



Contra
Costa
County

To: Board of Supervisors
From: Monica Nino, County Administrator
Date: May 16, 2023

Subject: FY 2022/23 3rd QUARTER UPDATE - AMERICAN RESCUE PLAN ACT (ARPA) &
INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA)

RECOMMENDATION(S):

ACCEPT the fiscal year 2022/23 3rd Quarter report on American Rescue Plan Act (ARPA) and Infrastructure, Investment and Jobs Act (IIJA) funding to Contra Costa County

FISCAL IMPACT:

No fiscal impact, this item is informational only.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **05/16/2023** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Ken Carlson, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: May 16, 2023

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Timothy Ewell, (925)
655-2043

By: June McHuen, Deputy

cc:

FISCAL IMPACT: (CONT'D)

American Rescue Plan Act: As of March 31, 2023, the County has identified \$343.1 million of known ARPA revenue allocations across 22 unique grant programs. Of that amount, the County has received \$327.7 million or 95.5%, and has spent \$240.4 million, or 70.1%. A full accounting of the above figures, by unique grant program, is included in the "American Rescue Plan - Quarterly Report Worksheet," included as Attachment B to this staff report.

Infrastructure Investment and Jobs Act: As of March 31, 2023, the County has applied for \$158.9 million in federal IIJA funded grants with a required County match of \$17.6 million across 28 unique grant programs. Of that amount, the County has been awarded \$62.8 million of federal IIJA funded grants with a required County match of \$11 million. A full accounting of the above figures, by unique grant program, is included in the "Infrastructure Investment and Jobs Act - Quarterly Report Worksheet," included as Attachment C to this staff report.

BACKGROUND:

American Rescue Plan Act (ARPA)

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021 by President Biden. The ARPA is a broad and far-reaching funding package totaling \$1.9 trillion, which provided direct stimulus to taxpayers, advances on child tax credit payments, direct allocations to State and Local governments as well as a myriad of competitive grant programs administered by federal agencies. A summary of the ARPA, including national funding figures, is included as Attachment A for reference.

County History of American Rescue Plan Act Actions

During the fiscal year 2021/22 budget development process, the County Administrator's Office requested information from departments about known impacts from the ARPA for context in assembling the fiscal year 2021/22 Recommended Budget. Because the passage of the ARPA occurred late in the County's budget process, there was very little information to share in subsequent budget presentations, with the exception of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF), which was widely being tracked throughout the legislative process by state and local government professional organizations such as the National Association of Counties (NACo). At that time, the County was estimated to receive slightly more than \$220 million over a two-year period.

On June 28, 2021, the County Administrator sent correspondence to department heads establishing guidance for reporting impacts of the ARPA on their respective departments. This included an initial assessment of ARPA impacts by program area, a request for information about unreimbursed COVID-19 costs incurred, a survey of one-time needs and templates of required quarterly reporting documents. The results were reported on

during a public ARPA workshop hosted by the Board of Supervisors on August 3, 2021 (D.4). In summary, departments reported the following information at that time:

- **Known ARPA Revenue:** \$317,327,304, of which \$127,606,232 has been received by the County
- **Unreimbursed COVID-19 Costs:** \$16,882,139, including \$7,368,000 of unrealized gas tax revenue due to Shelter in Place orders
- **One-Time Needs:** \$71,655,531, including \$4,120,000 that could be leveraged from non-ARPA funding sources

It is important to note that the One-Time Needs figure above reflected projects that could be obligated prior to December 21, 2024, consistent with CSLFRF guidelines discussed further below.

At the conclusion of the August 2021 public workshop, the Board directed the full \$112 million allocation of Year 1 CSLFRF funding to the Health Services Department to defray the cost impacts of COVID-19 response activities. Subsequently, on January 25, 2022, the Board acknowledged that the fiscal year 2022/23 Recommended Budget would include \$53 million of Year 2 CSLFRF funding in the Health Services Department budget. On April 12, 2022, the Board approved the fiscal year 2022/23 Recommended Budget as presented, including the additional \$53 million of Year 2 CSLFRF funding. At the conclusion of fiscal year 2021/22, the Health Services Department had not spent the entire \$112 million allocation. \$30 million of that amount was re-budgeted in fiscal year 2022/23, making the total amount budgeted \$83 million (\$53 million of Year 2 funds + \$30 million of unspent Year 1 funds).

Review of Primary ARPA Revenue Drivers

There are two ARPA grant programs that provide the majority of funding to the County; specifically, the CSLFRF and a second allocation of Emergency Rental Assistance Program (ERAP) funds. Below are additional details about both revenue streams.

Coronavirus State and Local Fiscal Recovery Fund - \$224,058,903

Contra Costa County was allocated \$224,058,903 of CSLFRF funds directly from the U.S. Treasury. The funding was allocated in two 50% tranches, the first of which was received by the County on May 18, 2021 in the amount of \$112,029,451. The second tranche was distributed to the County in an equal amount on June 8, 2022. The ARPA outlines four specific eligible uses for CSLFRF funding:

- COVID-19 response activities or its negative economic impacts;
- Premium pay to eligible workers performing essential work during COVID-19;
- Government services to the extent of the reduction in revenue due to COVID-19; and
- Infrastructure investments specifically for water, sewer and broadband.

Each category above has several nuances associated with it, which staff has presented on several times beginning in August 2021 and at subsequent Board meetings. The ARPA requires CSLFRF recipients with populations of over 250,000 residents to submit an

annual Recovery Plan Performance Report, including descriptions of projects and information on performance indicators and objectives of each award. CSLFRF expenditures must be incurred by December 31, 2024 and ultimately spent by December 31, 2026.

Emergency Rental Assistance Program 2 - \$71,605,012 (\$38,941,950 Federal + \$32,663,062 State)

Contra Costa County was allocated an additional \$71,605,012 in ERAP 2 funds directly from the U.S. Treasury and via the State of California through the State's ARPA funding allocation. This funding complements ERAP 1 funding previously received both from the U.S. Treasury and from the State in the amount of \$75,822,311, making a total of \$147,427,324 rental and utility assistance funding available to Contra Costa residents, landlords and utility providers. The State of California requested letters of intent from counties and cities slated to receive State allocations of ERAP 2 funds, subject to final approval by governing boards, to secure funding allocations. The County Administrator's Office filed the letter of intent with the State on July 27, 2021 and subsequently received Board approval to continue participating in the State's Housing is Key program, providing coordinated rental and utility assistance throughout the state, including to Contra Costans.

ERAP 2 funds were to be used largely in a similar fashion to ERAP 1, but also allowed for relocation cost and security deposit assistance to eligible residents. ERAP 1 funds were to be expended by September 30, 2022 and ERAP 2 funds must be expended by September 30, 2025. The State program has concluded and all funds were distributed prior to the deadlines outlined above. For reference, as of May 11, 2023, the total amount of ERAP assistance provided in Contra Costa County, among all funding programs, was \$228.9 million, serving 16,986 households - \$82 million above the County's initial allocation amounts, which was funded by State General Fund.

Fiscal Year 2022/23 3rd Quarter (January-March 2023) ARPA Status Report

As of March 31, 2023, the County has identified \$343.1 million of known ARPA revenue allocations across 22 unique grant programs. Of that amount, the County has received \$327.7 million, or 95.5%, and has spent \$240.4 million, or 70.1%. A full accounting of the above figures, by unique grant program, is included in the "American Rescue Plan - Quarterly Report Worksheet," included as Attachment B to this staff report. Specific reporting on the CSLFRF program is presented below:

Status of ARPA CSLFRF Funding

As of March 31, 2023, the County had received the entire CSLFRF allocation of \$224.1 million and expended \$154.6 million. As previously mentioned, the Board of Supervisors has taken action to allocate \$83 million to the Health Services Department in fiscal year 2022/23. The County Administrator's Office worked with the Health Services

Department during the fiscal year 2023/24 budget development process to determine how much of the \$83 million allocation would be spent in fiscal year 2022/23 and how much would be reallocated to fiscal year 2023/24. Current estimates are that \$68 million would be spent in fiscal year 2022/23, resulting in \$15 million being budgeted for use in fiscal year 2023/24. Based on actual expenditures in fiscal year 2021/22, anticipated expenditures in fiscal year 2022/23 and the anticipated re-budget of unused funds in fiscal year 2023/24, the current amount of CSLFRF funds unallocated is approximately \$37.5 million as illustrated below.

ARPA - CSLFRF Allocation				
Projected Expenditures, thru 6/30/24	FY 2021/22	FY 2022/23	FY 2023/24	Total
Funding Sources:	\$ 112,029,452	112,029,452	\$0	\$224,058,903
Funding Uses:				
Health Services (COVID-19)	79,214,397	68,000,000	15,000,000	162,214,397
Pandemic Service Relief Payment	0	24,300,111	0	24,300,111
Total Claimed	\$ 79,214,397	\$ 92,300,111	\$ 15,000,000	\$186,514,508
Fund Balance				\$ 37,544,395

Infrastructure Investment and Jobs Act (IIJA)

According to the Government Finance Officer's Association (GFOA), the Infrastructure Investment and Jobs Act (IIJA), also referred to as the Bipartisan Infrastructure Law (BIL), was signed into law by President Biden on November 15, 2021. The law authorizes \$1.2 trillion for transportation and infrastructure spending with \$550 billion of that figure going toward “new” investments and programs. Funding from the IIJA is expansive in its reach, addressing energy and power infrastructure, access to broadband internet, water infrastructure, and more. Some of the new programs funded by the bill could provide the resources needed to address a variety of infrastructure needs at the local level. Specific highlights of the IIJA funding program include:

Public Transportation: The IIJA invests \$91.2 billion to repair and modernize transit. The legislation supports expanded public transportation choices nationwide, replacing thousands of deficient transit vehicles, including buses, with clean, zero emission vehicles, and improving accessibility for the elderly and people with disabilities.

Airports and Federal Aviation Administration Facilities: The IIJA invests \$25 billion to address repair and maintenance needs, reduce congestion and emissions, and modernize our National Aerospace System.

Ports and Waterways: The IIJA invests over \$16.7 billion to improve infrastructure at coastal ports, inland ports and waterways, and land ports of entry along our border.

Electric Vehicles, Buses, and Ferries: The IIJA includes a \$7.5 billion investment in electric vehicle charging to help build out a national network of 500,000 electric vehicle chargers. In addition, there are investments from the IIJA for specific vehicles to transition to electric school buses, transit buses, and even passenger ferries to reduce emissions for their riders, including children and low-income families that bear the greatest burdens of pollution while trying to meet their mobility needs.

Broadband Deployment and Access: The IIJA included a \$65 billion investment to help close the digital divide and ensure access for all Americans to reliable, high speed, and affordable broadband. The additional funding builds off of investments in previous laws, including the American Rescue Plan (ARPA) and the Consolidated Appropriations Act of 2021. As a result of the additional funding, the National Telecommunications and Information Administration (NTIA) plans to implement several new programs with these aggregate investments.

Water Infrastructure: The IIJA invests more than \$50 billion through the Environmental Protection Agency's (EPA) drinking water, wastewater, and storm water infrastructure programs.

Resiliency: The IIJA makes our communities safer and our infrastructure more resilient to the impacts of climate change and cyber-attacks, with an investment of more than \$50 billion to protect against draughts, heat, floods and wildfires, in addition to major investments in weatherization. The legislation is the largest investment in the resilience of physical and natural systems in American history.

Fiscal Year 2022/23 3rd Quarter (January-March 2023) IIJA Status Report

Contra Costa County has been aggressively pursuing IIJA dollars for local infrastructure projects. As of March 31, 2023, the County has applied for \$158.9 million in federal IIJA funded grants with a required County match of \$17.6 million across 28 unique grant programs. Of that amount, the County has been awarded \$62.8 million of federal IIJA funded grants with a required County match of \$11 million across 14 unique programs. A full accounting of the above figures, by unique grant program, is included in the "Infrastructure Investment and Jobs Act - Quarterly Report Worksheet," included as Attachment C to this staff report.

The vast majority of IIJA funds flow from the federal government to the states for allocation. In Contra Costa, the 28 unique grant applications referenced above are centered among four agencies; 3 state and 1 federal as summarized below:

Granting Agency	Application	Grant Award	Amount Expended
<i>No. of Applications</i>	28	14	
CA Dept of Transportation	\$125,207,317	\$72,800,297	\$0
US Army Corps of Engineers	47,402,000	0	0
CalOES	2,870,909	0	0
CA State Water Board	1,000,000	1,000,000	0
Total	\$176,480,226	\$73,800,297	\$0

CONSEQUENCE OF NEGATIVE ACTION:

The fiscal year 2022/23 3rd Quarter report on the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act (IIJA) will not be formally accepted by the Board of Supervisors.

ATTACHMENTS

Attachment A - American Rescue Plan Act Summary

Attachment B - American Rescue Plan Act, FY 2022/23 3rd Quarter Report (January-March 2023)

Attachment C - Infrastructure Investment and Jobs Act, FY 2022/23 3rd Quarter Report (January-March 2023)