



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL
From the CITY MANAGER

DATE: February 27, 2024

SUBJECT: RESOLUTION APPROVING PHASE 4 EXPENDITURE RECOMMENDATIONS FROM THE CITY COUNCIL AMERICAN RESCUE PLAN ACT AD-HOC SUBCOMMITTEE INCLUDING:

DESCRIPTION: ADDITIONAL TRAFFIC CALMING FOR NEIGHBORHOOD STREETS, SHALLOW SUBSIDY PROGRAM FOR RENT BURDENED SENIORS, EXPANDED PUBLIC ARTS, ADDITIONAL COMMERCIAL FAÇADE IMPROVEMENT GRANTS, AND STORM DRAIN IMPROVEMENTS

ISSUING DEPARTMENT: City Manager's Office, and Subcommittee Members Laura Lothian and Colin Parent

SUMMARY:

Issues:

Should the City Council authorize proposed Phase 4 funding allocations recommended by the City Council American Rescue Plan Act Ad-Hoc Committee?

Recommendation:

Adopt a Resolution to authorize the proposed Phase 4 American Rescue Plan Act expenditures of \$2,050,570 from the City Council American Rescue Plan Act Ad-Hoc Subcommittee, to include:

- Citywide Traffic Calming Measures
- Shallow Subsidy Housing Program for Seniors
- Artists to Work Public Art Program
- Commercial Façade and Property Improvement Grant Program
- Boulevard Drive and 69th Street Storm Drain Infrastructure Capital Project

Fiscal Impact:

The City received \$10,826,584 of American Rescue Plan Act funding in two separate tranches from the Federal Treasury. Remaining funding in the amount of \$2,050,570 for Phase 4 expenditures is available. The City has until December 21, 2026 to expend all ARPA funds.

City's Strategic Goals:

- Maintain a community where residents and visitors feel safe.
- Invest in infrastructure to serve the needs of the community.

BACKGROUND:

On March 11, 2021, the American Rescue Plan Act of 2021 ("ARPA") was signed in to law. ARPA provided funding to local governments for numerous programs to address the negative impacts of the pandemic, provide support for eligible workers, provide fiscal recovery funds to replace lost local municipal revenue, and provide funding for capital infrastructure projects. ARPA included \$350 billion in financial assistance to state and local governments. The amount of monetary aid to local governments was determined by a modified U.S Department of Housing and Urban Development's Community Development Block Grant ("CDBG") formula that considered factors such as population, poverty level, and housing instability. La Mesa's allocation totaled \$10,826,584, and the City has a remaining balance of \$2,050,570 that must be programmed.

DISCUSSION:

The City Council formed the City Council ARPA Ad-Hoc Subcommittee ("Subcommittee") to consider eligible ARPA expenditures and provide recommendations to the City Council. Over the past several months, Vice Mayor Lothian and Councilmember Parent have worked with staff to identify projects for the remaining funding. The proposed Phase 4 expenditures include recommendations for traffic calming measures throughout the City, a Shallow Subsidy Program to assist La Mesa's senior residents that are severely rent burdened, funding for an Artists to Work Public Art Program, additional funding for the successful Commercial Façade and Property Improvement Program, and additional funding for the Boulevard Drive and 69th Street Storm Drain Infrastructure Capital Project.

Phase 4: City Council Ad-Hoc Subcommittee Recommendations

Citywide Traffic Calming Measures: Traffic calming is the slowing of traffic on residential streets to discourage speeding by either resident's themselves or cut-through

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traffic from motorists avoiding major arterial streets or signalized intersections. Traffic calming tools can be simple street design features such as speed limit signs and pavement markers to speed humps, traffic chokers, and medians/islands that cause motorists to drive with more care, to drive more slowly, or drive via another route. These tools, combined with pedestrian enhancements, help to create a more traffic calmed neighborhood with safer streets for all modes of transportation.

The Subcommittee worked with staff to review the 2023 Neighborhood Traffic Management Program to select streets from the program designated as high priority based on City Council direction. Below are the identified streets:

- Dugan Avenue
- Highwood Avenue
- Merritt Boulevard
- Van Horn Street
- 73rd Street
- El Paso Street (two segments)
- Lois Street
- Rolando Knolls
- 68th Street

The level of improvements will depend on previous actions taken to calm traffic, the physical characteristics of the roads, and feedback from impacted neighborhoods. The recommended funding for Citywide Traffic Calming Measures is \$737,150.

Shallow Subsidy Housing Program for Seniors: In 2021, Serving Seniors, a San Diego based non-profit organization, conducted a needs assessment survey for seniors who were experiencing homelessness or at-risk of becoming homeless. The needs assessment survey found that an additional \$300 a month was the difference for over 50% of those surveyed of becoming homeless. In 2023, just over 25% of individuals engaged by La Mesa's HOME Team were over the age of 55, and the number of seniors entering into homelessness keeps increasing. Many seniors are on a fixed income and no longer have the ability to increase earnings. In an effort to improve housing stability for La Mesa's seniors, the subcommittee recommends establishing a Shallow Subsidy Program. In 2022, the County of San Diego approved a Shallow Subsidy Program that is being implemented and evaluated to determine its long-term effects. The City of San Diego approved a similar program. Both programs were informed by research from Serving Seniors, a local nonprofit. La Mesa's recommended Shallow Subsidy Program will mirror the County's program and provide a \$500 monthly subsidy to low-income seniors who are rent-burdened. Below is a summary of the recommended program:

- Monthly \$500 subsidy will be paid directly to the landlord and/or Property Manager
- Head of household must be 55 years of age or older
- Household must be at or below 50% of the Area Median Income (AMI)
- Household must be severely rent-burdened (50% of income going to rent) as defined by Department of Housing and Urban Development

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If approved, staff will seek assistance from an outside agency to implement the program. The recommended funding for the Shallow Subsidy Program for Seniors is \$300,000, and is anticipated to assist 27 seniors.

Artists to Work Public Art Program: In 2023, the City established a Policy for Public Arts to encourage the creation of and access to public art, enhance neighborhood identity, encourage economic development, and support the local arts community. In support of the Policy, the subcommittee recommends creating an Artists to Work Public Art Program that will provide stipends to artists to create public art throughout the City. Funding for the Program will be equally distributed throughout the City by utilizing the City's existing Street Maintenance Zones. Staff will work with the Arts and Culture Commission to create the program and to encourage a variety of arts. The recommended funding for the Artists to Work Public Art Program is \$250,000.

Commercial Façade and Property Improvement Grant Program: As part of the Phase 3 ARPA approved expenditures, on September 27, 2022 the City Council approved the Subcommittee's recommendation to fund the Commercial Façade and Property Improvement Grant Program in the amount of \$500,000. The two-year pilot program provides funding up to \$25,000 per applicant for exterior façade improvements such as new signage, new awnings, painting and landscaping. The program provides the initial \$5,000 as a reimbursable grant with no matching requirement with any funding in excess of \$5,000 requiring a 50% match.

The grant program has been successful to date with thirteen businesses completing projects and receiving grant funding. A remaining sixteen businesses are currently working on completing their projects. A waiting list of approximately ten applicants is being maintained by staff to utilize any unused funding that may become available from funded projects. Due to the success of the program, it's positive impact on the business community, and the high level of interest from business and property owners, the Subcommittee recommends the City Council authorize an allocation of \$250,000 to continue the program.

Boulevard Drive and 69th Street Storm Drain Infrastructure Capital Project: Phase 3 ARPA approved expenditures also included \$2 million in funding for the Boulevard Drive and 69th Street Storm Drain Infrastructure Capital Project. The intersection of Boulevard Drive and 69th Street, near the Kroc Center and the City's border with the City of San Diego, experiences significant flooding as it collects runoff during rain storms, including during the recent storms. The project includes the construction of an approximately 200-foot long storm drain box culvert within Boulevard Drive, 69th Street, and a portion of the Kroc Center parking lot.

The total project cost is estimated at approximately \$4.5 million. The City received a \$1.3 million grant from the State for this project to offset costs that must be encumbered this year. Wastewater and street resurfacing funds are also being used to fund the project. The Subcommittee recommends the City Council authorize an allocation of \$513,420 for Phase 4 expenditures for this project. With the funding sources identified above, including the \$2 million approved in Phase 3 and the recommended funding for Phase 4, staff anticipates the project will be fully funded.

CONCLUSION:

As reflected in the table below, the Subcommittee recommends expenditures on programs that improve transportation safety, assist seniors in need of rental assistance, provide for public art programs, add additional funding for the façade grant program, and fund important infrastructure improvements.

ARPA Phase 4 Expenditure Recommendations:

Expenditure Category	Proposed Amount
Citywide Traffic Calming Measures	\$737,150
Shallow Subsidy Program for Seniors	\$300,000
Artists to Work Public Art Program	\$250,000
Commercial Façade and Property Improvement Grant Program	\$250,000
Boulevard Drive and 69 th Street Storm Drain Infrastructure Capital Project	\$513,420
Total ARPA Funds for Phase 4	\$2,050,570

If the Phase 4 expenditure recommendations are approved, the City will have allocated all of its remaining ARPA funding. The City has until December 21, 2026 to expend all ARPA funds.

Reviewed by:



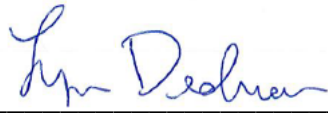
Greg Humora
City Manager

Respectfully submitted by:



Amanda Lee
Assistant City Manager

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A handwritten signature in blue ink that reads "Lyn Dedmon". The signature is written in a cursive style with a horizontal line underneath it.

Lyn Dedmon
Assistant to the City Manager

Attachments:

A. Resolution