



STAFF REPORT
7/10/2024

TO: Honorable Mayor and City Council Members

FROM: Castulo Estrada, Utilities Manager

SUBJECT: Adopt Resolution No. 2024-32 Approving American Rescue Plan Act Funds (ARPA) for the State and Local Fiscal Recovery Fund (SLFRF) Program for the Coachella Sanitary District Tyler Street Capacity Improvements Project in the Amount of \$1,410,000.00

STAFF RECOMMENDATION:

That the City Council adopt Resolution No. 2024-32, authorizing the appropriation of American Rescue Plan Act funds from the State and Local Fiscal Recovery Fund program in the amount of One Million Four Hundred Ten Thousand dollars (\$1,410,000) for the Coachella Sanitary District Tyler Street Capacity Improvements Project.

BACKGROUND:

President Biden signed the American Rescue Plan Act (ARPA) into law on March 11, 2021. The legislation provides \$1.9 trillion in economic stimulus funds to assist in the recovery from the COVID-19 pandemic. One component of the legislation is the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, which provides funds directly to local jurisdictions to respond to the economic and public health impacts of COVID-19. The City of Coachella expects to receive \$10.94 million in total SLFRF due to its size and demographics.

City Staff identified a list of projects to implement utilizing ARPA funding with the input gathered through community outreach and the City Council, indicated below:

- Study Session I – August 25, 2021
- Study Session II – November 15, 2021
- Public Survey/Community Outreach – November 2021

ARPA program guidelines under “2022 Final Rule” was then released by the U.S. Department of the Treasury on January 6, 2022 and took effect on April 1, 2022, which provided substantial flexibility for local jurisdictions within the four separate eligible use categories identified below:

- Replace lost public sector revenue
- Support the COVID-19 public health and economic response

- Provide premium pay for eligible workers performing essential work
- Invest in water, sewer, and broadband infrastructure

On August 2023, the U.S. Department of the Treasury released additional guidelines and amendments to the SLFRP program under the 2023 Interim Final Rule, which are indicated below:

- Emergency Relief from Natural Disasters
- Surface Transportation Projects
- Title 1 Projects (projects that are eligible under the CDBG program)

Under the SLFRF program, funds must be obligated by December 31, 2024 and must be expended by December 31, 2026. On October 25, 2023, Staff provided an update on the ARPA funding to the City Council.

DISCUSSION/ANALYSIS:

Council authorized \$2,210,000.00 of ARPA funds be set aside for “Utility Projects”. These projects benefit all residents as they improve the utilities that provide service to the City without the need to increase rates as a result of these improvements.

On January 28, 2024 the City Council authorized the planning and design for construction specifications and cost estimates for the Tyler Street Capacity Improvements CIP Project S-18. The design package is scheduled to be complete in August of 2024 and it is anticipated that a notice for bids will be published in September of 2024 and a contract will be awarded in October - November of 2024.

FISCAL IMPACT:

The cost estimate for the construction of the Tyler Street Capacity Improvements Project is approximately \$1,500,000.00. Staff is recommending \$1,410,000 of the \$2,210,000.00 that Council has already set aside for Utility Projects is used for the construction of the Tyler Street Capacity Improvements Project.

EXHIBIT(S):

1. Resolution No. 2024-32 - Approving American Rescue Plan Act Funds (ARPA) for the State and Local Fiscal Recovery Fund (SLFRF) Program for the Coachella Sanitary District Tyler Street Capacity Improvements Project in the Amount of \$1,410,000.00
2. City of Coachella ARPA Project List