

American Rescue Plan Act Initial Funding Appropriation

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American Rescue Plan Act (ARPA)

- In total the ARPA provides for \$1.9 trillion in economic stimulus
- Competitive application programs available to residents, businesses, non-profits and the City covering rent, mortgage and utility assistance; economic recovery; public, behavioral and mental health
- Aside from ARPA – Governor Newsom announced FY 2022 State Budget to include \$100 billion in stimulus programs



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- Pasadena will receive \$52,625,975 in direct allocation assistance that must be obligated within 4 categories between March 3, 2021 and December 31, 2024:
 - > Respond to the public health emergency or its negative impacts
 - > Respond to workers performing essential work during COVID-19 by providing premium pay to eligible workers
 - > For the provision of government services to the extent of the reduction in revenue due to COVID-19
 - > To make necessary investments in water, sewer or broadband infrastructure
- Funds may not be used to fund unfunded pension obligations, debt service or financial reserves
- First 50% payment of \$26.3m already received



American Rescue Plan Act (ARPA)

- **Guiding Principles Regarding Eligible Use**
 - > Identify a need or negative impact of COVID-19
 - > Identify how the program, service or other intervention addresses the identified need or impact
 - > Eligible uses must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from COVID-19
 - > Exhaust other ARPA programs, FEMA, and State stimulus before using local stimulus funds for a similar program



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- Growing concern that the second 50% payment could be clawed back through legislative negotiations
- Recommendation to appropriate and/or commit the existing funds to prevent claw back attempts of initial 50% payment



ARPA Recommended Appropriations

- \$350,000 to backfill Public Health Department response efforts not grant or FEMA eligible in FY 2021.
- \$250,000 to a CIP project to repurpose space in Public Health building to accommodate staffing and programs.
- \$475,000 to the Pasadena Convention and Visitors Bureau to rehire 3 FTEs and implement a comprehensive marketing plan.
- \$623,000 to General Fund and various Parking Meter Funds to cover revenue losses from suspending fees through FY 2022 to support dining in the public right-of-way
- \$2,600,000 to General Fund revenue losses to reduce draw down of fund balance in FY 2021



ARPA Recommended Appropriations

ARPA Funding

Description	Amount
Initial Allocation (50%)	\$ 26,312,988
Public Health Response Category	
Public Health Fund expenditures from March 3, 2021 - June 30, 2021	350,000
Public Health Building Improvements	250,000
Revenue Loss Category	
Pasadena Convention and Tourism Bureau Recovery Plan	475,000
Public Right-of-Way Dining Support	
General Fund Fee Waiver	435,000
On-Street Parking Fee Waiver	188,000
General Fund Revenue Loss	2,600,000
Total Appropriations	\$ 4,298,000
Amount Remaining from Initial Allocation	\$ 22,014,988
Second Allocation to be Paid June 2022	\$ 26,312,987
Total ARPA Allocation Remaining	\$ 48,327,975



ARPA Recommended Obligations

- Public Health Response
- Off-Street Parking Fund Revenue Loss
- General Fund Revenue Loss
- Housing Support
- Technology & Cybersecurity
- Capital Improvement Pay-Go Funding
- Affordable Housing or Homeless Housing Support
- Broadband Infrastructure
- Water Infrastructure
- Sewer Infrastructure



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- **Restrictions on uses**
 - > May not cover expenses prior to March 3, 2021
 - > May not replenish or make contributions to reserves or rainy day funds
 - > May not deposit or make non-payroll contributions to pension plans or pension liabilities
 - > May not make any debt service payments



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- **Timeline**

- > May 2021
 - Interim Guidance Released
 - City submitted funding request
- > June 2021 - City received 50% of funding
- > July 16, 2021
 - Interim Guidance Comment Period Closes
- > May 2022
 - City will receive final 50% of funding
- > December 31, 2024
 - All funds must be obligated
- > December 31, 2026
 - All funds must be expended and projects completed



Recommendations

- Find the proposed action is exempt from CEQA
- Amend the FY 2021 and 2022 Operating Budgets totaling \$4,048,000
- Amend the FY 2022 CIP Budget adding a new project for Public Health Building Improvement and appropriating \$250,000 upon concurrence through Planning Commission
- Recognize revenue in the amount of \$26,312,988 in FY 2021