

STAFF REPORT

DATE: November 1, 2022
TO: City Council
FROM: Kelly Stachowicz, Assistant City Manager
SUBJECT: ARPA Update

Recommendation

1. Receive update on funds provided from the American Rescue Plan Act (ARP)
2. Authorize City Manager to amend the current contract with Mercer Veterinary Clinic/DPAW to provide funding for \$12,000 per year for three years totaling \$36,000. (The first year has already been approved and partially allocated.)
3. Appoint a Council Subcommittee to work with staff to develop process for funds currently unallocated. Direct Subcommittee to return to Council with proposal for fund allocation.

Fiscal Impact

The City of Davis has already received \$19,730,600 in funding from the American Rescue Plan Act. This report is an update and has no additional fiscal impact.

Council Goal(s)

This funding affects all of the City Council Goals:

- Ensure a Safe, Healthy, Equitable Community
- Ensure Fiscal and Economic Stability
- Pursue Environmental Sustainability
- Fund, Maintain and Improve Infrastructure
- Enhance a Vibrant Downtown and Thriving Neighborhoods
- Foster Excellence in City Services

Commission Input

The City Council previously had a Council Subcommittee of Lucas Frerichs and Will Arnold. The Subcommittee worked with staff to bring funding recommendations directly to the City Council.

Background and Analysis

The American Rescue Plan (ARP) is a federal stimulus plan to provide funding to State and local governments to assist communities in recovering from the COVID-19 pandemic. Davis' share is \$19.7 million. These funds are intended to assist communities recover from Davis and must be spent by December 2024 (or for certain projects, like construction projects, encumbered by 2024 and spent by December 2026).

The City Council has discussed the ARP funds on multiple dates, with the most recent being March 1, 2022. That staff report (which also links to previous staff reports) can be found [here](#). Between September of 2021 and the March 1, 2022 meeting, the Council provided direction on spending the funding. The projects are shown in the chart below and include a brief status update. Work has begun on many of the projects and staff has started to allocate the funding to outside organizations, as agreements are completed.

CRITICAL CITY SERVICES (24%)		\$4,695,000	
Recipient	Project	Amount	Status
CITY	Revenue Backfill	\$2,300,000	Incorporated into FY21-23 budget
CITY	Furlough restoration	\$832,000	Completed
CITY	Three firefighters to staff ladder truck	\$663,000	Recruitments underway for firefighter positions
CITY	4 changeable message boards (traffic, construction, events, etc.)	\$100,000	Message boards have been ordered
CITY	Replacement of public safety radios/equipment	\$450,000	Public safety radios have been ordered
CITY	Replacement and expansion of portable building at City Hall	\$350,000	Staff developing plans

COVID PREVENTION (10%)		\$1,885,600	
Recipient	Project	Amount	Status
CITY	HDT COVID Testing	\$1,500,000	Slightly more than \$1,000,000 was paid to UC Davis for Healthy Davis Together testing.
CITY	COVID Response Reserve	\$385,600	Reserve

SOCIAL SERVICES (32.5%)		\$6,413,608	
Recipient	Project	Amount	Status
CITY –	Crisis Now	\$1,170,000	This funding awaiting County start-up of program.
CITY -	Start-up funding for new dept of housing and social services	\$790,000	Director position filled since May. Recruitment for Affordable Housing Manager will be released in November.
Davis Community Meals & Housing	Paul's Place	\$1,000,000	Staff working on agreement. Paul's Place is nearing construction completion, with an estimated occupancy time frame of early 2023.
CITY	Homelessness Services (Sanctioned Camping, Shelter, Respite, DPAW, etc) and Affordable Housing /Trust Fund	\$1,628,608	Council has approved \$460,224 for CommuniCare to staff Respite Center through June 2023. DPAW Agreement is complete and DPAW has received first payment of \$6,000 (of \$12,000 award). DPAW has requested two additional years

			of funding, which would total \$24,000.
CITY	Downtown Streets Team	\$0	Council approved one year of funding using cannabis funds. County approved one year of funding from their ARP allocation. Staff working with DST to develop contract and fine tune Davis program. Expect a mid-winter start.
CITY	Community Needs Assessment to identify priority support programs including youth focus	\$250,000	\$20,000 in process for payment to County for Youth Roadmap study. City staff compiling RFP for consultant for Needs Assessment
CITY	Scholarship Program for recreation programs	\$50,000	Staff
Yolo Food Bank	General Funding Assistance	\$500,000	Staff in discussions with YFB regarding SB 1383 costs. Will complete agreement and make payments once discussions conclude
First Five Yolo	Welcome Baby Program	\$300,000	Need to complete agreement
Yolo Adult Day Health	Adult Day Health Expansion Project (Woodland)	\$225,000	Yolo Adult Day Health still working with stakeholders to determine whether revised project can proceed.
Yolo Crisis Nursery	Yolo Crisis Nursery	\$500,000	Need to complete agreement

DOWNTOWN (9%)		\$1,815,000	
Recipient	Project	Amount	Status
DDBA	Downtown Security Cameras	\$25,000	Agreement complete. Funding provided to DDBA.
DDBA	CPTED Grants	\$50,000	Agreement complete, Funding provided to DDBA. Grant deadline October 28 (Police Dept has worked with 45 businesses to provide assessments.)
CITY/DDBA	Downtown Cleaning and Maintenance	\$250,000	City staff to contract for weekly cleaning assistance until Downtown Streets Team starts. Staff evaluating additional uses for funds.
CITY	Off Cycle Pruning - E Street Plaza and parking lot	\$20,000	Staff preparing for work
CITY	City banners	\$10,000	Staff developing plans
CITY	Hunt Boyer Porch Improvements	\$15,000	Staff developing plans
CITY	First and F St Garage Maintenance	\$40,000	Security cameras ordered
CITY	X Permit Parking Subsidy for Restaurant and Retail Workers at Olive Drive Lot	\$5,000	Staff developing plans

CITY	RR Quiet Zone Application Preparation	\$50,000	Seeking consultant
DDBA	Night Market & Music Series	\$150,000	Agreement complete. Funding provided. DDBA has held events, with last event on October 27. Will review upon completion.
CITY/DDBA	Enhancements to downtown infrastructure and community space, to include beautification, landscaping/trees, 3 rd & B and/or E Street Plaza	\$1,200,000	Pending adoption of the Downtown Specific Plan (anticipated end of 2022)

COMMUNITY BUILDING (12.5%)		\$2,470,000	
Recipient	Project	Amount	Status
CITY	Renovate Playfield Synthetic Fields	\$990,000	Design prepared and reviewed. Meeting with user groups scheduled. ADA assessment also completed to ensure compliance.
CITY	Bike Pump Track	\$600,000	Staff developing plans Preparing to release BID documents in November. Staff meeting with Bike Alliance to discuss MOU.
CITY	Veterans Memorial Theatre Roof and Facility Rehabilitation	\$450,000	Staff developing plans
CITY	Climate Resilience Hub/Climate Action Needs	\$400,000	Pending adoption of the Climate Action and Adaptation Plan (anticipated end of 2022)
CITY	Mobile Stage - gap in equipment replacement fund	\$30,000	Stage ordered and under construction

ECONOMIC ASSISTANCE TO ORGANIZATIONS (4%)		\$805,000	
Recipient	Project	Amount	Status
Arts Alliance	Arts Grant(s)	\$600,000	Agreement complete. \$550,000 provided to Yolo Community Foundation for grants to non-profits. They are in process of determining grant recipients.
Chamber of Commerce	Funding to assist Chamber with COVID recovery	\$105,000	Agreement ready for signature. Funding will be provided in three payments between now and 2024
Explorit	COVID recovery	\$100,000	Operations Agreement ready for signature and Initial funding of \$45,000 underway. Second payment of \$40,000 will be provided end of November. Remaining \$15,000 for broadband/internet, under discussion.

AMOUNT ALLOCATED:	\$18,084,208
AMOUNT UNALLOCATED:	\$1,646,392
TOTAL ARP FUNDING:	\$19,730,600

Mercer Veterinary Clinic/Davis Pet Advocacy and Wellness (DPAW)

One of the recommendations in this report is for the Council to authorize the City Manager to amend the agreement with Mercer Clinic/DPAW to provide three years' worth of funding for the organization, which protects community health by ensuring that pets of homeless individuals are up to date on vaccinations and general health care. When staff was working with the organization on their agreement for the funds, there was a difference in understanding of the Council's intent for funding approval. The agreement was crafted for a one-year, \$12,000 contribution; the request was for a three-year, \$36,000 contribution. If Council concurs, this amendment is within City Manager authority to complete and would come from the previously allocated \$1.6 million for homelessness services.

Unallocated Amounts

Of the original \$19.7 million, The City Council placed approximately \$1.6 million in reserve to be allocated. Council also designated \$385,600 in reserve for future COVID response needs. In addition, of the \$1.5 allocated for Healthy Davis Together testing, approximately \$430,000 remains. This brings the total amount available for Council to consider for allocation (or reallocation) to \$2,462,000.

Staff recommends that Council appoint a Council Subcommittee to work with staff to develop a process to allocate the remainder and return to Council with recommendations as soon as practical.

As noted above, these funds have a fairly short spending window. Funds are required to be spent, or in some cases, fully encumbered, by the end of calendar year 2024. Because of the relatively short time frame to spend the funds, the City Manager has made reassignments at the staff level to ensure adequate attention and monitoring on the different allocations and subgrants. Staff expects that, between the additional staff hours and future Council guidance on the currently unallocated funds, the City will be able to fully allocate and expend the funds within the necessary time frame.