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2021 JUN 14 AM 9:12

CITY OF PASADENA
CITY CLERK

June 13, 2021

Mayor Victor Gordo
Members of the Pasadena City Council
Pasadena, CA
(By email to correspondence@cityofpasadena.net)

Re: City Council Meeting 6/14/2021 – Agenda Item #7: American Rescue Plan Act Initial Funding Appropriation

Dear Mayor Gordo and Members of the Pasadena City Council:

I. Introduction

According to the staff report for this agenda item, Pasadena will receive over \$26 million of the expected \$52,625,975 in American Rescue Plan Act (ARPA) funds in June 2021, and the balance in June 2022. The report further states that “building a spending plan is important to maximize impact to the city and community over time.” The report recommends certain immediate allocations of ARPA funds, amendments to certain FY 2021 and 2022 budgets, recognition of revenue in the amount of the first tranche of ARPA funding, and obligation of the full \$52+ million allocation “for Public Health response and revenue reduction offset as allowed in the ‘Treasury Interim Guidance document,’” hereinafter, the Interim Final Rule (IFR).

I have reviewed the Interim Final Rule, which is the Treasury Department’s guidance for allocating the ARPA funding provided to state and local governments. It discusses numerous eligible uses for the ARPA funds, many of which would provide critical programs that our most vulnerable and marginalized residents need to move forward from the pandemic. Of great concern, these residents are all but left out of the staff’s discussion and plan for using the ARPA funds. Staff’s recommendations for immediate allocations as well as its discussion related to future allocations do a disservice to our community. I urge you to reject staff’s recommendations, other than those related to immediate allocations to the

Public Health Department, and devise a method whereby the community can provide input on future recommended allocations of ARPA funds.

II. Staff Recommendations for ARPA Funding Appropriations

The ARPA funds must be spent within the four eligible uses identified in the statute—"(1) to respond to the public health emergency and its negative economic impacts, (2) to provide premium pay to essential workers, (3) to provide government services to the extent of eligible governments' revenue losses, and (4) to make necessary water, sewer, and broadband infrastructure investments." (IFR, pp. 78-79.)

A. Staff's Recommended Immediate Appropriations of ARPA Funds

1. Public Health Response - \$350,000 from the ARPA funds to the FY 2021 Operating Budget for the Public Health Department to support expenditures retroactive to 3/3/21 – 6/30/21, including staffing and support for contact tracing and vaccination clinics.
2. Public Health Building Improvements - appropriate \$250,000 from the ARPA funds to repurpose the former lab space in the Public Health building.
3. Pasadena Convention and Visitors Bureau Tourism Recovery Plan - appropriate \$475,000 from ARPA funds to rehire three staff members in the Pasadena Convention and Visitors Bureau and implement a Tourism Recovery Plan.
4. General Fund and Various Parking Meter Fund Revenue Loss - recognize revenue of \$623,000 to offset revenue losses from the support of dining in the public right-of-way.
5. General Fund Revenue Loss - recognize revenue in FY 2021 in the amount of \$2,600,000 to offset all General Fund Operating Budget adjustments approved between 3/3/21 and 6/30/21 that negatively impact fund balance. (Staff Report, pp. 2-3.)

B. Staff's Recommended Future Appropriations of ARPA Funds

Staff's recommendations for future appropriations of ARPA funds include funding off street parking fund revenue losses, general fund revenue losses, capital improvements, broadband infrastructure, and sewer and water improvements. (Staff Report, pp. 3-5.) Way down the list of recommendations is the following:

Affordable Housing or Homeless Housing Support or Acquisition -Acquire, renovate or supplement funding gaps for properties to support affordable or homeless housing efforts within the City. The guidelines require these projects to be turnkey or have a very short turnaround time to maximize impact. (Staff Report, p. 4.)

This is followed by a very ominous caveat:

In some cases, as it relates to future possible appropriations, consideration has been given to meeting important community needs. For example, support for housing and efforts to reduce homelessness . . . has been suggested. Nevertheless, as ARPA funding is one-time funding, limited in duration, proposals that would establish new, ongoing programs that would necessitate continued support by the General Fund are generally not being proposed. (Staff Memo, p. 2.)

I support the minimal immediate funding for the long-neglected Public Health Department.¹ But the recommendations for the bulk of the ARPA funds to go to the General Fund is unconscionable. Since our Housing Department receives miniscule General Fund funding (\$1.475 million for FY 2022) and our Public Health Department receives no General Fund funding, our vulnerable, marginalized, and underserved communities will see little benefit from staff's recommended ARPA allocations. These are the very people that need financial assistance the most. Instead, the City should create more interim housing and supportive housing and services for our unhoused, more affordable housing for our low-income residents, and more community programs that address health and mental health issues and violence prevention, particularly in our underserved communities.

To those who would respond that we cannot serve our most vulnerable residents because after the ARPA funds are expended (as required by December 31, 2024), we do not have any funding to continue the programs, the answer is simple: Find it. Significantly, if the City re-allocated some of the \$84+ million in General Fund allocations to the Police Department to provide a dedicated source of funding for our poor and marginalized residents, we would have the necessary funding to continue those programs after the ARPA funds are gone. The Council can start

¹ I note, however, that the Public Health building improvement suggested pales in comparison to the \$3 million the Council allocated for a remodel of the Police Department building, which will include new furniture, new computers, break rooms and an "open floor plan."

with re-allocating the purported \$2.3 million in operational budget savings from the Police Department budget for FY 2021 and allocate that same amount to other critical departments going forward each year since the Police Department did not need those funds in FY 2021. This would at least be a start, while the Council and community re-evaluate proposed funding for the Police Department and other departments/entities such as the Rose Bowl Operating Company going forward.

III. Eligible Uses of the ARPA Funds Under the Interim Final Rule

Because Staff's recommendations leave out discussion of programs that would benefit our most vulnerable residents, I will summarize provisions of the IFR that specifically address eligible uses of funds benefitting those residents. The Interim Final Rule is 151 pages in length. In order to ensure that the Council fully understands the breadth of eligible uses of ARPA funds, members of the Council need to read it and not simply rely on staff to "pick and choose the winners."

It must be noted at the outset that the IFR specifically states that "[t]he ARPA provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, **more equitable economy** as the country recovers." (IFR, p. 8, emphasis added.)

A. Responding to the Public Health Emergency or its Negative Economic Impacts

A recipient of ARPA funds may use the funds to respond to the public health emergency or its negative economic impacts, including for one or more of the following purposes:

(1) COVID-19 Response and Prevention

Funds may be used for "COVID-19 related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities."² (IFR, p. 138, *see also* p. 18.) The funds may also be used for COVID-19 related mental health treatment, substance misuse treatment, and other behavioral services. (IFR, p. 140.) The IFR

² Significantly, our congregate shelters had to move clients into motel rooms in order to comply with COVID-19 distancing requirements. I am unaware of when, or if, our congregate shelters will return to their previous capacity.

specifically notes the increase in mental illness due to the pandemic as well as the increase in rates of substance misuse and overdose deaths. (IFR, p. 14.)

(2) Assistance to Households

Assistance to households or populations facing negative economic impacts due to COVID-19 is also an eligible use. This includes food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; and “job training to address negative economic or public health impacts experienced due to a worker’s occupation or level of training.” (IFR, p. 33.) Our city can and should provide assistance to households, especially to those households that experienced disproportionate negative economic impacts.

(3) Uses to Address Disproportionately Impacted Populations and Communities

The IFR goes into great detail about the disproportionate public health and economic impacts of the COVID-19 pandemic on communities and populations disadvantaged before it began. “Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death, as well as higher rates of unemployment and lack of basic necessities like food and housing.” (IFR, p. 5.) To address these impacts and the role of pre-existing social vulnerabilities in driving these disparate outcomes, the IFR “identifies a broader range of services and programs that will be presumed to be responding to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services . . . are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs, or when these services are provided by Tribal governments.”³ (IFR, pp. 21-22.) These include:

(i) Programs or services that facilitate access to health and social services, such as

(A) Assistance accessing or applying for public benefits or services;

³ Recipients may also provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic if they can show that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served.

(B) Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness; and

(C) Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic. (IFR, pp. 22-23, 141-142.)

(ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness where the economic impacts of COVID-19 have likely been most acute, such as

(A) Supportive housing or other programs or services to improve access to stable, affordable housing among individuals who are homeless;

(B) Development of affordable housing to increase supply of affordable and high-quality living units; and

(C) Housing vouchers, residential counseling or housing navigation assistance to facilitate moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents and to reduce concentrated areas of low economic opportunity. (IFR, pp. 39, 142.)

(iii) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on education, such as

(A) New or expanded early learning services;

(B) Assistance to high-poverty school districts to advance equitable funding across districts and geographies; and

(C) Educational and evidence-based services to address the academic, social, emotional, and mental health needs of students. (IFR, p. 142.)

(iv) Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on childhood health or welfare, such as

(A) New or expanded childcare;

(B) Programs to provide home visits by health professionals, parent educators, and social service professionals to individuals with young children to provide education and assistance for economic support, health needs, or child development; and

(C) Services for child welfare-involved families and foster youth to provide support and education on child development, positive parenting, coping skills, or recovery for mental health and substance use. (IFR, pp. 142-143.)

All of the above uses qualify for ARPA funding and should be at the **top** of the list of uses of ARPA funds in our City. Those in our City who have been disproportionately impacted by the pandemic should not receive simply crumbs from the ARPA funds.

IV. Conclusion

The Federal Government has given our City substantial financial assistance to help recover from the pandemic. However, the IFR specifically states “these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.” (IFR, p. 8.) The recommendations of staff for the immediate allocations should be rejected with the exception of the funding for the Public Health Department. Staff should be required, not only to go back to the drawing board, but also to obtain the community’s input regarding any further allocations of ARPA funds. Thank you.

Sincerely,

/s/

Sonja K. Berndt, Esq. (retired)

Cc: *Pasadena Now*

Martinez, Ruben

From: Anthony Manousos <
Sent: Monday, June 14, 2021 9:14 AM
To: PublicComment-AutoResponse
Subject: Item #7 on today's agenda

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Dear Mayor and City Council Members,

I am writing to express my concern about how the staff is recommending that the City spends ARPA funds. According to the most recent Housing Element, 20,000 residents of our city are paying more than 50% of their income on housing. Many of those hardest hit by the pandemic are people of color and need all the support that the City can muster. Ryan Greer of Friends Indeed spoke to our Quaker Meeting recently and informed us that the number of Pasadena residents applying for rental assistance is expected to double this year. I urge you to prioritize those most in need in our city.

The City has the opportunity to use a significant portion of the June 2021 allocation of \$26 million of the expected \$52,625,975 in American Rescue Plan Act funds to fulfill part of the ARPA's goal of **"rebuilding a stronger, more equitable economy."** Instead, **the City has chosen to leave critical programs and the most vulnerable and marginalized residents out of the picture**, opting to fund Tourism Recovery and General Fund Losses. Equitably using ARPA funds in Pasadena is the ultimate way to Re-Fund Our Community. City Council must **reject** Staff recommendations, **prioritize community equity**, and grant robust opportunities for community members to provide input on how ARPA funds are spent.

The Interim Final Rule (IFR) provides the Department of Treasury guidance for using ARPA funds and discusses numerous eligible uses of the ARPA funds, many of which would provide **critical programs** our **most vulnerable** and **marginalized** residents need to move forward from the pandemic. The IFR specifically states that "[t]he ARPA provides a substantial infusion of resources to meet pandemic response needs and **rebuild a stronger, more equitable economy** as the country recovers. (IFR, p. 8, emphasis added.)

Pasadena's most vulnerable residents are *all but left out* of the staff's discussion and plan for using the ARPA funds.

The initial staff recommendation for immediate allocation of some of the ARPA funds prioritizes Public Health Response, but also: Pasadena Convention and Visitors Bureau Tourism Recovery Plan / General Fund and Various Parking Meter Fund Revenue Loss / General Fund Revenue Loss.

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Instead of the current proposal (aside from Public Health), the City should create more **interim housing** and **supportive housing** and **services for our unhoused**, more **affordable housing** for our low-income residents, and more **community programs** that address **health** and **mental health** issues and **violence prevention**, particularly in our **underserved communities**. Eligible uses of funding include (but are not limited to)

Programs or services that facilitate access to health and social services, such as: **Housing services** to support healthy living environments and neighborhoods conducive to mental and physical wellness; **Evidence-based community violence intervention programs** to prevent violence and mitigate the increase in violence during the pandemic. (IFR, pp. 22-23.); Programs or services that address **housing insecurity**, **lack of affordable housing**, or **homelessness** where the economic impacts of COVID-19 have likely been most acute, such as: Supportive housing or other programs or services to improve access to stable, affordable housing among individuals who are homeless; **Development of affordable housing** to increase supply of affordable and high-quality living units; and Housing vouchers, housing navigation assistance. (IFR, pp. 39, 142.)

Let's use ARPA fund to rescue not only businesses but people who desperately need assistance. This seems a truly equitable way to spend these taxpayer dollars.

Anthony Manousos

Martinez, Ruben

From: FERNE HAYES
Sent: Monday, June 14, 2021 10:40 AM
To: PublicComment-AutoResponse
Subject: Agenda item #7 City Council 6/14/21

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Dear Mayor Gordo and City Councilpersons,

Regarding the use of the American Rescue Plan Act funds, I urge you to reconsider the priorities set out in the staff report.

The allocations to the Public Health Department are appropriate and good. The other recommendations should be reassessed.

I would like to see **programs which address housing insecurity** moved up on the list as this has been one of the major economic impacts of COVID-19. The city needs more interim (bridge) housing, more supportive housing and services, and more affordable housing for low income residents. Housing costs in Pasadena exemplify the least equitable economy and were worsened by the pandemic. The opportunity exists to use ARPA funds to provide critical programs to aid our most vulnerable and marginalized residents. Housing and mental health must be prioritized over tourism recovery.

Thank you
Ferne Hayes
District 7

Sent from my iPad

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B.R.E.A.T.H.E. JUSTICE 365

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2021 JUN 14 PM 4:13

June 14, 2021

RE: AGENDA ITEM #7: American Rescue Plan Act Initial Funding Appropriation

Dear Pasadena City Council Members,

The City of Pasadena has the opportunity to use a significant portion of the June 2021 allocation of \$26,312,988 of the expected \$52,625,975 in American Rescue Plan Act (ARPA) funds to fulfill part of the ARPA's purpose of **"rebuilding a stronger, more equitable economy."**

Instead, Staff recommendations prioritize funding Tourism Recovery and General Fund losses over critical programs and Pasadena's most vulnerable and marginalized residents.

Equitably using ARPA funds in Pasadena is an impactful way to bring about the positive change community members need and continue to demand. Funding effective, evidence-based, affordable, Public Health programs like Advance Peace¹ and CAHOOTS² could substantially improve the safety and well being of our residents most impacted by the COVID-19 pandemic. The ARPA not only makes funding such programs *possible*, but highly *encourages* the use of funds in this manner, which promotes racial and socioeconomic equity.

It is unacceptable for Council to approve of Staff's assertion that no ARPA funds be allocated to fund *new*, ongoing community programs simply because they would require continued General Fund support.

If Council members researched the aforementioned Public Health programs, they would find that they are **highly effective** at improving community health and safety, and that they would **potentially save the City millions of dollars annually**. Using ARPA funds for such programs should be *prioritized*, not restricted.

We Implore City Council to:

- **Reject** current Staff recommendations, aside from vital Public Health Department expenditures.
- Take the time to **understand the breadth of eligible uses** for ARPA funds.
- **Prioritize community equity** when appropriating ARPA funds.
- **Grant robust opportunities for community members to provide input** on how ARPA funds are spent.

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Respectfully Submitted,

The B.R.E.A.T.H.E. Justice 365 Team

A Pasadena-based collective of physicians, attorneys, executives, educators, clergy, activists, parents and everyday citizens united for equity in policing.

References

1. Advance Peace: <https://publichealth.berkeley.edu/news-media/research-highlights/berkeley-study-california-gun-violence-program-saves-lives-taxpayers-millions/>
2. CAHOOTS: <https://whitebirdclinic.org/what-is-cahoots/>