



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Betsy Dirks
District No. 1

Kollin Kosmicki
District No. 2
Vice Chair

Peter Hernandez
District No. 3
Chair

Bob Tiffany
District No. 4

Bea Gonzales
District No. 5

Item Number: 2.5

MEETING DATE: 08/09/2022

DEPARTMENT: COUNTY ADMINISTRATION OFFICE

AGENDA ITEM PREPARER: Gabriel Orozco

DEPT HEAD/DIRECTOR: Ray Espinosa

SUBJECT:

COUNTY ADMINISTRATIVE OFFICE - R. ESPINOSA

Receive presentation on American Rescue Plan Act (ARPA), Potential Projects and Programs and recommendations from the ARPA Ad Hoc for various projects and programs and obligate/hold funds towards some of those projects.

SBC FILE NUMBER: 865

AGENDA SECTION:

REGULAR AGENDA

BACKGROUND/SUMMARY:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 into law. The \$1.9 trillion economic recovery package, based on President Biden's American Rescue Plan, is intended to provide financial aid to families, governments, businesses, schools, nonprofits, and others impacted by the COVID-19 public health crisis.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, ARPA established the Coronavirus State and Local Recovery Fund, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and recover from the economic impacts caused by the public health crisis.

This legislation provided \$27.0 billion in federal money to the State of California. The County of San Benito was allocated \$12.1 million. The first tranche of funding was delivered to cities and counties in May 2021, and the balance will be delivered 12 months later.

Guidelines and regulations were first released by the US Treasury in the form of the Interim Final Rule. This document provided guidelines and structure to the funding but, at the same time provided a

comment period for State, Tribal, and Local Governments to interact with. The guidelines set forth expenditure and reporting guidelines based on the American Rescue Plan Act itself. After the comment period ended and the US Treasury had time to review and edit their Interim Final Rule they produced the Final Rule in January of 2022. This Final Rule provided new extended flexibility for expenditures for the State, Tribal and Local Governments. Some examples of the flexibility are as follows:

- Cybersecurity - Hardware and Software
- Justification for Capital Projects
- Re-hire Staff to 7.5% above Pre-Pandemic Levels
- Culvert Repairs
- Loss Revenue - Standard Allowance
- Capital Expenditures on the Public Health Side
- Expanded meaning of "Impacted Communities"
- Streamlined options for Premium Pay
- Broadens Water, Sewer, and Broadband projects

This new "Final Rule" although final in name is not the end of the road for ARPA guidelines. There is still changes currently being filtered through the Federal Government, including a bill called H.R. 5735 aimed at providing further flexibility to State and Local Governments.

Direction was provided from the Board of Supervisors, upon the request of the Ad Hoc, to select the Standard Allowance of \$10,000,000 for San Benito County. This will allow for the County to have more flexibility in those funds and be able to move forward with new or previously sidelined projects.

The ARPA Ad Hoc began to meet in the second half of the last calendar year (2021). The Ad Hoc initially discussed the guidelines and potential eligible projects but, was strategic in the investment and utilization of these funds. With the passage of time and the new updated "Final Rule" the Ad Hoc is now ready to begin to move forward on various programs and projects. Brought forth forward is the current budget as well as projects the Ad Hoc has discussed and will want to move forward with.

Some projects being brought to the Board of Supervisor's for their approval have already been approved during the Budget Hearings. Those projects were approved and funded through the General Fund and subsequently are being brought to the Board of Supervisors after the ARPA Ad Hoc has recommended for them to be funded through the ARPA funds still remaining. Therefore some of these projects which were once funded strictly by the General Fund will come to be financed through the ARPA funds, decreasing the burden on the General Fund to cover some of these one time projects.

We have currently committed/obligated \$5,028,345 as of today from the total amount of \$12,199,718.00. The current funding available for future programs and projects is approximately \$7,171,373.

In this meeting we will be bringing the following projects/programs under consideration for the full board to decide to move forward with obligating funds for them:

- Veteran's Park - ADA Bathroom and Roof Construction - \$350,000.00
- Historical Park - ADA Bathroom and Roof Construction - \$250,000.00
- Place Holder for Future Items
 - Homelessness Facility - \$3,000,000.00
 - Library Expansion - \$2,500,000.00
 - IT Hardware & Software - \$1,000,000.00

Total ARPA Obligation Request = \$7,100,000.00

The following are modifications to current and previously approve projects.

- COVID-19 Staff Testing
 - Previously approved \$300,000.00
 - Reduced to \$100,000.00
- Security for Public Meetings
 - Previously approved \$50,000.00
 - Increase to \$100,000.00

Net Change is a decrease of \$150,000.00 to the obligated projects

Other Items left for further discussion and analysis:

- Historic Park - Bathrooms - \$800,000.00
- Veterans Park - Bathrooms - \$3,381,420.00
- Riverview Park - Bathrooms - \$1,595,174.00
- Culvert Projects - Funding will vary
- Broadband Fiber Projects - Funding will vary
- Towing Contract - \$100,000.00
- Sheriff's Office Vehicle Equipment - \$100,000.00

The remaining amount left for future consideration taking into account the requested obligations in this request will be \$221,373.00.

The decisions today are exempt from CEQA as there is no commitment to a specific project. The Board directs any necessary CEQA be performed. The discussion of funding shall not constitute approval of any specific project.

RESOLUTION OR ORDINANCE NEEDED FOR THIS ITEM:

No

CONTRACT NEEDED FOR THIS ITEM:

No

CONTRACT AND RFP HISTORY:

N/A

LAST CONTRACT AMOUNT OR N/A:

N/A

STATE IF THIS IS A NEW CONTRACT/ HOW MANY PAST AMENDED CONTRACTS/ OR N/A:

N/A

STRATEGIC PLAN GOALS: 1. Operational Development & Excellence

Yes

STRATEGIC PLAN GOALS: 2. Planning And Sustainable Growth

Yes

STRATEGIC PLAN GOALS: 3. Technology

Yes

STRATEGIC PLAN GOALS: 4. Community Engagement

Yes

STRATEGIC PLAN GOALS: 5. Health & Safe Community

Yes

BUDGETED:

Yes

BUDGET ADJUSTMENT NEEDED:

No

SOURCE OF FUNDING:

General Fund

UNFUNDED MANDATE:

N/A

SBC BUDGET LINE ITEM NUMBER:

101.15.1047.1000

CURRENT FY COST:

\$0

STAFF RECOMMENDATION:

1. Receive presentation on American Rescue Plan Act and the current budget.
2. Obligate/Hold Funds from the American Rescue Plan Act in the total amount of \$7,100,000.00 as follows:
 - o Veteran's Park - ADA Bathroom and Roof Construction - \$350,000.00
 - o Historical Park - ADA Bathroom and Roof Construction - \$250,000.00
 - o Place Holder for Future Items
 - Homelessness Facility - \$3,000,000.00
 - Library Expansion - \$2,500,000.00
 - IT Hardware & Software - \$1,000,000.00

ATTACHMENTS:

[ARPA Budget-06.28.2022 - Prior](#)

[ARPA Budget-07.01.2022 - Proposed](#)

