



CITY COUNCIL STAFF REPORT



December 6, 2022

ITEM TITLE

Appropriation: Amend the Fiscal Year 2022/23 Capital Improvement Program Budget and American Rescue Plan Act Spending Plan to Appropriate Funds to Fire Station #1 and Rehabilitation to Former YMCA Building Projects and Rename the Project "Casa Casillas"

Report Number: 22-0308

Location: 447 F Street (F Street & Fourth Avenue); 50 Fourth Avenue (C Street & Fourth Avenue)

Department: Finance

Environmental Notice: These Projects qualify for Categorical Exemptions pursuant to the California Environmental Quality Act State Guidelines Section 15301 Class 1 (Existing Facilities), Section 15302 Class 2 (Replacement or Reconstruction), and Section 15303 Class 3 (New Construction or Conversion of Small Structures).

Recommended Action

Adopt a resolution: 1) amending the Fiscal Year 2022/23 Capital Improvement Program (CIP), appropriating \$3.6 Million from the 2016 Measure P Sales Tax Fund for the Fire Station #1 Repair/Replace project (GGV0252), including a \$347,616 transfer from the completed Fire Stations Repair/Replace project (GGV0230) and \$3,252,384 from fund balance; and 2) amending the American Rescue Plan Act Spending Plan and appropriating \$1.45 Million from the American Rescue Plan Act 2021 Fund for the Rehabilitation to the Former YMCA Building project (GGV0262), to be renamed "Casa Casillas." **(4/5 Vote Required)**

SUMMARY

This action will approve budget adjustments to the Fiscal Year 2022-2023 CIP budget for Fire Station #1 Repair/Replace (GGV0252) in accordance with staff recommendations and approve budget adjustments for the Rehabilitation to the Former YMCA Building (GGV0262) project in accordance with staff's proposed amendments to the American Rescue Plan Act Spending Plan.

2016 Measure P Sales Tax

On November 8, 2016, Chula Vista voters approved Measure P, authorizing a one-half cent sales tax increase on retail sales within the City for a period of ten (10) years to repair failed or failing assets throughout the city. The City Council adopted the Intended Infrastructure, Facilities and Equipment Expenditure Plan (Spending Plan) on December 6, 2016, relating to the expenditure of the Measure P Sales Tax. Staff

recommends amending the FY 2022-23 Capital Improvement Program budget to appropriate \$3.6 million in funds to complete the Fire Station #1 (GGV0252) project, for a total estimated cost of \$7.3 million, including a \$347,616 transfer from the completed Fire Stations Repair/Replace project (GGV0230) and \$3,252,384 from fund balance.

American Rescue Plan Act of 2021

On May 10, 2021, the U.S. Department of the Treasury (the “Treasury”) announced the launch of the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”), established by the American Rescue Plan Act of 2021 (“ARPA”), to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. The SLFRF provides 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. Since the original spending plan was approved, several amendments were approved to expedite project operations and ensure compliance with federal guidelines.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities), Section 15302 Class 2 (Replacement or Reconstruction), and Section 15303 Class 3 (New Construction or Conversion of Small Structures) because the proposed actions would not result in a significant effect on the environment, create a cumulative impact, damage a scenic highway, or cause a substantial adverse change in the significance of a historical resource. Thus, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Per Ordinance 3371, the function of the Measure P Citizen Oversight Committee (“COC”) is to review and report on City compliance with the terms provisions of Measure P and the spending guidelines contained in the Measure P Spending Plan presented and approved by the City Council.

The Fire Station #1 Repair/Replace (GGV0252) project includes recent estimated construction cost increases necessary to bring the facility to a functional level and to respond to current construction costs. These are eligible expenditures identified in the Measure P Spending Plan and Council approval of the appropriation is necessary prior to the next COC meeting to maintain the project construction schedule. The item will be scheduled for COC consideration as soon as the next meeting, on January 26, 2023, and any Spending Plan compliance input from the Committee will be brought back to City Council for consideration soon afterward.

DISCUSSION

2016 Measure P Sales Tax Fund Amendment – CIP Project Fire Station #1 Repair/Replace (GGV0252)

Fire Station #1

The Chula Vista Fire Department celebrated its centennial in 2021, having proudly served the City of Chula Vista and nearby communities for over one hundred years. Fire Station 1, located at 447 F Street, opened in 1948. Today, Fire Station 1 serves the Downtown, Bayfront, and Northwest portions of the City of Chula Vista and serves as a Battalion Headquarters. As one of the City's aging fire stations, Staff has determined a need for amending the Measure P Spending Plan to include an additional \$3,600,000 in appropriations for the Fire Station #1 Repair/Replace project to ensure project completion. Funding is available from: 1) excess Measure P sales tax revenues of \$3,252,384 and 2) remaining funds of \$347,616 from the completed project Fire Stations Repair/Replace (GGV0230) for Fire Stations 5 and 9. Staff believes the proposed upgrades for Fire Station #1 are compliant with the Measure P guidelines and are of highest priority for funding based on Spending Plan guidance. This item will be presented to the Measure P COC for consideration at its next meeting on January 26, 2023.

American Rescue Plan Act 2021 Fund Amendment – CIP Project GGV0262 Rehabilitation of the Former YMCA Building

ARPA established the Coronavirus SLFRF to assist governments by bolstering their response to the COVID-19 emergency 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 crisis. Eligible jurisdictions have been able to access this funding to address immediate pandemic response needs, such as: recover revenue losses, basic emergency needs, bring back jobs, and lay 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, four 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.
- Amendment No. 4: Provide \$200,000 of ARPA funds and approve an associated Agreement with SBCS Domestic Violence Program to continue providing therapeutic counseling and crisis intervention services to adult and children victims of family violence.
- Amendment No. 5: Reallocation of \$2,000,000 from the Loma Verde Reconstruction project (GGV0247) to the provision of General Government Services due to other available funding sources for this project, as part of the Fiscal Year 2022-23 Adopted Budget.

Staff is recommending (1) reallocating \$1,450,000 from within the Revenue Recovery category for General Governmental Services to the Rehabilitation of the Former YMCA Building project (GGV0262); and (2) amending the FY 2022-23 Capital Improvement Program budget to appropriate funds accordingly. This reallocation will be used to reimburse the General Fund for cost associated with the project, ensure federal compliance, and align with the legislative intent of the ARPA program.

Governmental Fund Revenue Recovery Recommendation						
Category	FY 2022	FY 2023	FY 2023	FY 2023	FY 2024	Total
	Final Budget	Revised Budget as of 11/8/22	Proposed Adjustments	Proposed Revised Budget	Planned	
Operational Support	6,250,000	10,461,276	-	9,011,276	845,000	15,926,276
Development Services Fund	-	1,000,000	-	1,000,000	-	1,000,000
COVID Premium pay	2,900,000	845,000	-	845,000	845,000	4,590,000
Funding new positions	350,000	350,000	-	350,000	-	700,000
PW Proj Mgmt-Non CIP Proj (PWP0001)	1,000,000	508,727	-	508,727	-	1,508,727
SD Foundation Fees	-	180,000	-	180,000	-	-
General Governmental Services	2,000,000	7,577,549	(1,450,000)	6,127,549	-	8,127,549
Infrastructure	6,500,000	2,950,000	-	4,400,000	-	10,900,000
Main Street Fiber (GGV0258)	300,000	-	-	-	-	300,000
Telegraph Canyon Culvert Repair (DRN0208)	3,200,000	2,950,000	-	2,950,000	-	6,150,000
Loma Verde Reconstruction (GGV0247)	2,000,000	-	-	-	-	2,000,000
Rehabilitation of the YMCA Building (GGV0262)	1,000,000	-	1,450,000	1,450,000	-	2,450,000
Economic Development	1,050,000	2,459,922	-	2,459,922	-	3,509,922
Public Art Grants(Library)	400,000	199,922	-	199,922	-	599,922
Starlight Parade	200,000	-	-	-	-	200,000
Equity and Inclusion	100,000	200,000	-	200,000	-	300,000
University Innovation Center/Recruitment	350,000	2,060,000	-	2,060,000	-	2,410,000
TOTAL	\$ 13,800,000	\$ 15,871,198	\$ -	\$ 15,871,198	\$ 845,000	\$ 30,336,198

Renaming of CIP Project “Rehabilitation of the Former YMCA Building” to “Casa Casillas”

On June 7, 2022, City Council approved naming of the City building located at 50 Fourth Avenue to be used at the City’s new intergenerational art gallery, as “Casa Casillas,” in honor of Chula Vista resident and artist Paula Casillas. The revitalization of 50 Fourth Avenue, Casa Casillas, provides the community a space dedicated to arts, for exhibition, incubation, and development of artistic capabilities. Staff is recommending the renaming of the CIP project “Rehabilitation of the Former YMCA Building” (GGV0262) to “Casa Casillas” to reflect the Council approved change in the subject facility name and purpose.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found that Councilmember McCann has property holdings within 500 feet of the boundaries of the property which is the subject of this action. However, the decision solely concerns repairs, replacement or maintenance of existing streets, water, sewer, storm drainage or similar facilities, and the member's property will not be affected disproportionately to other properties receiving the same services. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(d)(1)), this item does not present a real property-related conflict of interest under 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 these actions. Approval of the resolution will result in an additional \$3.6 million in expenditure appropriations for the Fire Station #1 Repair/Replace project (GGV0252), including a \$347,616 transfer of previously appropriated funds from the completed Fire Stations Repair/Replace (GGV0230) project and \$3,252,384 from fund balance of the 2016 Measure P Sales Tax Fund; and, reallocates previously appropriated funds available from the American Rescue Plan Act of 2021 Fund for the newly retitled Casa Casillas project (GGV0262).

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact to the General Fund as a result of these actions.

ATTACHMENTS

None

Staff Contact: Sarah Schoen, Director of Finance/Treasurer