



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: MARCH 30, 2021

DEPARTMENT: ADMINISTRATION

FROM: STEVEN S. CARRIGAN, CITY MANAGER

BY: MATT N. PRESSEY, CPA, FINANCE DIRECTOR
JIM PIA, ASSISTANT CITY MANAGER

TITLE: THE AMERICAN RESCUE PLAN ACT

RECOMMENDED MOTION:

This item provides Administrative information on the Salinas recovery under the American Rescue Plan Act. Following the presentation, Council will provide input and policy direction to address the public health and economic impacts of the COVID-19 pandemic, suggesting funding priorities from the American Rescue Plan Act, preliminarily identified at just over \$50 million.

There is also a proposed Resolution authorizing the City Manager to execute any necessary documents in order to receive money under the American Rescue Plan Act, as well as authorize the City Manager the authority to spend up to \$1 million in initial qualifying emergency expenditures should there be a delay in Council adoption of the strategic spending plan under the American Rescue Plan Act.

RECOMMENDATION:

It is recommended that the City Council receive the Administrative information for the American Rescue Plan Act and approve a Resolution authorizing the City Manager to execute any necessary documents in order to receive money under the American Rescue Plan Act, as well as authorize the City Manager the authority to spend up to \$1 million in initial qualifying emergency expenditures should there be a delay in Council adoption of the strategic spending plan funding under the American Rescue Plan Act.

BACKGROUND:

On Tuesday, March 17, 2020, the City of Salinas declared a local emergency in efforts to limit the impacts and exposure of COVID-19. Since that time, the City's top priority has been to mitigate the risks to our residents' health and safety during the pandemic. Additionally, the City has worked with our small businesses to offer support services that have focused on connecting businesses and entrepreneurs to COVID – 19 response and recovery resources.

The City has also worked with our unsheltered community members regarding issues of sanitation, waste and garbage clean-up. Problems stemming from the COVID – 19 Pandemic have only been exasperated for our unsheltered and those in encampments.

The American Rescue Plan Act:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA), which will provide the City an estimated \$50,459,386 in relief funds. The City will receive the first half of these funds within 60 days, with the second half coming approximately 12 months later. Although the legislation provides broad guidance related to the eligible use of the funds, staff awaits clarification and guidance from the U.S. Treasury. The information below shows the general language used in the Senate-approved version of the legislation.

Respond to or mitigate the public health emergency with respect to COVID-19 or its negative economic impacts.

Cover costs incurred as a result of the public health emergency.

Replace revenue that was lost, delayed, or decreased (as determined based on revenue projections for the metropolitan city, non-entitlement unit of local government, or county as of Jan. 27, 2020) as a result of the pandemic.

Address the negative economic impacts of the pandemic.

Make necessary investments in water, sewer, or broadband infrastructure.

Following Council suggestions of funding priorities of ARPA, staff will continue working to develop a potential plan for the expenditure and use of the funds and bring it back for final Council consideration. The Resolution seeks to authorize the City Manager the authority to spend up to \$1 million in initial qualifying emergency expenditures, consistent with existing procurement policies and protocols, should there be a delay in Council adoption of the strategic spending plan. All funds received through ARPA must be spent no later than December 31, 2024.

In terms of the last allowable use of the funds mentioned above (broadband infrastructure), it should be noted that the City of Salinas has and continues to support the development of broadband infrastructure, with the goals of supporting economic development, quality of life, and equity. The City Council has previously enacted policies to promote the development of broadband infrastructure (such as fiber, conduit, and antennas), including a Dig Once Ordinance and policies regarding the use of City facilities and right-of-way for telecommunications facilities. The City is also in the process of constructing new City-owned fiber lines running from Central Park to City Hall and the new Public Safety Building. The City has also entered into a Reciprocal Dark Fiber Agreement with ExteNet Systems – this Agreement allows for the use of each other’s fiber and conduit for multiple purposes, and has the practical effect of expanding the networks of both parties. The City is also exploring its

options for connecting its fiber network to remote City facilities and to improve the efficiency of traffic flow through connecting its traffic signals to fiber.

The City has pursued a strategy of incrementally expanding its network to facilitate access to different portions of the City by Internet Service Providers (ISPs). While the funding from ARPA should not change this strategy, it could have the impact of dramatically accelerating its implementation. The City has recently issued a Request for Proposals (RFP) to identify private-sector partners who would be willing and able to support the provision of high-speed broadband service within the City by leveraging the existing broadband assets within the City to provide additional broadband service coverage to its residents and businesses. Responses to the RFP are due by April 30. City staff should have a better idea of whether there are viable private partners to support the expansion of the existing network to improve service across the City once it has received responses to the RFP.

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).

DEPARTMENTAL COORDINATION:

The Administration Department will continue to coordinate with all Departments in this effort.

FISCAL AND SUSTAINABILITY IMPACT:

Staff will work with the City Council and our Federal partners in determining the best path forward on a spending plan that will meet the guidelines and expenditure deadline of December 31, 2024.

ATTACHMENTS:

Resolution
PowerPoint on the American Rescue Plan Act

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

**A RESOLUTION OF THE SALINAS CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO EXECUTE ANY NECESSARY DOCUMENTS IN ORDER TO RECEIVE
MONEY UNDER THE AMERICAN RESCUE PLAN, AND AUTHORIZING THE CITY
MANAGER THE AUTHORITY TO SPEND UP TO \$1 MILLION IN INITIAL
QUALIFYING EMERGENCY EXPENDITURES**

WHEREAS, The American Rescue Plan Act provides direct allocations to entitlement cities, including the City of Salinas; and

WHEREAS, President Biden signed the American Rescue Plan Act on March 11, 2021, and within 60 days, the City will receive the first half of the estimated \$50,459,386 in relief funds designated for Salinas; and

WHEREAS, the Federal Legislation states that the money can be used for the following:

Respond to or mitigate the public health emergency with respect to COVID-19 or its negative economic impacts.

Cover costs incurred as a result of the public health emergency.

Replace revenue that was lost, delayed, or decreased (as determined based on revenue projections for the metropolitan city, non-entitlement unit of local government, or county as of Jan. 27, 2020) as a result of the pandemic.

Address the negative economic impacts of the pandemic.

Make necessary investments in water, sewer, or broadband infrastructure.

WHEREAS, the City will consult with our Federal Officials, and await further guidance from the US Department of the Treasury on how the funding can be utilized.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF SALINAS that the City Manager is hereby authorized to execute any necessary documents in order to receive money under the American Rescue Plan, and is further authorized the authority to spend up to \$1 million in initial qualifying emergency expenditures, consistent with existing procurement policies and protocols, should there be a delay in Council adoption of the final strategic spending plan under The American Rescue Plan Act.

PASSED AND APPROVED this 30th day of March 2021, by the following vote:

AYES:

NOES:

ABSENT:

Kimbley Craig, Mayor

Attest:

Patricia M. Barajas, City Clerk