



# ARPA Funding Update and Allocation Discussion October 19, 2021





## Today's Presentation

- Recap of ARPA Funding and update on U.S. Treasury guidance since June 1
- Focus of discussion on Restricted categories
- Overview of Eligible and In Review projects
- Tranche 1 final proposed allocation of \$5,906,480
- Consideration of a portion of Tranche 2 allocation for FY 2022-23 and/or defer decisions to April 2022



## ARPA Funding Update: Recap and Focus

- \$86.7 million in two equal parts (Tranches): half in FY 2021-22 and half in FY 2022-23
- Must be obligated by December 31, 2024 and spent by December 2026
- Primary intent of funding is for community recovery needs and COVID costs
- Emphasis on equity, serving under-served and low-income areas



# ARPA Funding Update: Treasury Guidance

- Final Rule Guidance – not yet issued as of October 11, 2021
- Lost Revenue Calculation *Updated*
  - Auditor-Controller calculated using prescribed entity-wide revenue growth
  - June 1 estimate of \$18 million increased to \$26.6 million
- *New* Compliance and Reporting Guidance issued June 24, 2021
  - Single audit and federal procurement regulations (2CFR200)
  - Quarterly expenditure reporting
  - Annual ARPA Recovery Plan Performance Report
    - Due within 60 days of drawdown of funds (November 29, 2021)
    - To be posted on the County's RecoverySBC.org website under ARPA Funding
- *New* Treasury's Portal for Recipient Reporting issued August 9, 2021



# US Treasury 5 Spending Categories

- 1) To respond to the COVID-19 public health emergency or its negative economic impacts or services to disproportionately impacted communities;
- 2) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
- 3) For the provision of government services, to the extent of the reduction in revenue (lost revenue) of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency;
- 4) To make necessary investments in water, sewer, or broadband infrastructure; and
- 5) For administrative expenses, evaluation and data analysis or transfer to other government units as necessary.



## Restricted vs. Discretionary Funding

- **Restricted funding** defined as costs for response and recovery efforts directly related to the public emergency and its effect on our communities. **Focus of today's discussion.**
  - \*Support Public Health Response
  - \*Premium Pay for Essential Workers
  - \*ARPA Administrative Expenses
  - \*Address Negative Economic Impacts
  - \*Services to Disproportionately Impacted Comm.
  - \*Infrastructure: Water, sewer and broadband
- **Discretionary funding** is related to lost revenue during the pandemic that is more flexible and can be spent on governmental services with few exceptions. Cannot be used for debt, settlements or replenishing rainy day or other reserve funds. To be discussed later in the fiscal year.



# ARPA Funding Update: Tranche Breakdown

	Lost Revenue / Discretionary	Restricted	Total ARPA Funds
<b>Tranche 1</b>	\$26,574,618	\$16,788,980	<b>\$43,363,598</b>
<b>Tranche 2</b>	-0-	\$43,363,598	<b>\$43,363,598</b>
<b>Allocated To-Date</b>	(\$8,800,00)	(\$10,882,500)	<b>(\$19,682,500)</b>
<b>Remaining Balance</b>	<b>\$17,774,618</b>	<b>\$49,270,078</b>	<b>\$67,044,696</b>



# Eligible and In Review Projects List

- Attachment A – Detailed list of Restricted category projects identified since June 1
- Approximately 70 projects totaling \$144M
  - Exceeds remaining balance of **\$49.3M** Restricted Funds
    - Remaining: \$5.9M in Tranche 1 and \$43.3M in Tranche 2
- 12 projects still in review by CEO and Auditor-Controller



## ARPA Funding Update: Public Engagement Discussions

- 6/1/2021 ARPA Tranche 1 Discussion
- 8/31/2021 Homeless Encampment Strategy
- 9/21/2021 Countywide Broadband Strategy
- 10/5/2021 Childcare Needs (First 5)  
Workforce Housing Study (HCD)
- 10/12/2021 Health and Human Services (HHS) Recovery Plan
- 10/19/2021 ARPA Funding Update, Tranche 1 and Potential 2A Allocations
- 12/2021 ARPA Discretionary Allocation Discussion
- 4/11/2022 Final Tranche 2 Discussion Budget Workshops FY 2022-23



# Prioritizing Needs Under ARPA

- Priority
  - Direct COVID-19 response costs
  - Administration, Compliance and Reporting
- Data and analysis studies
- Urgent infrastructure needs for water or sewer
- Critical health and human services needs
  - Underserved populations
  - Areas impacted by COVID



## Prioritizing Needs Under ARPA: Health and Human Services Recovery Plan Framework

- Provide support interventions to most affected
- Incorporate equity and inclusion in service delivery
- Ensure capacity to deliver recovery services, continuity of critical County services and facilities, and sustainability of programs if continued beyond ARPA
- Develop innovative, rapid, and inclusive recovery activities



## Approving Projects and Budget Adjustments

- Staff will prepare any budgetary adjustments for approved projects on subsequent Board agenda
- Majority vote required on most projects
- 4/5<sup>th</sup> vote required for transfers for non-General Fund departments for COVID cost reimbursements and projects primarily with staffing components
  - Identified with \* on project list



# TRANCHE 1 ALLOCATION FY 2021-22



# Tranche 1 Allocation Status

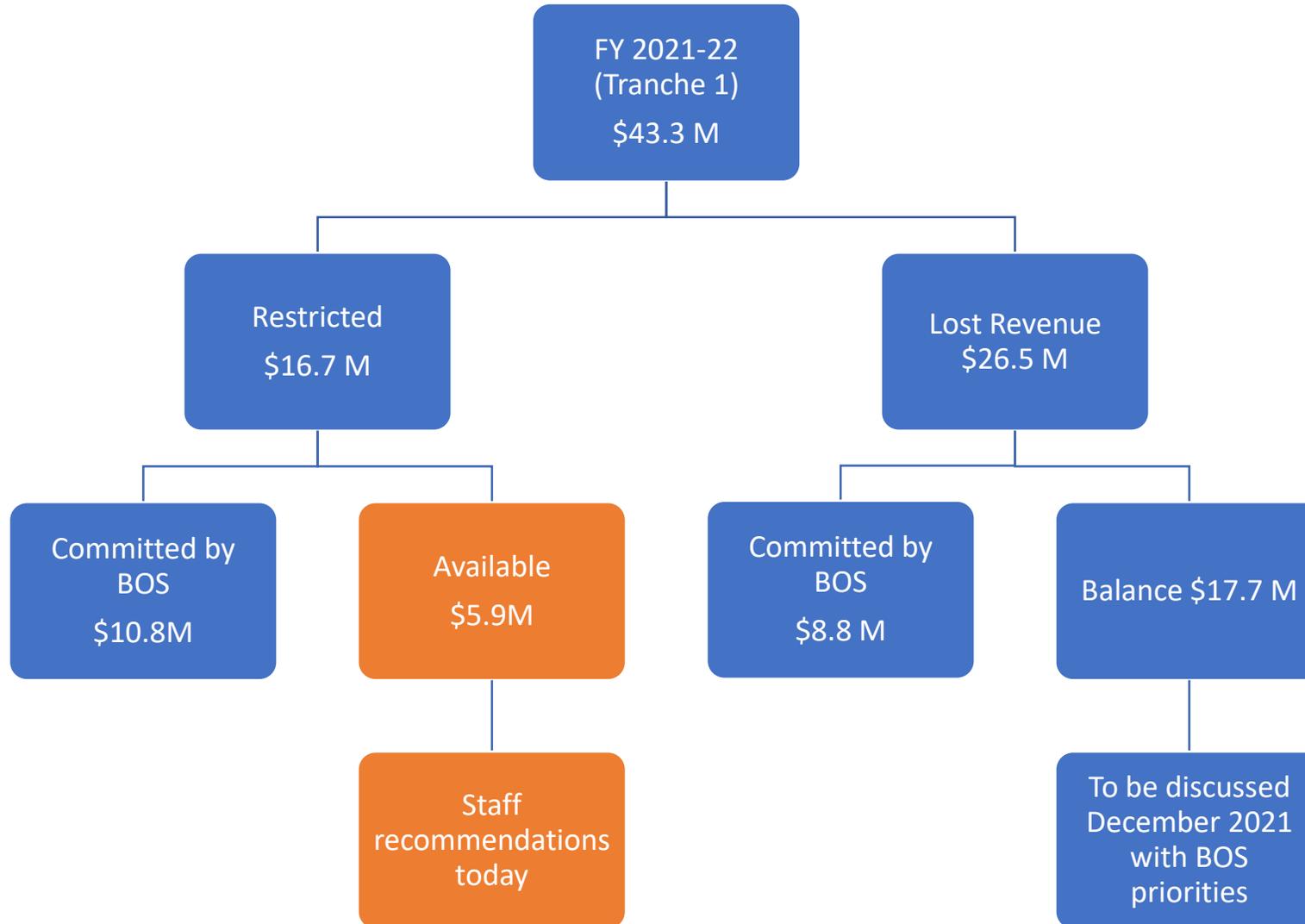
	Restricted	Lost Revenue – Discretionary	Tranche 1 Total
<b>Beginning Balance</b>	\$16,788,980	\$26,574,618	<b>\$43,363,598</b>
<b>Allocated To-Date</b>	(\$10,882,500)	(\$8,800,000)	<b>(\$19,682,500)</b>
<b>Remaining Balance</b>	<b>\$5,906,480</b>	\$17,744,618	<b>\$23,681,098</b>

  
**For Discussion Today**

  
 For Discussion In December



# Tranche 1 Allocation Breakdown

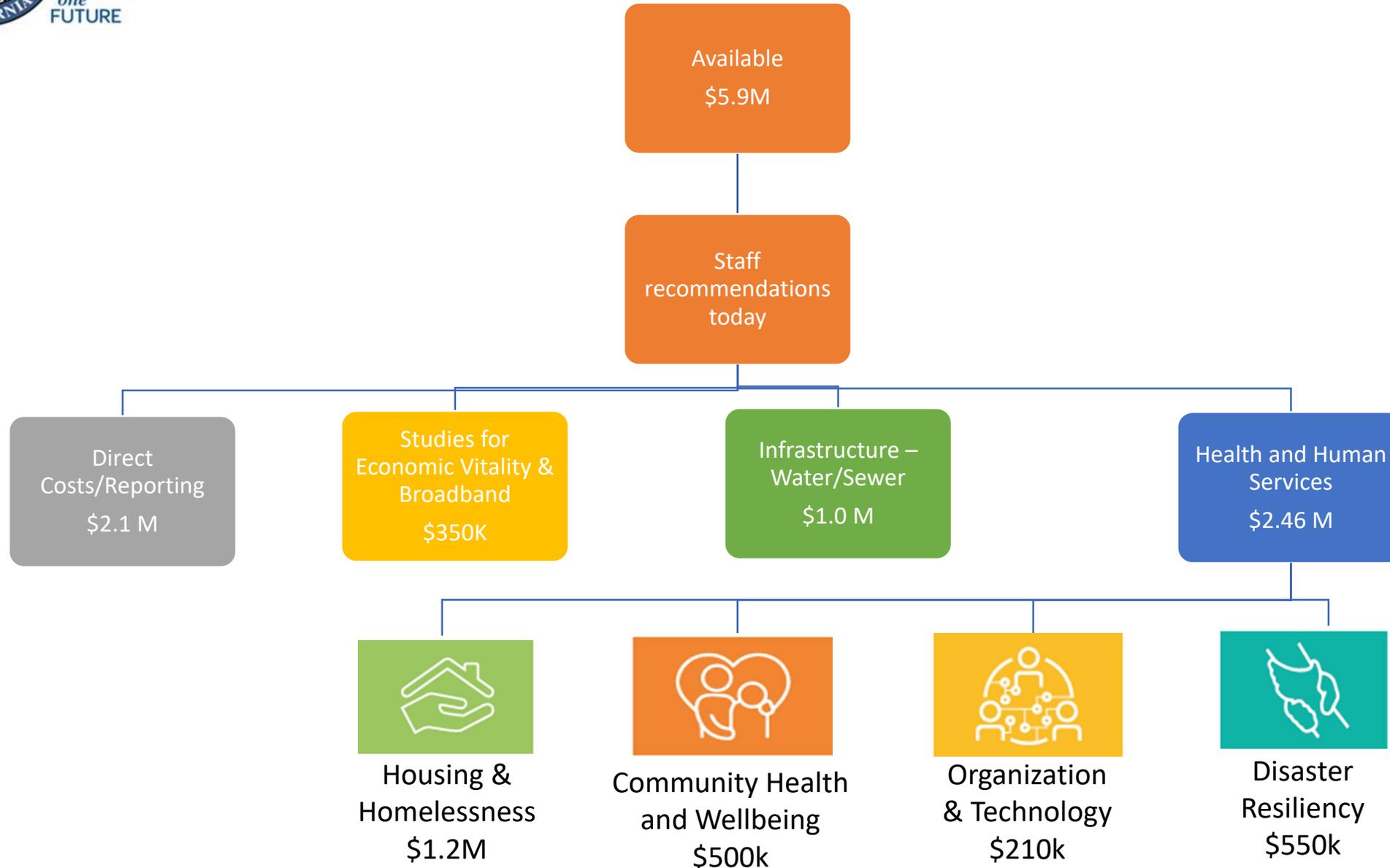




# Tranche 1 Allocations June 1 and August 31

Board Date	Category	Project or Program	Amount
June 1	Discretionary	Road Maintenance	\$ 4,000,000
June 1	Discretionary	CIP Tier 1 - Boiler System Replacement, SB Courthouse	2,000,000
June 1	Discretionary	CIP Tier 1 - Central Elevator Replacement, SB Main Jail	500,000
June 1	Discretionary	CIP Tier 1 - Roof & Window Replacement, SB Engr Bldg	400,000
June 1	Discretionary	CIP Tier 1 - Tucker's Grove Park, San Antonio Creek Bridge	1,350,000
June 1	Discretionary	CIP Tier 2 - Orcutt Park Lighting Project	550,000
		Total Lost Revenue -Discretionary Allocated	\$ 8,800,000
June 1	Restricted	Bwell Services and Assessment - \$500k over 3 years	\$ 1,500,000
June 1	Restricted	Recovery Resource "Hub"	200,000
June 1	Restricted	Acquisition of Homeless Facility in IV	7,000,000
June 1	<i>Converted</i>	HVAC Replacement, 4444 Calle Real	300,000
June 1	<i>Converted</i>	HVAC Replacement, SM Juvenile Hall	400,000
August 31	Restricted	Homeless Encampment Strategy Year 1	1,482,500
		Total Restricted Allocated	\$ 10,882,500
		<b>Total Tranche 1 ARPA Allocations Through 8/31/21</b>	<b>\$ 19,682,500</b>

# Tranche 1 Recommended Final Allocation





Proposed  
Final  
Allocation  
Tranche 1

Total:  
\$5,906,480

Description		One-Time	Ongoing
Direct COVID-19 Response Costs* (Testing, vaccination, PPE, etc. at County facilities)		\$1,596,480	
Administration, Compliance & Reporting		\$500,000	
Comprehensive Economic Development Strategy (CEDS) (Regional project through REACH)		\$150,000	
Broadband Strategy Plan Study (Countywide through Broadband Consortium Pacific; Coast presented to Board on 9/21/21)		\$200,000	
PW 1: Project Clean Water Oil/Water Separator System		\$1,000,000	
HHS – H&H	Bridge House	\$1,200,000	
HHS – CH & Wellbeing	CalAIM and Readiness Technology*	\$400,000	
	HHS Inclusion Coordinator*		\$100,000
HHS – Org & Technology	Digital Inclusion Strategy*	\$100,000	
	Dashboard Development*	\$110,000	
HHS – Disaster Res.	Incident Management Software**	\$450,000	
	Public Information Officer – Outreach**		\$100,000
<b>Total</b>		<b>\$5,706,480</b>	<b>\$200,000</b>

\*4/5 vote required

\*\*Project eligibility still in review



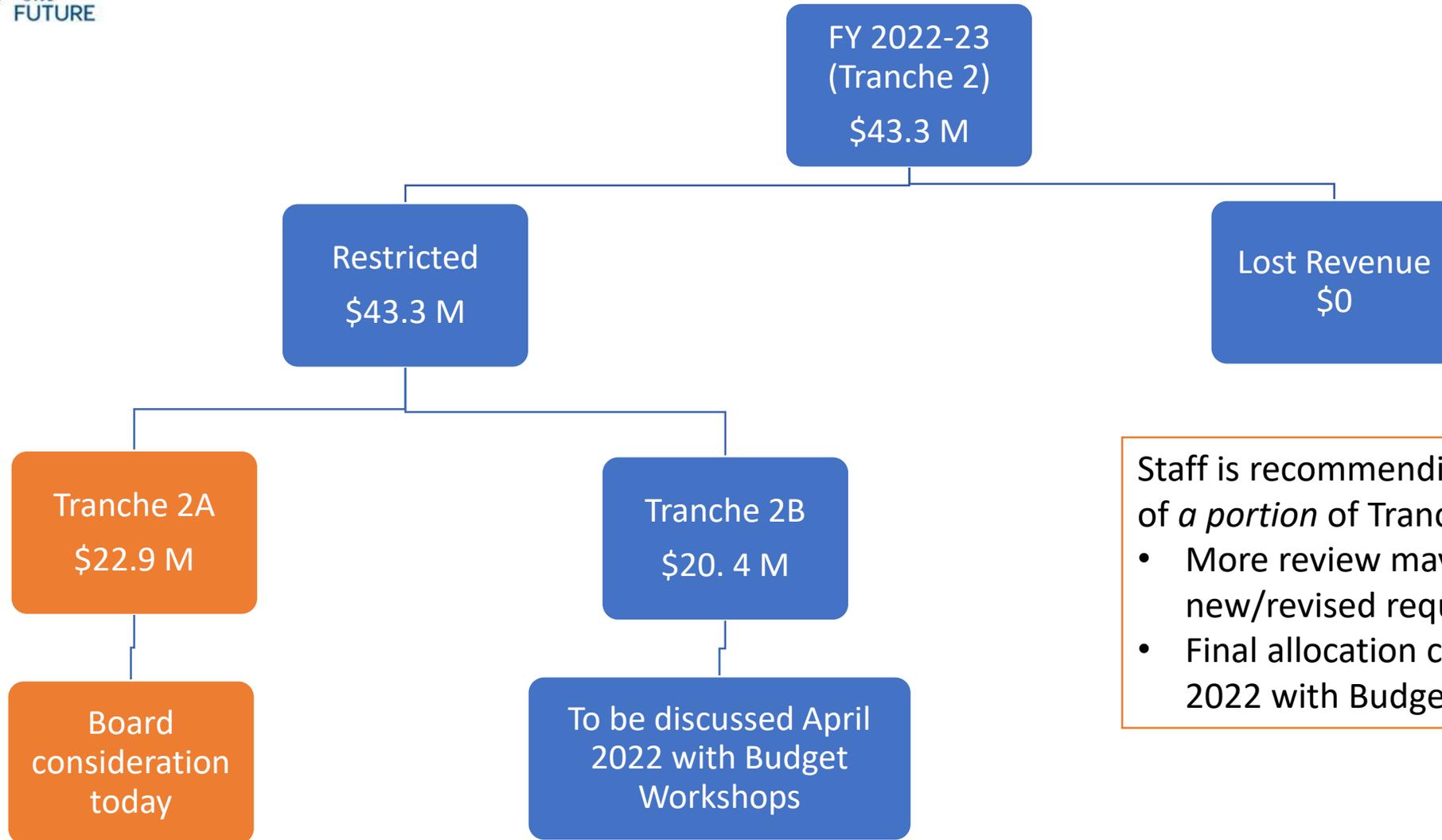
# OPTIONAL TRANCHE 2 ALLOCATION FY 2022-23



# Tranche 2 Proposed Allocation Status

	Restricted	Lost Revenue – Discretionary	Tranche 2 Total
<b>Beginning Balance</b>	\$43,363,598	\$ 0	<b>\$43,363,598</b>
<b>Proposed Allocation (2A)</b>	<b>(\$22,910,160)</b>	--	<b>(\$22,910,160)</b>
<b>Remaining Balance (2B)</b>	\$20,453,438	\$ 0	<b>\$20,453,438</b>

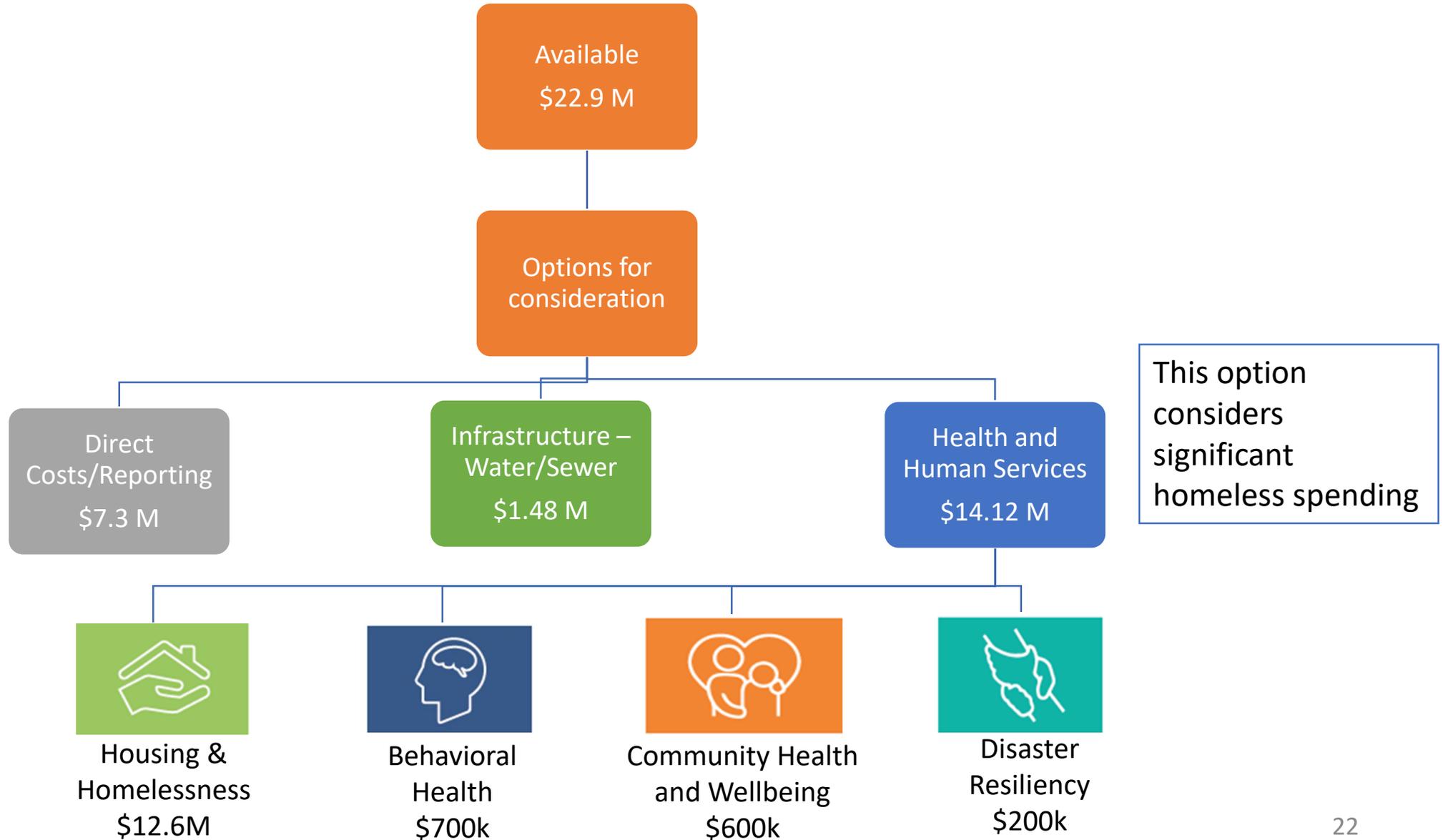
# Tranche 2 Proposed Allocation



Staff is recommending consideration of *a portion* of Tranche 2 today.

- More review may be required or new/revised requests made
- Final allocation can occur April 2022 with Budget Workshops

# Tranche 2A – Option for Allocation





Option for  
Tranche 2A  
(Significant  
Homeless  
Investment)

Total:  
\$22,910,160

Description		One-Time	Ongoing costs through 2024
Direct COVID-19 Response Costs (2 years)* (Testing, vaccination, PPE, etc. at County facilities)		\$6,000,000	
Administration, Compliance & Reporting		<u>\$1,350,000</u>	
<b>Subtotal: Priority Expenditures</b>		<b>\$7,350,000</b>	
Infrastructure Ventilation Improvements (EOC & Admin Building HVACs)		\$955,000	
PW 4: Project Clean Water Stormwater Trash Controls		\$530,000	
HHS – BH	Casa Omega Site Infrastructure	\$700,000	
HHS – CH & Wellbeing	HHS Coordinator, Engagement, Promotores*		\$200,000
	Whole Person Care, Year 2*	\$400,000	
HHS – Housing & Homelessness	Services 100 Beds		\$4,935,160
	Potential HomeKey Match	\$3,000,000	
	Encampment Strategy, Year 2		\$1,290,000
	MDT Team Services, 1 Year		\$2,500,000
	Outreach Teams, 1 Year		\$850,000
HHS – DR	PIO Outreach Services, 2 Years**	<u>                    </u>	<u>\$200,000</u>
<b>Total</b>		<b>\$12,935,000</b>	<b>\$9,975,160</b>

# Homeless Services Request = \$26.6M over 3 years

	Cost/Year	Year 1	Year 2	Year 3	After 2024
<b>Encampment Strategy</b> (3 years)	\$645K/year; \$1.9 M for 3 years	Funded	Recommended Tranche 2A	Recommended Tranche 2A	Increased encampments caused by COVID emergency – determine if needed after 2024
<b>Multi-Disciplinary Teams</b>	\$2.5 M/year; \$5 M for 3 years (1 year funded)	Grant funded	Option in Tranche 2A	Requested -TBD	Evaluate if intensive level of service still needed after 3 years or transition to other model; seek new state/federal funding
<b>Outreach Teams</b>	\$900K/year; \$2.2 M for 3 years	Funded	Option Tranche 2A	Requested -TBD	Evaluate if can be reduced after 3 years; seek new state/federal funding
<b>Services for 100 new beds</b>	\$2.5 m/year \$7.5 M for 3 years (1 year funded)	Option Tranche 2A	Option Tranche 2A	Requested -TBD	New State/federal funding, GF or suspend
<b>Units:</b> • <b>Homekey Match (Potential)</b>	\$3 M Homekey match \$1 M Homekey match	Option Tranche 2A (\$3 M)	\$1 M Requested - TBD		One time funding; new federal/state funding
• <b>Bridgehouse/ Pallet shelter</b>	\$219k/year; \$438k for 3 years (1 year funded) \$1.2 M one-time	Recommended Tranche 1			One time funding
• <b>Casa Omega Infrastructure</b>	\$700k one-time	Recommended Tranche 2A			One time funding

# Funding Needs - Breakdown of 100 New Shelter Beds

Project Description	One-Time Acquisition	Year 1 Services	Years 2-3 Services	Total
Shelter in Isla Vista	ARPA Funded	Funded with One-time State Grant	\$ 2,458,400	\$ 2,458,400
Pallet Shelters in Lompoc	\$ 1,200,000	Funded with One-time State Grant	\$ 438,000	\$ 1,638,000
Proposed Dignity Moves Project in Santa Barbara	ARPA Funded	Funded with One-time State Grant	\$ 2,038,760	\$ 2,038,760
TOTAL	\$ 1,200,000	\$ 0	\$ 4,935,160	\$ 6,135,160



# Housing and Homelessness Projects – Funding

Unfunded - Partially Funded Projects	Annual Amount	One time Amount	FY 2021/22				FY 2022/23				FY 2023/24				FY 2024/25				FY 2025/26			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Isla Vista Homeless Housing	\$ 1,229,400	\$ 7,000,000	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red
2 Dignity Moves/Good Samaritan Sheltering (Santa Barbara)	\$ 1,019,380	\$ 400,000			Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Black	Black	Black	Black	Black	Black
3 Bridge House Pallet Shelters (outside Lompoc)	\$ 219,000	\$ 1,200,000	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red
4 Homekey Projects	\$ 500,000	\$ 4,000,000			Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red
<b>Total for Beds</b>	<b>\$ 2,967,780</b>	<b>\$ 12,600,000</b>																				
5 Multi-Disciplinary Team (BWELL and Public Defender)	\$ 2,500,000		Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Red	Red	Red	Red	Red	Red
6 215 Emergency Housing Vouchers (Limited: \$1.3M for three years)			Green	Green	Green	Green	Red	Red	Red	Red	Red	Red	Red	Red	Black	Black	Black	Black	Black	Black	Black	Black
7 Contracted Street Outreach	\$ 900,000				Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
8 Encampment Coordination and Resolution Strategy (Pilot)	\$ 645,000			Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Black	Black	Black	Black	Black	Black	Black	Black
9 Emergency Housing Supports (One Year)		\$ 900,000			Yellow	Yellow	Yellow	Yellow	Black	Black	Black	Black	Black	Black	Black	Black	Black	Black	Black	Black	Black	Black
<b>Total for Services</b>	<b>\$ 4,045,000</b>	<b>\$ 900,000</b>																				
<b>Total Ongoing for Beds and Services</b>	<b>\$ 7,012,780</b>																					

	Funded Quarters
	Requested Funding
	Unfunded Quarters
	Project End





# Homeless Housing and Shelter Projects

(in Thousands)

**Total ARPA Requests: \$26,656**

Description	Capital (ARPA Request)	Ongoing to 2024 (ARPA Request)	Optional Ongoing after ARPA, subject to new State/federal funding
Projects Underway (Previously Committed)			
Bridge House	\$1,200 (T1)	\$438 (T2A)	\$219
Dignity Works	\$400 (T1)	\$2,038 (T2A)	\$1,019
Isla Vista Housing	\$7,000 (T1)	\$2,458 (T2A)	\$1,229
Encampment Strategy	\$645 (T1)	\$1,290 (T2A)	\$645
Continuation of Existing Services			
Multi-Disciplinary Teams		\$5,000 (T2A & T2B)	\$2,500
Outreach Teams		\$2,187 (T1, T2A & T2B)	\$900
New Opportunities			
HomeKey Sites	\$3,000 (T2A)	\$1,000 (T2B)	\$500
215 Vouchers (\$4M/3 years)	N/A	N/A	N/A
Emergency Housing Support	N/A	N/A	N/A
<b>Total</b>	<b>\$12,245</b>	<b>\$14,411</b>	<b>\$7,012</b>



## OTHER REQUESTS FOR TRANCHE 2



# HHS Plan Tranche 2B Remaining Balance

Total:  
**\$8,551,896**

HHS Category	Amount	Description
Behavioral Health	\$900,000	School Navigation and Promotores Grant clinical support expansion (2 year)
	\$100,000	Screening and Brief Intervention Tool (SBIRT)
Community Wellbeing	\$600,000	Senior Nutrition Assessment and gaps funding
	\$200,000	HHS Coordinator Engagement and promotores (year 3; ongoing cost)
Organization and Technology	\$300,000	Digital Inclusion recommended strategies implementation
	\$200,000	Dashboard implementation
	\$1,000,000	HomeKey services as needed
Housing and Homelessness	\$2,506,896	MDT Team Services (ongoing) 1 year-funding – HHAP 3 funding year 2 or 3
	\$900,000	Housing Support to prevent evictions and foreclosure
	\$900,000	Outreach teams (one year only ongoing cost)
Disaster Resiliency*	\$200,000	Disaster PIO to engage vulnerable (year 3; ongoing cost)
	\$150,000	Train-the-Trainer bilingual community education program
	\$105,000	Emergency preparedness childcare plan for essential workers
	\$420,000	COVID recovery and 211 implementation disaster information exchange
	\$70,000	Update to Operational Area Agreement

\*Project eligibility still in review



# CSD Parks Tranche 2B Remaining Balance

Description	Amount
CSD 1: Cachuma Water Treatment Plant	\$5,400,000
CSD 2: Cachuma Pools Replastering/Decking*	\$350,000
CSD 3: Goleta Beach Sewer Lift Station Repair	\$650,000
CSD 4: Cachuma Lift Station 2 Relocation	\$1,200,000
CSD 5: Cachuma Wastewater Treatment Plant Replacement	\$4,700,000
CSD 6: Cachuma Distribution Waterline (Yurt Loop) & Associated Paving	\$750,000
CSD 7: Cachuma Distribution Waterline (Pool Loop) & Associated Paving	\$750,000
CSD 8: South County Park Playground Renovations*	\$1,250,000
CSD 9: North County Park Playground Renovations	\$485,000
CSD 10: Santa Barbara Courthouse Irrigation System Upgrade	\$500,000
CSD 11: Splash Pad – Joseph Centeno Cuyama Aquatics Complex	\$500,000
CSD 12: Goleta Beach Park Recreational Renovations*	\$2,200,000
CSD 13: Guadalupe Park	TBD

\*Project eligibility still in review



CSD Parks  
Tranche 2B  
Remaining  
Balance  
(cont.)

Total:  
\$39,515,000

Description	Amount
CSD 14: Jalama Recycled Water Plant	TBD
CSD 15: Guadalupe Area Campground	TBD
CSD 16: Santa Barbara Veterans Memorial Building HVAC & Window Replacement	\$400,000
CSD 17: South County Park BBQ/Group Area Renovations*	\$465,000
CSD 18: Waller Park Fitness Zone	\$125,000
CSD 19: Walter Capps Park	\$4,020,000
CSD 20: Waller Park Playfields	\$15,000,000
CSD 21: Waller Park BB Court Refurbishment	\$85,000
CSD 22: Waller Park Sewer Main Replacement	\$85,000
CSD 23: Goleta Beach Restroom 2 Relocation*	\$600,000

\*Project eligibility still in review



# Public Works Tranche 2B Remaining Balance

Total:  
**\$52,594,000**

Description	Amount
PW 2: Laguna County Sanitation District Recycled Water Distribution to Santa Maria Country Club	\$1,500,000
PW 3: Laguna County Sanitation District Solar Photovoltaic System Expansion and Micro Grid	\$6,000,000
PW 5: Project Clean Water Stormwater Total Maximum Daily Loads	\$100,000
PW 6: Laguna County Sanitation District Trunk Sewer Lining Projects	\$4,000,000
PW 7: CSA 12 Mission Canyon Sewer Extension	\$2,000,000
PW 8: Laguna County Sanitation District Recycled Water Distribution to Rancho Maria Golf Course	\$2,000,000
PW 9: Laguna County Sanitation District Recycled Water Distribution to Waller Park	\$2,800,000
PW 10: Laguna County Sanitation District Purified Recycled Water Plant Upgrade for Potable Reuse	\$25,000,000
PW 10A: Laguna County Sanitation District Second Brine Disposal Well for Recycled Water Plant Upgrade	\$4,000,000
San Antonio Creek Debris Basin Modification	\$1,620,000
San Antonio Creek Improvement (Channel Improvement)	\$2,044,000



Other  
Requests  
Tranche 2B  
Remaining  
Balance

Total:  
\$5,857,000

Description	Amount
Childcare Relief and Recovery	\$2,000,000
Foodbank of Santa Barbara County Pandemic Response	\$2,000,000
County CSD IV Community Center Repairs*	\$532,000
Santa Barbara Community Arts Workshop*	\$485,000
South Coast Chamber Economic Development Strategy*	\$50,000
WellPath Temporary Pay Increase for Nursing Staff*	\$290,000
Maritime Collective and Local Seafood Initiative*	\$500,000

\*Project eligibility still in review



## Recommended Action

- a) Receive a presentation on the American Rescue Plan Act (ARPA) funding update;
- b) Approve allocation of remaining ARPA Tranche 1 funds totaling \$5,906,480 towards eligible restricted categories and direct staff to process necessary budgetary adjustments; (Slide 18)
- c) Consider optional allocation prioritization of a portion of ARPA Tranche 2 funds towards eligible restricted categories for Fiscal Year (FY) 2022-23; (Slide 23)
- d) Provide other direction as appropriate; and
- e) Determination that the above actions are not a project under CEQA.