



# City of San Leandro

Meeting Date: November 1, 2021

## Staff Report

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**File Number:** 21-609 **Agenda Section:** CONSENT CALENDAR

**Agenda Number:** 8.H.

**TO:** City Council

**FROM:** Fran Robustelli  
City Manager

**BY:** Susan Hsieh  
Finance Director

**FINANCE REVIEW:** Susan Hsieh  
Finance Director

**TITLE:** Staff Report for a City of San Leandro City Council Resolution to Adopt the American Rescue Plan Act (ARPA) Budget for Fiscal Years 2021-2022 and 2022-2023 and to Authorize the City Manager to Approve Carryovers/Unspent ARPA Funds to Future Fiscal Years' Budgets

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### SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council approve the American Rescue Plan Act (ARPA) Budget for Fiscal Years 2021-2022 and 2022-2023 and authorize the City Manager to approve carryovers/unspent ARPA funds to future fiscal years' budgets if needed.

Some projects and programs may take longer to implement. Authorizing the City Manager to carry over unspent ARPA funds to future fiscal years will ensure timely and successful implementation of projects and programs.

### BACKGROUND

At the October 11, 2021 City Council special meeting, the Proposed COVID-19 Recovery Plan was presented to the Council for consideration, and staff received direction from the Council to bring back a Recovery Plan Budget for adoption.

Staff developed an ARPA Budget totaling \$11.9 million for fiscal years 2021-2022 and 2022-2023 based on the funding allocations included in the Recovery Plan, as summarized below. The ARPA Budget is labeled as Attachment 1 and is attached to the resolution.

The information below provides some background information about the ARPA stimulus funds and an overview about the Recovery Plan.

### ARPA Background and Overview

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA). This \$1.9 trillion COVID-19 stimulus package provides significant resources to state, local, territorial, and Tribal governments to support urgent COVID-19 response efforts. Within ARPA, the Coronavirus State and Local Fiscal Recovery Fund provides \$130.2 billion for local governments split evenly between municipalities and counties.

The funding allocation to the City of San Leandro is \$18.6 million. The City received half of the allocation in May 2021 and anticipates receiving the remaining balance in May 2022.

### **Eligible Uses**

- 1) **COVID-19 Response or Negative Economic Impact:** To respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.
- 2) **Premium Pay for Essential Workers:** To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal/local government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.
- 3) **Revenue Recovery:** For the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal/local government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or Tribal government prior to the emergency.
- 4) **Infrastructure Investments:** To make necessary investments in water, sewer, or broadband infrastructure.

### **Proposed Recovery Plan**

The City Council has directed the principles below for the use of ARPA funds, and the Recovery Plan was developed based on these guiding principles. The proposed projects and programs are intended to improve community wellbeing and help residents and businesses to recover from the combined health, social, and economic impacts of the COVID-19 pandemic. The Recovery Plan aligns with the community's values and focuses on working with our key partners including nonprofit organizations and other business partners to maximize community recovery.

### ***Guiding Principles***

- Recover lost revenues first
- Maximize investments for the community
- Assess City operations and community needs
- Meet City Council priorities
- Partner with nonprofits and other organizations
- Use one-time funding for one-time expenditures
- Use restricted resources first

Of the \$18.6 million funding allocation, approximately \$6.7 million has been programmed into the fiscal year 2021-2022 budget to fund important programs such as streets and roads, parks and recreation facilities, human services, and library services. The Recovery Plan reflects the remaining \$11.9 million.

**The Recovery Plan focuses on short-term community and economic recovery efforts and long-term sustainable investments in San Leandro.** Staff believes that this plan provides the needed resources to support our residents and businesses and achieve long-term benefits by investing in infrastructure. As presented below, the spending categories include community health and safety, human services, community and economic recovery, and infrastructure enhancements.

The column labeled “use of recovered revenue” indicates that funds from the Revenue Recovery category need to be used to support certain projects. The Revenue Recovery category provides agencies broad latitude on the use of funds. In general, funds can be used to support government services with certain limitations. The COVID-19 Response/Negative Economic Impact, Premium Pay for Essential Workers, and Infrastructure Investments categories have specific restrictions on the use of funds. Projects that cannot be funded by these three categories can be funded by recovered revenues. After the U.S. Treasury issued the initial guidelines in May 2021, the City made a conservative estimate for the General Fund lost revenue for the period ended December 31, 2020, which is approximately \$6.7 million. The actual amount is expected to be higher when accounting for other relevant funds, and staff will finalize the calculation once the U.S. Treasury issues the final guidelines.

**Summary of Funding Allocation - Total \$11.9 Million**

Spending Category	FY 2021-22 Proposed Allocation		FY 2022-23 Proposed Allocation		Total
<b>Use of Recovered Revenue</b>					
Community Health and Safety	\$3,685,000	\$2,729,984	\$6,414,984	\$1,850,000	
Human Services	\$1,500,000	\$50,000	\$1,550,000	\$100,000	
Community and Economic Recovery	\$969,500	\$270,000	\$1,239,500	\$75,000	
Infrastructure Enhancements	\$2,700,000	-	42,700,000	-	
<b>Total</b>	<b>\$8,854,500</b>	<b>\$3,049,984</b>	<b>\$11,904,484</b>	<b>\$2,025,000</b>	

The following projects and programs are included in the four spending categories. **Please refer to the Recovery Plan attached to this staff report for detailed project and program descriptions and allocation amounts.**

**Community Health and Safety**

- Emergency Preparedness and Response
- COVID Oversight
- Public Facility HVAC and Air Filtration Upgrades
- Citywide Ambassador Program (Pilot)
- Clean Streets Team
- Enhanced Street Cleanliness

- Tree Master Plan
- Soft Story Retrofit

**Human Services**

- Food Insecurity Support
- Domestic Violence Programs
- Expanded Homeless Outreach Team Services
- Long-term Navigation Center
- Pilot Program for a RV Safe Parking Lot
- Investments in Youth Programs
- Additional Covid-related ARPA Grants for San Leandro Non-profits

**Community and Economic Recovery**

- Recovery Plan Administration and Assistance
- Economic Development Strategic Plan Update
- Housing Counseling/Fair Housing Support
- Commercial Relief Grants
- Small Business Technical Assistance
- Shop Local/Reopening Marketing

**Infrastructure Enhancements**

- Digital Divide and Broadband Infrastructure Enhancements
- Storm Drainage Improvements

These projects and programs will benefit the community in the short and long term, and ARPA funds are well suited for infrastructure investments.

**Fiscal Impacts**

The ARPA Budget totals \$11.9 million including \$8.9 million for fiscal year 2021-2022 and \$3.0 million for fiscal year 2022-2023.

**Next Steps**

Once the ARPA Budget is approved, staff will start implementing the proposed projects and programs. Staff will provide regular updates to the City Council regarding project and program implementations.

**ATTACHMENT:**

- City of San Leandro Detailed Recovery Plan
- Attachment 1 to the Resolution - American Rescue Plan Act (ARPA) Budget

**PREPARED BY**

Susan Hsieh, Finance Director

**City of San Leandro Detailed Recovery Plan**

<b>Program/Project</b>	<b>Lead Department(s)</b>	<b>Description</b>	<b>FY 2021-22 Proposed Allocation</b>	<b>FY 2022-23 Proposed Allocation</b>	<b>Total</b>	<b>Use of Recovered Revenue</b>
<b>Community Health and Safety</b>						
Emergency Preparedness and Response	Police and Fire	Use funds to purchase supply caches for City Council Districts. One cache for each Community Emergency Response Team (CERT). The cost for each cache/emergency supplies is estimated at \$12k.	125,000		125,000	125,000
COVID Oversight	City Manager's Office and HR	Funding for additional part-time staffing to assist with COVID prevention and safety processes and protocols; maintain vaccination records for fully vaccinated employees; track and monitor COVID testing requirement for unvaccinated employees.	35,000	29,984	64,984	
Public Facility HVAC and Air Filtration Upgrades	Public Works	Upgrade air filtration and HVAC systems in public facilities (Library, Senior Center, City Hall, etc.) to prevent the spread of COVID-19. The upgrades will also enhance the cooling center functionality. Current City buildings have only MERV 8 filters. The City's industrial hygienist has recommended installation of MERV 13 filters as part of our COVID-19 response. Currently many of the HVAC systems cannot handle the higher-rated filters, and upgrades to HVAC equipment at some City building locations are necessary. The total estimated cost is \$5.5 million including \$3.8M from ARPA funds, \$0.4 million from the General Fund and \$1.3M from a low interest rate loan with the California Energy Commission.	1,900,000	1,900,000	3,800,000	100,000
Citywide Ambassador Program (Pilot)	Recreation and Human Services/Community Development/City Manager's Office/Police	Partner with the Police Department and in conjunction with the SLIA model pilot deployment of security aids citywide to increase friendly ambassador patrols easily accessible to the public. Explore feasibility of mobile neighborhood watch program.	125,000	125,000	250,000	250,000
Clean Streets Team	Public Works, Community Development, and Recreation and Human Services	Hire Team Members from Downtown Streets Team (DTS) to help clean San Leandro streets and beautify our community. Team Members will receive stipends and case management and employment services from DTS. Funds will provide homeless and low-income men and women the necessary resources to rebuild their lives.	400,000	400,000	800,000	
Enhanced Street Cleanliness	Public Works	Arrange for bulky items pick-ups through the two garbage haulers for residents at no charge to them; or purchase/install self-cleaning restrooms at key locations; or create/fund DIY cleaning programs for neighborhoods. General assistance with citywide cleaning (i.e., power washing). Create marketing and educational campaign for litter prevention.	800,000	275,000	1,075,000	1,075,000

Program/Project	Lead Department(s)	Description	FY 2021-22 Proposed Allocation	FY 2022-23 Proposed Allocation	Total	Use of Recovered Revenue
Tree Master Plan	City Manager's Office and Public Works	The Tree Master Plan will be used to: 1) identify areas where City efforts could be expanded to encourage residents to have street trees planted; 2) establish a database for City trees located in parks; 3) provide 'tree coverage' data useful for tracking GHG hot spots; 4) create a plan for gradual replacement of City street trees as they age out; and 5) direct the volunteer outreach/educational campaign to encourage buy-in for having street trees and better tree watering/maintenance by residents. Ultimately, the Tree Master Plan would allow the City/staff to be proactive with regards to this green infrastructure.	200,000		200,000	200,000
Soft Story Retrofit	Community Development	Study feasibility of Soft Story Program, including conducting necessary studies if needed.	100,000		100,000	100,000
<b>Total</b>			<b>3,685,000</b>	<b>2,729,984</b>	<b>6,414,984</b>	<b>1,850,000</b>
<b>Human Services</b>						
Food Insecurity Support	Recreation and Human Services	Work with food pantries to provide nutritious food to San Leandro residents during the COVID-19 pandemic. Ensure those in need have enough food and be able to maintain a healthy life for all household members.	100,000		100,000	
Domestic Violence Programs	Recreation and Human Services	Provide services to persons who have been affected by domestic violence including emergency shelter, support programs, public education, intervention, legal services, etc. Collaborate with other organizations and agencies such as the County to provide innovative responses.	200,000		200,000	
Expanded Homeless Outreach Team Services	Recreation and Human Services	Street outreach funding for staff, case managers, CBO (Community Based Organization) partners to conduct on-site street outreach.	50,000		50,000	
Long-term Navigation Center	Recreation and Human Services	Funding for a long-term navigation center to help homeless people. The City is also planning to use restricted affordable housing funds for acquisition and rehabilitation/construction to leverage other public financing (i.e., State, federal).	750,000		750,000	
RV Safe Parking Lot (Pilot)	Recreation and Human Services	Utilize ARPA funds to address homelessness. Provide an interim safe parking location for individuals and families who live in a vehicle while they access services that will transition them into more stable housing (set up costs only; ongoing funding yet to be identified). Partner with non-profit organizations. The goals/priorities are to stabilize and create opportunities for individuals and/or families to shift to RV parks or housing. Additionally persons will receive case management and referred to the appropriate health and human services. The location will offer showers, laundry and food.	200,000		200,000	

Program/Project	Lead Department(s)	Description	FY 2021-22 Proposed Allocation	FY 2022-23 Proposed Allocation	Total	Use of Recovered Revenue
Investment in Youth Programs	Recreation and Human Services and City Manager's Office	Partner with non-profits to create at-risk youth programs citywide; develop a comprehensive intern/mentor youth program with multiple City departments working with outside agencies (e.g., HARD and Boys and Girls Club).	50,000	50,000	100,000	100,000
Additional Covid-related ARPA Grants for San Leandro Non-profits	Recreation and Human Services	Grants for San Leandro community-based organizations to address ongoing impacts related to direct and indirect impacts of COVID 19. The pandemic has caused a negative impact to the economy, jobs, wage loss, housing, food insecurity, health and mental health. This funding will boost support to the nonprofit community to assist the San Leandro community.	150,000		150,000	
		<b>Total</b>	<b>1,500,000</b>	<b>50,000</b>	<b>1,550,000</b>	<b>100,000</b>
<b>Community and Economic Recovery</b>						
Recovery Plan Administration and Assistance	Community Development and Finance	The ARPA allows for the use of funds for program administration. HdL will help the City to produce data to justify the use of ARPA funds as the City begins to implement the projects.	49,500		49,500	
Economic Development Strategic Plan Update	Community Development	The Plan will work to increase economic opportunity and prosperity for all San Leandro residents and businesses. Its policies address economic resilience and diversification, local business growth and success, and the quality of the city's shopping districts. The Plan will build on San Leandro's heritage as a manufacturing center while reinventing the city as a 21st Century workplace.		75,000	75,000	75,000
Housing Counseling/Fair Housing Support	Community Development	Funding for landlord-tenant counseling, fair housing/housing discrimination services, and legal aid if the need for these critical services arise from residential renters facing rent increases, discrimination and/or eviction when the eviction moratorium ends. The residential eviction moratorium end is tied to the end of the local or State emergency declaration, not the State eviction moratorium which ends September 30, 2021. \$65,000 in City funds has already been appropriated in FY21-22 for these services. This \$40,000 in additional funding is projected to help meet any large increase for counseling and legal service after the eviction moratorium ends in San Leandro.	20,000	20,000	40,000	
Commercial Relief Grants	Community Development	Grants for needy commercial tenants to repay past rent due, paid directly to landlord. Grants will be open to all eligible businesses, with priority given to businesses most greatly impacted by the pandemic, including personal services, restaurants, events, and small retail. Additionally, priority will be given to a diverse group of businesses with the greatest economic loss who have not received financial assistance from other publicly available programs. Various provisions will also be included to support the continuation of the businesses, including a requirement that landlords agree to continue the tenant's lease for a specified time frame after receiving the grant.	750,000		750,000	

Program/Project	Lead Department(s)	Description	FY 2021-22 Proposed Allocation	FY 2022-23 Proposed Allocation	Total	Use of Recovered Revenue
Small Business Technical Assistance	Community Development	One-on-one assistance and services for businesses to help in areas such as: adapting business models and physical setup to changing customer demand (including outdoor dining), creating an online presence/setting up ordering systems, accessing capital, and understanding and accessing city services and permitting.	100,000	125,000	225,000	
Shop Local/Reopening Marketing	Community Development	Promoting small businesses and encouraging residents to shop them through social media, promotional campaigns, loyalty programs, and events.	50,000	50,000	100,000	
		<b>Total</b>	<b>969,500</b>	<b>270,000</b>	<b>1,239,500</b>	<b>75,000</b>
<b>Infrastructure Enhancements</b>						
Digital Divide and Broadband Infrastructure Enhancements	IT and Engineering and Transportation	Invest in broadband infrastructure to help the underserved households and create business connectivity. Provide digital literacy training to individuals and households to help them improve digital skills. Upgrade the Traffic Operation Center (TOC) switching infrastructure for high-speed uses (e.g., public safety cameras, sensors, etc.). For economic growth, create broadband connectivity to the following locations: Marina/Doolittle, Monarch Bay, Fairway/Doolittle with connection to Marina/Mulford Library, and Bayfair Transit Oriented Development. The investments will support the expansion of public and private access to broadband.	1,700,000		1,700,000	
Storm Drainage Improvements	Engineering and Transportation	Install trash collection devices at various locations throughout the City to capture 100% of trash as defined by the Water Board in the Municipal Regional Permit.	1,000,000		1,000,000	
		<b>Total</b>	<b>2,700,000</b>	<b>-</b>	<b>2,700,000</b>	<b>-</b>
		<b>Total - All Projects</b>	<b>8,854,500</b>	<b>3,049,984</b>	<b>11,904,484</b>	<b>2,025,000</b>





# City of San Leandro

Meeting Date: November 1, 2021

## Resolution - Council

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**File Number:** 21-610 **Agenda Section:** CONSENT CALENDAR

**Agenda Number:**

**TO:** City Council

**FROM:** Fran Robustelli  
City Manager

**BY:** Susan Hsieh  
Finance Director

**FINANCE REVIEW:** Susan Hsieh  
Finance Director

**TITLE:** RESOLUTION of the City of San Leandro City Council Adopting the American Rescue Plan Act (ARPA) Budget for Fiscal Years 2021-2022 and 2022-2023 and Authorizing the City Manager to Approve Carryovers/Unspent ARPA Funds to Future Fiscal Years' Budgets

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**WHEREAS**, on March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA); and

**WHEREAS**, this sweeping COVID-19 stimulus package provides significant resources to state, local, territorial, and Tribal governments to support urgent COVID-19 response efforts; and

**WHEREAS**, the funding allocation to the City of San Leandro is \$18.6 million; and

**WHEREAS**, the City received \$9.3 million in May 2021 and anticipates receiving the remaining \$9.3 million around May 2022; and

**WHEREAS**, the City developed a COVID-19 Recovery Plan to provide needed resources to help residents and businesses recover from the combined health, social, and economic impacts of the COVID-19 pandemic; and

**WHEREAS**, the Recovery Plan focuses on short-term community and economic recovery efforts and long-term sustainable investments in San Leandro; and

**WHEREAS**, the Recovery Plan aligns with the community's values; and

**WHEREAS**, the Recovery Plan reflects partnerships with nonprofit organizations and other business partners to maximize community recovery; and

**WHEREAS**, the Recovery Plan includes projects and programs for community health and

safety, human services, community and economic recovery, and infrastructure enhancements;  
and

**WHEREAS**, these projects and programs will be beneficial to the community in the short and long term.

**NOW, THEREFORE**, the City Council of the City of San Leandro does **RESOLVE** as follows:

1. That the American Rescue Plan Act (ARPA) Budget for Fiscal Years 2021-2022 and 2022-2023 is hereby approved by the City Council. The ARPA Budget labeled as Attachment 1 is attached to this resolution and made a part hereof.
2. That the City Manager is authorized to approve carryovers/unspent ARPA Funds to future fiscal years' budgets, including the \$6.7 million ARPA funds that were appropriated for Fiscal Year 2021-2022 as part of the 2021-2023 budget adoption in June 2021.

**Attachment 1 - American Rescue Plan Act (ARPA) Budget**

<b>Program/Project</b>	<b>FY 2021-22 Proposed Allocation</b>	<b>FY 2022-23 Proposed Allocation</b>	<b>Total</b>
<b><i>Community Health and Safety</i></b>			
Emergency Preparedness and Response	125,000		125,000
COVID Oversight	35,000	29,984	64,984
Public Facility HVAC and Air Filtration Upgrades	1,900,000	1,900,000	3,800,000
Citywide Ambassador Program (Pilot)	125,000	125,000	250,000
Clean Streets Team	400,000	400,000	800,000
Enhanced Street Cleanliness	800,000	275,000	1,075,000
Tree Master Plan	200,000		200,000
Soft Story Retrofit	100,000		100,000
<b>Total</b>	<b>3,685,000</b>	<b>2,729,984</b>	<b>6,414,984</b>
<b><i>Human Services</i></b>			
Food Insecurity Support	100,000		100,000
Domestic Violence Programs	200,000		200,000
Expanded Homeless Outreach Team Services	50,000		50,000
Long-term Navigation Center	750,000		750,000
RV Safe Parking Lot (Pilot)	200,000		200,000
Investment in Youth Programs	50,000	50,000	100,000
Additional Covid-related ARPA Grants for San Leandro Non-profits	150,000		150,000
<b>Total</b>	<b>1,500,000</b>	<b>50,000</b>	<b>1,550,000</b>
<b><i>Community and Economic Recovery</i></b>			
Recovery Plan Administration and Assistance	49,500		49,500
Economic Development Strategic Plan Update		75,000	75,000
Housing Counseling/Fair Housing Support	20,000	20,000	40,000
Commercial Relief Grants	750,000		750,000
Small Business Technical Assistance	100,000	125,000	225,000
Shop Local/Reopening Marketing	50,000	50,000	100,000
<b>Total</b>	<b>969,500</b>	<b>270,000</b>	<b>1,239,500</b>
<b><i>Infrastructure Enhancements</i></b>			
Digital Divide and Broadband Infrastructure Enhancements	1,700,000		1,700,000
Storm Drainage Improvements	1,000,000		1,000,000
	<b>2,700,000</b>	-	<b>2,700,000</b>
<b>Total - All Projects</b>	<b>8,854,500</b>	<b>3,049,984</b>	<b>11,904,484</b>