



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: May 2, 2023

DEPARTMENT: ADMINISTRATION

FROM: STEVEN S. CARRIGAN, CITY MANAGER

BY: DEPARTMENT DIRECTORS
JIM PIA, ASSISTANT CITY MANAGER

TITLE: SALINAS' AMERICAN RESCUE PLAN UPDATE

RECOMMENDED MOTION:

This item provides an administrative update on the City's various Council-adopted projects included in the Salinas recovery under the American Rescue Plan Act (ARPA) of 2021. No action is required.

DISCUSSION:

On March 11, 2021, President Biden signed the American Rescue Plan Act, which provided the City with \$51,567,313 in relief funds. The City has now received all of this funding. As a reminder, the project areas were adopted by the City Council in September of 2021. As of mid-April 2024, \$5,512,276 has been spent, with another \$8,920,217 encumbered on projects, for a total of approximately 28 percent.

BACKGROUND:

COUNCIL ADOPTED ARPA CATEGORY SPENDING

1. **Public Facilities: (\$11.5 million)** According to Treasury guidelines, Capital investments in public facilities to meet pandemic operational needs are eligible, including public building adaptations to implement COVID-19 mitigation. Staff has identified this expenditure area with \$11.5 million in spending, including:
 - a. Adaptations to Salinas City Hall, \$5,002,313
 - b. Hebbroon Family Center, \$1.5 million (for contingencies, unexpected costs, furniture, and fixtures)

- c. Fire Stations, and other Recreational Facilities, \$3 million
 - d. Playground Structures, Park Benches, Grills, \$2 million (Majority to be spent in 93905 & 93906 due to having the higher number of COVID-19 cases)
2. **Public Infrastructure: (\$12 million)** Staff wanted to identify all vital City expenditure areas, even those that may not technically be addressed through ARPA allowable expenses. The Treasury Department gives recipients broad latitude to use funds for the provision of government services to the extent of the reduction in revenue. As a result, staff has identified this expenditure area at \$12 million, as follows:
(Finance Committee has been involved in reviewing these projects)
- a. Sidewalk repairs, \$6 million (Majority to be spent in 93905 & 93906 due to having the higher number of COVID-19 cases)
 - b. Street repair / Traffic safety, \$6 million (\$3 million from City Hall improvements + \$1 million from other public facilities above) (majority to spent in 93905 & 93906 due to having the higher number of COVID-19 cases)
3. **Investments in Water and Sewer: (\$15.465 million)** ARPA fund recipients may use Coronavirus State and Local Fiscal Recovery Funds to make necessary investments in water and sewer. Staff has identified this expenditure area at \$15.465 million, as follows:
- a. Sewer System Work, \$4,620,000
 - b. Gabilan Creek Silt removal, \$ 500,000
 - c. Natividad Creek Silt Removal, \$1,545,000
 - d. Storm Water Master Plan, \$ 800,000
 - e. Park Irrigation Upgrades \$5 million
 - f. Stormwater Green Infrastructure \$3 million
4. **Homelessness/Housing: (\$12.6 million)**
- a. Chinatown Navigation Center Operations, \$1 million
 - b. SHARE Center Operations, \$1 million
 - c. Downtown Streets Team \$ 600,000
 - d. Salinas Homeless Motel Program \$3 million
 - e. Affordable Housing Production Fund, \$7 million (to facilitate affordable housing production, funds can be used for predevelopment, acquisition, construction, plans and studies)

ARPA SPECIFIC PROJECTS IDENTIFIED

Numbering	Project ID	Project Name	Budget	Obligations	Expenditures
1	3911.50.8170	Adaptations to City Hall	5,002,313.00	-	-
2	3911.30.9021	Affordable Housing Production	7,000,000.00	-	-
3	3911.30.8161	Chinatown Navigation Center Operations	1,000,000.00	-	-
4	3911.30.9181	Downtown Streets Team	600,000.00	-	-
5	3911.45.9235	Fire Station Renovations	1,500,000.00	-	-
6	3911.45.9541	Fire Station Repairs	1,400,000.00	-	-
7	3911.55.9311	Firehouse Rec Center	100,000.00	-	-
8	3911.50.9727	Gabilan Creek Silt Removal	500,000.00	-	-
9	3911.55.9165	Hebbron Family Center	1,500,000.00	-	-
10	3911.50.9086	Natividad Creek Silt Removal	1,545,000.00	-	-
11	3911.55.8191	Park Irrigation Upgrades	5,000,000.00	-	-
12	3911.55.8171	Playground Structures, Park Benches, Grills	2,000,000.00	-	-
13	3911.30.8162	Salinas Homeless Motel Program	3,000,000.00	-	-
14	3911.50.8190	Sewer System Work	4,620,000.00	-	-
15	3911.30.3220	SHARE Center Operations	1,000,000.00	-	-
16	3911.50.9720	Sidewalk Repairs	6,000,000.00	-	-
17	3911.50.9293	Storm Water Master Plan	800,000.00	-	-
18	3911.50.8192	Stormwater Green Infrastructure	3,000,000.00	-	-
19	3911.50.8180	Street Repair / Traffic Safety	6,000,000.00	-	-
			51,567,313.00	-	-

UPDATED HIGHLIGHTS by ADOPTED CATEGORY SPENDING

The highlights below capture some of the upcoming activity by category. The attached ARPA Project status list addresses the entirety of information on the projects noted above.

PUBLIC FACILITY CATEGORY:

On the Fire Station Renovations/Repairs, the Salinas Fire Department expects to award a contract in May/June 2023 that will identify a project renovation schedule for \$2.9 million that will span over 1.5 years, and all six fire stations.

On the Adaptations to City Hall project, staff remains focused on the new roof, (approved by Council on April 4), as well as abating environmental hazards and providing for modern HVAC (Heating, ventilating, and air-conditioning), and important building security enhancements. These projects will be worked on during the summer months with significant progress on expenditures (more than \$2 million) in the coming fiscal year.

In the expansion of the Firehouse Recreation Center, staff is exploring modular units that can serve to appropriately expand the site, as well as necessary restroom renovations, with proposals due in mid-May 2023.

A demolition contract for the Hebbbron Family Center was awarded on April 4, 2023, with the anticipated completion in June on that important project.

PUBLIC INFRASTRUCTURE CATEGORY:

It is anticipated that sidewalk repairs totaling \$3.5 million will be completed by August 2023, with a second large sidewalk repair project going out for bid in the fall of 2023.

INVESTMENTS IN WATER AND SEWER CATEGORY:

Three million dollars was allocated to the Stormwater Green Infrastructure projects, including Green City Master Plan, Street sweeping community engagement and route reconfiguring, Cesar Chavez Park Basin engineering and drainage repair, all with work identified in the remainder of 2023 and throughout 2024.

The next steps on the Citywide Park Irrigation upgrades (\$5 million allocation) will come with staff recommendations in the upcoming summer months.

HOMELESSNESS/HOUSING CATEGORY:

ARPA funds for the Chinatown Navigation Center operation have been nearly half used with a new funding agreement to be executed in the new fiscal year. Funding continues to be used for the SHARE Center operations as well.

In terms of Affordable Housing production, the City has completed steps toward: 1) acquiring affordable housing at 403 E. Romie Lane; 2) support for Eden Housing at 855 E. Laurel Drive; 3) acquiring Soledad Street properties; 4) predevelopment efforts on Division Street parcel; 5) acquisition of parcel from St. George Church for CHISPA development of 31-unit Senior housing project. Additionally, funded work by the Downtown Streets Team continues and ongoing efforts also continue in the Salinas Homeless Motel Program.

It is anticipated that All ARPA money, as required by the legislation, will be encumbered by the end of 2024 and work completed by the end of 2026.

Attachments

ARPA Project Status List