

The American Recovery and Reinvestment Act of 2009: Long Beach Efforts

March 10, 2009





Background

President Obama signed H.R. 1, the American Recovery and Reinvestment Act of 2009 (ARRA) on February 17, 2009.

- November 2008 – COLB joined US Conference of Mayors in creating a list of over \$500 million in “shovel-ready” projects.
- Though highly effective, the US Conference of Mayors list was only illustrative.

Some of those projects are not eligible for funds, and in many cases projects have been added to the draft list.

- The present matrix attached to this item is the most up-to-date list of proposed Long Beach projects



Stimulus Package Setup

Accounts

- There is a common misconception that the Stimulus can be used for any City need.
- The bill creates nearly 100 different accounts to fund specific federal programs.
- Each COLB request must align with a specific account to receive funding.

Use restrictions

- Guidelines for certain accounts are forthcoming.
- No supplantation: funds cannot be used for general municipal operating expenses or general fund support/relief.



Stimulus Package Setup

How we receive funding -

- **Direct Formula:** A small portion of funding will be distributed by formula directly to cities for programs or projects. Funds flow through previously existing federal programs (i.e. Community Development Block Grants).
- **Formula Through Another Agency:** Some funding will be sent through the State of California then distributed to cities and regions by formula (i.e. transportation dollars flow to cities via MTA and the State).
- **Direct Competition:** The majority of funding available will be accessed through a direct application process and the City will compete for funding at the State or federal level.



Prohibitions & Ineligible Uses

The Stimulus bill expressly prohibits funds from being used for any of the following:

- Casinos or gambling establishments
- Aquariums
- Zoos
- Golf courses
- Swimming Pools



Prohibitions & Ineligible Uses

Additionally, staff has not been able to identify funding for the following uses:

- Park and open space*
- Police Stations
- Library Construction
- Stormdrain capacity construction
- Sidewalks
- Courthouse construction
- Community Centers
- City Halls and other buildings of government admin.
- Funding for everyday municipal operations

*With the exception of CDBG areas or wetland restoration projects.



Federal Project Criteria

- **“Shovel-Ready” Projects:** Projects must be ready to go, or ready to break ground quickly.
- **Work Readiness:** A large portion of stimulus funds are geared toward preparing Americans for work and funding projects that will generate a significant amount of jobs.
- **Augmenting Green Sector Employment:** The Stimulus prioritizes sustainability, green jobs, and energy efficiency.



City Project Criteria

- **“Shovel-Ready” Projects**
 - ✓ Projects that are immediately ready
 - ✓ In many cases these are projects where the Council has previously approved design, contracts, EIRs, or funding similar projects.
 - ✓ Can be brought to “shovel ready” status in time to meet the deadline.
- **City Council Citywide Priorities**
 - ✓ Staff has utilized City Council citywide budget goals and legislative priorities to guide project funding requests.
- **Job Creation and Workforce Development**
- **Green/Sustainable Focus**
- **Coordination With Partner Agencies**



Timetable

Most stimulus accounts have stringent deadlines describing how quickly funds must be obligated and spent.

- Most accounts require cities and states to obligate funds within 120-180 days of the bill signing (February 17, 2009).
- Capital improvement projects generally need to be completed within 1-2 years.
- These are very aggressive timelines.
- Funds that cannot be accessed by the deadlines will be returned to the Federal/State Government for redistribution.
- **Competition will be fierce and there is not enough funding for every municipality.**



Formula Grant Awards

PROGRAM AREA	FORMULA AMOUNT
Community Development Block Grants - for CDBG eligible projects	\$2,332,444
Healthy Homes –for home environment assessments to eliminate or reduce asthma and allergy triggers, lead-based paint risks, mold, carbon monoxide risks, dust, use of toxic cleaning projects, and second hand smoke	\$874,992
Transportation –for local streets and road improvements.	\$9.9 - \$14.7 million
JAG/Byrne Grants - for Front Line Law Enforcement (overtime) and Equipment.	\$1,623,668
Energy Efficiency Block Grants –Grant has not yet been awarded. Preliminary estimate of between \$2-3 million for public building retrofits and other energy efficiency programs.	Est. \$2-3 million
Transit - to Long Beach Transit for transit improvements	\$16,512,890
Workforce Development - for workforce development programs for youth and adults.	\$6,161,741
Homeless Prevention - for additional Homeless assistance grants to Long Beach.	\$3,566,451
Lead-Based Paint Hazard Control Grant Program - to help protect children and their families by rehabilitating more than 300 housing units	\$2,999,974
Emergency Food and Shelter Grant – amount not yet available	TBD
Port Security Grants – amount not yet available	TBD

Total: **Current estimate** is between \$46 and \$51.7 million



Competitive Grant Awards

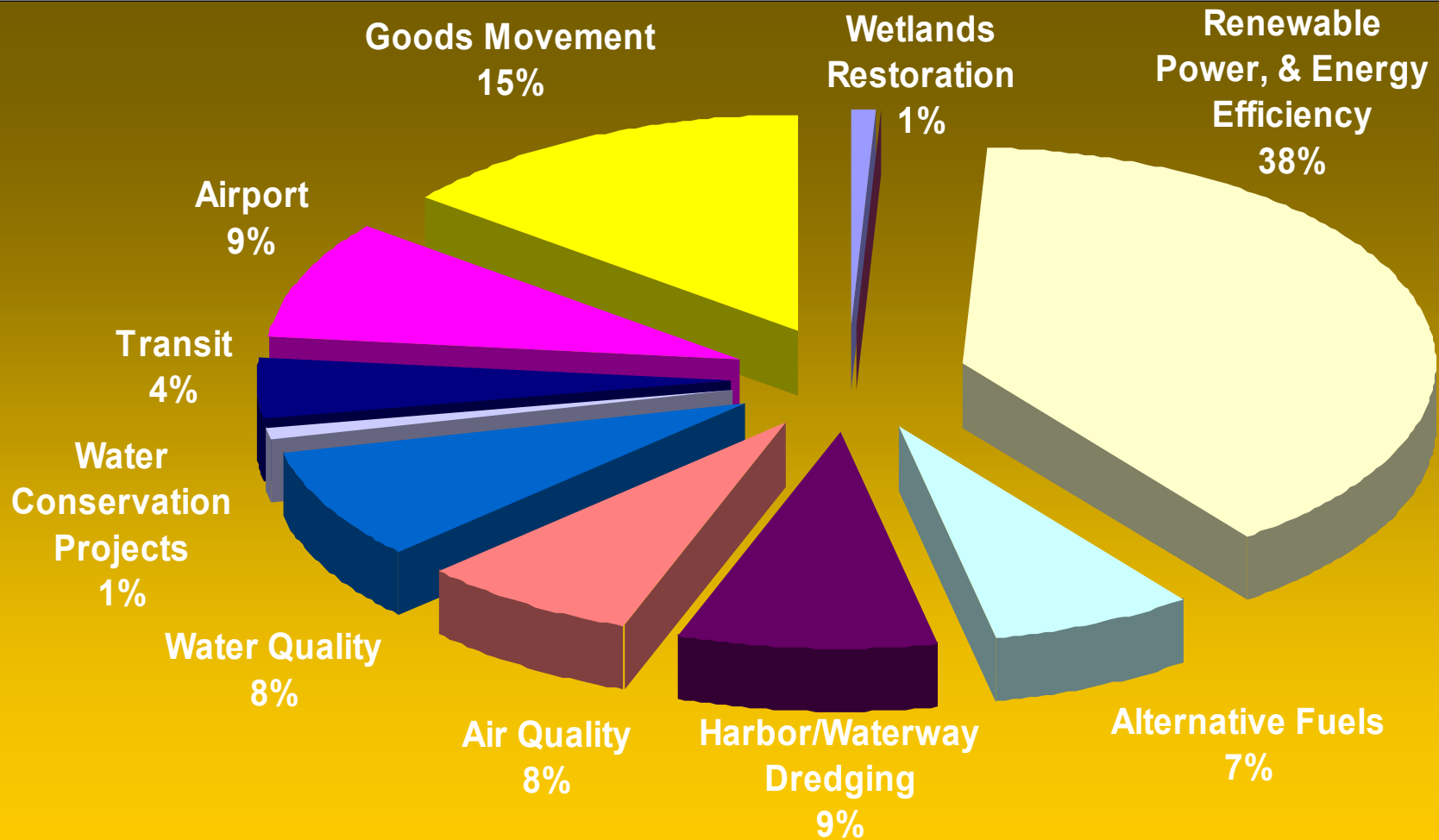
Current estimate for competitive grants across all departments is approximately \$606 million.*

Wetlands Restoration	\$	5,200,000
Public Safety	\$	439,406
Renewable Power & Energy Efficiency	\$	253,080,084
Alternative Fuels	\$	45,625,000
Harbor/Waterway Dredging	\$	57,900,000
Air Quality	\$	50,000,000
Water Quality	\$	53,950,000
Water Conservation Projects	\$	5,170,000
Transit	\$	28,512,890
Airport	\$	58,000,000
Goods Movement	\$	94,700,000
Total	\$	606,952,380

*Total is subject to frequent change and includes enterprise fund projects.



Competitive Grant Awards



Though public safety competitive grants make up less than 1% at this time, overall Fire and Police Department funding is supplemented by large formula grant awards.



Community Partners

- The Stimulus bill contains funding potential for various entities in the region including the City of Long Beach, Port of Long Beach, Long Beach Water, Long Beach Transit, local hospitals, Southern California Edison, Long Beach City College Long Beach Unified School District, the Community Action Partnership, California State University, and others

Large, regional projects that create jobs and push sustainability have the best chances for funding.

- Collaborate in the area of Green Jobs with the Workforce Investment Board and the Long Beach City College.
- Joint request from the Gateway COG to outfit 9,000 stormwater catchbasins to significantly reduce trash flowing into the LA River.



Council Action Items

Council critical to success of maximizing stimulus dollars, through the following:

1. Setting general policy guidelines for City Council priorities;
2. Ensuring that the City is able to process and access funds in a smooth and efficient manner.
3. Advocating for the City's requests to government agencies; and
4. Approving all final acceptance of grant dollars.



Next Steps

- Departments will continue to apply for stimulus dollars and keep the City Council apprized of implementation guidelines.
- Staff will continue to keep the City Council informed of the status of Long Beach projects.
 - ✓ Staff continue to revise the draft list and will resubmit the list to the City Council in the next 2-3 weeks.
- Staff will engage partner organizations to identify opportunities for joint action.
- Staff will return to the City Council per existing City policy with each awarded grant for matching requirement approval, final grant acceptance and authorization to spend funds.

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