



City of Huntington Beach
American Rescue Plan Act (ARPA)
 Spending Plan Review & Allocation

City Council Meeting
 September 7, 2021

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Today's Discussion

- ARPA Program Overview
- HB ARPA Funding Overview
- Proposed Projects & ARPA Funding Allocation Plan



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**SUPPLEMENTAL
 COMMUNICATION**

Meeting Date: 9/7/2021

Agenda Item No.: 32 (21-588)



ARPA Program Overview

Background – Federal Response to COVID-19

- **Massive Federal stimulus measures have been enacted to combat COVID-19 impacts**
 - March 27, 2020 – CARES Act authorized \$2 trillion in Federal support
 - December 27, 2020 – CRRSA authorized \$907 billion in pandemic relief assistance
- **American Rescue Plan Act of 2021 (ARPA) – enacted March 11, 2021**
 - \$1.9 trillion pandemic relief bill
 - Authorized \$350 billion in state and local government fiscal assistance
- **Through the ARPA bill, Huntington Beach is slated to receive \$29.6 million in funding**



Business / Household ARPA Assistance Also Available

Administered by Federal Agencies

Small Business Assistance	Aid to Households
<ul style="list-style-type: none"> • Restaurant Revitalization Fund Grants \$25B • Shuttered Venue Grants \$16.125B • Paycheck Protection Program \$7.25B • Economic Injury Disaster Loan \$15B • Airport Concessions \$800M 	<ul style="list-style-type: none"> • Child Tax Credit Expansion • Earned Income Tax Credit (EITC) Expansion • Child Care & Dependent Tax Credit Expansion • Increased Affordable Care Act (ACA) Subsidies • Nutrition Assistance • Emergency Broadband Benefit Program • FEMA Funeral Assistance



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HB ARPA Funding Overview

ARPA State and Local Fiscal Recovery Fund Direct Aid Allocation to HB

- Local Fiscal Assistance: **\$29,606,925** in two “tranches”
 - Tranche 1: 50% received on May 16, 2021
 - Tranche 2: 50% delivered in May 2022
- Period of Performance: 3/3/2021- **12/31/2024** (must be fully expended by 12/31/2026)
- Required to provide “periodic reports” that include a detailed accounting of the use of funds



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ARPA Funding: Ineligible Uses

- To offset a reduction in tax revenues resulting from a change in law, regulation, or administrative interpretation
- Deposits into a pension fund for the purpose of reducing UAL
- Funding debt service
- Funding legal settlements, judgements or consent decree
- Deposits into a rainy-day fund or financial reserves



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ARPA Funding: Eligible Uses

1. Respond to COVID-19 or its Economic Impacts
2. Provide Premium Pay to Eligible Essential Workers
3. Invest in Water, Sewer, Stormwater and Broadband Infrastructure
 - Additional funding may be available from the State/Federal Governments
4. Replace Revenue lost due to COVID-19
 - Revenue shortfalls across general revenue streams as defined by the US Dept of Treasury for provision of Government Services
 - Projected Lost Revenue Amount for HB = \$42.5 million (from January 2020 through December 2023)



The City has wide latitude regarding how to deploy the funds based on the City Council direction.



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Considerations



- Align with the City's strategic plan and policy priority areas
- Reflect the community's needs and interests, are feasible within the ARPA funding guidelines / timeframes, and advance the City's overall goals
- Avoid using funds for projects that incur ongoing financial commitments
- Consider what may already be funded through other resources
- **Prioritizing Projects** that
 - (1) address immediate, current needs of the City *and / or*
 - (2) constitute a transformative, "*Plan for the Future*" project with long-term, positive community impacts.



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Use of ARPA Funds

Policy Direction for ARPA Funding Spending Plan

Respond to Present Needs

- Downtown Revitalization Improvements
- Police Technology Improvement (CAD & RMS)
- Public Safety Equipment
- Senior on the Go Transportation – Replace four (4) vans
- Park Upgrades (Carr Park)
- Oak View Community Center Rehabilitation
- Talbert Channel Multi-use Recreation Trail Project

Plan for the Future

- Comprehensive Homelessness Response
- DBFOM Major City Facility Upgrade Project Planning
- Permanent Supportive Housing
- Grow HB Fund – NDC 3:1 Match
- HB Community Impact Loan Fund
- Economic Development Fund
- Broadband Infrastructure Improvement
- World Skate Skatepark Development Planning
- Mobility & Sustainability Capital Improvements
- Joint Youth Training Facility for Police/Fire
- Arterial Beautification



Proposed Projects: *Addressing Present Needs*

	Potential Projects	Project Type	Estimated Cost	Project Description
1	<i>Downtown Revitalization Improvements</i>	Planning	\$1,750,000	To develop final plans for reconfiguring the broader downtown resort district, including enhancements to Main Street, while investing in improvements to enhance connectivity and revitalize businesses and activities
2	<i>Police Technology Infrastructure Improvement</i>	Capital	\$3,000,000	To upgrade HBPD's Computer Aided Dispatch (CAD) & Records Management Systems (RMS) technology infrastructure for police department response.
3	<i>Carr Park Upgrades</i>	Planning	\$326,925	Fund development of final plans for Carr Park improvements, to include addressing accessibility issues throughout the park, improved access around the fishing pond, and new themed play equipment.
4	<i>Oak View Rising Program Implementation</i>	Planning + Capital	\$2,000,000	As part of the City's "Oak View Rising" efforts, to fund implementation efforts associated with livability / landscape improvements, parking impact mitigation, community center facility planning, and youth programming efforts.

Proposed Projects: *Addressing Present Needs*

	Potential Projects	Project Type	Estimated Cost	Project Description
5	<i>Public Safety Equipment</i>	Capital	\$2,000,000	To purchase an Urban Search and Rescue (USAR) truck, one (1) Lifeguard Rescue Vessel, and one (1) new Dive Team vehicle for the HBFD.
6	<i>Senior On-To-Go Transportation Improvement</i>	Capital	\$280,000	To replace four (4) old Voyager Commercial Side-Entry vans for the Seniors-on-the-Go Transportation Program, which provides free, accessible door-to-door rides to HB residents 60+ years to essential and life enriching services.
7	<i>Talbert Channel Multi-use Recreation Trail Project</i>	Planning	\$300,000	The Talbert Channel, managed by the OC Flood Control District, accepts runoff from HB and nearby cities before draining into the ocean. The Channel presents a possible recreational opportunity, bypassing and connecting schools and public areas before reaching the HB Wetlands and State Beach off PCH. This funding will facilitate planning efforts to develop a possible recreational path on the existing levy systems maintenance roads.
CURRENT NEEDS FUNDING ALLOCATION TOTAL			\$9,656,925	

Proposed Projects: *Planning for the Future*

	Potential Projects	Project Type	Estimated Cost	Description
1	<i>Comprehensive Homeless Response Plan Implementation</i>	Planning + Capital	\$2,500,000	To utilize the City's existing navigation center site to develop a first of its kind healing center campus facility that embeds medical, behavioral health, recuperative care, and respite housing, options that integrate into broader Be Well continuum of mental health / substance abuse care.
2	<i>DBFOM Major City Facility Upgrade Project</i>	Planning	\$3,200,000	With the Police Department, Lake Fire Station, and Civic Center all in need of major facility repairs, this effort will fund the preliminary planning work associated with our proposed DBFOM (Design-Build-Finance-Operate-Maintain) major City facility upgrade project. The City will be able to fund site assessment work, facility master planning, and conceptual design efforts.
3	<i>Permanent Supportive Housing</i>	Capital	\$2,500,000	In order to make a significant difference in homelessness, the City needs additional Permanent Supportive Housing (PSH) units. This funding will facilitate the production of additional PSH units in the City.

Proposed Projects: *Planning for the Future*

	Potential Projects	Project Type	Estimated Cost	Description
4	<i>Grown HB Fund – NDC 3:1 Match</i>	Capital	\$2,000,000	To create a City loan program to be administered through the National Development Council (NDC). NDC will provide a 1:3 match based on the City's initial investment, and funding can be used to support existing mid-sized qualified businesses as they look to expand within the City
5	<i>HB Community Impact Loan Fund</i>	Capital	\$1,000,000	Through the NDC, this effort would create a <i>HB Community Impact Loan Fund</i> , which would provide loan funding for start-ups and smaller, less established businesses where borrowers are making 80% of the Area Median Income (AMI) or less.
6	<i>Economic Development Fund</i>	Capital	\$2,000,000	With the elimination of redevelopment agencies, establishing this fund would help support local business expansion efforts, with a particular focus on environmental mitigation, and addressing possible Measure C related issues.

Proposed Projects: *Planning for the Future*

	Potential Projects	Project Type	Estimated Cost	Description
7	Broadband Infrastructure Improvements	Capital	\$1,000,000	The City is currently conducting an overall Citywide broadband infrastructure planning effort. This funding would be set-aside for use towards infrastructure implementation to improve broadband access in City locations impacted by the digital divide.
8	World Skate Skatepark Development Planning	Capital	\$750,000	To facilitate City skatepark planning efforts, including the possibility of bringing Olympics LA 2028 action sports to HB (for skateboarding, surfing, and BMX), this funding would be set-aside to ascertain the feasibility of developing local Olympic-quality recreational facilities.
9	Mobility & Sustainability Capital Improvements	Planning + Capital	\$2,000,000	To fund the development of mobility capital improvement programs to enhance pedestrian, bicycle and school safety Citywide.

Proposed Projects: *Planning for the Future*

	Potential Projects	Project Type	Estimated Cost	Description
10	Joint Youth Training Center for Fire and Police	Capital	\$2,000,000	This funding would be allocated to build a new Joint Youth Training Center on the CNET training ground with new Fire and Police equipment to develop a two-track program that provides vocational and educational pathways for local students and underserved youth.
11	Arterial Beautification	Capital	\$1,000,000	This project would set-aside funding to implement enhanced medians and landscaping along arterial street corridors in the City.
PLANNING FOR THE FUTURE FUNDING ALLOCATION TOTAL			\$19,950,000	
GRAND TOTAL			\$29,606,925	

Proposed 18 Projects by Community Needs

	Business Investment & Economic Development	Community Improvements / Capital Enhancements	Public Safety
Address Present Needs	<ul style="list-style-type: none"> Downtown Revitalization Improvements 	<ul style="list-style-type: none"> Oak View Rising Program Implementation Senior on-the-Go transportation improvement Carr Park Upgrades Talbert Channel Recreational Trail 	<ul style="list-style-type: none"> Police Technology Infrastructure Improvement (CAD and RMS) Public Safety Equipment (USAR truck, Lifeguard Rescue Vessel, and Dive Team vehicle)
Plan for the Future	<ul style="list-style-type: none"> Grown HB Fund (NDC 3:1 Match) HB Community Impact Loan Fund Economic Development Fund World Skate Skatepark Development Planning for LA 2028 Olympics & Beyond 	<ul style="list-style-type: none"> Comprehensive Homeless Response Plan Implementation Permanent Supportive Housing Broadband Infrastructure Improvements Arterial Beautification 	<ul style="list-style-type: none"> DBFOM Major City Facility Upgrade Project Joint Youth Training Center for Fire & Police Mobility & Sustainability Capital Improvements

RECOMMENDATIONS

- Approve the proposed ARPA funds spending plan for Huntington Beach, and
- Direct staff to prepare the necessary budget appropriation documents to facilitate the adopted program.

