

STAFF REPORT

DATE: September 19, 2023

TO: City Council

FROM: ARPA City Council Subcommittee (Will Arnold, Josh Chapman)
Kelly Stachowicz, Assistant City Manager
Mike Webb, City Manager

SUBJECT: American Rescue Plan Act (ARPA) Update and Recommendations for Additional Allocations

Recommendation

1. Receive update from staff and Council Subcommittee on funds provided from the American Rescue Plan Act (ARPA)
2. Approve Resolution which does the following:
 - a. Authorizes \$2,451,795 in ARPA funds to fund several City priorities, including funding for climate action efforts and necessary parks facilities' rehabilitation.
 - b. Confirms \$225,000 for Yolo Adult Day Health
 - c. Authorizes remaining \$910,623 in homeless funds to further existing efforts, including the respite center, winter shelter costs, and other existing homelessness services costs.
 - d. Authorizes the City Manager to make additional administrative budget adjustments if projects do not utilize all of the allocated ARPA funding.
3. Approve Resolution which allocates \$1,058,000 in funding for the G Street project, pending Council approvals; \$35,000 to Davis Downtown Business Association, and \$200,000 in Downtown Maintenance dollars for downtown trees and signage.

Fiscal Impact

The City of Davis has already received \$19,730,600 in funding from the American Rescue Plan Act. The actions in this report do not have additional fiscal impact on the City beyond allocating the existing funds.

This report provides

- an update on expenditures to date
- additional direction to staff on certain previous allocations (\$2,428,623) where more guidance is necessary
- authorization to allocate \$2,451,795 in remaining ARPA funds

Council Goal(s)

This funding affects all of the City Council Goals:

- Ensure a Safe, Healthy, Equitable Community
- Ensure Fiscal and Economic Stability
- Pursue Environmental Sustainability
- Fund, Maintain and Improve Infrastructure
- Enhance a Vibrant Downtown and Thriving Neighborhoods
- Foster Excellence in City Services

Commission Input

The Council has authorized a Subcommittee of Mayor Will Arnold and Vice Mayor Josh Chapman to provide recommendations to the full Council.

Background

The American Rescue Plan (ARP) is a federal stimulus plan to provide funding to State and local governments to assist communities in recovering from the COVID-19 pandemic. Davis’ share is \$19.7 million. These funds are intended to assist communities recover from Davis and must be spent by December 2024 (or for certain projects, like construction projects, encumbered by 2024 and spent by December 2026).

The City Council has discussed the ARP funds on multiple dates, with the most recent being November 1, 2022. That staff report and other information about the City’s use of ARPA funds can be found [here](#). At previous meetings, the Council provided direction on spending the majority of the funding, however \$2.45 million remains unallocated or needs to be reallocated. In addition, there are a few areas that require additional direction from the full Council.

Update on Existing Projects

The projects are shown in the chart below and include a brief status update.

CRITICAL CITY SERVICES (24%)		\$4,695,000	
Recipient	Project	Amount	Status
CITY	FY21 -23 Revenue Backfill	\$2,300,000	Complete
CITY	Furlough restoration	\$832,000	Complete
CITY	Three firefighters to staff ladder truck	\$663,000	Complete
CITY	4 changeable message boards (traffic, construction, events, etc.)	\$100,000	Complete
CITY	Replacement of public safety radios/equipment	\$450,000	Complete
CITY	Replacement and expansion of portable building at City Hall	\$350,000	Building approved and ordered. City awaiting receipt.

COVID PREVENTION (10%)		\$1,885,600	
Recipient	Project	Amount	Status
CITY	HDT COVID Testing	\$1,500,000	Complete.

			Slightly more than \$1,080,000 was paid for testing. Remaining \$419,803 available to reallocate.
CITY	COVID Response Reserve	\$385,600	\$385,600 available to allocate.

SOCIAL SERVICES (32.5%)		\$6,413,608	
Recipient	Project	Amount	Status
CITY –	Crisis Now	\$1,170,000	City in conversations with County regarding program structure. Awaiting County start-up of program.
CITY -	Start-up funding for new Social Services and Housing Department	\$790,000	Director of Social Services and Housing and Affordable Housing Manager hired. Funds have been incorporated into budgets.
Davis Community Meals & Housing	Paul's Place	\$1,000,000	Complete
CITY	Homelessness Services (Sanctioned Camping, Shelter, Respite, DPAW, etc) and Affordable Housing /Trust Fund	\$1,628,608	\$460,224 for CommuniCare to staff Respite Center through June 2023. DPAW expending their funds (\$36,000 total) \$221,761 for 22/23 Winter Shelter expended
CITY	Downtown Streets Team	\$0	Council approved one year of funding using cannabis funds. County approved one year of funding from their ARP allocation. DST underway.
CITY	Community Needs Assessment/Strategic Plan to identify priority support programs including youth focus	\$250,000	\$20,000 in process for payment to County for Youth Roadmap study. Consultant selected for Needs Assessment.
CITY	Scholarship Program for recreation programs	\$50,000	Programs launched summer 2023.
Yolo Food Bank	General Funding Assistance	\$500,000	Agreement complete and YFB drawing on funds.
First Five Yolo	Welcome Baby Program	\$300,000	Agreement complete. First Five will draw on funding starting January 2024.
Yolo Adult Day Health	Adult Day Health Expansion Project (Woodland)	\$225,000	Project revised. Awaiting Council approval to release funding.
Yolo Crisis Nursery	Yolo Crisis Nursery	\$500,000	Agreement complete. YCN drawing on funds.

DOWNTOWN (9%)		\$1,815,000	
Recipient	Project	Amount	Status

DDBA	Downtown Security Cameras	\$25,000	Funding provided to DDBA
DDBA	CPTED Grants	\$50,000	Complete
CITY/DDBA	Downtown Cleaning and Maintenance	\$250,000	\$49,000 spent on contract cleaning until DST operational. Staff seeking authority for remaining funds.
CITY	Off Cycle Pruning - E Street Plaza and parking lot	\$20,000	Underway
CITY	City banners	\$10,000	Staff developing plans
CITY	Hunt Boyer Porch Improvements	\$15,000	Staff developing plans
CITY	First and F St Garage Maintenance (Security Cameras)	\$40,000	Complete
CITY	X Permit Parking Subsidy for Restaurant and Retail Workers at Olive Drive Lot	\$5,000	Staff developing plans
CITY	RR Quiet Zone Application Preparation	\$50,000	Project underway with consultant
DDBA	Night Market & Music Series	\$150,000	Complete
CITY/DDBA	Enhancements to downtown infrastructure and community space, to include beautification, landscaping/trees, 3 rd & B and/or E Street Plaza	\$1,200,000	\$107,000 spent for Varsity projector replacements Staff seeking authority for remaining \$1.1m in funds

COMMUNITY BUILDING (12.5%)		\$2,470,000	
Recipient	Project	Amount	Status
CITY	Renovate Playfield Synthetic Fields	\$990,000	Complete
CITY	Bike Pump Track	\$600,000	Project in construction
CITY	Veterans Memorial Theatre Roof and Facility Rehabilitation	\$450,000	\$100,000 used for roof. \$350,000 in CIP for additional rehabilitation work. Staff determining priorities.
CITY	Climate Resilience Hub/Climate Action Needs	\$400,000	Funding allocated to South Davis Library project
CITY	Mobile Stage - gap in equipment replacement fund	\$30,000	Complete

ECONOMIC ASSISTANCE TO ORGANIZATIONS (4%)		\$805,000	
Recipient	Project	Amount	Status
Arts Alliance	Arts Grant(s)	\$600,000	Complete
Chamber of Commerce	Funding to assist Chamber with COVID recovery	\$105,000	Chamber drawing on funding
Explorit	COVID recovery	\$100,000	Explorit drawing on funding. Staff working with Explorit regarding broadband/internet needs.

AMOUNT ALLOCATED: \$18,084,208
AMOUNT UNALLOCATED: \$1,646,392
TOTAL ARP FUNDING: \$19,730,600

Unallocated Amounts – Council Subcommittee Recommendations

Of the original \$19.7 million, The City Council placed \$1,646,392 million in reserve to be allocated. Council also designated \$385,600 in reserve for future COVID response needs; this is now recommended to be reallocated to other projects. In addition, of the \$1.5 allocated for Healthy Davis Together testing and other testing kits, approximately \$419,803 remains and can be reallocated. This brings the total amount available for Council to consider for allocation (or reallocation) to \$2,451,795.

The Council Subcommittee and staff worked through the many possibilities for allocating these funds and are making the following recommendations:

- **Climate Action and Adaptation Plan (CAAP) \$500,000**
In December 2022, the City Council approved the CAAP. The Subcommittee proposes to allocate \$500,000 in funds to start to implement recommendations within the plan. While placing funds aside to seed the Carbon Mitigation Fund is of interest to the Subcommittee, the ARPA dollars should be spent by December 2024 or in cases of construction projects, fully encumbered by December 2024 and spent by December 2026. Given this, staff and the Subcommittee suggest prioritizing from among the following programs/actions, each of which is taken directly from the approved CAAP. The CAAP Council Subcommittee can work with staff to determine exactly how funding is prioritized within the following areas if needed:
 1. **BE.1 and BE.2 (Building Electrification):** Allocate up to \$50,000 for a Rebate fund for Electrification of residential
 2. **BE.1 and BE.2 (Building Electrification):** Complete a Home Energy Score pilot project, which requires hiring a consultant. Costs are estimated to range from \$50,000 to \$100,000. Staff is also pursuing grant funding.
 3. **BE.6 (Carbon Mitigation Fund):** Hire a consultant to figure out how to set it up, with costs up to \$50,000.
 4. **TR.2 (decarbonize the Municipal Fleet):** Spend \$50,000 to \$100,000 to offset a couple of years of the difference in vehicle cost for purchasing electric vehicles (\$50 - \$100K).
 5. **TR.3 (“First Mile/Last Mile” transportation) & TR.4 (Electric micro-mobility vehicles):** Purchase electric bicycles for City use and provide a low cost loan for other businesses to purchase for their employees. Cost estimated at \$20,000 to \$30,000.
 6. **TR.9 (Transportation Demand Management (TDM) Program):** Hire consultant to perform study at a cost up to \$100,000.

7. AD.1 (**Cool Surfaces**): Add selected residential streets for cool pavement at a cost of \$150,000.
8. AD.3 (**Green Stormwater Infrastructure**): Implement the Street Lab concept to use rain gardens in place of street gutters, perhaps starting in front of the respite center in L Street. Funding amount varies based on how many areas included.
9. AD.6 (**Public resources during extreme weather events**): Purchase plug-in fans for the summer and space heaters or jackets for the winter to give out at “Cooling” or “Warming” shelters when they are triggered by extreme heat.

- **Climate Action Efforts – Cool Davis**

\$100,000

The City has worked with Cool Davis for many years on projects and outreach for climate-related efforts. Now that the City Council has completed the CAAP and is moving to an implementation phase, the Subcommittee recommends allocating \$100,000 to Cool Davis to assist with various implementation tasks. Staff has been in communications with Cool Davis for several months in terms of the types of activities and tasks that Cool Davis could assist with, but those discussions are ongoing. As such, it is additionally recommended that the CAAP Subcommittee of Partida and Vaitla work with staff and with Cool Davis representatives to determine the best uses for the \$100,000 in ARPA funding. This agreement would be in addition to the current MOU under discussion.

- **Park Improvements/Renovations**

- **Community Park Improvements/Renovations**

\$1,000,000

Community Park is one of the largest and most used parks in Davis. Several projects are currently underway or planned to improve, enhance, and maintain the park. The largest of the projects is the restroom facility, which is in dire need of rehabilitation. Funds remaining once the restrooms have been rehabilitated, should be allocated to replace the fences at the dog park and at Rainbow City.

- **Community Park – Skate Park Rehabilitation**

\$600,000

Part of the enhancements in Community Park, rehabilitating the skate park to improve skating flow and user safety is an important priority for the Subcommittee. The \$600,000 provides funding to rehabilitate the skate park to address these issues.

- **Park Safety Rehabilitation**

\$142,795

Parks and Community Services has rehabilitation projects that address safety concerns in parks throughout the community. While this amount is not exhaustive, the Subcommittee recommends this funding to be utilized immediately at the discretion of the City Manager and the Parks and Community Services Director to address the highest need(s).

- **Economic Development Funds** **\$50,000**
The City is hiring an Economic Development Director and these funds are intended to assist the Director in developing and bringing forward an economic development vision and strategic plan.
- **Respite Center Programming** **\$25,000**
The exterior of the respite center on L Street could benefit from improvements, both beautifying the neighborhood and potentially enhancing operations for the respite center. Remaining funding is intended for other minor physical improvements or programming needs at the respite center.
- **Housing Transition Assistance** **\$34,000**
Provide case managers or housing stabilizers to help people who have transitioned to interim housing remain successfully housed once placed. A form of homelessness prevention, housing stabilization assists people who have already experienced homelessness and housing instability with the necessary support to ensure they do not cycle back into homelessness again.

Further Allocation of Existing Funds

There are four existing allocations where staff needs Council direction before additional work can occur.

- **Yolo Adult Day Health** **\$225,000**
When Council made initial allocations, Yolo Adult Day Health requested \$225,000 for its new facility. However, the original plans for the project fell through and the project needed time to determine a suitable location. Council earmarked the funds but requested that staff return to the Council once the site issues were resolved. The site has been secured, and Adult Day Health is requesting use of the funds to assist with outfitting the site.
- **Funding for Homeless Activity** **\$910,623**
Council originally allocated \$1.6 million for a variety of activities related to homelessness services. The City has funded the ongoing operations of the respite center, provided assistance to DPAW to help pets of unsheltered individuals, and underwritten the costs associated with the winter shelter services at 512 Fifth Street and at Motel 6.

Staff and the Subcommittee recommend allocating \$220,000 for the 23/24 Winter Shelter, and \$379,000 for 12-months of respite center operations (which will relieve burden on the General Fund). Approximately \$297,000 is recommended to be used toward support of existing homelessness services in the community. The remaining funding (approximately \$15,000) is recommended to go toward the strategic planning efforts and operational costs for Social Services and Housing.

- **Downtown Infrastructure** **\$1,057,400**
This category was originally proposed to address infrastructure in the downtown, with several concepts put forward initially, including G Street, Central Park, and E Street. The Council needs to assign these funds to a project or projects, and the Subcommittee recommends allocating the remaining funding to address the needs of the G Street project.
- **Downtown Programming** **\$35,000**
Last year, the Davis Downtown Business Association produced six highly successful and popular “Thursdays in the Davisphere” events in Central Park in an effort to bring people to the downtown. DDBA is continuing to evolve this program and has proposed an additional Davisphere event in the future, with a longer-term eye to produce events elsewhere in the downtown (G Street, for example, when that project is completed). The intent is for future events to be self-sustaining with funding support from program sponsors.
- **Downtown Maintenance** **\$200,000**
Council initially allocated \$250,000 for downtown maintenance. The City spent approximately \$50,000 on contract services to clean the downtown until Downtown Streets Team was fully operational. The remaining funding needs to be authorized, and the Subcommittee recommends setting aside a small portion (approximately \$10,000) to update directional/directory signage in kiosks and stands (such as E Street Plaza) and dedicate the remaining funding to address the needs of downtown trees. Expenditures could be in the form of tree trimming, planting, planting inventory, or specific tree care and maintenance overseen by the Urban Forestry program.

RESOLUTION NO. 23-XXX, SERIES 2023

RESOLUTION AUTHORIZING THE PROVISION OF AMERICAN RESCUE PLAN ACT FUNDS TO CITY PROGRAMS AND PROJECTS AFFECTED BY COVID AND TO AMEND THE BUDGET TO ALLOCATE FUNDS NECESSARY FOR THE ALLOCATION

WHEREAS, the City of Davis has received funding from the American Rescue Plan Act (ARPA), which can be used to address impacts caused by the COVID-19 pandemic; and

WHEREAS, the City of Davis acknowledges revenue loss due to COVID, resulting in projects and programs that have gone unfunded; and

WHEREAS, the City Council on March 1, 2022, approved Resolution 22-023, which allocated the majority of the ARPA funds; and

WHEREAS, the City Council now desires to allocate the remaining funds and to reallocate funds that are no longer needed for their original purpose; and

WHEREAS, the City Council developed guiding principles to assist with decisions related to funding recommendations, with the determination of remaining allocations based on said principles and the City's critical needs and goals; and

WHEREAS, funding is intended to assist the most vulnerable in the community, further climate related objectives, and address unfunded infrastructure needs.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby approve the allocation of \$2,451,795 in ARPA funding in the following manner:

- Climate Action and Adaptation Plan Implementation \$ 500,000
- Climate Action Efforts – Cool Davis \$ 100,000
- Community Park Improvements/Renovations \$ 1,000,000
- Community Park – Skate Park Rehabilitation \$ 600,000
- Park Safety Rehabilitation \$ 142,795
- Economic Development Funds \$ 50,000
- Respite Center Programming \$ 25,000
- Housing Transition Assistance \$ 34,000

BE IT FURTHER RESOLVED that the Davis City Council affirms the March 1, 2022 recommendation to fund Yolo Adult Day Health in the amount of \$225,000; and

BE IT FURTHER RESOLVED that the Davis City Council authorize the remaining \$910,623 in homelessness funds already in the City's budget to be used to support existing efforts, including the respite center, 2023-2024 winter shelter and other existing homelessness services costs in the community.

BE IT FURTHER RESOLVED that the Davis City Council hereby amends the budget with the following adjustments:

- increase transfers out of Fund 217 by \$2,451,795 and to increase transfers in to the General Fund (001) by the same amount
- increase General Fund expenditures by \$851,795
- Increase transfers out of Fund 001 by \$1,600,000 and increase transfers in to Fund 012 by the same amount
- Increase expenditures in Fund 012 for the Community Park Improvements project by \$1,000,000 and for the Community Park Skate Park Rehabilitation project by \$600,000.

BE IT FURTHER RESOLVED that the Davis City Council in the interests of ensuring timely expenditure of ARPA funds, authorizes the City Manager to make additional budget adjustments as needed with any extra funds remaining in projects to reallocate dollars to ensure funds are expended. The City Manager will include any adjustments made in the quarterly administrative budget adjustment reports that come to the City Council.

PASSED AND ADOPTED by the City Council of the City of Davis on this 19th day of September 2023 by the following vote:

AYES:

NOES:

ABSENT:

Will Arnold
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

RESOLUTION NO. 23-XXX, SERIES 2023

RESOLUTION AUTHORIZING THE PROVISION OF AMERICAN RESCUE PLAN ACT FUNDS TO FUND PROGRAMS AND PROJECTS THAT BENEFIT THE DOWNTOWN'S ECONOMIC RECOVERY

WHEREAS, the City of Davis has received funding from the American Rescue Plan Act (ARPA), which can be used to address impacts caused by the COVID-19 pandemic; and

WHEREAS, downtown Davis is both the central business district and the heart and soul of the community; and

WHEREAS, certain public infrastructure in the downtown would benefit from maintenance, repairs, or enhancements to encourage full economic recovery from COVID; and

WHEREAS, funding is intended to spur economic recovery in the private sector and the public realm; and

WHEREAS, the City Council on March 1, 2022 allocated \$1.2 million in APRA funding to downtown infrastructure and \$250,000 to downtown maintenance via Resolution 22-022; and

WHEREAS, the City Council would now like to refine these allocations to dedicate the funding to specific projects and purposes.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby authorize the remaining funds for enhancements to downtown infrastructure and community space, which total \$1,092,400 in the following manner:

- \$1,057,400 – G Street Infrastructure Improvements
- \$35,000 – Davis Downtown Business Association for Continued Development of Davisphere event(s)

BE IT FURTHER RESOLVED that the City Council authorizes the remaining \$200,000 of the original \$250,000 designated for Downtown Maintenance to be utilized to address needs related to downtown trees (\$190,000), and downtown signage (\$10,000).

PASSED AND ADOPTED by the City Council of the City of Davis on this 19th day of September, 2023 by the following vote:

AYES:

NOES:

Will Arnold
Mayor

ATTEST:
Zoe S. Mirabile, CMC
City Clerk