

City of Alameda American Rescue Plan Act (ARPA)

July 20, 2021



Overview

- \$28.68M in American Rescue Plan Act funding
 - June 17, 2021 City received 1st tranche = \$14.34 M
- City Council direction from May
 - Develop Guiding Principles for investment of ARPA
 - Focus on these topic areas:
 - A. Supplementing revenue loss
 - B. Addressing housing, homelessness, and behavioral health
 - C. Investing and building broadband infrastructure
 - D. Providing household and local small business assistance



Guiding Principles

To help provide a framework for ARPA investment:

- A. Prioritize “One-time” Expenditures
- B. Invest in Critical Infrastructure
- C. Seek and Explore State and Regional Partnerships
- D. Focus on City Council Priority Areas
- E. Apply an Equity Lens
- F. Identify Projects that Support the General Fund
- G. Take Time to Invest Strategically
- H. Carefully Track and Report



ARPA Spending Plan Recommendation & Alternatives

- Exhibit 5 - US Dept. of Treasury's Interim Final Rule
- Staff Recommendation & 3 Alternatives are discussed in the Staff Report
 - Recommendation (No hotel or utility bill subsidies)
 - Alt 1 - Housing Proposals
 - Alt 2 - Non-Housing Proposals
- Still early and there is time to refine and augment
 - Ex. Alameda Housing Authority



ARPA Spending Plan - All Requests

ARPA Spending Plan - All Requests

By December

	Request	2021	2022	2023	2024	2025	2026	Total	One-time / Ongoing	City Council Priority	General Fund or Non-General Fund
1	Revenue Loss	\$ 8,478,916						\$ 8,478,916	One-time	Ensuring effective and efficient operations	GF
2. a	Supportive Transitional Housing Set-up	\$ 2,000,000						\$ 2,000,000	One-time	Supporting enhanced livability and quality of life	GF
2. b	Transitional Housing Operation*	\$ 400,000	\$ 600,000	\$ 612,000	\$ 624,240	\$ 636,725	\$ 649,459	\$ 3,522,424	Ongoing	Supporting enhanced livability and quality of life	GF
2. c	Hotel Acquisition**	\$ 20,000,000						\$ 20,000,000	One-time	Supporting enhanced livability and quality of life	GF
2. d	Hotel Operation***		\$ 1,500,000	\$ 1,530,000	\$ 1,560,600	\$ 1,591,812	\$ 1,623,648	\$ 7,806,060	Ongoing	Supporting enhanced livability and quality of life	GF
2. e	Alameda Housing Authority Vouchers	\$ 500,000						\$ 500,000	One-time	Supporting enhanced livability and quality of life	GF
3. a	Smart City Master Plan & Broadband	\$ 1,500,000	\$ 4,000,000	\$ 500,000				\$ 6,000,000	One-time	Preparing Alameda for the Future & Supporting enhanced livability and quality of life	GF
3. b	Wireless Hotspot Lending (approx. 30 devices)	\$ 50,000						\$ 50,000	One-time	Supporting enhanced livability and quality of life	GF
3. c	Service for Wireless Lending Hotspot (approx. 30 devices)****		\$ 3,600	\$ 3,672	\$ 3,745	\$ 3,820	\$ 3,897	\$ 18,735	Ongoing	Supporting enhanced livability and quality of life	GF
4. a	Household Utility Assistance	\$ 1,200,000						\$ 1,200,000	One-time	N/A	Non-GF
4. b	Small Business & Non-Profit Assistance	\$ 2,000,000						\$ 2,000,000	One-time	Encouraging economic development across the Island	GF
		\$ 36,128,916	\$ 6,103,600	\$ 2,645,672	\$ 2,188,585	\$ 2,232,357	\$ 2,277,004	\$ 51,576,135			

* 2% escalator per year for housing site operation starting in 2023

** The County may cover some of the costs of the \$20 million estimated purchase price for the hotel site

*** 2% escalator per year for hotel site operation starting in 2023

**** Assumes approximately \$10/month for 30 devices, with a 2% cost escalator starting in 2023

Long-term operating costs for housing would need to be encumbered prior to the end of 2024 through contractual agreements. If staff resources are needed to administer these programs, those costs would not be eligible for ARPA funding after 2024.

ARPA Spending Plan – Staff Recommendation

ARPA Spending Plan - Staff Recommendations (No hotel purchase, operation, or utility bill subsidies)

	Request	2021	2022	2023	2024	2025	2026	Total	One-time / Ongoing	City Council Priority	General Fund or Non-General Fund
1	Revenue Loss	\$ 8,478,916						\$ 8,478,916	One-time	Ensuring effective and efficient operations	GF
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2. b	Transitional Housing Operation*	\$ 400,000	\$ 600,000	\$ 612,000	\$ 624,240	\$ 636,725	\$ 649,459	\$ 3,522,424	Ongoing	Supporting enhanced livability and quality of life	GF
2. c	Hotel Acquisition							\$ -			GF
2. d	Hotel Operation**							\$ -			GF
2. e	Alameda Housing Authority Vouchers	\$ 500,000						\$ 500,000	One-time	Supporting enhanced livability and quality of life	GF
3. a	Smart City Master Plan & Broadband	\$ 1,500,000	\$ 4,000,000	\$ 500,000				\$ 6,000,000	One-time	Preparing Alameda for the Future & Supporting enhanced livability and quality of life	GF
3. b	Wireless Hotspot Lending (approx. 30 devices)	\$ 50,000						\$ 50,000	One-time	Supporting enhanced livability and quality of life	GF
3. c	Service for Wireless Lending Hotspot (approx. 30 devices)***		\$ 3,600	\$ 3,672	\$ 3,745	\$ 3,820	\$ 3,897	\$ 18,735	Ongoing	Supporting enhanced livability and quality of life	GF
4. a	Household Utility Assistance							\$ -			Non-GF
4. b	Small Business & Non-Profit Assistance	\$ 2,000,000						\$ 2,000,000	One-time	Encouraging economic development across the Island	GF
5	Future Funding and Allocations subject to Council Appropriations		\$ 6,109,925					\$ 6,109,925	One-time	Subject to future allocations by the City Council	GF
		\$ 14,928,916	\$ 4,603,600	\$ 1,115,672	\$ 627,985	\$ 640,545	\$ 653,356	\$ 28,680,000			

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ARPA Spending Plan – Housing Proposals

ARPA Spending Plan - Housing Proposals

	Request	2021	2022	2023	2024	2025	2026	Total	One-time / Ongoing	City Council Priority	General Fund or Non-General Fund
1	Revenue Loss							\$ -			GF
2. a	Supportive Transitional Housing Set-up	\$ 2,000,000						\$ 2,000,000	One-time	Supporting enhanced livability and quality of life	GF
2. b	Transitional Housing Operation*	\$ 400,000	\$ 600,000	\$ 612,000	\$ 624,240	\$ 636,725	\$ 649,459	\$ 3,522,424	Ongoing	Supporting enhanced livability and quality of life	GF
2. c	Hotel Acquisition	\$ 20,000,000						\$ 20,000,000	One-time	Supporting enhanced livability and quality of life	GF
2. d	Hotel Operation**		\$ 1,500,000	\$ 1,530,000	\$ 1,560,600	\$ 1,591,812	\$ 1,623,648	\$ 7,806,060	Ongoing	Supporting enhanced livability and quality of life	GF
2. e	Alameda Housing Authority Vouchers	\$ 500,000						\$ 500,000	One-time	Supporting enhanced livability and quality of life	GF
3. a	Smart City Master Plan & Broadband							\$ -			GF
3. b	Wireless Hotspot Lending (approx. 30 devices)							\$ -			GF
3. c	Service for Wireless Lending Hotspot (approx. 30 devices)***							\$ -	Ongoing	Supporting enhanced livability and quality of life	GF
4. a	Household Utility Assistance							\$ -			Non-GF
4. b	Small Business & Non-Profit Assistance							\$ -	One-time	Encouraging economic development across the Island	GF
		\$ 22,900,000	\$ 2,100,000	\$ 2,142,000	\$ 2,184,840	\$ 2,228,537	\$ 2,273,108	\$ 33,828,484			

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**** Assumes approximately \$10/month for 30 devices, with a 2% cost escalator starting in 2023

Long-term operating costs for housing would need to be encumbered prior to the end of 2024 through contractual agreements. If staff resources are needed to administer these programs, those costs would not be eligible for ARPA funding after 2024.

ARPA Spending Plan – Non-Housing

ARPA Spending Plan - Non-Housing Proposals

	Request	2021	2022	2023	2024	2025	2026	Total	One-time / Ongoing	City Council Priority	General Fund or Non-General Fund
1	Revenue Loss	\$ 8,478,916						\$ 8,478,916	One-time	Ensuring effective and efficient operations	GF
2. a	Supportive Transitional Housing Set-up							\$ -			
2. b	Transitional Housing Operation*							\$ -			
2. c	Hotel Acquisition **							\$ -			
2. d	Hotel Operation***							\$ -			
2. e	Alameda Housing Authority Vouchers							\$ -			
3. a	Smart City Master Plan & Broadband	\$ 1,500,000	\$ 4,000,000	\$ 500,000				\$ 6,000,000	One-time	Preparing Alameda for the Future & Supporting enhanced livability and quality of life	GF
3. b	Wireless Hotspot Lending (approx. 30 devices)	\$ 50,000						\$ 50,000	One-time	Supporting enhanced livability and quality of life	GF
3. c	Service for Wireless Lending Hotspot (approx. 30 devices)****		\$ 3,600	\$ 3,672	\$ 3,745	\$ 3,820	\$ 3,897	\$ 18,735	Ongoing	Supporting enhanced livability and quality of life	GF
4. a	Household Utility Assistance	\$ 1,200,000						\$ 1,200,000	One-time	N/A	Non-GF
4. b	Small Business & Non-Profit Assistance	\$ 2,000,000						\$ 2,000,000	One-time	Encouraging economic development across the Island	GF
5	Future Funding and Allocations subject to Council Appropriations		\$ 10,932,349					\$ 10,932,349	One-time	Subject to future allocations by the City Council	GF
	Total	\$ 13,228,916	\$ 4,003,600	\$ 503,672	\$ 3,745	\$ 3,820	\$ 3,897	\$ 28,680,000			

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Concluding Thoughts & Recommendation

- There will be more discussion and time necessary
- Changes to the plan are likely and will be presented
- Accountability and transparency will be cornerstones
- Recommendation: Provide staff with direction on proposed guiding principles and overall ARPA investment

