



City of Stockton

Legislation Text

File #: 21-0444, **Version:** 1

APPROVE BY MOTION RECOMMENDATIONS FOR USE OF THE AMERICAN RESCUE PLAN CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

RECOMMENDATION

It is recommended that the City Council approve by motion:

1. The recommended distribution of funds between categories of need identified by the City Manager,
2. Authorize the City Manager to accept and execute applications or other authorizing documentation from the U.S. Department of the Treasury (the Treasury),
3. Appropriate funding upon receipt of funds, and give the City Manager the authority to determine the specific allocation of funds among community partners and execute each of the corresponding agreements, and
4. Give the City Manager authority to reallocate funds among approved priority goals and partners as needed to maximize impact and benefit to the Stockton community.

It is also recommended that the City Council authorize the City Manager to take appropriate and necessary actions to carry out the purpose and intent of this motion.

Summary

This recommendation of priorities and distribution of funds is in response to the Federal allocation of \$78,052,072 in Coronavirus State and Local Fiscal Recovery Funds through the American Rescue Plan. The Federal government's stated goal for this fund is to provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

DISCUSSION

Background

The American Rescue Plan Act (the Act) established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund (CLFRF), which provides a combined \$350 billion in assistance to eligible state, local, territorial, and Tribal governments to support COVID-19 economic recovery efforts. Of the \$350 billion, \$19.53 billion was allocated to non-entitlement units of local government, ultimately allocating \$78,052,072 to the City of Stockton based on the City's 2019 Census data. The Treasury's intended goal is to provide substantial flexibility for each government to

meet local needs - including support for households, small businesses, impacted industries, essential workers, and the communities hit hardest by the COVID-19 public health crisis. These funds can also be used to make necessary investments in water, sewer, and infrastructure.

Funding objectives include relief to:

- Support urgent COVID-19 response efforts to continue to decrease the spread of the virus and bring the pandemic under control;
- Replace lost revenue for eligible governments to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.

Treasury has issued Guidance for spending under the Interim Final Rule, published on May 17, 2021. Public comments regarding these funds are due on or before July 16, 2021. To facilitate review and discussion on the Guidance, the United States Conference of Mayors, along with other organizations, is currently hosting a series of meetings to collect public comments and address any potential revisions. The City continues to participate in these opportunities through staff attendance as well as partnering with our Federal advocates. Frequently Asked Questions are updated continually as clarifying information becomes available and the City is prepared to pivot as needed.

Local government will receive funds in two tranches. Half of the funding, or \$39,026,036, was received by the City on June 1, 2021. The remaining funds are tentatively scheduled to be distributed to the City in twelve months. Funds must be obligated by December 31, 2024. The period for performance ends December 31, 2026.

Present Situation

Through discussion guided by the City Manager, several categories of need have been identified, most of which are a continuation or expansion of programs or support previously enacted under the City's response efforts funded by the State CARES allocation in 2020. Each category is broad in scope, with more specific needs being identified as we continue to adjust to the updated guidelines coming from Treasury.

To rapidly and strategically deploy resources, the City will first utilize partners and programs with demonstrated success while continuing to pursue additional partners.

Covid Mitigation and Prevention

The City will allocate \$200,000 for Personal Protective Equipment (PPE), support the development of a Public Health Open Data Dashboard with the Office of Performance and Data Analytics, as well as a Housing and Homelessness Open Data Dashboard.

Community Well-Being

It is recommended that the City allocate \$5 million over three fiscal years to provide outreach and intervention support, establish hotlines and warmlines, and support evidence-based community violence intervention programs.

Essential Support to Households

It is recommended that the City allocate \$6 million over three fiscal years to address food insecurities, provide household support for utilities, medical, and childcare, and also provide food pantry support.

Small Business Support & Economic Recovery

It is recommended that the City allocate \$10 million over three fiscal years to provide general financial relief, support our restaurants and their outdoor dining needs, provide funds for façade improvements, and also support the Economic Development Strategic Action Plan as it will have a heavy focus on pandemic recovery planning and strategies.

Homelessness & Housing

It is recommended that \$12 million be allocated over four fiscal years to support the development of safe camping and parking sites in the City, fund a first-time homebuyers down payment assistance program, and provide first and last months rent to qualified applicants. In conjunction with San Joaquin County, these funds may be used to develop 250-300 low-barrier emergency shelter beds and invest in a coordinated entry/navigation system.

City Government Recovery

It is recommended that \$15,000,000 be allocated to support lost revenue replacement and employee services for essential workers.

Digital Divide & Internet Connectivity

It is recommended that the City allocate \$9 million to focus on connectivity to the households in our communities, distribute supportive devices and provide access to services, and support the development of broadband infrastructure to the extent it is practical and feasible.

Miscellaneous

It is recommended that the City allocate the remaining \$20,852,072 to support the purchase and installation of touchless restrooms, police vehicles and fire apparatus, equipment and vehicles to support the Clean City Initiative, upgrades to the Stockton Animal Shelter, and HVAC and filtration upgrades at the Waterfront Towers.

FINANCIAL SUMMARY

With Council approval, the City Manager is authorized to appropriate revenue and expenditure budgets for the \$78,052,072 in the Special Grant Fund (280) to support the proposed categories of need. The City Manager will ensure that the funds are distributed in the most expeditious, efficient, and compliant manner so that the recommended services and support can be made available to those impacted by COVID-19 as soon as possible.

There are no other financial impacts to the City at this time.

MEMORANDUM

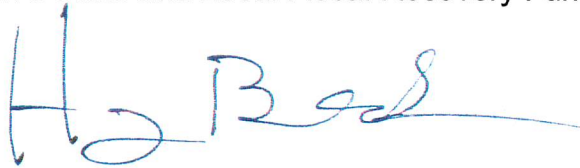
June 22, 2022

TO: Mayor and Council

FROM: Harry Black, City Manager

SUBJECT: **ITEM 15.1 – RECOMMENDED USES FOR AMERICAN RESCUE PLAN FUNDS – SUPPLEMENTAL DOCUMENT**

To help provide more context and support discussion regarding tonight's New Business item 15.1, I am providing a DRAFT of the proposed list of uses for the American Rescue Plan's State and Local Fiscal Recovery Funds.



HARRY BLACK
CITY MANAGER

Cc: City Clerk
City Attorney

Attachment: DRAFT - Proposed Use: American Rescue Plan

**Proposed Use: American Rescue Plan
Coronavirus State and Local Fiscal Recovery Funds**

DRAFT: 6/22/2021

	Round 1	Round 2
COVID Mitigation & Prevention	\$200,000	
1. PPE (Internal Supply & External Distribution)		
2. Public Health Open Data Dashboard		
3. Housing/Homelessness Open Data Dashboard		
Community Well Being	\$1,750,000	\$3,000,000
1. Establishment of Hotlines/Warmlines		
2. Outreach & Intervention Support		
3. Evidence-Based Community Violence Intervention Programs		
Essential Support to Households	\$3,000,000	\$3,000,000
1. Addressing Food Insecurities		
2. Provide Household Support for Utilities		
3. Provide Household Support for Medicine		
4. Provide Household Support for Childcare		
5. Food Pantry Support		
Small Business Support / Economic Recovery	\$4,750,000	\$5,000,000
1. Outdoor Dining		
2. General Financial Relief		
3. Façade Improvements		
4. Economic Development Strategic Action Plan		
Homelessness/Housing	\$5,000,000	\$7,000,000
1. Safe Camping & Parking Sites		
2. First Time Homebuyer Down Payment Assistance		
3. First and Last Month's Rental Assistance		
In Partnership with County:		
4. Develop 250-300 Low to No Barrier Emergency Shelter Beds		
5. Invest in Development of Coordinated Entry/Navigation System		
Recovery of City Government		
1. Lost Revenue Replacement: General Fund	\$5,000,000	\$5,600,000
2. One-Time Essential Worker Incentive Payment to All Staff	\$3,200,000	
3. Providing COVID Related Paid Leave to Employees	\$1,000,000	
Digital Divide/Internet Connectivity	\$4,000,000	\$5,000,000
1. Focus on Connectivity to Households		
2. Distribution of Supportive Devices & Access to Service		
3. Broadband to the extent it is practical/feasible		
Miscellaneous		
1. Touchless Restrooms (\$350,000 each)	\$1,000,000	\$2,500,000
3. Purchase Fire Apparatus (Engines / Ladders)	\$3,700,000	\$3,000,000
4. Purchase Vehicles & Equipment to Support the Clean City Initiative	\$1,000,000	\$1,000,000
5. SPD - Animal Shelter Facility Upgrades	\$3,000,000	\$3,000,000
6. SPD - Equipment	\$473,964	\$926,036
7. ERP COVID Related Cost Over-Runs / Offset	\$452,072	
8. Waterfront Towers HVAC Upgrade	\$1,500,000	
Sub-Total by Disbursement Period	\$39,026,036	\$39,026,036
Total Obligated	\$78,052,072	

Total Allocation is \$78,052,072

> \$39,026,036 received 6/1/2021

> \$39,026,036 to arrive 12 months after first distribution