



AGENDA REPORT

Finance Department

DATE:	October 15, 2024
TO:	Mayor Martinez and Members of the City Council
FROM:	Shasa Curl, City Manager LaShonda White, Deputy City Manager Nickie Mastay, Deputy City Manager Andrea Miller, Director of Finance Daniel Chavarria, Public Works Director Mubeen Qader, Deputy Director of Finance
SUBJECT:	ARPA Update and Allocation Amendment
FINANCIAL IMPACT:	American Rescue Plan Act (ARPA) Funding Update and Funding Reallocations
PREVIOUS COUNCIL ACTION:	December 5, 2023, April 16, 2024
STATEMENT OF THE ISSUE:	City staff is providing an update and funding reallocation of American Rescue Plan Act (ARPA).
RECOMMENDED ACTION:	RECEIVE an update regarding the American Rescue Plan Act (ARPA); and ADOPT a resolution to reallocate funding between ARPA and General Capital Fund; APPROVE the first amendment with Witt O' Brien's contract for ARPA Technical Assistance, removing Exhibit E - Special Conditions from the contract and increasing the not to exceed amount by \$273,800 – Finance Department/City Manager's Office (Andrea Miller 510-620-6790/Mubeen Qader 510-412-2077).

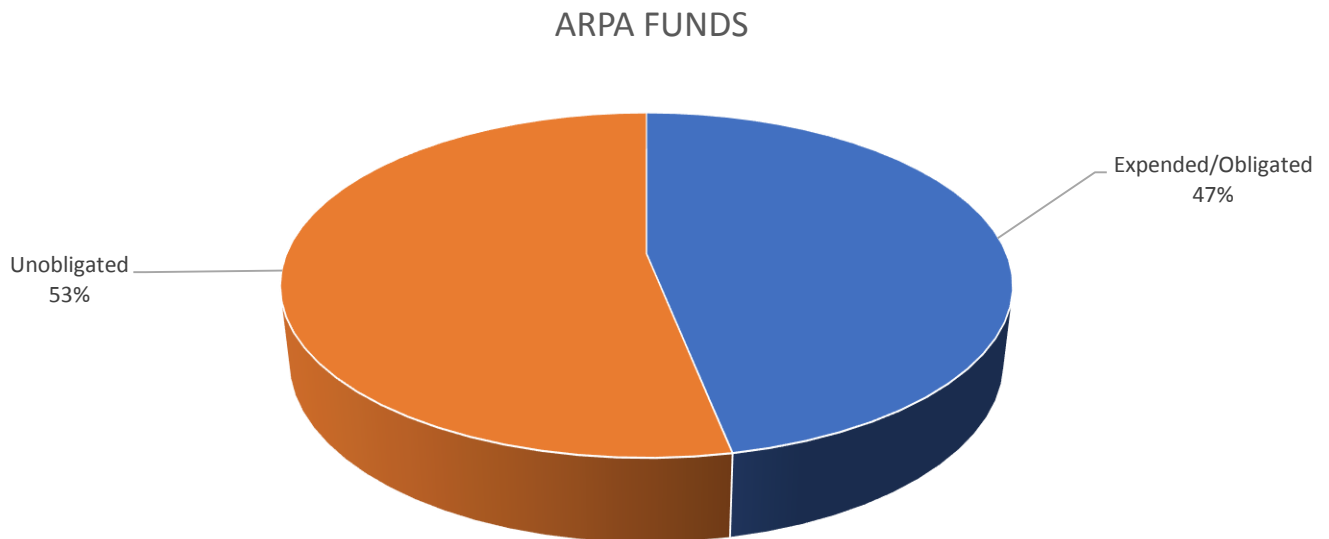
DISCUSSION:

The City of Richmond received \$27.7 million as part of the \$350 billion American Rescue Plan Act of 2021 (ARPA) relief package signed into law on March 11, 2021, for state and local governments. The City Council has allocated the entire \$27.7 million to several programs and projects at the following City Council meetings: December 5, 2023 (agenda item P.1), March 19, 2024 (agenda item O.5.c), and April 16, 2024 (agenda item w.1).

There is significant guidance on requirements and limitations on the usage of ARPA funds. One such requirement is that all ARPA funds must be obligated by December 31, 2024, and spent by December 31, 2026. This staff report provides a status update on the ARPA funded projects and proposes funding source amendments for the projects that are not expected to be obligated by December 31, 2024.

Status Overview of ARPA Projects

Figure 1: ARPA FUNDS Obligated vs. Unobligated



As of August 31, 2024, out of a total \$27.7 million ARPA allocations, 47 percent or \$13.0 million has been expended or obligated with 53 percent or \$14.7 million remaining unobligated.

Table 1: Status Overview of ARPA Projects as of August 2024

Project	Allocation	Expended /Obligated	Unobligated	Status
Blue/Green New Deal & Just Transition	300,000	300,000	-	Complete
Community Needs Assessment	250,000	215,642	34,358	Complete
Ferry Point Dornan Pump Station	731,848	731,848	-	Complete
MLK Park Turf Field	150,000	150,000	-	Complete
Nevin Community Center - HVAC Improvements	10,250	10,250	-	Complete
Nevin Plaza Housing Project	1,750,000	1,750,000	-	Complete
Recreation Center Administration - HVAC Improvements	25,025	25,025	-	Complete
Unhoused Flex Funds	50,000	50,000	-	Complete
ADA Misc. Sidewalk Rehabilitation Project	2,360,094	2,341,473	18,622	In Progress
ARPA Technical Assistance	150,000	150,000	-	In Progress
Booker T. Anderson Community Center - HVAC Improvements	500,000	410,121	89,879	In Progress
Infrastructure: Booker T Anderson Center	1,000,000	499,912	500,088	In Progress
Library Infrastructure Grant Match	2,258,113	1,960,747	297,366	In Progress
Nystrom Village	2,000,000	59,235	1,940,765	In Progress
Richmond Rapid Response Fund (Direct Rent Relief Disbursements)	1,000,000	700,000	300,000	In Progress
Small Business Support	1,250,000	652,137	597,863	In Progress
Soccer Fields/Restrooms/Parks	7,703,008	589,038	7,113,970	In Progress
Tenant Protection & Rental Assistance	1,984,233	950,000	1,034,233	In Progress
Youthworks	1,200,000	387,971	812,029	In Progress
North Richmond Pump Station	1,068,152	1,068,152	-	In Progress
Art Initiative	250,000	-	250,000	Not-Started*
Community Beautification (13Th Street Complete Streets Project)	1,000,000	-	1,000,000	Not-Started
Infrastructure: Stormwater	750,000	-	750,000	Not-Started
Allocations Total (Council-Approved)	27,740,723	13,001,551	14,739,172	

*Art Initiative was presented to City Council on October 1 for approval and to reallocate to General Capital Fund.

Status - Complete

The projects listed below in Table 2: ARPA Funds – Complete Projects as of August 2024, are complete and have fully expended the allocated ARPA funds. The remaining unobligated \$34,357 is available and proposed to be reallocated.

Table 2: ARPA Funds - Complete Projects as of August 2024

Project	Allocation	Expended /Obligated	Unobligated	Status
Blue/Green New Deal & Just Transition	300,000	300,000	-	Complete
Community Needs Assessment	250,000	215,643	34,357	Complete*
Ferry Point Dornan Pump Station	731,848	731,848	-	Complete
MLK Park Turf Field	150,000	150,000	-	Complete
Nevin Community Center - HVAC Improvements	10,250	10,250	-	Complete
Nevin Plaza Housing Project	1,750,000	1,750,000	-	Complete
Recreation Center Administration - HVAC Improvements	25,025	25,025	-	Complete
Unhoused Flex Funds	50,000	50,000	-	Complete
Total	3,267,123	3,232,766	34,357	

*Project is completed May 2023 under budget, and remaining funds are proposed to be reallocated.

Status – In Progress

Table 3: ARPA Funds – In Progress Projects as of August 2024, lists the projects that are currently in progress. ARPA Technical Support (Witt O’Brien’s contract) and North Richmond Pump Station projects are fully expended or obligated. Given the strict guidelines of ARPA funds and required monitoring, City staff is requesting to increase the Witt O’Brien’s Technical Assistance contract scope and its term through December 2027. The new term will allow the City to have assistance available through the ARPA funding close out period (after the funds are expended). Other projects listed in the Table 3 remain partially unobligated with plans to have these funds obligated by December 31, 2024.

Table 3: ARPA Funds - In Progress Projects as of August 2024

Project	Allocation	Expended /Obligated	Unobligated	Status In Progress
ADA Misc. Sidewalk Rehabilitation Project	2,360,094	2,341,473	18,622	Purchase order is pending, completed by November 15
ARPA Technical Assistance	150,000	150,000	-	Funds are fully encumbered
Booker T. Anderson Community Center - HVAC Improvements	500,000	410,121	89,879	Propose reallocating \$70,179 of the unobligated funds to Paving, \$19,700 additional POs pending*
Infrastructure: Booker T Anderson Center	1,000,000	499,912	500,088	Propose reallocating \$251,427 of the unobligated funds to Paving, \$248,661 additional POs pending*
Library Infrastructure Grant Match	2,258,113	1,960,747	297,366	Propose reallocating \$214,807 of the funds to General Capital Fund, PO for \$82,190 will be completed by November 15, 2024*
Nystrom Village	2,000,000	59,235	1,940,765	Developer Selection – November 2024, Contract by February 2025

Richmond Rapid Response Fund (Direct Rent Relief Disbursements)	1,000,000	700,000	300,000	Agenda item on October 15, 2024
<i>Small Business Support</i>	<i>1,250,000</i>	<i>652,137</i>	<i>597,863</i>	<i>Propose reallocating \$597,863 from General Capital Fund*</i>
Soccer Fields/Restrooms/Parks	7,703,008	589,038	7,113,970	MLK Restroom - bids by approximately October 14, 2024, and can award before December 31, 2024, and completed by Spring 2025. Wendell Park - bids by approximately November 21, 2024, to be awarded before December 31, 2024, complete by Summer/Fall 2025. Shields-Reid Park - Drawings will be completed and submitted for permitting the week of October 14, 2024, contract/procurement before December 31, 2024, Construction substantially completed by Summer/Fall of 2025.
Tenant Protection & Rental Assistance	1,984,233	950,000	1,034,233	Agenda item on October 15, 2024
Youthworks	1,200,000	387,971	812,029	City program serving 295 participants ages 16-24.
North Richmond Pump Station	1,068,152	1,068,152	-	Project substantially complete
Allocations Total (Council-Approved)	22,473,600	9,768,786	12,704,814	

**Funding reallocation proposed*

Soccer Fields/Restrooms/Parks Status Update \$7,703,008

The Soccer Fields/Restrooms/Parks project has several components that focuses on Martin Luther King Park, Wendell Park, and Sheilds-Reid Park which are in the planning phase. It is anticipated that these funds will be obligated before December 31, 2024. Construction documents are currently being developed.

Below is a brief update on each of the proposed park projects:

Martin Luther King, Jr. Park Restroom – City staff received a bid to renovate the existing restroom on May 31, 2024, from CXT Structures, the original manufacturer of the of the Martin Luther King, Jr. Park restroom. City staff received input during our meetings that the restroom structure needed to be replaced not just renovated for safety reasons. City staff will receive pricing from two vendors for full replacement of the restroom using Sourcewell, an ARPA approved, federally procured cooperative purchasing contract. City staff will receive pricing to reorient and replace the structure rather than renovated it from CXT Structures and Romtec Restrooms. City staff will receive bids by October 14, 2024, and can direct award to the selected contractor before

December 31, 2024, for completion by Spring 2025. The expected budget is \$550,000 - \$600,000.

Wendell Park – The project consists of renovation of the natural grass softball and multipurpose play field, including upgraded irrigation with a booster pump, new fencing, softball backstop, dugouts, spectator seating, and the addition of a single-stall restroom. If funding is available, City staff will replace the existing play structure and safety surfacing and add picnic tables and new concrete seating area. Additional lighting will not be installed due to conflicts with high voltage PG&E utility lines along the public frontage. Permit sets will be submitted to the City the week of October 14, 2024. The project will be bid on October 24, 2024, with bids received by November 21, 2024, to be awarded before December 31, 2024. Construction will be completed Summer-Fall 2025. The expected budget is \$2.0 million - \$2.2 million.

Shields-Reid Park – The project consists of installation of high mast field lighting, new perimeter fencing, a new multi-sport scoreboard, and either renovated natural grass or artificial turf softball/baseball and soccer field. Permit sets will be submitted to the City the week of October 14, 2024. The project will be completed through a combination of change order with the Prop 68 project contractor on site and Sourcewell procurement for the lighting and artificial turf. Contract change order negotiations and Sourcewell procurement will be completed before December 31, 2024. Construction will be completed Summer-Fall 2025. The expected budget is \$4.0 million - \$4.4 million.

Status – Not Started

Table 4: ARPA Funds – Not-Started Projects as of August 2024, lists projects that are not anticipated to start by the December 31, 2024 obligation deadline.

- The Art Initiative and Community Beautification projects are moving slower than anticipated. As a result, staff recommends these funds be exchanged with the Paving funds that are appropriated in the City's General Capital Fund. This will allow the City to expend ARPA funds by the deadline and complete the Arts Corridor and subsequent Art related recommendations that are forthcoming.
- Community Beautification (13th Street Complete Streets Project) is a federally funded project requiring coordination between multiple agencies. The project is currently in the plan, specification and estimate phase, and not anticipated to be obligated prior to the December 31, 2024, deadline.
- Stormwater funds are anticipated to be obligated with a City Council action item planned for November 19, 2024.

Table 4: ARPA Funds - Not - Started Projects as of August 2024

Project	Allocation	Expended /Obligated	Unobligated	Status-Not Started
Art Initiative	250,000	-	250,000	The project is recommended to be reallocated to General Capital Fund*
Community Beautification (13Th Street Complete Streets Project)	1,000,000	-	1,000,000	The project is recommended to be reallocated to General Capital Fund*
Infrastructure: Stormwater	750,000	-	750,000	Agenda Item on November 19, 2024, City Council meeting
Total	2,000,000	-	2,000,000	

*Funding reallocation proposed. Please note: Art Initiative item presented to City Council October 1 to reallocate to General Capital Fund.

Proposed ARPA Allocation Amendments

Staff recommends the following adjustments to the ARPA allocations:

- Community Needs Assessment – reduction of \$34,357, the project has been completed and all invoices have been paid.
- Library Infrastructure Grant Match – reallocation of \$214,807 from ARPA to General Capital Fund.
- Booker T. Anderson: HVAC Improvement – reduction of \$70,179, the scope of the contract is expected to be completed under the allocated the amount.
- Infrastructure: Booker T. Anderson – Reduction of \$251,427, the scope of the contract is expected to have been completed under the allocated amount.
- Art Initiative - reallocation of \$250,000 from ARPA to General Capital Fund, the project is not anticipated to be obligated by the ARPA funds December 31, 2024, deadline for obligations.
- Community Beautification (13th Street Complete Streets Project) – reallocation of \$1,000,000 from ARPA to General Capital Fund, the project requires coordination with multiple agencies and could potentially miss the ARPA funds December 31, 2024 deadline for obligations.
- ARPA Technical Assistance – additional allocation of \$273,800, a contract amendment number 1 for the consulting services with Witt O’ Brien’s Consulting is also proposed for approval. The consulting services are crucial to the City to assure compliance with the ARPA guidelines.
- Paving – total ARPA allocation of \$2,144,833, of which \$2,062,670 is a reallocation from the General Capital Fund.

Table 5: ARPA and General Capital Appropriations Amendments

Project	Current ARPA Unobligated	Proposed ARPA	Proposed General Capital	Comments
Community Needs Assessment	34,357	(34,357)	-	Project Completed
ARPA Technical Assistance	-	273,800	-	Additional Technical Assistance Needed
Library Infrastructure Grant Match	297,366	(214,807)	214,807	Propose reallocating project to General Capital
Booker T Anderson Center: HVAC	89,879	(70,179)	-	
Infrastructure: Booker T Anderson Center	500,088	(251,427)	-	
Art Initiative	250,000	(250,000)	250,000	Propose reallocating Art Initiative to General Capital funds
Community Beautification (13Th Street Complete Streets Project)	1,000,000	(1,000,000)	1,000,000	Propose reallocating the project to General Capital funds
Small Business Support	597,863	(597,863)	597,863	Propose reallocating the project to General Capital funds
Paving	-	2,144,833	(2,062,670)	Propose reallocating to from General Capital to ARPA
Net		-	-	

Next Steps

Staff will provide the City Council ongoing updates regarding ARPA funded programs and projects. City staff in consultation with ARPA Technical Assistance consultant, Witt O’ Brien’s are working together to create Intra-Agency Agreements between the departments to obligate the ARPA funds by December 31, 2024.

DOCUMENTS ATTACHED:

- Attachment 1 – Resolution
- Attachment 2 – Witt O’ Brien’s Contract Amendment
- Attachment 3 – Witt O’ Brien’s Original Contract