



City of Rialto

Legislation Text

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For City Council Meeting December 14, 2021]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Lissette Montoya, Avant-Garde (Consultant)

Request City Council to Approve the Programs/Projects Presented in this Report to be Funded with the American Rescue Plan Act in the Amount \$29,373,105 in Coronavirus State and Local Fiscal Recovery Funds (SLFRF), Submit the Required Reporting/Expenditure Plan to the Department of Treasury, and Award Amendment #1 to Avant Garde for the Administration of ARPA funds in the Amount Not To Exceed \$575,000.00.

(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 Fund (SLFRF) 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 SLFRF 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 approximately 12 months later.

The SLFRF must be spent using the Interim Final Rules provided by the United States Federal Government Department of Treasury (US Treasury), also known as the “ARPA guidelines” that accompanied the SLRFR which identify and define the eligible uses of these federal funds.

On September 14, 2021, City staff prepared a staff report to allow the City Council to consider the range of options and available use of the SLRFR as may be restricted by the administrative regulations implemented through the ARPA. Staff was provided direction to continue exploring possible uses that would be eligible for SLRFR.

On October 6, 2021, the City Council held a special workshop to discuss allocating the City’s SLRFR into various programs and projects.

On October 26, 2021, the City Council adopted 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.

ANALYSIS/DISCUSSION:

The goal of the proposed funding is to develop sustainable COVID recovery efforts. Based on the direction provided by the City Council the \$29,373,105 in Coronavirus State and Local Fiscal Recovery Funds (SLFR) will be allocated as follows:

ARPA Summary

| | | |
|-----------------------|----|---------------|
| Total ARPA allocation | \$ | 29,373,105.00 |
| CIP projects | \$ | 21,000,000.00 |
| Service Programs | \$ | 3,000,000.00 |
| Administration | \$ | 1,000,000.00 |
| Un-Allocated | \$ | 4,373,105.00 |

Capital Projects

| | | |
|----------------------------------|----|---------------|
| New PD Station; Conceptual Study | \$ | 500,000.00 |
| Financial/ERP Software | \$ | 4,000,000.00 |
| IT Upgrades | \$ | 3,000,000.00 |
| Citywide Security Camera System | \$ | 3,000,000.00 |
| Street Paving | \$ | 10,000,000.00 |
| Total | \$ | 21,000,000.00 |

Service Programs

| | | |
|------------------------------------|----|--------------|
| Homeless Support Services | \$ | 400,000.00 |
| Rental/Mortgage/Utility Assistance | \$ | 1,500,000.00 |
| Small Business Grants | \$ | 600,000.00 |
| Childcare Assistance | \$ | 150,000.00 |
| Ambulance Support Services | \$ | 150,000.00 |
| Burial Costs | \$ | 200,000.00 |
| Total | \$ | 3,000,000.00 |

Administration

| | | |
|--------------------------------------|----|--------------|
| Staff Time, Consultants and Outreach | \$ | 1,000,000.00 |
|--------------------------------------|----|--------------|

A summary of the service programs is described below:

- 1. Homeless Support Services (\$400,000):** This amount will be designated to Social Work Action Group (SWAG), a nonprofit organization with the mission of advocating, educating, and inspiring individuals and families in the Inland Empire to achieve sustainable independence through community support. SWAG offers outreach expertise and a plethora of resources to enhance Rialto's community team.

2. Rental/Mortgage/Utility Assistance (\$1,500,000): The City of Rialto's Rent, Mortgage & Utilities Assistance Program (Program) will offer eligible Rialto households rental or mortgage and utilities assistance. In response to the negative economic impact that the COVID-19 has had on and continues to have on residents, the Program offers one-time financial assistance up to \$5,300 to help Rialto residents with rent or mortgage and utilities payments. Eligible utilities include electricity, gas, water, trash, and internet. Financial assistance will be offered to households in a qualified census tract and households disproportionately impacted by the pandemic. The program will be managed by City staff/consultants. Based on the amount allocated is projected that the City will be able to aid 283 households. Guidelines have been developed for the program which identify the process and eligibility requirements (Attachment A).

3. Small Business Assistance Grants (\$600,000): The City of Rialto's Small Business Grant Program will offer one-time \$10,000 grants to eligible businesses. The purpose of the City of Rialto's Small Business Grant Program is to address the negative economic impacts of the COVID-19 pandemic and provide premium pay for essential workers, in key sectors. Grant funds may be used to:

- Mitigate financial hardships caused by the COVID-19 pandemic (ex. Declines in revenue, costs of retaining employees, mortgage/rent/lease costs, utilities costs, other operating costs)
- Implement COVID-19 prevention or mitigation tactics (ex. Physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccinations)
- Technical assistance, counseling, or other like services to assist with business planning needs
- Premium pay for employees working in key, eligible sectors such as healthcare, education and childcare, transportation, sanitation, social and human services, grocery and food production, and public health and safety.

The program will be managed by City staff/consultants. Based on the amount allocated it is projected that the city will be able to assist 60 small businesses. Guidelines have been developed for the program which identify the process and eligibility requirements (Attachment B).

4. Childcare Assistance (\$150,000): This program will provide one-time childcare expense assistance, up to \$1,500 per applicant, for parents who are working. Applicants must reside in a qualified census tract (Attachment C) to be eligible for the program. Staff is in the process of conducting research to develop guidelines for implementation.

5. Ambulance Support Services (\$150,000): This program will assist residents with ambulance related costs not covered by insurance or other aid. City Staff are in the process of developing the program guidelines.

6. Burial Costs (\$200,000): This program will provide eligible households with reimbursement

assistance for households who have experienced a COVID-related death. The program will provide one-time reimbursement assistance of up to \$5,000, per eligible household. City staff are in the process of developing the program guidelines. Based on the amount allocated it is projected that the City will be able to assist 40 households.

Program Outreach and Marketing

Bilingual outreach efforts will be done in accordance with state and federal regulations pertaining to fair housing and equal opportunity to assure nondiscriminatory treatment, outreach, and access to the Programs. Outreach efforts will be conducted by the City's consultants.

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 has reviewed and recommends approval of the staff report and guidelines.

FINANCIAL IMPACT:

Operating Budget Impact

The American Rescue Plan Act Fund has appropriated \$4,000,000 for various contractual services and administrative support.

Funding is budgeted and available to award the proposed amendment #1 to Avant Garde's contract for administration of the APPA programs in the ARPA Fund Account No. 232-500-0001-2011 in the not to exceed amount of \$575,000.00.

Capital Improvement Budget Impact

\$20,500,000 of the SLFRF has been funded in capital expenditure accounts for various capital projects.

Business License

Not applicable.

RECOMMENDATION:

Staff recommends that the City Council approve the programs/projects presented in this report to be funded with the American Rescue Plan Act Fund in the amount \$29,373,105 in Coronavirus State

and Local Fiscal Recovery (SLFRF) and submit the required reporting/expenditure plan to the Department of Treasury. Staff additionally recommend awarding amendment #1 to Avant Garde for the administration of ARPA funds in the not to exceed amount of \$575,000.00