



City of Rialto

Legislation Text

File #: 21-0743, **Version:** 1

For Special City Council Workshop Meeting [October 26, 2021]

TO: Honorable City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Stephen Erlandson, Director of Finance

Request City Council to Adopt **Resolution No. 7790** Amending the 2021-2022 Fiscal Year Budget to Establish the American Rescue Plan Act Fund (Fund 232) and to Appropriate \$29,373,105 in Coronavirus State and Local Fiscal Recovery (SLFR) Funds into Various Programs and Projects as Determined by the City Council.

(ACTION)

BACKGROUND:

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA), which appropriates nearly \$1.9 trillion nationwide for COVID-19 pandemic relief funding including \$350 billion for every eligible state, city, town, territorial and Tribal governments in the country. ARPA establishes the Coronavirus State and Local Fiscal Recovery (SLFR) Fund to provide an infusion of resources to help State, local and Tribal governments address their economic struggles in responding to the impact of COVID-19 and to assist with recovery on their communities, residents and businesses.

The City of Rialto (City) was awarded \$29,373,105 in SLFR funds through the ARPA. The U.S. Department of Treasury used the standard Community Development Block Grant (CDBG) formula for determining the allocation of funds to metropolitan cities. The distribution of ARPA funds will be separated into two allocations. On June 18, 2021, the City received the first distribution of funding, in the amount of \$14,868,552.50. The balance is expected to be allocated on or before June 30, 2021.

ANALYSIS/DISCUSSION:

On October 6, 2021, the City Council held a special workshop to discuss allocating the City's SLFR Funds into various programs and projects. At that time, the City Council provided direction to staff as follows:

- 10% of funding (rounded to \$3,000,000) to be allocated for social services and financial assistance to residents and businesses impacted by the COVID pandemic in the following programs:
 - recruitment incentives / bonus pay for new worker employment;

- workforce job creation;
- COVID testing;
- SWAG funding to expand homeless support;
- childcare assistance;
- rental/mortgage/utility assistance;
- ambulance bills;
- COVID burials;
- bilingual outreach to residents on all programs

Staff will coordinate with the City's consultant to develop the details of these various programs, to be presented to City Council in the future for approval.

Additionally, the City Council allocated SLFR Funds to various capital projects as follows:

- \$10,000,000 to be allocated for City-wide street reconstruction, paving and repairs
- \$7,000,000 to be allocated for Information Technology (IT) Systems and Upgrades including \$4,000,000 for Financial/ERP Software and \$3,000,000 for various IT Upgrades
- \$3,000,000 to be allocated for a new City-wide Security / Camera System
- \$500,000 to be allocated to initiating the process on a potential design-build project for a new Police Station

A balance of \$5,873,105 remains available for allocation. Staff recommends allocating \$1,000,000 for administrative support, consulting services and case management in administering the SLFR Funds and related programs. This will leave a balance of \$4,873,105 that will be allocated to future capital projects to be determined by the City Council.

ENVIRONMENTAL IMPACT:

The request is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY

Complies with the following Rialto General Plan Guiding Principle:

Our Government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney reviewed and recommends approval of the staff report and resolution.

FINANCIAL IMPACT:

Operating Budget Impact

This action will amend the 2021-2022 Fiscal Year Budget to establish a new Fund - the American Rescue Plan Act Fund (Fund 232), and to appropriate the full amount of \$29,373,105 in SLFR Funds as revenue and operating expenditures of \$7,000,000 for various contractual services and IT System software and equipment as directed by the City Council in its allocation of the SLFR Funds.

Capital Improvement Budget Impact

This action will establish \$16,373,105 of the SLFR Funds in capital expenditure accounts for the various capital projects identified by the City Council.

Business License

Not applicable.

RECOMMENDATION:

Staff recommends that the City Council adopt the Resolution amending the 2021-2022 Fiscal Year budget to establish the American Rescue Plan Act Fund (Fund 232) and to appropriate \$29,373,105 in Coronavirus State and Local Fiscal Recovery (SLFR) Funds into various programs and projects as determined by the City Council.