



CITY OF HAYWARD

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Cover Memo

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DATE: July 13, 2021

TO: Mayor and City Council

FROM: City Manager

SUBJECT

Federal Stimulus Expenditure Plan: Adopt a Resolution Approving the City of Hayward Federal Stimulus Expenditure Plan for \$38 million in Stimulus Funding and Authorizing Appropriation of \$18.9 million in Stimulus Funding for Year 1 Projects and Programs

RECOMMENDATION

That the Council adopts a resolution (Attachment II) approving the City of Hayward Federal Stimulus Expenditure Plan for \$38 million in stimulus funding and authorizing appropriation of \$18.9 million in American Rescue Plan Act stimulus funding for Year 1 projects and programs.

SUMMARY

The recently passed America Rescue Plan Act of 2021 (ARPA), also known as the COVID-19 Stimulus Package, included over \$65 billion in direct federal relief to cities in order to address the economic and fiscal impacts of the COVID crisis and to assist in the recovery of local communities. The City of Hayward is estimated to receive approximately \$38 million in local relief from the federal government to address the internal and external needs of the City associated with the COVID crisis. The funding will be delivered to the City in two payments: the first 50% or \$19 million within 30-60 days and the second 50% or \$19 million within 12 months, of which the City has already received its first payment of \$19 million. The funds are intended to be flexible to address a need in the City associated with the COVID-19 crisis and are to be expended by December 2024.

At the April 6, 2021 Council meeting, City staff recommended splitting the funding into two major expenditure categories: (1) Community Safety & Economic Recovery; and (2) Fiscal Recovery & Stabilizing City Operations. The Community Safety & Economic Recovery category was intended to prioritize the external needs of the community in the areas of economic development; housing and homelessness programs; community and nonprofit programs and efforts; and enhanced clean-up and maintenance. The Fiscal Recovery & Stabilizing City Operations category was expected to focus on the internal fiscal needs of the City to stabilize City operations and services through replenishing and offsetting the loss of past and projected City revenue; investments in technology needed to return-to-work safely and enhance remote participation moving forward; and other building and infrastructure investments needed to help maintain and expand City operations and services in a post-COVID

environment.

Upon receiving feedback from the Council at the April 6th meeting, staff developed an updated and more detailed expenditure plan and process for further review and comment by the Council and community. At the April 27th meeting, Council approved a resolution authorizing the acceptance of the stimulus funds and provided further comments on the draft expenditure plan and process for allocating the funds.

In May, the United States Treasury (Treasury) issued the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule that provides guidelines on how State and local governments should implement ARPA and allocate any funds received pursuant to ARPA (Guidelines). Upon review of the Guidelines, City staff updated the City's draft Expenditure Plan to reorganize the expenditure plan according to the eligible categories presented in the Guidelines and to exclude any ineligible items previously under consideration, such as deposits to rainy day funds or financial reserves.

Additionally, in response to Council direction, staff presented the updated recommendations consistent with the Guidelines and received feedback on the relevant components of the draft Expenditure Plan from the Council Infrastructure Committee (CIC) on May 26th, the Homelessness-Housing Task Force (HHTF) on June 3rd and Council Economic Development Committee (CEDC) on June 25th, as well as from the Community Services Commission at their May 19th and June 16th meetings on how to allocate additional funds for community nonprofits.

The latest draft Expenditure Plan, updated based on the Guidelines and on Committee and Commission feedback, is provided as Attachment III and includes staff recommendations for the entire \$38 million in stimulus funding, as well as \$18.9 million in recommended Year 1 appropriations. A detailed summary of the input and comments from the recent Council and Committee meetings is also provided in Attachment IV.

If Council adopts the resolution approving the draft Expenditure Plan for the entire \$38 million in stimulus funding and appropriating \$18.9 million in stimulus funding for Year 1 projects and programs contained in Attachment III, staff will commence implementation of Year 1 projects and programs immediately. Staff will return to the Council for 6-month expenditure and programmatic reviews, including any further budget appropriations or future amendments to the Expenditure Plan.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	City of Hayward Federal Stimulus Expenditure Plan
Attachment IV	Response to Comments - Stimulus Funding
Attachment V	Treasury Guidelines Fact Sheet
Attachment VI	Summary of Community Broadband in Hayward