



CITY COUNCIL STAFF REPORT



May 21, 2024

ITEM TITLE

ARPA Spending Plan and Agreement: Approve the American Rescue Plan Act (ARPA) Spending Plan Amendment and Second Amendment to the Agreement with Alpha Project, and Reallocate Funds

Report Number: 24-0165

Location: No specific geographic location

Department: Housing and Homeless Services

G.C. § 84308: Yes

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. Under NEPA, the activity is exempt pursuant to Title 24, Part 58.34(a)(2)&(3) of the Code of Federal Regulations and pursuant to the U.S. Department of Housing & Urban Development Environmental Guidelines.

Recommended Action

Adopt a resolution (1) amending the American Rescue Plan Act Spending Plan, (2) approving a Second Amendment to 2-party agreement No. 2023-136 with Alpha Project, and (3) reallocating funds for that purpose. **(4/5 Vote Required)**

SUMMARY

On May 10, 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, 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 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, and essential workers, in communities hardest hit by the crisis.

The City received a total of \$57.5 million, which was appropriated by the City Council with the initial plan presented on August 24, 2021 and the Fiscal Year 2023-24 adopted budget. This action proposes to provide

an additional amendment to the Spending Plan by reallocating \$100,000 from an existing project under the Negative Economic Impacts Category, more specifically, delivering assistance to workers and families through the Alpha Project’s “Take Back the Streets Program”.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with CEQA and NEPA. The activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because the proposal consists of a reporting action, is not for a site-specific project and will not result in a direct or indirect physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Under NEPA, the activity is exempt pursuant to Title 24, Part 58.34(a)(2)&(3) of the Code of Federal Regulations and pursuant to the U.S. Department of Housing & Urban Development Environmental Guidelines. Thus, no further environmental review is necessary at this time.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

To support the immediate COVID-19 pandemic response, provide for basic emergency needs, bring back jobs, and lay the groundwork for a strong and equitable recovery, ARPA established the Coronavirus State and Local Fiscal Recovery Funds designed to assist state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Treasury launched much-needed relief to:

- 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; and
- Address systemic public health and economic challenges that have contributed to the inequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs. Despite improvements in the economy and the lifting of California’s pandemic restrictions, many individuals in our community continue to struggle. The City’s Homeless Outreach Team conducted an independent Chula Vista count in September of 2023 which revealed that the number of homeless has continued to grow. In March 2020, the City received a direct allocation of Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) funds through the Community Development Block Grant (“CDBG”) program. Along with the allocation, the Department of Housing and Urban Development issued programmatic waivers that eliminated the standard fifteen percent (15%) cap on Public Services CDBG expenditures. The City seized this opportunity to fund a City initiative, Operation Pride. This multidisciplinary approach spans various City departments and agencies to assist with job training and reentry while supporting the City’s clean-up efforts. As partners, the City selected McAlister Institute (Work for Hope Program) and Alpha Project (Take Back the Streets). This program not only provides job opportunities to formerly homeless individuals but assisted City staff in maintaining clean and safe public spaces, including parks and streets since September 2020.

Since its initial funding, the program demonstrated that it serves as a catalyst for homeless people who are able to work, providing them with immediate transitional employment and training. The significant rise in trash resulted in staff's determination that an increase of services from Alpha Project to continue and maintain clean-up efforts would be a substantial benefit to the program and the City. For this reason, staff executed a First Amendment (Number 2023-136) to original Agreement (Number 2021-125) to continue the program. This item seeks to execute a Second Amendment No. 2024-104 to allocate the activity under the negative economic impacts category of the ARPA Spending Plan in the amount of \$100,000 to ensure the "Take Back the Street Program" continuation through June 2025.

City of Chula Vista - ARPA Spending Plan					
Category	FY 2022 Final Budget	FY 2023 Final Budget	FY 2024 Revised Budget	FY 2024 Proposed Adjustments	Total Budget with Proposed Adjustments
EC 1 - Public Health	\$ 9,867,625	\$ 9,867,625	\$ (18,751,868)	\$ -	\$ 983,382
HVAC (Project GGV0261)	9,000,000	8,900,000	(17,900,000)	-	-
COVID Testing/Vaccinations	667,625	367,625	(851,868)	-	183,382
SBCS Domestic Violence	200,000	200,000	-	-	400,000
Casa Nueva Vida DV Shelter	-	400,000	-	-	400,000
EC 2 - Negative Economic Impacts	\$ 300,000	\$ 3,822,558	\$ (3,522,558)	\$ -	\$ 600,000
Jacobs and Cushman San Diego Food Bank	100,000	100,000	-	-	200,000
Alpha Project - Take Back the Streets (CRF0020)	100,000	100,000	-	100,000	300,000
Homeless Supportive Services (CRF0022)	100,000	100,000	-	(100,000)	100,000
Eucalyptus Park	-	3,522,558	(3,522,558)	-	-
EC 2 - Economic Development	\$ 2,900,000	\$ -	\$ (51,951)	\$ -	\$ 2,848,049
Small Business Grants	2,600,000	-	-	-	2,600,000
Choose Chula	100,000	-	-	-	100,000
Curb/Sidewalk Café Grant	200,000	-	(51,951)	-	148,049
EC 4 - Premium Pay to Essential Workers	\$ 916,000	\$ 1,541,000	\$ -	\$ -	\$ 2,457,000
EC 5 - Infrastructure	\$ 900,000	\$ -	\$ (900,000)	\$ -	\$ -
EC 6 - Revenue Recovery	\$ 11,592,750	\$ 15,827,692	\$ 23,226,377	\$ -	\$ 50,646,819
Governmental Funds	11,592,750	15,827,692	23,226,377	-	50,646,819
EC 7 - Administrative Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 26,476,375	\$ 31,058,875	\$ -	\$ -	\$ 57,535,250

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 City's General Fund as all costs associated with the program are covered by available American Rescue Plan Act funds. Approval of the resolution reallocates \$100,000 in ARPA funds that have been previously appropriated.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact to the City's General Fund as all costs associated with the program are covered by available American Rescue Plan Act funds.

ATTACHMENTS

1. Second Amendment to Agreement (Number 2024-104)

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