



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: NOVEMBER 16, 2021

DEPARTMENT: FINANCE

FROM: MARK ROBERTS, DIRECTOR OF FINANCE

TITLE: APPROPRIATION OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing:

- 1) establishment of a fund named “American Rescue Plan Act (ARPA) Fund;”
- 2) transfer of \$25,783,656.50 from the Special Construction Assistance – Federal and State Fund to the American Rescue Plan Act (ARPA) Fund;
- 3) establishment of appropriations totaling \$51,567,313 in accordance with the Salinas Recovery Plan under the American Rescue Plan Act (ARPA) of 2021 previously approved by City Council; and
- 4) an American Rescue Plan Act (ARPA) Fund revenue budget of \$25,783,656.50.

RECOMMENDATION:

Staff recommends the City Council approve a Resolution authorizing 1) establishment of a fund named “American Rescue Plan Act (ARPA) Fund”; 2) transfer of \$25,783,656.50 from the Special Construction Assistance – Federal and State Fund to the American Rescue Plan Act (ARPA) Fund; 3) establishment of appropriations totaling \$51,567,313 in accordance with the Salinas Recovery Plan under the American Rescue Plan Act (ARPA) of 2021 previously approved by City Council; and 4) an American Rescue Plan Act (ARPA) Fund revenue budget of \$25,783,656.50.

DISCUSSION:

On Tuesday, March 17, 2020, the City of Salinas declared a local emergency in efforts to limit the impacts and exposure of the COVID-19 Pandemic. Since that time, the City’s top priority has been to mitigate the risks to our residents’ health and safety during the pandemic.

On March 11, 2021, President Biden signed the American Rescue Plan Act, which will provide the City with a total of \$51,567,313 in relief funds. The City has received the first half of these funds, with the second half coming in May/June 2022.

On September 14, 2021, staff brought forward to City Council a plan to allocate these resources to the four government service expenditure areas of public facilities, public infrastructure, investments in water and sewer, and homeless. At the meeting, City Council made changes to the proposed plan. These changes are reflected in the attached appropriations document.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

FISCAL AND SUSTAINABILITY IMPACT:

Approving this resolution will authorize establishment of the American Rescue Plan Act (ARPA) Fund and appropriations totaling \$51,567,313, allowing staff to move forward with the projects and activities previously approved by Council as outlined in the attached Salinas Recovery Plan under ARPA. The City's Department of Finance will take on the Reporting Guidance requirements mandated by the United States Department of the Treasury.

ATTACHMENTS:

Resolution

Salinas Recovery Plan under the American Rescue Plan Act (ARPA) of 2021

Salinas Recovery Plan under the American Rescue Plan Act (ARPA) of 2021 Appropriations

RESOLUTION NO. _____ (N.C.S.)

**RESOLUTION OF THE SALINAS CITY COUNCIL APPROPRIATING AMERICAN
RESCUE PLAN ACT (ARPA) FUNDS**

WHEREAS, the City of Salinas will receive a total of \$51,567,313, in American Rescue Plan Act (ARPA) funding, in two payments; and

WHEREAS, the City of Salinas has received the first payment of \$25,783,656.50, with the second payment arriving in May or June 2022; and

WHEREAS, the City's entire \$51,567,313 allocation, subject to further review and analysis, will be received as a "revenue loss" resulting from the ongoing COVID – 19 Pandemic effect on Salinas revenue; and

WHEREAS, ARPA funds must be obligated by the City Council by December 31, 2024, and expended by December 31, 2026, with ongoing Finance Department reporting requirements; and

WHEREAS, Staff met with the Finance Committee on August 2, 2021, to discuss the ARPA funds and recommendations to the City Council; and

WHEREAS, the City Council reviewed Government Service categories that qualify for receipt of this money and upcoming expenditures in the areas of Public Facilities, Public Infrastructure, Investments in Water and Sewer, and Homelessness, all as described in the September 14th Staff Report to Council; and

WHEREAS, at its August 24, 2021 meeting continued to September 14, 2021, the City Council approved a plan to allocate the ARPA funds awarded to the City, as reflected in the attached Exhibit A and

WHEREAS, the City Council has determined that Salinas Recovery spending is in response to the economic and public health impacts of COVID – 19, as established by the Coronavirus State and Local Fiscal Recovery Funds program and will assist efforts to mitigate impacts on our Salinas community, residents, and businesses.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes establishment of a fund named "American Rescue Plan Act (ARPA) Fund;" and

BE IT FURTHER RESOLVED that the City Council hereby authorizes transfer of \$25,783,656.50 from the Special Construction Assistance – Federal and State Fund to the American Rescue Plan Act (ARPA) Fund; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes establishment of appropriations totaling \$51,567,313 in accordance with the Salinas Recovery Plan under the American Rescue Plan Act (ARPA) of 2021 previously approved by City Council; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes an American Rescue Plan Act (ARPA) Fund revenue budget of \$25,783,656.50.

PASSED AND APPROVED this 16th day of November 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Kimbley Craig, Mayor

ATTEST:

Patricia M. Barajas, City Clerk