

STAFF REPORT

Date: March 8, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Presentation, discussion, and potential direction to staff regarding the allocation of the remaining \$28,150,044.97 in State and Local Fiscal Recovery Funds received through the American Rescue Plan Act on May 19, 2021, including possible allocation to specific projects identified through the public, Council, and staff engagement process or general spending categories identified by Council as a priority for fund allocation by December 31, 2024.

From: JW Hodge, Assistant City Manager

Department: City Manager's Office

Summary:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021 establishing the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). The City of Reno received \$51,519,997 from the SLFRF and began allocating funds to critical projects on August 25, 2021, following initial acceptance of the funds.

Since acceptance, Council adopted seven priority categories based on community input, Council direction, Treasury requirements, and the City of Reno master and strategic plans. Approved projects under these categories amount to \$23,369,952.03 to this point. The remaining balance of \$28,150,044.97 must be fully allocated to projects by December 31, 2024 and completely spent by December 31, 2026.

Staff is seeking direction to allocate the remaining SLFRF to five current projects that require additional funding and 19 new projects identified by Council, community input, and current City needs. If approved, this plan will account for the full \$51,519,997 of SLFRF and support all seven identified priorities established by Council (Table 1).

Table 1: Proposed City of Reno SLFRF Summary

Priority Category	Approved Projects	Project Overages	Proposed Projects	Proposed Allocation	% Allocation
Access to Healthcare	\$3,000,000	\$0	\$2,000,000	\$5,000,000	10%
Affordable Housing	\$7,500,000	\$0.00	\$1,350,000	\$8,850,000	17%
Community Programs	\$1,490,000	\$0.00	\$4,055,800	\$5,545,800	11%
Parks and Recreation	\$1,414,952.03	\$137,935.32	\$9,022,309.65	\$10,575,197	21%
Pandemic Response	\$2,965,000	\$1,340,000	\$10,244,000	\$14,549,000	28%
Public Safety	\$6,000,000	\$0	\$0	\$6,000,000	12%
Senior Resources	\$1,000,000	0	\$0	\$1,000,000	2%
Total	\$23,369,952.03	\$1,477,935.32	\$26,672,109.65	\$51,519,997	100%

Staff recommends Council provide direction on additional allocations to approved projects and additional new projects under the previously identified categories.

Alignment with Strategic Plan:

Fiscal Sustainability

Economic Opportunity, Homelessness, and Affordable Housing

Economic and Community Development

Infrastructure, Climate Change, and Environmental Sustainability

Arts, Parks, and Historical Resources

Previous Council Action:

February 8, 2023 – Council directed staff to seek additional engagement on senior support projects (\$1,000,000) and return to Council for allocation.

October 26, 2022 – Council approved one public safety project: Improved Public Safety through Enhanced Technological Infrastructure (\$6,000,000).

June 8, 2022 – Council approved three community projects: Biggest Little Business Partnership (\$65,000) (At Large); Community Relief with 2nd Baptist Church Community Development Corporation (\$25,000) (Ward 3); and Reno Brewery District Coalition Revitalization (\$6,5000) (Ward 5).

June 1, 2022 – Council approved one community project: Increased Access to Micromobility with Reno Bike Project (\$5,000.00) (Ward 5).

May 25, 2022 – Council approved one community project: Somerset Dog Park ADA Benches (\$10,000) (Ward 5).

March 9, 2022 – Council approved two affordable housing projects and five parks & recreation projects: Scott Manor (\$3,000,000); Bonanza Inn (\$6,000,000); Dorothy McAlinden/Mayor's Park (\$1,115,000); Idlewild Park Pond Bottom Restoration (\$500,000); Idlewild Park Pond Walls Restoration (\$500,000); California Building HVAC Installation (\$800,000); and Truckee Meadows Parks Foundation (TMPF) Trails Coordinator (\$50,000).

February 23, 2022 – Council approved four community projects: Landscape Revitalization in Public Spaces (\$30,000) (Ward 4); Senior Communications & Outreach (\$10,000) (Ward 4); Spanish Communications, Community Engagement, and Events (\$30,000) (Ward 4); and Downtown Reno Business Improvement District (\$49,184.67) (Ward 5).

February 22, 2022 – Council approved two affordable housing projects: Sage Street 2.0 (\$2,500,000.00); and Hi-way 40 Rehabilitation (\$2,000,000).

January 26, 2022 – Council allocated \$24,499,998.50 to seven priority categories and approved two pandemic response projects and one community project: Wastewater Surveillance of COVID-19 (\$504,258.66); Remote Work Equipment (\$200,000); and Oxbow Park (\$70,000) (Ward 1).

August 25, 2021 – Council accepted the SLFRF allocated through ARPA, directed staff to begin a public engagement process to identify potential uses of remaining funds to support pandemic response and relief, and allocated \$1,260,000 to urgent projects: City COVID-19 Coordinator (\$90,000); Hybrid Meeting Technology (\$200,000); Retention and Recruitment for Volunteers of America Shelter Operations (\$480,000); and Ward Specific Allocation to Councilmembers (\$490,000).

Background:

Council approved seven general spending priorities on August 21, 2021. These priorities were identified following a significant amount of community engagement including in-person as well as online engagement through surveys and potential project submissions (Table 2).

Table 2: Public Engagement Activities

Engagement Activity	Metric
Public feedback events	11 in-person events
Community stakeholder meetings	8 in-person meetings
Neighborhood Advisory Boards	5 in-person meetings
Regional Partner Collaboration (other SLFRF recipient coordination)	4 meetings
City of Reno department specific meetings	14 meetings
Public Survey – Nevada Recovers portal	70 day interval
City of Reno project proposal portal	68 day interval

The final priorities (Table 3) were selected by council based on the feedback received from the community and alignment with federal guidelines and Council plans.

Table 3: Priority Alignments

Priorities	Treasury Eligible	Strategic Plan	Master Plan	Supports Recovery	Underserved Community
Access to Healthcare	Yes	Goal C	3.1, 4.1, 4.2, 4.3	Yes	Yes
Affordable Housing	Yes	Goal C	6.4A, 6.4B, 6.4E, 6.4F	Yes	Yes
Community Programs	Yes	Goal F	2.5D, 3.2D, 4.3C, 6.3, 7.6, 7.7	Yes	Yes
Parks and Recreation	Yes	Goal B	1.3D, 3.2A, 6.1	Yes	Yes
Pandemic Response	Yes	Goal D	4.2B, 4.2D, 4.2E, 6.3	Yes	Yes
Public Safety	Yes	Goal B	Pandemic Response	Yes	Yes
Senior Resources	Yes	Goal D	1.2C, 1.4, 1.5	Yes	Yes

Since the acceptance of the SLFRF, Council approved \$23,369,952.03 of the \$51,519,997.00 awarded to the City of Reno to projects and programs (Table 4). Twenty three projects and their progress are outlined in the annual Recovery Plan Performance Report (Attachment A). An additional project was added on October 26, 2022 to support improved public safety technology and is included in the Quarterly Project & Expenditure Report (Attachment B).

Table 4: Summary of Approved Projects

Project	Amount
<i>Access to Healthcare</i>	
Project(s) TBD	\$3,000,000
<i>Affordable Housing</i>	
Hi-way 40	\$2,000,000
Scott Manor I (12 units)	\$3,000,000
Sage Street 2.0 (96 units)	\$2,500,000
<i>Community Programs</i>	
Ward Specific Allocation to Councilmembers	\$490,000
Community Grant Program	\$1,000,000
<i>Pandemic Response</i>	
Wastewater Surveillance	\$504,258.66
Retention & Recruitment for VOA Staff	\$480,000
City COVID Coordinator	\$59,626.13
Hybrid Meeting Technology	\$171,067.24
Remote Work Technology	\$200,000
<i>Parks & Recreation</i>	
TMPF Trails Coordinator	\$50,000
Dorothy McAlinden/Mayor's Park	\$1,115,000
California Building HVAC	\$800,000
Idlewild Park - Pond Bottoms	\$500,000
Idlewild Park - Pond Walls	\$500,000
<i>Public Safety</i>	
Axon	\$5,632,620
CopLink	\$172,380
Fusus	\$195,000
<i>Senior Support</i>	
Project(s) TBD	\$1,000,000

Discussion:

The remaining balance of SLFRF, \$28,150,044.97, requires Council allocation to priorities or programs that meet the intent of the American Rescue Plan Act and adhere to the established timelines set by the Treasury Department. Allocations should follow the same guidelines established and adopted by Council on August 21, 2021 and must be fully allocated to specific projects by December 31, 2024. Funds from projects not expended prior to December 31, 2024 can be reallocated to different projects as directed by Council as long as they are fully allocated by the December 31, 2024 deadline. Staff will be monitoring the progress of each project and will bring forward reallocation plans if necessary.

Two categories of proposed allocations are outlined below for Council consideration. Five previously approved projects require additional fund allocation to complete the initial work based on rising equipment, materials, and construction costs totaling \$1,477,935.32 (Table 5).

Table 5: Projects With Additional Allocations

Project	Approved	Additional Allocation	Total
<i>Pandemic Response</i>			
Remote Work Technology	\$200,000	\$137,935.32	\$337,935.32
<i>Parks and Recreation</i>			
Dorothy McAlinden/Mayor's Park	\$1,115,000	\$500,000	\$1,615,000
California Building HVAC	\$800,000	\$240,000	\$1,040,000
Idlewild Park - Pond Bottoms	\$500,000	\$300,000	\$800,000
Idlewild Park - Pond Walls	\$500,000	\$300,000	\$800,000

In addition, multiple new projects are being proposed based on ongoing Council, community, and staff feedback (Table 6). These projects have been identified based on community need and are aligned with the Council established priorities; they also meet all of the previously defined criteria.

Table 6: Proposed Projects

Project	Proposed
<i>Access to Healthcare*</i>	
Expansion of Neil Road Facility	\$5,000,000
<i>Affordable Housing</i>	
Additional Operating Costs - Sage Street 1.0 & Sage Street 2.0	\$1,000,000
Hi-way 40 Gap Funding	\$350,000
<i>Community Programs</i>	
Tenant Improvement/Lease Support for Restaurants and Small Businesses	\$500,000
City Hall ADA Accessibility Improvements and Deaf/Hearing Communication Devices	\$510,800
Downtown Waste Disposal & Recycling Program for Hazardous & E-Recycling	\$350,000
Virginia Street Placemaking & Downtown Façade Improvement Program	\$2,550,000
Clean & Safe/Rise/DRP Vehicles	\$145,000
<i>Pandemic Response</i>	
Security Upgrades: City Infrastructure	\$2,000,000
Revenue Replacement	\$5,212,312.11
Reno Fire Department Conex Boxes for PPE	\$20,000
FEMA COVID 19 Reimbursement	\$1,789,997.54
<i>Parks & Recreation</i>	
Parks Planner	\$444,000
Flat Field Support	\$2,000,000
Idlewild Pool - Deck Replacement	\$1,000,000
Lear Theater - Landscaping/Fence Upgrades	\$1,000,000
Virginia Range Horses Fencing	\$500,000
River Path Plan and Improvements	\$3,000,000
Reno Tennis Center Upgrades/Court Repair	\$2,300,000

*Access to healthcare previously allocated \$3,000,000 in the priority category. Seeking additional \$2,000,000 to fund the identified project.

This list covers six of the identified priorities and includes projects to address critical infrastructure needs, make improvements to parks and recreation facilities, secure and maintain affordable housing, expand city owned facilities, and address accessibility needs at City Hall. A brief summary of each identified project is provided below.

Project Summaries by Priority Category

Access to Healthcare:

- Neil Road Building Remodel and Expansion: Expansion of 3915 Neil Rd, Reno, NV 89502. This building is City of Reno property that is currently being leased to community partners that provides critical healthcare services to a traditionally underserved community. The current revenue brought in through this building is \$36,060/year which will be increased based on the price per square foot to include space added through the expansion project.

Affordable Housing:

- Sage Street 1.0 and 2.0: Operating costs for the Village at Sage Street. These one-time funds will allow the village to continue to operate during the expansion of 2.0 when 96 additional units will be added, creating a better economy of scale.
- Hi-way 40 (now East Fourth Street Village): There is a \$450,000 gap between the purchase price and the SLFRF dollars allocated from the City of Reno. Volunteers of America has privately raised \$100,000 and this allocation would fill the remaining gap. The project also received ARPA dollars from the Home Means Nevada Initiative for rehabilitation of the units.

Community Programs:

- Tenant Improvement/Lease Support Program for Restaurants and Small Businesses: Revitalization management through tenant improvement assistance for current businesses, and lease support assistance for new restaurants and small businesses, throughout the city.
- City Hall ADA Accessibility Improvements and Deaf/Hearing Communication Devices: Upgrades to accessible route outside of City Hall from the City Hall parking garage to the front entrance of City Hall and the purchase of 3 UbiDuo 3 Wireless devices for state of the art communication via a split screen interface.
- Downtown Waste Disposal & Recycling Program for Hazardous & E-Recycling: Additional waste disposal in downtown Reno and the addition of hazardous & e-recycling waste to community cleanups in all wards.
- Virginia Street Placemaking & Downtown Façade Improvement Program: Implementation funding for recommendations that result from the Gehl concept and design recommendations and a downtown façade improvement match program to assist in restoring, substantially beautifying, and/or enhancing the entire façade of a commercial building.
- Clean & Safe/Rise/DRP Vehicles: Vehicles are needed to provide transport for outreach efforts done in partnership with the City of Reno Clean & Safe team, the Reno Initiative for Shelter & Equality (RISE) team, and the Downtown Reno Partnership (DRP) team.

Pandemic Response:

- Security Upgrades for City Infrastructure: Additional cameras, alarm systems, and improved technology throughout Reno to protect our citizens and City of Reno infrastructure.
- Revenue Replacement: City of Reno dollars to replace lost public sector revenue due to the pandemic.
- Reno Fire Department Conex Boxes for PPE: Conex storage boxes for the Reno Fire Department to store pandemic personal protection equipment (PPE) used for COVID-19 and future emergency needs.
- FEMA COVID-19 Reimbursement: After all FEMA reimbursements, this is the City of Reno's final cost share portion for the joint incident command and coordinated response for COVID-19.

Parks and Recreation:

- Parks Planner: A grant funded, short term position to execute SLFRF-funded parks projects to ensure compliance and completion within SLFRF timelines.
- Flat Field Support: Planning and execution of flat fields throughout Reno to increase open space and sporting events.
- Idlewild Pool Deck Replacement: Replacement of deck for City of Reno outdoor pool located at Idlewild Park.
- Lear Theater Landscaping/Fence Upgrades: Outdoor upgrades including landscaping and fencing on historic Reno property.
- Virginia Range Horses Fencing: Barrier fencing in South Reno to protect wild horses and urban property.
- River Path Plan and Improvements: Cohesive plan for the Truckee River and implementation funding for improvements.
- Reno Tennis Center Upgrades/Court Repair: Repairs on Reno Tennis Center courts and design of a canopy for the front gathering area and center walkway.

Project Requirements

As established with previously approved projects, all activity will follow the United States Treasury Final Rule, Code of Federal Regulations, and City of Reno procedures. Projects will be required to provide quarterly reports and make progress on their project prior to, and between, each quarterly report. Projects will be terminated if any rules, regulations, or procedures are not followed, including failure to make progress and/or failure to provide reports within the identified dates.

Financial Implications:

Future funding of projects using these funds will follow standard City purchasing and contracting policies and procedures.

Legal Implications:

Funds will be allocated and spent in compliance with the American Rescue Plan Act, Department of Treasury Final Rule, and City purchasing policies and procedures.

Recommendation:

Staff recommends Council approve additional allocations to projects and new projects under the seven identified priorities.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Attachment A: 2022 Recovery Plan Performance Report

Attachment B: December 2022 Quarterly Project & Expenditure Report