

AMERICAN RESCUE PLAN ACT - ARPA

**CITY COUNCIL HEARING
JANUARY 18, 2021**

AMERICAN RESCUE PLAN ACT OF 2021

- City of Merced Allocation (entitlement city)
 - Total of \$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)

APPROVED ALLOCATION

Category	Amount	ARPA Categ	Description
Affordable Housing	\$6,500,000	A	To allow for construction across the City
Water	\$2,500,000	D	Various Conservation Programs
Broadband	\$2,650,000	D	Needs Assessment and Infrastructure
Applegate Zoo Renovation/Expansion	\$2,000,000	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 on-way streets
Parklets/Beautification	\$200,000	A	To invest from R Street to G Street
Community Park #42	\$5,000,000	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	\$1,000,000	C	City-focused program to connect youth with local jobs
Stimulus Payments	\$1,000,000	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	\$1,500,000	A	Grants to local non-profits impacted by COVID-19
COVID-19 City Expense	\$613,916	A	Overtime, PPE, Testing Supplies
Est. Total	\$25,763,916		
ARPA Allocation	\$27,427,882		
Remaining Funds	\$1,663,966		

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

RECOMMENDED FUNDING

Approved Project	Total Amount	Traunch 1 (2/22/22)	Traunch 2 (7/1/22)
Affordable Housing	\$6,500,000	\$6,500,000	\$0
Water	\$2,500,000	\$500,000	\$1,000,000
Broadband	\$2,650,000	\$150,000	\$2,500,000
Applegate Zoo Renovation/Expansion	\$2,000,000	\$500,000	\$1,500,000
Bob Hart Square Expansion	\$800,000	\$200,000	\$600,000
Mainstreet Directional Enhancements	\$750,000		\$750,000
Parklets/Beautification	\$200,000		\$200,000
Community Park #42	\$5,000,000	\$1,000,000	\$4,000,000
Tourism	\$0	\$0	\$0
Utility Bill Relief	\$1,000,000	\$1,000,000	\$0
Job Training Program	\$1,000,000	\$525,000	\$475,000
Stimulus Payments	\$1,000,000	\$500,000	\$500,000
Expanded Youth Programs	\$250,000	\$250,000	\$0
Non-Profit Support	\$1,500,000	\$1,500,000	\$0
COVID-19 City Expense	\$613,916	\$613,916	\$0
Est. Total	\$25,763,916	\$13,238,916	\$12,525,000
ARPA Allocation	\$27,427,882	\$13,713,941	\$13,713,941
Remaining Funds	\$1,663,966	\$475,025	\$1,188,941

STIMULUS PROGRAM

Classifications of workers to consider:

- A. Essential Workers: Healthcare, Food and Agriculture, General Manufacturing, Government/CBO's, Logistics & Delivery
- B. Frontline Workers: Grocery/Convenience/Drug Store, Public Transit, Trucking, Warehousing, Postal, Building & Cleaning Services, Child Care & Social Services
- C. Vulnerable Occupations: Restaurant & Hospitality, Oil & Gas, Travel Industry, Construction, Movie Industry, Gig Workers
- D. Excess Mortality: Cooks, Machine Operators, Food Production, Bakers, Construction Workers, Manufacturing

INCOME THRESHOLD

% FPL	0%	100%	138%	150%	200%	213%	250%	266%	300%	322%	400%*	
Household Size	1	\$0	\$12,880	\$17,775	\$19,320	\$25,760	\$27,435	\$32,200	\$34,261	\$38,640	\$41,474	\$51,520
	2	\$0	\$17,420	\$24,040	\$26,130	\$34,840	\$37,105	\$43,550	\$46,338	\$52,260	\$56,093	\$69,680
	3	\$0	\$21,960	\$30,305	\$32,940	\$43,920	\$46,775	\$54,900	\$58,414	\$65,880	\$70,712	\$87,840
	4	\$0	\$26,500	\$36,570	\$39,750	\$53,000	\$56,445	\$66,250	\$70,490	\$79,500	\$85,330	\$106,000
	5	\$0	\$31,040	\$42,836	\$46,560	\$62,080	\$66,116	\$77,600	\$82,567	\$93,120	\$99,949	\$124,160
	6	\$0	\$35,580	\$49,101	\$53,370	\$71,160	\$75,786	\$88,950	\$94,643	\$106,740	\$114,568	\$142,320
	7	\$0	\$40,120	\$55,366	\$60,180	\$80,240	\$85,456	\$100,300	\$106,720	\$120,360	\$129,187	\$160,480
	8	\$0	\$44,660	\$61,631	\$66,990	\$89,320	\$95,126	\$111,650	\$118,796	\$133,980	\$143,806	\$178,640
	add'l. add	\$0	\$4,540	\$6,266	\$6,810	\$9,080	\$9,671	\$11,350	\$12,077	\$13,620	\$14,619	\$18,160

- Set Income thresholds at a trackable Federal Poverty Level
 - CalWORKs: 100% (dependent upon family circumstances)
 - Medi-Cal: 138%
 - CalFresh: 200%
- Department of Treasury – Final Rule
 - Allows for stimulus payments at up to 300%
- Local benefit evaluation from HSA
 - Will be calculated as household asset v. income for Safety Net benefits

UTILITY BILL RELIEF PROGRAM

- Water Arrearage Payment Program/State Water Resources Board
 - Application submitted 11/29/21 still under review

- Reinstating Water Delinquency Process (Council Direction)
 - No water shut offs since February 2020
 - No late fees since February 2020
 - Allow partial payments
 - As of December 2021
 - 20% Delinquency
 - Water \$335,114
 - Sewer 379,337
 - Refuse 409,600
 - \$1,124,051
 - Over 300 residential accounts have a balance of \$1,000-\$4,000
 - Late fees will add 10% of current balance

Bill Date	Due/Penalty Date	Water Shut-Off
02/01/2022	02/22/2022	04/07/2022
03/01/2022	03/21/2022	05/04/2022
04/01/2022	04/20/2022	06/07/2022
05/01/2022	05/20/2022	07/06/2022

COVID-19 OPERATIONAL SUPPORT

Recent surge created a need for increased Personal Protective Equipment (PPE) acquisition

- Requesting an additional \$100,000 in allocation for supplies

Vaccine/Testing mandates will negatively impact staffing & operations

- Need to evaluate requirements and reporting, to provide impact during Mid-year budget

Additional programs will require administrative support

- Program implementation and eligibility
- Processing of payments
- Tracking use of funds
- Evaluate and report at Mid-Year

COUNCIL DIRECTION

Review and approve	Review and approve allocation for Traunch 1 and Traunch 2
Provide	Provide staff direction on Stimulus Program elements
Provide	Provide staff direction on reinstatement of Delinquency Process
Provide	Provide staff direction on COVID-19 Operational Support