



ARPA Funding Update and Adjustments September 20, 2022





Roadmap for Today's Presentation

- I. Overview of ARPA State and Local Fiscal Recovery Funds
- II. Update on ARPA Projects
- III. Offsetting Funding Adjustments to Previously Approved ARPA Projects



ARPA SLFRF Review

- \$86.7 million in two equal 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



Board Discussions Recap

- 6/1/2021 ARPA 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 and Restricted Allocations
- 4/18/2022 Final Discretionary and Restricted Allocations
- ❖ 9/20/2022 ARPA Funding Update and Adjustments



ARPA SLFRF Treasury Guidance

Updates since April Budget Workshop Special Issue

1. US Treasury Final Rule (January 27, 2022)
 - **New** Treasury FAQs released July 27, 2022 – no significant changes from what was presented at the Budget Workshops Special Issue for Final Rule
2. **New** Compliance and Reporting Guidance issued August 25, 2022
 - No significant changes from previous guidance (2CFR200, Quarterly expenditure reporting, Annual ARPA Recovery Plan Performance Report)
 - County's first Annual ARPA Recovery Plan Performance Report published in July and is available on the County's [RecoverySBC.org](https://www.santabarbara.gov/RecoverySBC.org) ARPA Funding website under Reporting.
3. **New** Ernst & Young working with CEO and departments to ensure compliance



Update on ARPA Projects FY 21-22 Project Expenditures Reported to Treasury



ARPA Projects: Underway with Expenses

Program/Project	Allocated Amount as of 6/30/22	Expenditure as of 6/30/22
Administration, Compliance, and Reporting	\$ 500,000	\$ 190,606
Road Maintenance	\$ 4,000,000	\$ 5,200
CIP Tier 1 – Roof/Window Replacement, SB Eng. Bldg.	\$ 400,000	\$ 43,841
CIP Tier 1 - Central Elevator Replacement, SB Main Jail	\$ 500,000	\$ 17,325
CIP Tier 1 - Boiler System Replacement, SB Courthouse	\$ 2,000,000	\$ 5,365
HHS Plan: Housing & Homelessness (Bridge House)	\$ 1,200,000	\$ 15,025
Homeless Encampment Strategy	\$ 1,482,500	\$ 510,142
Mental Health Services and Assessment	\$ 1,500,000	\$ 206,790
HVAC Replacement, Admin Building Basement	\$ 500,000	\$ 76,446
IV Community Center Sewer Replacement	\$ 100,000	\$ 61,858
COVID -19 Response - Testing	\$ 1,596,480	\$ 400,244



ARPA Projects: Fully Expended or Completed Projects

Program/Project	Allocated Amount as of 6/30/22*	Expenditure as of 6/30/22
HVAC Replacement, SM Juvenile Hall	\$ 400,000	\$ 400,000
COVID-19 Response - Vaccination	\$ 1,706,735	\$ 1,706,735
COVID-19 Response - PPE	\$ 150,376	\$ 150,375
COVID-19 Response - Prevention Congregate Settings	\$ 99,445	\$ 99,445
COVID-19 Response - Vaccination Incentive	\$ 10,000	\$ 10,000
Hedges House of Hope (fka El Colegio)	\$ 1,424,043	\$ 1,424,043
Community Recovery Resource Hub	\$ 200,000	\$ 18,000
Comprehensive Economic Development Strategy	\$ 150,000	\$ 150,000
Total Project Activity	\$ 40,204,196	\$ 5,491,441

*Allocated Amounts do not reflect adjustments recommended in this Board item



Recommended Adjustments



Recommended Adjustments

Offsetting - some recommended adjustments are up, some are down - no additional ARPA funds to allocate.

- Recommended adjustments based on actual project costs or new information
- Staff will prepare any budgetary adjustments for projects approved by the Board today on subsequent Board agenda
- Future adjustments anticipated as many projects are in planning and procurement phases



Recommended Adjustments

Project or Program	Original Funding Amount	Recommended Adjusted Funding	Recommended Total	Explanation
Toro Oil Water Separator	\$1,500,000	(\$1,500,000)	\$-0-	Alternate funding needed to expedite project procurement
Public Sector Capacity Backfill Positions	\$2,134,266	\$1,539,534	\$3,673,800	Qualifying salaries and benefits costs for various positions funded with GFC exchanged to fund Toro Oil/Water Separator
Community Recovery Resource Hub	\$200,000	(\$182,000)	\$18,000	Project completed by staff with some consulting hours less than estimated. https://www.countyofsb.org/699/COVID-Recovery
HVAC Replacement, SM Juvenile Jail	\$400,000	\$79,000	\$479,000	Project over budget
Homeless Encampment Strategy	\$1,424,043	\$63,466	\$1,487,509	Increase funding to add security services at County properties (IV Community Center and Calle Real)
Net Change		\$-0-		



Recommended Action

- a) Receive a presentation on the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds (ARPA) funding update;
- b) Approve offsetting funding adjustments to identified ARPA projects for cost estimate changes and direct staff to return to the Board with the necessary budgetary adjustments at a subsequent Board meeting;
- c) Provide other direction as appropriate; and
- d) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), because pursuant to sections 15378(b)(4) and 15378(b)(5) the recommended actions consist of organizational, administrative, or fiscal activities of government that will not result in direct or indirect physical changes in the environment.