



# Study Session: One-time Monies

Jan Mazyck, Chief Financial Officer

July 13, 2021

Review of  
non-recurring  
revenues, i.e.,  
one-time monies:

PG&E Settlement Funds: Overview of Existing Allocation

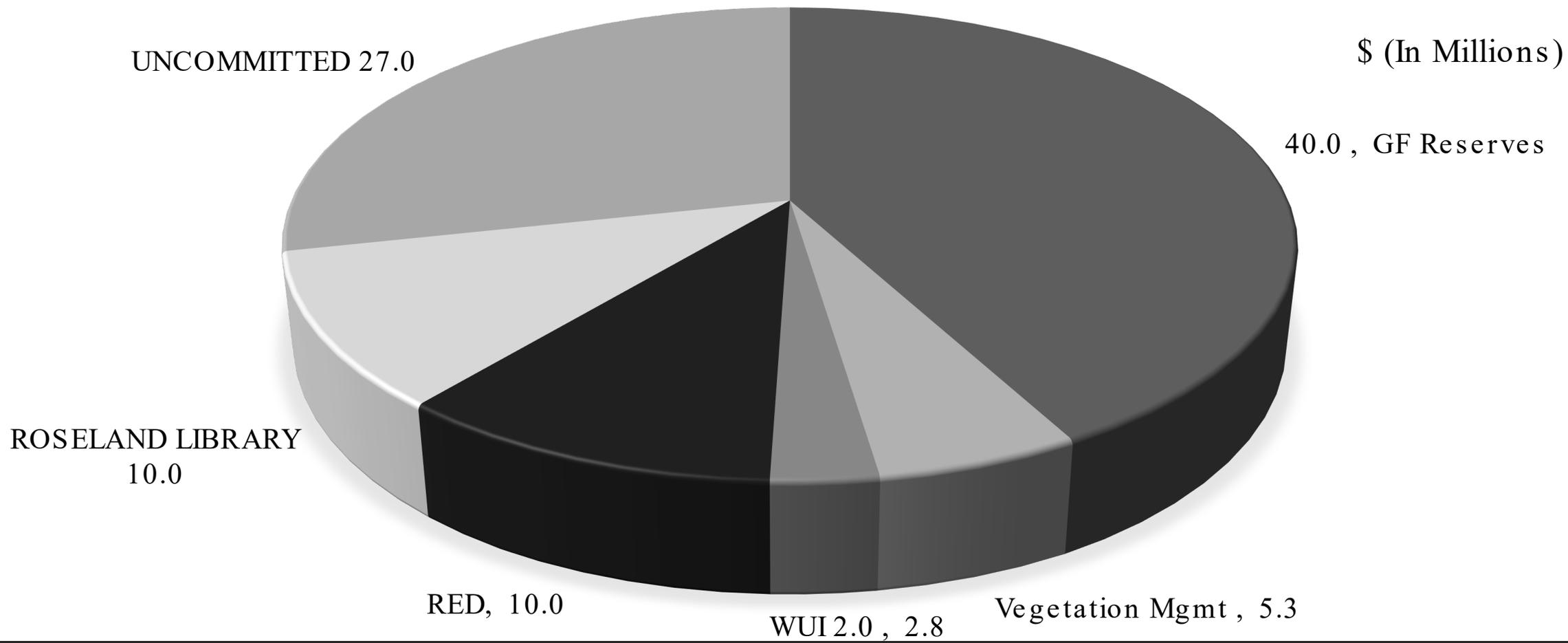
PG&E Settlement Funds: Potential Projects

American Rescue Plan Act (ARPA): Overview

Potential ARPA Projects: Community Assistance

Potential ARPA Projects: Infrastructure and Grants

\$ (In Millions)



## PG&E Settlement Funds: \$95M

- \$48M Obligated (GF Reserves, Fire Resiliency Projects)
- \$20M Committed (RED Contribution, Roseland Library)
- \$27M Remaining Balance Uncommitted

# PG&E Settlement Funds

- Assignments occur with the close of each fiscal year
- Settlement funds received as revenue recognized as one-time receipts and deducted from on-going revenues
- Settlement funds NOT appropriated will be assigned at fiscal year-end, and may be unofficially recognized as such; however, they will not be presented as such until the audited financial statements for FY 2020/21 are published

## City of Santa Rosa Status of PG&E Settlement Funds (in millions)

	Date	Amount
Settlement Received	July 2020	\$ 95.0
Current Obligations/Commitments		
GF Reserves (Fiscal Stability)		\$ (40.0)
Match County Commitment to RED		\$ (10.0)
Roseland Library		\$ (10.0)
Vegetation Management		\$ (5.25)
Wildland Resiliency/Response Strategic Plan		\$ (2.75)
	Subtotal	\$ (68.0)
Total Uncommitted Settlement Funds		\$ 27.0

### Notes on Process:

- ~ Assignments occur with the close of each Fiscal Year.
- ~ Settlement funds received as revenue in the current FY, are deducted from revenue totals as recognized as one-time receipts.

# Fire Recovery Projects: \$20M

	City Estimate	Notes
Hopper Avenue Corridor	\$6.0M	<ul style="list-style-type: none"> <li>▪ Sidewalk Repair and Other Projects</li> <li>▪ Requested by residents in public outreach meetings</li> <li>▪ Did not fit within FEMA funded projects</li> </ul>
Residential Street Repair	\$7.0M	<ul style="list-style-type: none"> <li>▪ Focus on residential streets</li> <li>▪ Total project cost as much as \$14M, remainder potentially from CDBG</li> <li>▪ FEMA project denied; no decision issued on appeal</li> </ul>
Re-Landscaping and Vegetation Restoration	\$7.0M	<ul style="list-style-type: none"> <li>▪ Landscaping is not FEMA-eligible</li> <li>▪ Work in Fountain grove area and six parks</li> <li>▪ Projects include irrigation and other infrastructure to support vegetation</li> </ul>

# American Rescue Plan Act Funds

- What funds may and may not be used for
- Program spending considerations based on eligible uses
- Given temporary nature of funds, attempted alignment with temporary expenditures

\$17.1M received in FY 21

\$17.1M to be received in  
FY 22

All funds required to be  
spent by December 31,  
2024

# ARPA: Specific timing and spending requirements; consistent compliance and certification necessitated

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- ✓ Revenue replacement for government services
- ✓ COVID-19 expenditures and/or negative economic impacts of COVID-19 for
  - Small business assistance
  - Industries that are hard hit
  - Economic-recovery specific
- ✓ Premium pay for essential workers (with income restrictions)
- ✓ Investments in water, sewer, and broadband infrastructure
- ❑ May not be used to directly or indirectly to offset tax reductions or in conjunction with other federal sources
- ❑ Funds cannot be deposited into pension fund system
- ❑ Must be spent and fully accounted for by December 31, 2024

ARPA  
Proposed  
Program  
Funding:

\$34,265,710

<b>City of Santa Rosa</b>	<b>Tranche 1 (May 2021):</b>	<b>\$</b>	<b>17,183,718</b>	
<b>American Rescue Plan Act (ARPA)</b>	<b>Tranche 2 (May 2022):</b>	<b>\$</b>	<b>17,183,718</b>	
<b>Potential Project/Program Funding</b>	<b>ARPA Funds Obligated</b>	<b>\$</b>	<b>34,367,435</b>	
<b>Project/Program Categories</b>				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>A. Public Health and Economic Impacts</b>	<b>Tranche One</b>		<b>Tranche Two</b>	<b>Remaining</b>
Services to Address Homelessness	\$ 4,154,313	\$	4,000,000	3,980,000
Safe Parking	\$ 1,000,000	\$	1,000,000	
Universal Basic Income	\$ 480,000	\$	480,000	
Utility Bill Assistance	\$ 1,900,000			
Jobs Program	\$ 500,000	\$	500,000	
Childcare Programs	\$ 1,500,000	\$	1,000,000	500,000
Secure Family Fund	\$ 50,000	\$	50,000	50,000
Expand Recreation Sensation Program	\$ 105,000	\$	105,000	105,000
Small Business Tenant Improvements	\$ 500,000	\$	500,000	
Parklet Grants for Restaurants	\$ 500,000			
<b>C. Revenue Loss</b>				
Projects funded from lost revenue	\$ 1,306,397			
<b>D. Investments In Infrastructure</b>				
Broadband Projects	\$ 5,000,000	\$	5,000,000	
<b>Total Projects and Programs</b>	<b>\$ 16,995,710</b>	<b>\$</b>	<b>12,635,000</b>	<b>\$ 4,635,000 34,265,710</b>
<b>General Fund Budget Reduction</b>	<b>\$ 5,460,710</b>	<b>\$</b>	<b>4,000,000</b>	<b>\$ 3,980,000 13,440,710</b>

# ARPA Proposed Projects/Programs: \$17M

Total Community Assistance Programs: \$9.7M

	City Estimate	Notes
Homeless Assistance and Safe Parking	\$5.2M	<ul style="list-style-type: none"> <li>▪ Replace GF contribution to Homeless Services and Affordable Housing with ARPA funds (\$4,154,313)</li> <li>▪ Funding for 24/7 Safe Parking Program (\$1,000,000)</li> </ul>
Family Programs	\$1.7M	<ul style="list-style-type: none"> <li>▪ Childcare Programs (\$1,500,000)</li> <li>▪ Expand Recreation Sensation (\$105,000)</li> <li>▪ Secure Family Fund (\$50,000), increase from \$50,000 to \$100,000</li> </ul>
Assistance To Families: Utility Bills, UBI, Jobs Program	\$2.9M	<ul style="list-style-type: none"> <li>▪ UBI (100 families, \$400.00/mo for 1 year) = \$480,000</li> <li>▪ Jobs Program, \$500,000</li> <li>▪ Utility Bill Assistance, \$1,900,000</li> </ul>

# ARPA Proposed Projects/Programs: \$17M

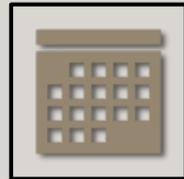
Total Infrastructure and Grant Programs: \$7.3M		
	City Estimate	Notes
Broadband Projects	\$5.0M	
Small Business Tenant Improvement Grants & Parklet Grants for Restaurants	\$1.0M	<ul style="list-style-type: none"> <li>▪ Tenant Improvement Grants (\$500,000)</li> <li>▪ Responds to businesses negatively affected by the COVID-19 pandemic</li> <li>▪ Parklet Grants to restaurants (\$500,000)</li> <li>▪ Addresses need for social distancing</li> </ul>
Projects Funded through lost revenue	\$1.3M	<ul style="list-style-type: none"> <li>▪ Lost revenue can fund a broad array of general City services</li> <li>▪ Fund streetscape designs to address bike parking, street trees and vegetated planter strips</li> </ul>

# ARPA Reporting Requirements

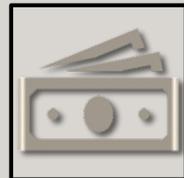


1<sup>st</sup> Expenditure report  
due to Treasury:  
August 31, 2021

ARPA  
expenditures  
from March 3,  
2021, to July  
31, 2021



Quarterly reporting thereafter, with  
next report due:  
October 31, 2021



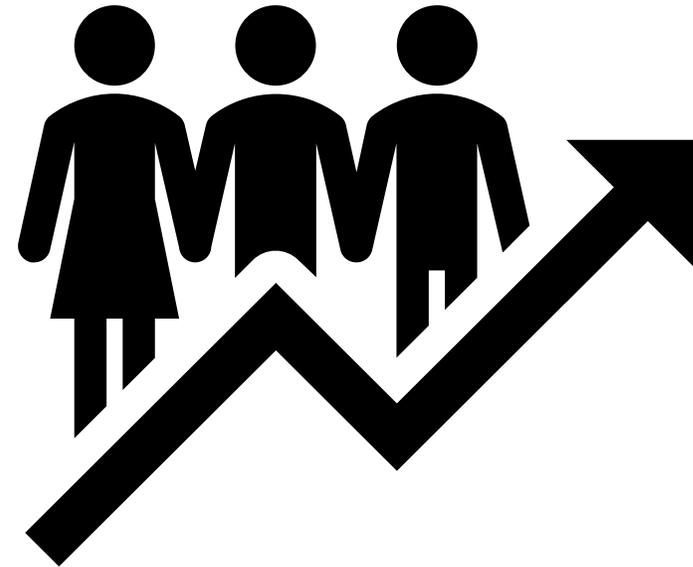
Only report on  
expenditures for that  
period

Do not need to  
report on  
proposed  
expenditures

# Next Steps:

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- Provide direction to staff
- With any proposed changes, we will return to Council with a revised spending plan for adoption (beginning of September)
- Submission of expenditure report no later than August 31 – report will indicate no expenditures incurred to date



# APPENDICES

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- PGE SUMMARY OF REQUESTS
- BY CATEGORY

# PGE Community Requests:

## Project Summary

<b>Project Category</b>	<b>Cost Estimate</b>
Wildfire Resiliency	\$85,305,000
Infrastructure	\$128,636,000
Burn Area Unmet Needs	\$79,400,000
Restore General Fund Reserves	\$30,000,000
Other Projects	\$32,000,000
<b>City-Controlled Projects</b>	<b>\$355,341,000</b>
<b>Regional Projects</b>	<b>\$121,000,000</b>
<b>Total One-time Project Costs</b>	<b>\$476,341,000</b>
New Fire Station Staffing (Ongoing)	\$4,600,000/year

# Wildfire Resiliency

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<b>Project</b>	<b>Cost Estimate</b>
Comprehensive Five-Year Vegetation Management Prog.	5,250,000
Wildland Resiliency and Response Strategic Plan	2,750,000
Rebuild and Relocate Fire Station 5	15,000,000
Move Two (2) and Add Two (2) Fire Stations	60,000,000
(Additional Staffing \$4.6M/year)	
Additional Apparatus for New Fire Stations	2,305,000
Subtotal One-Time Wildland Resiliency Projects	\$85,305,000

# Infrastructure: City and Regional

<b>Project Description</b>	<b>Cost Estimate</b>
City-Controlled Projects	
Build “Hot” EOC	550,000
Evacuation Equipment	650,000
Radio Infrastructure (Non-fire & Water Enterprise)	3,206,000
Traffic Signalization	10,230,000
Fire Flow Facility Improvements	26,100,000
Improve Evacuation Routes from WUI	88,000,000
Subtotal One-Time Infrastructure Projects	\$128,736,000
Projects w/ Other Agency Involvement	
Underground Utilities in WUI	21,000,000
Improve Evacuation Routes from WUI area	100,000,000
Subtotal Regional Projects	\$249,736,000

# Burn Areas: Unmet Needs

GF Reserves Replenished: \$40M

Project	Cost Estimate
Fire Burn Area Unmet Needs	
FEMA Public Assistance Local Match	1,100,000
Sidewalk Repair (FEMA PA Project) – damaged areas only	4,100,000
Sidewalk Repair – replace all sidewalks, damaged and not	45,200,000
FEMA Potential Ineligible Costs	5,000,000
Pavement Repair (FEMA PA Project)	24,000,000
<b>Subtotal Fire Burn Area Unmet Needs</b>	<b>\$79,400,000</b>
Fiscal Sustainability	
Restore General Fund Reserves	\$30,000,000
Additional Projects	
Housing Downtown	10,000,000
SE Greenway Land Acquisition	12,000,000
Roseland Library	10,000,000
<b>Subtotal Other</b>	<b>\$32,000,000</b>

# PGE Funds

Staff Requests



# PG&E Settlement funds = \$95M

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PG&E Settlement	95,000,000	
General Fund Reserves	40,000,000	
Vegetation Management	5,250,000	Appropriated FY 20/21
Wildland Resiliency and Response WUI 2.0	2,750,000	Appropriated FY 20/21
Roseland Library	10,000,000	Council committed on 2/19/21
Renewal Enterprise District	10,000,000	Council committed on 2/19/21
	<hr/>	
	68,000,000	
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Remaining Funds	<u>27,000,000</u>	

# PG&E Settlement funds

## Staff Requests

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### Fire Dept.

- \$1.5M Two Type 1 Fire Engines (front line equipment)
- \$190K Transition Fire Inspection database
- \$4M Capital Fleet Replacement Funding Program, Initial Investment
- \$15M Fire Station Relocation or New Construction (per Station)
- \$1.4M “Hot” EOC

# PG&E Settlement funds

## Staff Requests

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### Recreation and Community Engagement

- \$150K Community Empowerment
- \$105K Expand “Recreation Sensation”
- \$120K Expand Park Monitor Programs

### Planning and Economic Development

- \$80K Enhanced Infrastructure Finance District, one-time
- \$425-545K Government Center/P3, one-time
- \$232K Professional Services (Building & Engineering)
- \$240K City Planner Limited Term 2 years
- \$50K Renewal Enterprise Fund one-time Member Assessment
- \$600K Mendocino Avenue/SR Avenue Specific Plan
- \$900K Public Records Management Upgrade

# PG&E Settlement fund

## Staff Requests

### Transportation and Public Works

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- \$100K Transit Radio System Upgrade (adding to Police System)
- \$500K Evacuation Bus
- \$150K Evacuation Equipment (Streets)
- \$14M Hearn Avenue Interchange
- \$6M SRJC Bicycle & Pedestrian Overcrossing
- \$10.2M Fiber backbone, Signalization Improvements & CCTV (eastside)
- \$7M Tubbs Fire Pavement Rehabilitation
- \$6M Hopper Avenue Sidewalk & Landscape Rehabilitation
- \$5M FEMA Ineligible Landscape Restoration
- \$10M Energy Audit and Microgrid Recommendation Implementation

# ARPA FUNDS

Staff Requests



# APPENDICES

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- ARPA FUNDING OBJECTIVES SUMMARY
- ARPA FUNDING REQUESTS: VARIOUS

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

## FUNDING OBJECTIVES

Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control
- Replace lost revenue for eligible state, local, territorial, and Tribal governments to strengthen support for vital public services and help retain jobs
- Support immediate economic stabilization for households and businesses
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each government to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. These funds can also be used to make necessary investments in water, sewer, and broadband infrastructure.

Concurrent with this program launch, Treasury has published an [Interim Final Rule](https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds) that implements the provisions of this program. <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

# ARPA funds

## Staff Requests

### General Fund Major Revenue Loss due to Pandemic

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- \$4.5M Recreation revenue
  - FY 19/20 loss \$1.2M
  - FY 20/21 loss estimate \$2.4M
  - FY 21/22 loss estimate \$927K
- \$3.9M Transient Occupancy Tax revenue
  - FY 19/20 loss \$691K
  - FY 20/21 loss estimate \$2.25M
  - FY 21/22 loss estimate \$1M
- \$1.5M Parking Violation revenue (General fund)
  - FY 19/20 loss \$183K
  - FY 20/21 loss estimate \$912K
  - FY 21/22 loss estimate \$412K

# ARPA funds

## Staff Requests

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### Citywide Revenue Loss due to Pandemic

- \$6.3M Parking Garage and Meter revenue (Parking fund)
  - FY 19/20 loss \$1.3M
  - FY 20/21 loss estimate \$2.8M
  - FY 21/22 loss estimate \$2.2M
- \$200K Santa Rosa Tourism BIA fund
  - FY 19/20 no loss
  - FY 20/21 loss estimate \$150K
  - FY 21/22 loss estimate \$50K

# ARPA funds

## Staff Requests

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### City Manager's Office/Homeless Services

- \$315K Safe Parking Program

### Transportation and Public Works

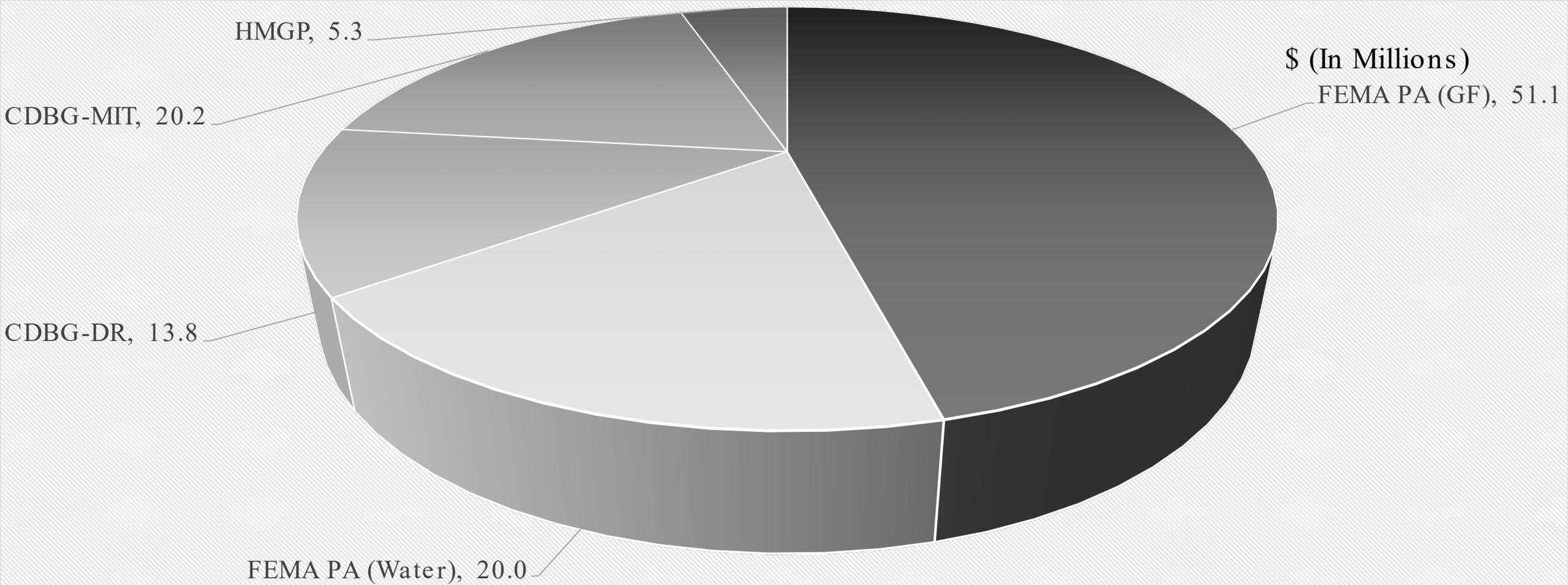
- \$12.4M Citywide HVAC Replacement/Upgrade
- \$10M Fiber backbone, Signalization Improvements & CCTV (westside)
- \$6.5M Citywide Park, Playground & Ballfield Improvements
- \$10M Energy Audit and Microgrid Recommendation Implementation

# APPENDICES:

## Federal Funding for Disaster Recovery

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- (FIRE RECOVERY & MITIGATION GRANTS): \$110.4M
- COVID-19 PANDEMIC RESPONSE: \$41.7M



## Fire Recovery and Mitigation Grants: \$110.4M

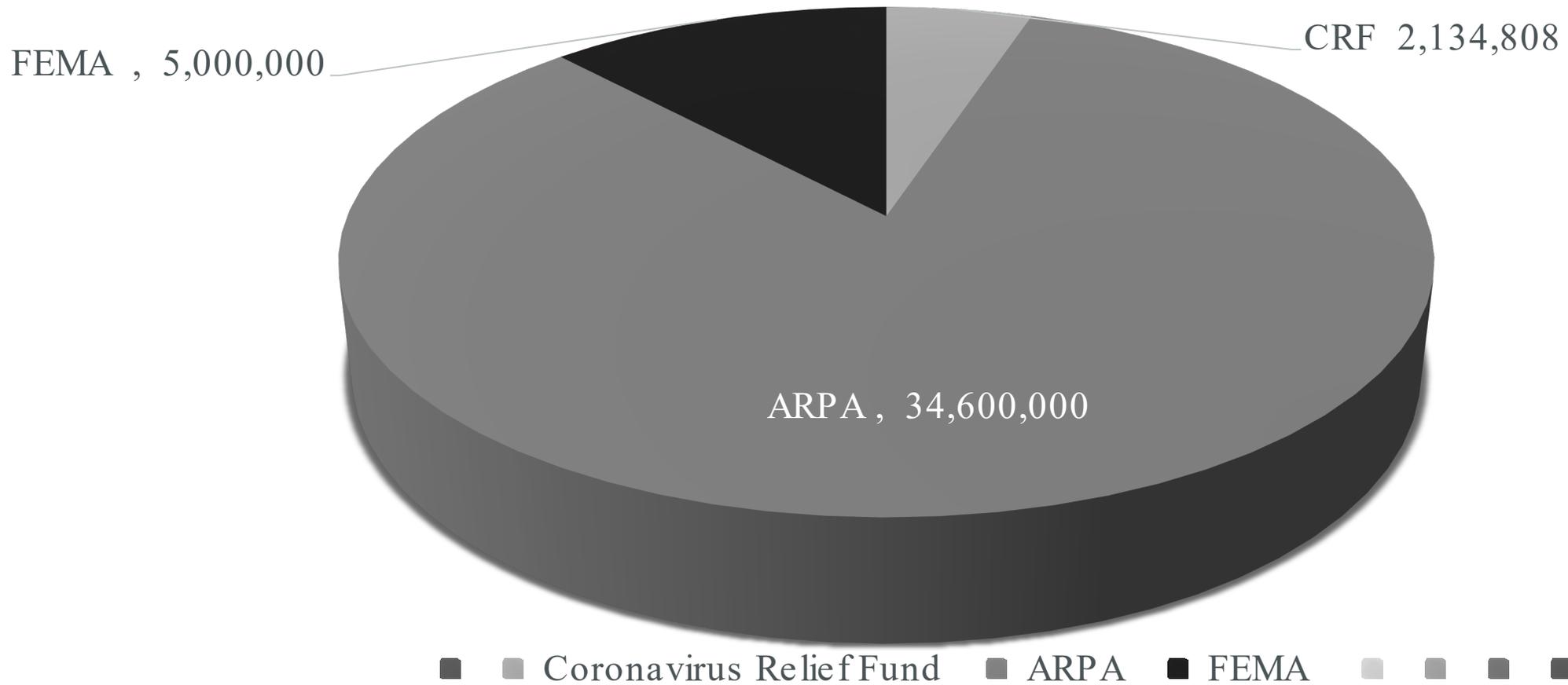
- Grant Projects for Fire Recovery or Mitigation
- City Draws Funds When Project Milestones Complete
- Revenues Received Only Upon Request From City

Project cost estimates = \$71.2M; Obligated amount = \$32.3M;  
 Receipts to date = \$14.1M

FEMA Public Assistance Funds				
	Obligated Amount	City Estimate	Received	Notes
Emergency Response	\$4.7	\$10.3	\$3.7	<ul style="list-style-type: none"> <li>▪ General Fund and Water Fund response to Tubbs Fire</li> <li>▪ Labor and Material costs for initial response (approx. through November)</li> </ul>
RECOVERY PROJECTS: (General Fund)	\$15.4	\$41.7	\$4.7	<ul style="list-style-type: none"> <li>▪ Permanent Recovery Projects</li> <li>▪ City Budgets for Recovery Projects</li> <li>▪ Revenue is Received Through Requests for Reimbursement at Key Project Milestones</li> </ul>
RECOVERY PROJECTS: (Water Fund)	\$12.5	\$19.2	\$5.7	<ul style="list-style-type: none"> <li>▪ Water-Related Permanent Recovery Projects</li> </ul>

# Project cost reimbursement: Total Allocation = \$39.3M

Disaster Grant Funds				
	Funding Source	Amount	Received	Notes
CDBG - DR	State of CA HCD	\$13.8	\$0	<ul style="list-style-type: none"> <li>▪ Funding for Disaster Recovery Infrastructure Projects</li> <li>▪ State determines the amount available and makes awards to each agency</li> <li>▪ Project-specific funding, subject to HUD and HCD guidelines</li> <li>▪ Project cost &gt; allotment is borne by the City</li> </ul>
CDBG - MIT	State of CA HCD	\$20.2	\$0	<ul style="list-style-type: none"> <li>▪ Funding for Resilient Infrastructure Projects.</li> <li>▪ Same requirements as CDBG-DR enumerated above</li> </ul>
Hazard Mitigation Grant Program (HMGP)	FEMA and CalOES	\$5.3	\$0.1	<ul style="list-style-type: none"> <li>▪ Project costs through Request for Reimbursement process</li> <li>▪ Costs &gt; project award is borne by the City</li> </ul>



## COVID-19 Response : \$41.7M

- FEMA PA (Response, PPE, Non-Congregate Sheltering)
- American Rescue Plan Act (ARPA)
- Coronavirus Relief Fund (CRF), CARES Act for Response

# FUNDING FOR COVID-19 RESPONSE = \$41.7M

FUNDS BY DIRECT ALLOCATION				
	FUNDING SOURCE	ALLOCATION	COLLECTED	NOTES
Coronavirus Relief Funds	CARES Act via State Coronavirus Relief Fund	\$2.1	\$2.1	<ul style="list-style-type: none"> <li>▪ Emergency Response from March – June 2020</li> <li>▪ Freed-up reserves to be used toward Child Care Program</li> </ul>
American Rescue Plan Act (“ARPA”)	United States Department of the Treasury (“Treasury”)	\$34.6	\$17.3	<ul style="list-style-type: none"> <li>▪ Issued directly from Treasury</li> <li>▪ Two (2) tranches: May 2021 and May 2022</li> <li>▪ Specific Eligibility &amp; Ineligible Uses</li> <li>▪ Quarterly Reporting beginning in Fall 2021</li> </ul>
FEMA PA	FEMA	\$5		<ul style="list-style-type: none"> <li>▪ PA Project not-yet obligated by FEMA</li> <li>▪ Supplement to CRF Funds</li> <li>▪ Largest Expense is Non-Congregate Sheltering (Sandman Hotel)</li> </ul>