



# CITY COUNCIL STAFF REPORT



**April 26, 2022**

## **ITEM TITLE**

Agreement and Reallocation: Amend the American Rescue Plan Act Spending Plan, Authorize an Amendment and Subrecipient Agreement with SBCS for the Domestic Violence Program, and Reallocate Funds for that Purpose

**Report Number:** 22-0116

**Location:** No specific geographic location

**Department:** Development Services

**Environmental Notice:** The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act (“CEQA”) State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. Notwithstanding the foregoing, the activity qualifies for an Exemption pursuant to Section 15061(b)(3) of the CEQA State Guidelines.

## **Recommended Action**

Approve a resolution (1) amending the American Rescue Plan Act (“ARPA”) Spending Plan; (2) approving a subrecipient agreement with the SBCS Domestic Violence Program; and (3) reallocating funds for that purpose.

## **SUMMARY**

On May 10, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”), established by the ARPA of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs: including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. On August 24, 2021, the City Council approved the appropriation of \$28.76 million from the ARPA funds, including an appropriation of \$14 million from the ARPA account into Governmental Funds and the addition of 10.0 positions to the General Fund.

This item seeks to amend the Spending Plan by reallocating \$200,000 from the Revenue Recovery Category to the Public Health Category, more specifically, delivering assistance to victims of domestic violence and

authorizing a \$200,000 Subrecipient Agreement with the SBCS Corporation's ("SBCS") Domestic Violence Program.

### **ENVIRONMENTAL REVIEW**

The proposed activity has been reviewed for compliance with CEQA and it has been determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)3) of the State CEQA Guidelines, the activity is not subject to CEQA. Although environmental review is not required at this time, once the scope of potential project(s) has been defined, environmental review will be required for each project and the appropriate environmental determination will be made. Notwithstanding the foregoing, it has also been determined that the activity qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines. Thus, no environmental review is required.

### **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not applicable.

### **DISCUSSION**

ARPA established the SLFRF to assist governments to bolster their response to the COVID-19 pandemic and its economic impacts by setting the following goals:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control.
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs.
- Support immediate economic stabilization for households and businesses.
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations.

With the launch of the SLFRF, the Treasury released further details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 pandemic. Eligible jurisdictions have been able to access this funding to address immediate pandemic response needs, such as: basic emergency needs, bringing back jobs, and laying the groundwork for a strong and equitable recovery.

These funds present a significant opportunity for our community to meaningfully address the pandemic's disproportionate toll on people of color, people with disabilities, immigrant communities, low-income households, and other historically marginalized groups, including the homeless population.

On August 21, 2021, City Council approved the formal Spending Plan in the amount of \$28.7 million which represented the first round of ARPA funds received in May 2021. Subsequent to the initial allocation, three Spending Plan Amendments have been approved as critical needs increase and are identified in response to the pandemic.

The Amendments include:

- Amendment No. 1: Jacobs and Cushman San Diego Food Bank allocation of \$100,000 to provide food distribution services.

- Amendment No. 2: Alpha Project, Take Back the Streets, allocation of \$100,000 to provide job training and placement to previously homeless individuals.
- Amendment No. 3: Homeless Supportive Services allocation in the amount of \$100,000 to support the City’s Homeless Outreach Team to provide a continuum of services for homeless, at risk and low-income households.

This proposed Amendment No. 4, would provide \$200,000 of ARPA funds and approve an associated Agreement with SBCS Domestic Violence Program (the “Program”) to continue providing therapeutic counseling and crisis intervention services to adult and children victims of family violence. The table below reflects the new proposed allocation of ARPA funds.

<b>ARPA Funding Recommendation</b>			
<b>Category</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Total</b>
<b>Revenue Recovery</b>			<b>\$ 32,000,000</b>
<b>Governmental Funds</b>	<b>\$ 13,800,000</b>	\$ 18,200,000	<b>**</b>
<b>Public Health</b>			<b>\$ 19,935,250</b>
HVAC (GGV0261)	\$ 9,000,000	\$ 9,500,000	
COVID Testing/Vaccinations	\$ 667,625	\$ 567,625	
<b>SBCS Domestic Violence Services</b>	<b>\$ 200,000</b>		<b>*</b>
<b>Negative Economic Impacts</b>			<b>\$ 300,000</b>
Jacobs and Cushman San Diego Food Bank	\$ 100,000	\$ -	
Alpha Project - Take Back the Streets	\$ 100,000		
Homeless Supportive Services	\$ 100,000		
<b>Premium Pay to Essential Workers</b>	<b>\$ 1,000,000</b>	\$ 500,000	<b>\$ 1,500,000</b>
<b>Economic Development</b>			<b>\$ 2,900,000</b>
Small Business Grants	\$ 2,600,000	\$ -	
Choose Chula	\$ 100,000	\$ -	
Curb/Sidewalk Café Grant	\$ 200,000	\$ -	
<b>Infrastructure</b>			<b>\$ 900,000</b>
Broadband Design (GGV0263)	\$ 900,000	\$ -	
<b>TOTAL</b>	<b>\$ 28,767,625</b>	<b>\$ 28,767,625</b>	<b>\$ 57,535,250</b>
<i>* Public Health: New Program Allocation of \$200,000</i>			
<i>**Revenue Recovery/Economic Development: Reduction to University Innovation Center/Recruitment from \$550,000 to \$350,000</i>			

The Program provides a Domestic Violence Response Team (“DVRT”) for emergency responses via a 24-hour assistance hotline with access to:

- Emergency shelters;
- Strengths-based Assessments and Safety Planning for victims and their children;
- Individual counseling and group/family counseling;
- Unique therapeutic pre-school (Mi Escuelita); and
- On-going case management and support for victims.

The DVRT serves as the entry point for many victims to get the assistance they need to re-build safe, stable, and healthy lives for themselves and their children. All clients also have access to SBCS' other programs including emergency and transitional housing, financial self-sufficiency services, and/or job development.

The ARPA funds will assist SBCS to maintain and respond to a greater volume of calls, which has increased significantly since the start of the pandemic.

### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.). Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

### **CURRENT-YEAR FISCAL IMPACT**

There is no current year fiscal impact to the General Fund as a result of this action. All costs associated with the program are covered by available ARPA funds. Approval of the resolution reallocates \$200,000 in ARPA funds that have been previously appropriated.

### **ONGOING FISCAL IMPACT**

There is no ongoing fiscal impact to the General Fund as a result of this action. All costs associated with the program are covered by available ARPA funds.

### **ATTACHMENTS**

1. Subrecipient Agreement – SBCS Domestic Violence Program

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