



TITLE

American Rescue Plan Act of 2021 (ARPA) Funding

RECOMMENDATION

Adopt a Resolution appropriating \$4.9 million of the American Rescue Plan Act of 2021 (ARPA) in Fiscal Year 2021/22 for use on eligible infrastructure projects.

CONTACT

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BACKGROUND & ANALYSIS

On August 7, 2021, City Council adopted Resolution No. 2021-68 to increase revenue budgets for the FY 2020-21 and FY 2021-22 for the receipt of ARPA relief funding in the amount of \$2,449,028 per year and to provide direction and recommendations of ARPA funds allocated to the City.

On February 1, 2022, City Council was presented an overview of the City's capital needs (parks/civic facilities, utilities, roads, and transportation) and the significant gap between those needs and available funding. The funding gap discussion was intended to help Council in prioritizing appropriations in the FY 2022/23 Budget (and beyond) and its Capital Improvement Program. The funding gap also provided a platform for staff to seek direction on the use of one time funding revenue, Federal American Rescue Plan Act (ARPA), in the amount of \$4.9 million.

City Council previously discussed the following eligible ARPA expenditures:

- Maintenance or construction of new infrastructure, including roads and utilities
- Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure
- Health services
- Environmental remediation
- School or educational services
- Provision of police, fire, and other public safety services

Following the February 1st funding gap discussion between the capital needs and known revenue,

City Council provided direction to staff to bring back a proposed list of infrastructure projects to consider committing ARPA funding towards. Staff has completed their analysis for utilizing ARPA funds and is proposing the following project options:

1. **Benton Way Enhanced Crosswalk Improvements Project:** The project will install an enhanced crosswalk such as a rectangular rapid-flashing beacon (RRFB) on Benton Way at Chaucer Lane, pavement markings, and upgrade curb ramps to ADA compliance at this intersection. (Estimated Cost \$76,000. Estimated construction beginning in 2022.)
2. **Class II Bike Lanes and Intersection Improvements Project:** The project will implement Class II Bike facilities and upgrade crosswalk facilities (high visibility pavement markings) on Donaldson Way East from Highway 29 to Newell Drive, Shenandoah Drive from Donaldson Way to Silver Oak Trail, and Silver Oak Trail from American Canyon Road to Newell Drive. (Estimated Cost \$145,000. Estimated construction beginning in 2022.)
3. **Elliot Drive Enhanced Crosswalk Improvements Project:** The project will install an enhanced crosswalk such as a rectangular rapid-flashing beacon (RRFB) on Elliot Drive adjacent to the Senior Center, traffic calming, pavement markings and upgrade curb ramps to ADA compliance at this mid-block crossing. (Estimated Cost \$76,000. Estimated construction beginning in 2022.)
4. **Melvin Road Sidewalk and Drainage Improvements Project:** The project will implement sidewalk gap closures on Melvin Road, curb ramp upgrades, traffic calming, and improve storm drainage. (Estimated Cost \$1,004,000. Estimated construction beginning in 2023.)
5. **Knightsbridge Reconstruction and Water Main Improvements Project:** The project will replace the water main on Knightsbridge Way from Elliot Drive to Danrose and all five courts within that segment, upgrade all curb ramps to ADA compliance, reconstruct the pavement on Knightsbridge Way, apply various pavement treatments to the five courts, and thermoplastic striping and pavement markings. (Estimated Cost \$1,850,000. Estimated construction beginning in 2022.)
6. **ARPA Paving and Utility Improvements (Rancho Del Mar Area) Project:** The project will replace or rehabilitate water and sewer utilities identified in their respective master plans, upgrade curb ramps to ADA compliance, reconstruct Rio Del Mar from Highway 29 to Carolyn Drive, apply various pavement treatments to all of Los Altos Place east of Carolyn Drive, Cassayre Drive, Flamingo Court, Del Rio Court, Alta Loma Drive, Joan Drive from Carolyn Drive to Los Altos Place, and Carolyn Drive from Rio Del Mar to Los Altos Place, and thermoplastic striping and pavement markings. (Estimated Cost \$5,895,000. Estimated construction beginning in 2023.)

It is anticipated that smaller projects #1-3 & 5 above could commence before the end of 2022. However, the larger projects, #4 and #6, will need more design work and likely start in the 2023 construction season.

The preliminary total cost for all six projects is estimated at \$9,046,000. While the ARPA funding is approximately \$4.9 million, it is possible to offset several projects with other revenue sources such

as Measure A for storm drainage work, Measure T for street paving, and local enterprise funds for utilities.

Staff is requesting City Council to consider the above mentioned projects and either approve the appropriation of ARPA funds to these projects or provide further direction.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

On February 1, 2022, City staff presented to Council the City's overall capital need of at least \$650 million and current resources of only \$21 million. City Council requested that a majority of one-time ARPA funding would be utilized to address infrastructure projects while reserving approximately 10% for other eligible programs or projects. The proposed projects discussed above can be completed with the appropriation of funding from other revenue sources. Attached is a breakdown of estimated expenditures by project and below is the anticipated revenue sources to fund the projects. Note, funding specifically appropriated from Measure T will need to be brought back to City Council as a public hearing prior to any expenditures.

The City has received \$2.45 million of ARPA funding to date and will receive the remaining \$2.45 million in July of 2022 for an approximate total of \$4.9 million. At Council's request, 10% or \$500,000 of the ARPA funds are excluded from the proposed infrastructure projects. Staff will bring back a future item to the City Council related to these funds. All ARPA funds must be appropriated by December 31, 2024 and expended by December 31, 2026.

Anticipated Revenue Sources

ARPA Revenue	\$4,390,000
Measure T	\$1,155,000
Water CIP	\$1,667,000
Sewer CIP	\$1,334,000
Measure A	\$500,000
Total	\$9,046,000

ENVIRONMENTAL REVIEW

Projects will go through CEQA review as part of the design process, but it is anticipated that all proposed projects will be categorically exempt from CEQA per Section 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction).

ATTACHMENTS:

- [1. Resolution - ARPA](#)
- [2. Proposed ARPA Projects](#)

3.ARPA Plan Layouts