AGENDA ITEM 6

REQUEST FOR FINANCE COMMISSION ACTION

MEETING DATE: September 20, 2021

TITLE: PROPOSED SPENDING PLAN FOR AMERICAN RESCUE PLAN ACT OF 2021 RELIEF FUNDS



Director of Financial Management and
Strategic Planning

RECOMMENDED ACTION

Recommend City Council approve proposed recommendations on the use of the City's American Rescue Plan Funds.

EXECUTIVE SUMMARY

On March 11, President Joe Biden signed the **American Rescue Plan Act 2021** (ARPA), which launched the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide $350 billion in emergency funding for state and local governments. The emergency economic stimulus bill provides fiscal aid to address the ongoing COVID-19 public health crisis. The SLFRF provides funding to meet local needs, including COVID-19 response, replacing public sector revenue loss, premium pay for essential workers, improving facilities to ensure health and safety, increase usage of outdoor spaces, as well as investing in public infrastructure and broadband. Of the $350 billion economic stimulus bill, the City will receive **$56 million in direct one-time funding**.

The City's Strategic Priorities are the blueprint for prioritizing policy decisions and the proposed spending plan. The proposed spending plan is in alignment with the City's Strategic Priorities which include:

1. Quality of Life
2. Natural Environment
3. Traffic and Mobility
4. Fiscal Strength
5. Organizational Excellence

This one-time funding will provide significant financial resources for health and safety across the City while also making investments that improve our resident's quality of life.

The proposal includes **$23 million for enhancing the Quality of Life** for Irvine residents with critical programs such as **Be Well OC** to provide innovative behavioral health and mobile crisis response teams within the City and implementing the **OneIrvine Program**

addressing revitalization efforts of City neighborhoods. The City continues to focus on promoting conservation of the Natural Environment, allocating **$9.3 million to protect natural resources**, improving fields, opens spaces and planting 400 additional trees citywide. **$7.4 million** is included to implement **trail use, bike use, and shared transportation** measures and improvements and **$14.5 million** is focused on responsible investment in **key infrastructure**, including **affordable housing and broadband**. Lastly, **$2.3 million** is recommended to provide **premium pay** to the City's staff who stepped up during the COVID-19 pandemic to provide uninterrupted exceptional services to our residents and businesses.

ANALYSIS

The American Rescue Plan Act of 2021 (ARPA) is a $1.9 trillion economic stimulus bill. Within the ARPA, the Coronavirus Local Fiscal Recovery Fund (SLFRF) provides $350 billion for states, municipalities, counties, tribes, and territories. Of the $350 billion, the City will receive an estimated **$56 million in one-time funding**. These funds can be spent by local governments to provide for healthier and safer indoor and outdoor environments for residents, visitors and employees; assist with investments in outdoor spaces and programs that promote responsible public gatherings; help pay for essential affordable housing, broadband and other critical public infrastructure; and compensate for relevant first responder expenses.

The U.S. Treasury continues to update and finalize procedures, processes and detailed reporting requirements on eligible uses. Funds *cannot* be used toward pensions or to offset revenue resulting from tax cuts.

Funding will be received in two disbursements. The first $28 million was received and this revenue will be held in a separate fund subject to quarterly and annual audits, with the second disbursement anticipated within the next 12 months. City staff have implemented a dedicated website and email for specific communications, frequent mandated updates, including quarterly reporting on the use of the funds as part of the budget update (first to the Finance Commission and then the City Council). Funding opportunities are go-forward from March 3, 2021 and must be completed by December 31, 2026.

American Rescue Plan Proposed Spending Plan

The City's Strategic Priorities are the blueprint for prioritizing policy decisions for the City's future and the proposed $56 million ARPA spending plan. The proposal (Attachment) has been developed by staff based on the City's priorities, and preliminary input from the Mayor and City Council members, and their respective Finance Commission members.

In addition, staff's proposal has been promoted on the City's website and social media, with public input encouraged. Staff's proposal may be amended based on this input. The current proposal is detailed below.

1. $23 MILLION IN QUALITY OF LIFE

A. Partnering with Be Well OC to provide innovative behavioral health mobile outreach services *$4 Million*

The City will launch a pilot program to provide mobile mental health outreach services through Be Well OC. Be Well OC is a non-profit organization that provides mental health and wellness support for residents of Orange County. Be Well OC brings together a robust, community-based, cross sector strategy which includes public, private, academic, and faith-based stakeholders to create a community-wide coordinated ecosystem to support optimal mental health.

The Be Well OC program embeds the mobile response team into the City's police response systems, with police dispatchers trained to triage, and when appropriate, to divert certain calls for service to the mobile crisis response team. These calls are carefully screened to exclude those involving violence, weapons, threats, and other situations where the presence of a uniformed police officer would be needed. The non-emergency calls these teams would handle: mental illness, substance abuse, and homelessness. The Be Well OC mobile crisis response teams are staffed by experienced crisis counselors who specialize in the care and management of these frequent challenges.

B. Implementing the One Irvine Program to address quality of life issues in older and lower-income neighborhoods *$5 Million*

One Irvine is a community reinvestment program targeting specific older neighborhoods throughout the City through a variety of resources including funds for residential rehabilitation, City capital project investment, education, and code enforcement. The program is designed to target one neighborhood at a time, reaching multiple neighborhoods over several years. Due to the important role of community engagement and neighborhood-focused in-person events, the full rollout of the program was postponed due to COVID-19. This funding will augment the program through grants or low interest loans and fee waivers for home improvement, façade, and front yard upgrades. The funds are budgeted to cover project costs in the One Irvine program across neighborhoods over multiple years. As loans for residential investment are repaid, they will be rolled back into the program.

C. Investing in measures to protect the health and safety of our residents, employees and visitors *$5.5 Million*

The health and safety of our residents, employees, and visitors are paramount to the City. Improvements include enhancements to the City Hall & Operations Support Facility (OSF) to ensure proper air filtration, hygienic protocols & social distancing, including exercise & health equipment. Facility upgrades to include HVAC and air filtration systems, upgrades to outdated restrooms in various community facilities as well as updating seating in City Hall and community facilities to ensure social distancing of visitors and employees. To the extent that additional temporary staffing may be necessary to manage these capital improvement projects, necessary City Council legislation will be brought forward during the October 12, 2021 City Council review of this proposal.

D. Promoting continued use of public spaces for healthy gatherings *$7 Million*

The City continues to promote safe gatherings at public spaces and funding is included for further implementation of playground equipment improvements including disinfection programs, surface testing, and replacements. Additionally, ensuring outdoor shade opportunities and upgrades at parks are available, upgrading park fitness equipment, and enhancing pool water sterilization systems is included in this proposal. To the extent that additional temporary staffing may be necessary to manage these capital improvement projects, necessary City Council legislation will be brought forward during the October 12, 2021 City Council review of this proposal.

E. Conducting an assessment of Irvine's families', children's and seniors' programming and service expectations post COVID and considering unique needs of our multi-lingual, multi-cultural community *$650,000*

Funding is planned to engage a consultant to provide an update to the 2013-2018 Strategic Plan for Children, Youth and Families. The plan represents the City's vision to create and maintain a safe community where children, youth and families thrive emotionally, physically, academically, and socially. As the last plan is outdated, the consultant will assist with data gathering and updating key goal areas that will guide the development and maintenance of programs and policies. Additionally, funding is included to conduct a citywide survey and outreach that would include residents and stakeholders, and would assess the needs and satisfaction levels of the community regarding services/programs the City provides to support children, youth and families. The survey would include specific questions addressing needs of our senior, multi-lingual and multi-cultural community members.

F. Enhancing multi-lingual, multi-cultural outreach and engagement of our diverse community, particularly with increased reliance on social media and virtual forums and events post-COVID *$850,000*

Funding is provided for a variety of community-based events, which include themes such as an educational speaker series, cultural arts, multicultural, village based, and health and wellness. Additionally, funding is included to further enhance multi-lingual outreach and translation across all City platforms to reach our diverse community.

2. $9.3 MILLION IN NATURAL ENVIRONMENT

Citywide Improvements include upgrades to athletic fields and open spaces in our parks to promote active and passive use; focusing on turf replacement, drainage infrastructure, and use of drought tolerant plants. Planting includes 400 park trees citywide to enhance the natural environment and provide shade opportunities. To the extent that additional temporary staffing may be necessary to manage these capital improvement projects, necessary City Council legislation will be brought forward during the October 12, 2021 City Council review of this proposal.

3. $7.4 MILLION IN TRAFFIC AND MOBILITY

Funding is provided for improving walkability, bike use, and shared transportation. Implementation includes citywide improvements for pedestrians and bicyclists: touchless pedestrian push buttons; upgraded pedestrian equipment at signalized intersections; smart phone app-based bicycle detection pilot project; intersection spot treatments as identified in the recently adopted Irvine Strategic Active Transportation Plan (ISATP), with an emphasis on conflict zones (i.e., green paint); and sidewalk construction for critical missing gaps. Installation of roadside vehicle speed feedback signs at locations with high pedestrian and bicyclist activity. Additionally, completing the project development phase (preliminary engineering and environmental clearance) for (1) one or more bicycle/pedestrian bridges - highest priority locations being identified as part of a study now underway; and (2) corridor bikeway improvements at priority location(s) as identified in the ISATP. Further expanding the pilot implementation of intra-city shuttle program; Vision Study with extensive public outreach is now underway.

Details on the projects funded with this allocation will be brought forward to the City Council on October 12, 2021.

4. *$14.5 MILLION IN FISCAL STRENGTH*

A. Investment in Broadband Improvement Solutions

Funding is included to engage a consultant to conduct an assessment study of any connectivity gaps within the City and provide recommendations on options to address these gaps and related service needs. This study will identify coverage gaps, unreliable

and/or slow services, potential internet service models, and lessons from municipalities where mistakes were made. Findings and recommendations will be presented to the Finance Commission and City Council. Funding set-aside will implement relevant recommendations from the study, including additional analysis where needed, development of operational and/or financial plans, and immediate connection improvements to residents, such as providing free Wi-Fi coverage at City-owned facilities and establishing a Mi-Fi loaner program.

B. Investment in Housing

Funding needs for investment in affordable housing projects will be determined in consultation with the Irvine Community Land Trust and brought forth to the City Council at a future date.

5. $2.3 MILLION IN ORGANIZATIONAL EXCELLENCE

The City is committed to promoting the safety, welfare, and health, including those of its employees. Within that goal, the City plans to recover part of revenue losses due to the pandemic in order to provide one-time premium pay to the City's first responders for their efforts to keep our community safe and connected during COVID. This includes one-time employee compensation to continue providing high quality of services and sustaining citywide operations and initiatives. City expenditures to support this initiative response would include public employees paid sick and family medical leave, disinfection and sanitation of public areas and offices, pods and other related pandemic related response expenditures. Effective the pay period that includes October 15, 2021, all active employees will receive a one-time, non-base building essential employee pay of $1,000 for part-time and $2,000 for full-time employees.

Community Engagement

The City developed a webpage dedicated to ARPA and an email address to receive comments and input on the proposed spending plan. A video will be available online and distributed on the City's digital communication channels. A Frequently Asked Questions directory will be assembled to best respond to the community quickly and appropriately. The community is invited to participate in the Finance Commission and City Council meetings of September 20 and October 12, respectively. Quarterly reports on the use of funds will be provided to the Finance Commission and City Council. All reports will be included on the City's ARPA webpage.

ALTERNATIVES CONSIDERED

The City Council may choose to modify the proposed investment framework with different or additional considerations.

FINANCIAL IMPACT

Upon Finance Commission's and City Council's approval of the $56 million ARPA spending plan (see staff's recommendations in the Attachment), staff will return to the City Council for a formal action appropriating ARPA funding according to federal requirements.

REPORT PREPARED BY

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ATTACHMENT Proposed American Rescue Plan Summary

Irvine American Rescue Plan Summary

IRVINE AMERICAN RESCUE PLAN	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Quality of Life					
Protect Health & Safety-Multipronged air quality strategy using portable HEPA/carbon filtration devices		100,000			**100,000**
Protect Health & Safety-Filter replacements (annual)		15,000			**15,000**
Protect Health & Safety-HVAC replacement of small units, fixed outside air to adjustable air units		200,000	200,000		**400,000**
Protect Health & Safety-HVAC equipment replacement to accept new MERV 13 filters			220,000		**220,000**
Protect Health & Safety New HVAC systems			200,000		**200,000**
Protect Health & Safety-HVAC duct cleaning			405,000		**405,000**
Employee Health-Wellness/Fitness Center new exercise equipment		200,000			**200,000**
Employee Health-Gym and Locker Room modernization		425,000			**425,000**
Protect Health & Safety-Air purification system (Civic Center and OSF)			100,000		**100,000**
Protect Health & Safety-Air purification system (Senior Centers: Rancho and Trabuco)			75,000		**75,000**
Employee Health-New shower doors		10,000			**10,000**
Protect Health & Safety-Replace HVAC exhaust fans to increase air exchange rate			150,000		**150,000**
Protect Health & Safety-Restroom sanitary improvements (countertops, sinks, partitions, epoxy paint, etc.)	625,000	625,000	625,000	625,000	**2,500,000**
Protect Health & Safety-Kitchen, Food Service and First Aid Rooms		133,333	133,333	133,333	**400,000**
Healthy Public Spaces-City Hall Seating	250,000				**250,000**
Healthy Public Spaces-Playground Disinfection Program	80,000				**80,000**
Healthy Public Spaces-Large Portable Emergency Generator		350,000			**350,000**
Protect Health & Safety-Pool Water Sterilization Systems	100,000	700,000			**800,000**
Healthy Public Spaces-Playground Safety Surface Testing and Replacement		2,000,000	1,000,000	1,000,000	**4,000,000**
Health Public Spaces-Playground Equipment and Shade Replacement			400,000	400,000	**800,000**
Healthy Public Spaces-Park Fitness Equipment					**1,000,000**
Behavioral health mobile outreach services					**4,000,000**
One Irvine					**5,000,000**
Youth Senior Study					**620,000**
Multi-language Outreach & Community Events					**450,000**
Community Events					**400,000**
					22,950,000
Natural Environment					
Healthy Environment- Other Tree Plantings	25,000	50,000	50,000		**125,000**
Healthy Environment- Other Athletic Fields & Parks - Soccer Turf & Drainage Improvements	500,000	1,250,000	1,250,000	1,430,000	**4,430,000**
Healthy Environment- Other Artificial Turf Improvements	300,000	1,200,000	1,300,000	1,300,000	**4,100,000**
Clean Water Energy Conservation Drought Tolerant and Drip Irrigation Installation	75,000	75,000	250,000	250,000	**650,000**
					9,305,000
Traffic and Mobility					
Shuttle/Walkability/ATP	300,000	2,700,000	3,500,000	1,000,000	**7,400,000**
Fiscal Strength					
Broadband/Housing					**14,500,000**
Organizational Excellence					
One-Time Employee Premium Pay	2,278,217				**2,278,217**
Total ARPA Allocation					**56,433,217**

ATTACHMENT