

AMERICAN RESCUE PLAN ACT - ARPA

**CITY COUNCIL SECOND PUBLIC HEARING
DECEMBER 6, 2021**

AMERICAN RESCUE PLAN ACT OF 2021

- City of Merced Allocation (Entitlement City)
 - \$27,427,882
 - Payments in two tranches
 - First half (\$13,713,941) after submission of executed award terms and conditions (received 6/28/21)
 - Second half one year later (\$13,713,941)
 - Separate Fund 087-American Rescue Plan Act
 - Transparency
 - Keep funds separate
 - Tracking and reporting

ELIGIBLE USES

Public Health & Economic Impacts (A)

To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.

Premium Pay (B)

To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers.

Reduction in Revenue (C)

For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency (FY 2018-19).

Infrastructure Investments (D)

To make necessary investments in water, sewer, and broadband infrastructure

APRA FUNDING RECONCILIATION

Budget	Description	General Services
\$13,713,941	1 st ARPA Traunch (6/28/21)	\$2,500,000
(\$8,524)	FY 20/21 COVID-19 costs	
(\$102,267)	FY 20/21 Personnel	
(\$350,000)	FY 20/21 Personnel	(\$203,916)
(\$460,791)	FY 20/21 Total	
(\$100,000)	FY 21/22 COVID-19 costs	
(\$105,000)	Unrepresented Premium Pay	
(\$70,926)	Fire Premium Pay	
(\$41,463)	MAPS Premium Pay	
(\$122,976)	MACE Premium Pay	
(\$49,368)	AFSCME Premium Pay	
(\$121,508)	MPOA Premium Pay	
		\$511,241
(\$611,241)	FY 21/22 Est. Total	\$2,296,084
(\$1,072,032)	Total ARPA Appropriated	

Negotiated Premium Pay Increase for FY 2021/22 - \$511,241

- Only those salaries that meet the income requirements would be potentially claimed against ARPA
- No positions require alternative funding at this time

Replacement Funding Options

- General Fund
- Economic Opportunity Fund

Direction to reverse allocation of ARPA Funds to support labor contracts

ALTERNATIVE FUNDING OPTIONS



ARPA funding allows for assisting with the financial impact of the emergency operations for public agencies



Continued need for testing supplies and Personal, Protective, Equipment (PPE)



With positive cases, overtime increases remain a concern



Any new community program created has the potential to impact staffing

Oversight and management of the program
Financial processing and audit tracking

ADMINISTRATION AND OPERATIONAL NEEDS



FY 2021/22 INVESTMENTS

- South Merced Investment
 - McNamara Playground Equipment - \$90,000 (delivery est. 12/10/2021)
 - Restroom Remodel - \$700,000 (McNamara, Applegate, Rahilly & Fahrens parks)
 - Park & Mini Park Playground Equipment replacement - \$600,000 (12 parks)
- Merced Unity Project
 - Public Art
 - Utility Art Boxes
 - Call for new Projects – 12/1/2021
 - Caltrans Murals call for projects – Mid-December
 - Youth Program: \$250,000 in Measure Y to create a new program aimed at Violence Prevention
 - Need direction: Regional Economic Recovery Study

GIFTBAR UPDATE

- Giftbar program was introduced to assist local, small businesses directly impacted by COVID-19 closures.
- The following process vetted the concept:
 - Concept was introduced to the City Council on April 20, 2020
 - City Council approved the program and allocated \$500,000 on June 15, 2020
- A status update was provided to the City Council on April 19, 2021
 - Estimated that approx. \$250,000 had been utilized
 - Council's direction was to modify the program from a redemption to a matching program
- As of March 31, 2021 reconciliation provided the following data:
 - \$234,530 in gift cards had been redeemed
 - Of the \$234,530, \$89,409.32 remained as an active balance on the issued cards
 - \$265,470 was available in the trust balance for the program
- Below is an update as of November 22, 2021:
 - \$250,700 in gift cards have been issued (\$14,770 since the change was implemented)
 - \$249,300 is still available for the community to redeem

SUPPORT LOCAL BUSINESSES!

City of Merced Shop Local Campaign

The City of Merced is matching 100% of your first order's purchase price on mercedcares.com, up to \$75! Spend up \$75 and receive up to a \$150 gift card!

- ★ Relief for local households
- ★ Support for great local businesses
- ★ Purchase a gift card and receive a 100% match from the City of Merced of up to \$75!

AREAS FOR FUNDING

PER COUNCIL DIRECTION ON 11/1/21

- Affordable Housing
- Water
 - SB 244
 - Conservation
- Broadband
- Applegate Zoo
- Downtown
 - Public Space
 - Street Scape/Flow
- CP-42/Sports Fields
- Utility Bill Relief
- Job Training
- Tourism
- Stimulus Payment
- Expanded Youth Services
- On-going Operational Needs
- Kiddie Land/Non-Profit Support
- City Beautification

AFFORDABLE HOUSING

Previous and Future Direction		Round 1 10/18/21	Round 2 (Est. 1/3/22)	ARPA
Richman Group	Yosemite & El Redondo (220 units)			\$2,000,000
Visionary Home Builders	16 th Street (30 units)		\$1,235,810	
	Parsons Ave. (108 units)			\$1,000,000
	G St. & Merrill Place (200 units)			\$1,000,000
Upholdings/Self-Help	Park Ave. (67 units)	\$1,324,969		
	Studio 6 (80 units)	\$1,690,462		
Meta Housing	Devonwood (156 units)	\$1,900,000		
Sierra Saving Grace	Site Pending (units tbd)		\$1,086,200	
Linc, Habitat Merced, Certified Containers	Multiple Sites (94 units) RDA Property Disposal	In-Kind		
Total	approx. 950 units	\$4,915,431	\$2,322,010	\$4,000,000

Total Investment: \$11,237,441

HOUSING TRUST FUND

Regional Early Action Planning (REAP) Direction

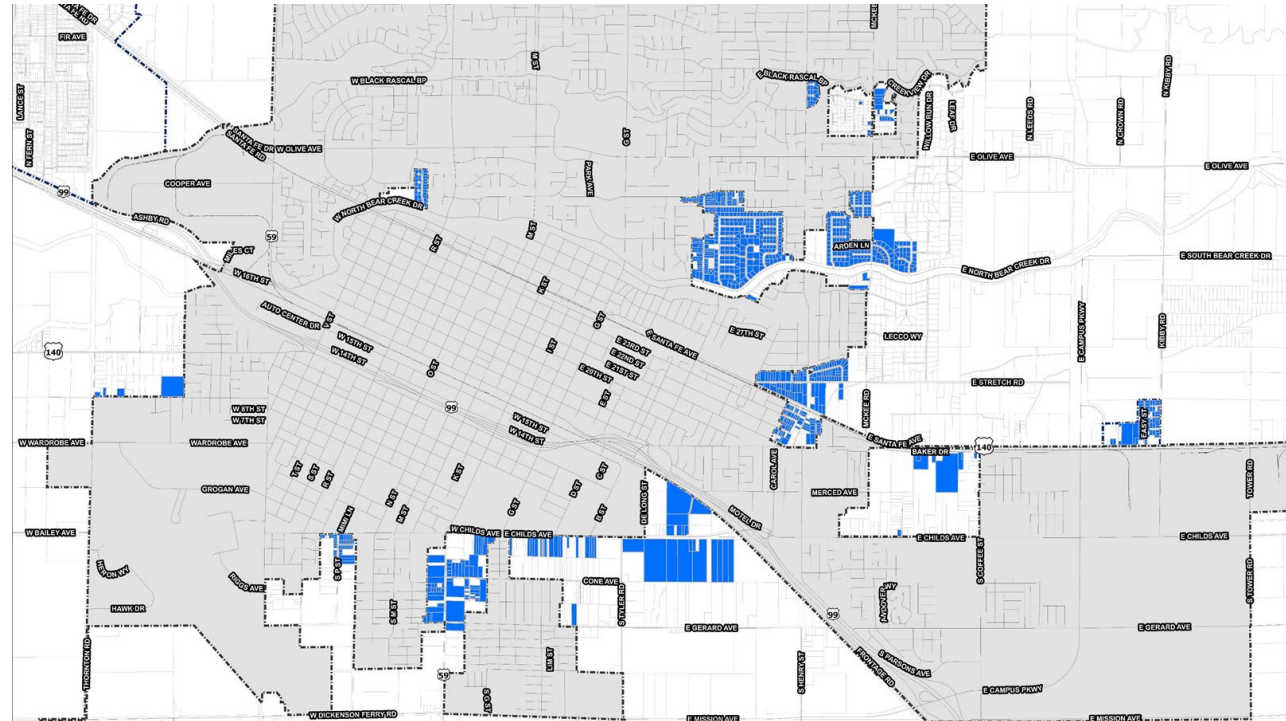
- On 9/7 & 9/20 City Council provided direction to work with County and Cities to explore options for a regional approach to Affordable Housing via MCAG
- Staff has participated in meetings with MCAG, County & Cities
- \$5 mill available to support this effort – to be encumbered by 6/30/2024, spent by 6/30/2026
- Initial funding has been allocated by MCAG Board to update RHNA regional requirements and evaluate framework to support Affordable Housing, i.e consortium or trust

Housing Trust Fund considerations

- Additional staffing would be needed to manage the program, requiring on-going funding
- Would have potential to accept, own and dispose of property
- Would potentially generate program income – not allowed under ARPA

WATER – SB 244

- SB 244 protects service connection access and annexation at property owner requests
 - City currently has a process to allow for connection as requested
- Presentation by staff on 10/4/2021 regarding Municipal Services and Out of Boundary Connections – currently 931 connections outside of Merced
 - Outlined how evaluation is currently performed
 - Next steps to include SB244 compliance in General Plan Update beginning July 2022
 - Public Comment Outreach



Current Out-of-Boundary Service Connections

WATER CONSERVATION

As outlined on July 6, 2021, the following programs are recommended:

- Turf Replacement
- Low-Flow/Efficiency Appliance Rebates
- Rain Barrels
- Pool Cover Rebates
- Irrigation Control Rebates

Areas for direction:

- Existing utility customer
- Limitation on rebate amounts – recommend no more than \$2,000/residential & \$10,000/commercial
- Require necessary receipts and documents to prove installation – reimbursement method

Recommend allocating \$3,000,000 to potentially offer over 1,000 rebates



BROADBAND PROJECT

- Seeking direction to join a regional study to evaluate one-time infrastructure needs
- Items to consider:
 - What is the problem we are trying to solve?
 - Affordability
 - Equitable Access
 - High-Speed/Technology
 - On-going Operations
- Possible grant funding opportunities:
 - Build Back Better (federal rural grants)
 - State Infrastructure grants
- Recommend approving funding for Study \$150,000
- Recommend set-aside funds for capital improvements of \$3,000,000 for Regional Capital Improvement Project, pending the outcome of grant applications

APPLEGATE ZOO

- Option 1 – All Major Repairs
 - Upgrade maintenance elements for all enclosures and operating structures
 - Estimated at \$1,500,000
- Option 2
 - All of Option 1, with an extension of the footprint upgraded fence
 - \$1,000,000
- Add on
 - \$500,000 for two new enclosures

Major Repairs	
1	Remove and replace sidewalks for ADA compliance
2	Remove and Replace Roofing that is rotting
3	Update internal fencing
4	Resurface concrete (Exhibits)
5	Repair and renovate Bear's Den
6	New plumbing through out enclosures and zoo
7	Renovate office
8	New food freezer
9	Turnstyle needs to be enclosed
10	Repair Pool
11	New Electrical-Commercial
12	Breaker panel and wiring
13	Construct New Storage Area
14	Install Security Cameras
15	Renovate Exhibits and install Secondary Containment
Zoo Wish List	
1	Zoo Expansion
2	Adding Playground Structure
3	Wood/Nature structure w/water element
4	Upgrade Giftshop
5	Patio deck installation (Used for Education/Seating/Events)



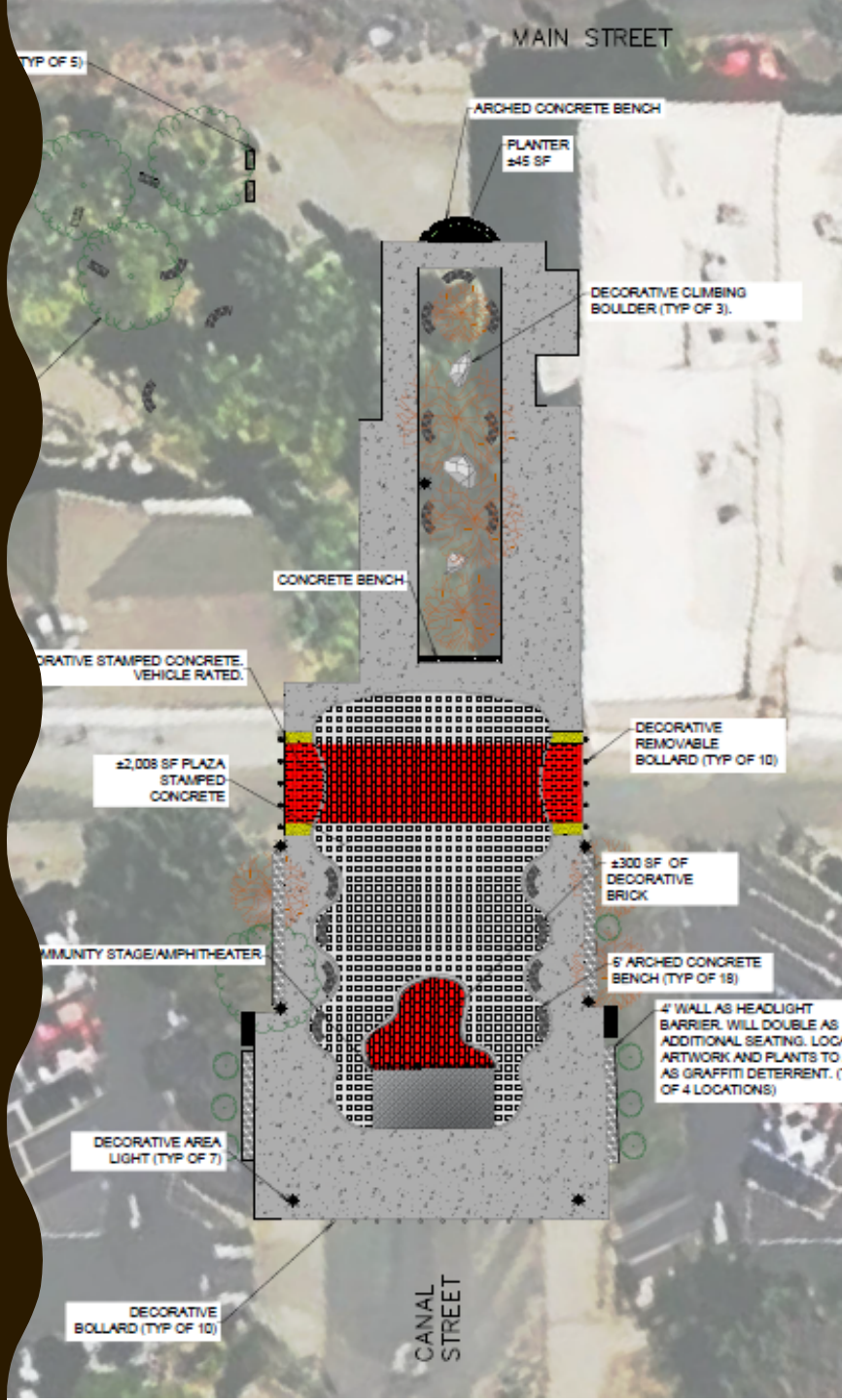
DOWNTOWN

Total est. cost - \$800,000

- Expanded Outdoor Plaza at Bob Hart Square
- Stage/Amphitheater
- Decorative pavers
- Reconstruction of Bob Hart Square Space with new open space park, benches, trees and lightening

Additional Green Spaces - \$200,000

- Extend from G to R streets
- Flower bed restoration
- Parklets



DOWNTOWN

Traffic Study

- Awaiting results for potential one-way loop
- Diagonal Parking expanded
- Parklets

Est. cost - \$750,000



CP-42 COMMUNITY PARK - 42 REGIONAL SPORTS FACILITY

LEGEND

- ① Parking area
- ② Grass combination soccer/football field (2 total)
- ③ Grass volleyball court (2 total)
- ④ Picnic area
- ⑤ Restroom and Concession Stand
- ⑥ Concrete basketball court (4 total)
- ⑦ Decomposed granite walking path
- ⑧ Detention Basin
- ⑨ Future play area
- ⑩ Future grass combination soccer/football field (4 total)
- ⑪ Future concrete basketball court (2 total)
- ⑫ Future amenity area
- ⑬ Future parking area
- ⑭ Existing MID irrigation ditch
- ⑮ City of Merced well site #20



CONCEPTUAL MASTER PLAN - \$5MM OPTION

11/29/2021

NOTE: THIS DOCUMENT IS FOR CONCEPTUAL PLANNING PURPOSES ONLY. THIS DOCUMENT IS MARKED PRELIMINARY AND NOT TO BE USED FOR CONSTRUCTION PURPOSES. ANY IMAGES SHOWN ARE TO CONVEY CONCEPT ONLY. CONSTRUCTION PLANS WILL VARY DEPENDING ON BUDGET, CLIENT DIRECTION, COMMUNITY INPUT AND OTHER FACTORS. MULTIPLE IS NOT SHOWN.

CP-42

COMMUNITY PARK - 42 REGIONAL SPORTS FACILITY

Seeking direction to explore regional partnership for joint-use facility (MUHSD property to the north)

LEGEND

- ① Parking area
- ② Grass combination soccer/football field (4 total)
- ③ Grass volleyball court (2 total)
- ④ Picnic area
- ⑤ Restroom and Concession Stand
- ⑥ Concrete basketball court (4 total)
- ⑦ Decomposed granite walking path
- ⑧ Detention Basin
- ⑨ Future play area
- ⑩ Future grass combination soccer/football field (4 total)
- ⑪ Future amenity area
- ⑫ Future parking area
- ⑬ Existing MID irrigation ditch
- ⑭ City of Merced well site #20



CONCEPTUAL MASTER PLAN - \$7.5MM OPTION

11/29/2021

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UTILITY BILL RELIEF

On October 18, 2021, Council gave direction to explore State funding to offset delinquent accounts

Pending the approval of State programs, approximately \$1,000,000 is anticipated to assist in covering all outstanding accounts.

Areas to consider:

Census tract residents are assumed eligible

Non-census tract residents – eligibility criteria will need to be documented

Processing program will require additional staffing

Make final determination in February 2022 when more information about State programs are known

JOB TRAINING

Exploring a partnership with Merced Worknet that includes the following for up to 200 participants:

- Category A
 - Age 16-18
 - 20 hours of paid soft skill training & 100 hours of paid work experience
- Category B
 - Age 18-24
 - Direct job placement with 120 hours of On-the-Job Training
- Youth Job Fair – Centered around the Career Technical Education Pathways offered by MUHSD
 - 250 participants with access to 40 local employers
- Council Direction
 - Identify allowable referral sources
 - Recommend funding of \$525,000
 - Proposed Start date: April 2022



STIMULUS PAYMENTS

- Potential one-time grant payment to families within the City of Merced
- With allocation of \$500,000, a \$500 payment could be provided to 1,000 households
- Criteria to consider:
 - Household income
 - Occupation
 - Application process
 - Potential Impact to other Safety Net eligibility – City of LA Determination
 - City to administer or seek a Community Partner
 - Records retention and audit tracking
- State Pilot Program – Guaranteed Income Pilot Program (GIPP)
 - \$35 mil for a period of 5 years
 - Prioritized group: those aging out of foster care and those pregnant and 21 years of age
 - Offers Safety Net Eligibility Counseling and path to evaluate exemption criteria
 - RFP process launch in early 2022
 - Seeking authority to complete the survey, indicating initial interest in the program

EXPANDED YOUTH PROGRAMS

- Meeting to explore Advance Peace
 - Council members Shelton and Ornelas visited with Fresno program director on Nov. 19th

Program Overview:

- Peacemaker Fellowship Intervention
 - LifeMAP Goals
 - Daily Check-ins
 - Social Services Navigation
 - Transformative Travel
 - Elders Circle
 - Internship Opportunities
 - LifeMAP Milestone Allowance
- Program is in the following cities: Richmond, Sacramento, Stockton, Fresno
- Seeking City Council direction to continue to explore this opportunity, recommend earmarking \$250,000

Advance Peace will select cities to develop and implement Fellowship pilots based on the following minimum criteria:

- ✓ 3.2 murders/100,000
- ✓ Can achieve buy-in from at least two of the following: City Administrator/Manager, Mayor, Chief of Police, or Elected Prosecutor
- ✓ Commitment from one local/regional institutional philanthropic donor
- ✓ City commits to work with AP Evaluation Team
- ✓ City can demonstrate public/private partnerships that promote and invest in healthy/positive youth development
- ✓ Formal 4-year commitment/MOU between Advance Peace and selected city to implement a minimum of two 18-month Fellowship cohorts with a minimum of 50 Fellows
- ✓ City commits programmatic funding of 1/3 of Fellowship program costs up to \$250,000 per year for four years



NON-PROFIT/KIDDIE LAND

Public Comments/Letter of Support seeking funding

- Kiddie Land
- Friends of the Merced Library
- Kids Discovery Station
- Sierra Saving Grace
- Rescue Mission
- Bitwise
- Food Bank
- Catholic Charities

Provide staff direction on the following

- Total potential dollar amount, recommend \$1,000,000
- Grant v. Reimbursement
- Process for vetting and awarding funding

SUMMARY FOR DIRECTION

Category	Amount	ARPA Categ	Description
Affordable Housing	\$4,000,000	A	To allow for construction across the City
Water	\$3,000,000	D	Various Conservation Programs
Broadband*	\$3,150,000	D	Needs Assessment and Infrastructure
Applegate Zoo Renovation/Expansion	\$2,500,000	A	Upgrade existing facilities, expand perimeter fence
Bob Hart Square Expansion	\$800,000	A	Create an outdoor plaza for events
Mainstreet Directional Enhancements	\$750,000	C	Addition of parking and one-way streets
Parklets/Beautification	\$200,000	C	To invest from R Street to G Street
Community Park #42	\$7,500,000	A/C	Invest in the construction of Community Park
Tourism*	\$0		To be evaluated later
Utility Bill Relief	\$1,000,000	A	Residential and Commercial Areas
Job Training Program*	\$525,000	C	City-focused program to connect youth with local jobs
Stimulus Payments	\$500,000	A	One-time grant to families of \$500
Expanded Youth Programs*	\$250,000	C	Measure Y & ARPA funds to support Advance Peacemakers
Non-Profit Support*	\$1,000,000	A	Grants to local non-profits impacted by COVID-19
COVID-19 City Coverage	\$613,916	A/C	Overtime, PPE, Testing Supplies
Est. Total	\$25,788,916		(Removes Premium Pay Expense)
ARPA Allocation	\$27,427,882		
Remaining Funds	\$1,638,966		* Merced Unity Project Nexus

NEXT STEPS



PROVIDE DIRECTION ON
FUNDING AREAS



BUILD IMPLEMENTATION
PLAN FOR INCLUSION IN
OPERATIONAL BUDGET



PERFORM EVALUATION OF
STAFFING IMPACTS BASED
ON DIRECTION