monthly business seminars were conducted, related to topics such as City permitting, City contracting, security, and financing. Contracts and programs for technical assistance consulting and online/website assistance are in place for 2023-24.

Street Overlay/Rehabilitation: Funding for street maintenance comprised of partial or complete pavement replacement. This project addresses street pavement in poor condition and streets with pavement that has failed. A construction contract was first awarded in 2022-23, and another award is scheduled this fiscal year.

Long-term Navigation Center: The goal is to provide funding for a long-term navigation center to help the unhoused. The City is using restricted affordable housing funds for acquisition and rehabilitation/construction to leverage other public financing (i.e., state, Federal). The City selected the Nimitz Hotel site for the project and has acquired the property using Federal, state, and local funding sources.

Beautify San Leandro: Provides a centralized method to promote beautification efforts within the city by engaging those who live and work in San Leandro to participate in improvement initiatives and cleanup efforts throughout the city, in public parks and rights-of-way. The program seeks to instill pride in San Leandro residents and employees by encouraging community engagement. An inaugural park clean-up took place on June 22, 2024, at Washington Manor Park, and several subsequent event will follow.

Volunteer San Leandro: The goal is to initiate a volunteer program providing startup costs, outreach, website, litter pickup kits, and cleanup grant funds. Staff is in the final stages of program development with the intent to perform marketing and outreach later this year with grants awarded in 2025.

ARPA projects and programs benefit the community in the short and long term. ARPA funds are well suited for infrastructure investments as recommended by the Government Finance Officers Association (GFOA). A significant portion of the total funding allocation is programmed toward improving the City's broadband, street, facility, park infrastructures, and human service programs.

FINANCIAL IMPACT

There are no new fiscal impacts. The ARPA funds budget totals \$18.6 million.

ATTACHMENTS

Attachment A: City of San Leandro ARPA Grant Tracker

Attachment B: ARPA Update Presentation

PREPARED BY

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