



DIANNE JACOB

CHAIRWOMAN

**SUPERVISOR, SECOND DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS**

AGENDA ITEM

DATE: March 3, 2009

TO: Board of Supervisors

**SUBJECT: AUTHORIZATION TO APPLY FOR AND ACCEPT FUNDS FROM
2009 RECOVERY ACT PROGRAMS (DISTRICT: 2)**

SUMMARY:

Overview

The American Recovery and Reinvestment Act of 2009 (Recovery Act), also known as the Economic Stimulus Plan, was approved by both houses of Congress on February 13, 2009 and signed into law by President Obama on February 17, 2009.

The \$787 billion Recovery Act seeks to jumpstart the national economy by infusing funds into infrastructure projects to create jobs during the economic crisis. Preference will be given to projects that can begin and be completed quickly, in some programs defined as obligated within 120 days. In addition to this short-term stimulus, the Recovery Act also seeks to modernize health care, improve schools, modernize infrastructure, and invest in clean energy technologies for the future.

The \$787 billion Recovery Act is broken into the following broad categories: \$288 billion for tax relief; \$144 billion for state and local fiscal relief; \$111 billion for infrastructure and science; \$81 billion for protecting the vulnerable; \$59 billion for health care; \$53 billion for education and training; \$43 billion for energy; and \$8 billion for other activities and programs.

The Recovery Act is anticipated to provide billions of dollars statewide through various programs. Funding must go out swiftly to begin projects, or it may revert to other states and local areas. To ensure that County programs are prepared to react quickly to opportunities for funds, this is a request for approval to apply for and accept funding for programs related to the Recovery Act. Upon issuance of the various Notice of Funds Availability (NOFA) by federal, state and regional agencies, the County will develop and submit requests for specific projects related to the various programs. If funding is approved, staff will promptly complete

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contracts and related documents to accept the funds, return to the Board for any necessary related actions, and begin work on the local projects. Staff will keep the Board and the public apprised of the funding being sought on a quarterly basis.

Recommendation(s)

CHAIRWOMAN JACOB:

1. Authorize the Chief Administrative Officer or his designee, to complete and submit all documentation necessary to apply for and accept grant funds from the Recovery Act.
2. Adopt the resolution entitled “Resolution of the County of San Diego Board of Supervisors Authorizing the Application For and Acceptance of American Recovery and Reinvestment Act of 2009 Funds”.
3. Authorize the Director, Department of Public Works, to approve and submit traffic and transportation projects and include them in the Regional Transportation Improvement Program; and to submit them directly to SANDAG, and execute and submit any other related documents to ensure that those projects are included in the State Transportation Implementation Plan and become eligible for federal stimulus funding.
4. Waive Board Policy B-29, Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery.
5. Authorize the Chief Administrative Officer or his designee(s), as agent of the County, to conduct all negotiations and submit all documents including, but not limited to, applications, contracts, and payment requests; and, to execute funding agreements upon award of funds, including any extensions or amendments thereof.
6. In accordance with Article XXIII, Section 401, et seq. of the County Administrative Code, authorize the Director, Department of Purchasing and Contracting, to issue Competitive Solicitations, award contracts, amend existing contracts as needed to reflect changes to services and funding, for consultant and contractor services and take other actions as necessary to maximize the County’s position to receive Recovery Act funding.
7. Direct the Chief Administrative Officer to report to the Board on a quarterly basis the status of grant awards and funding resulting from Recovery Act activities.

Fiscal Impact

This is a request to receive authorization to apply for and accept Recovery Act grants and/or financing subsidies. In general, Recovery Act funds are anticipated to flow

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through existing programs and will not require a local match. Any appropriation adjustments necessary to carry out the awarded Recovery Act projects will be brought to the Board for approval along with any other Board actions that may be required to initiate the projects. Should any of the Recovery Act programs require local matching funds or other commitments by the County and accepting the terms appears to be in the best interest of the County, staff will return to the Board to request specific approval.

Business Impact Statement

N/A

Advisory Board Statement

N/A

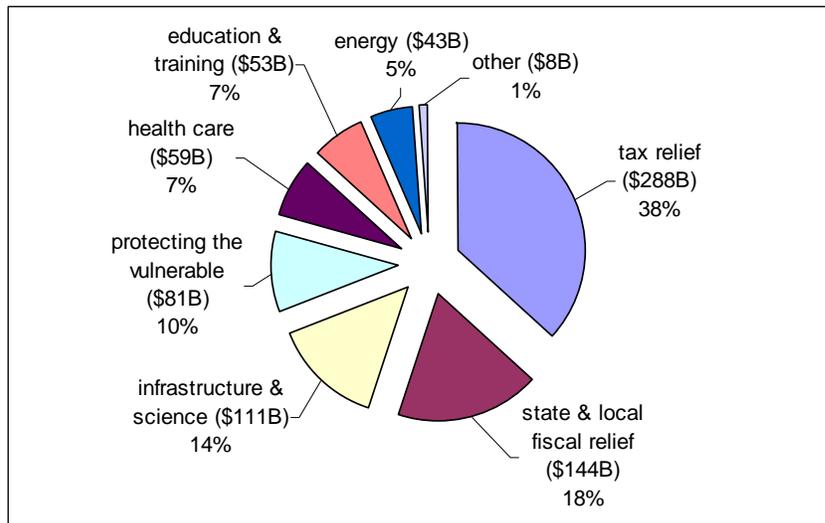
BACKGROUND:

An unprecedented \$787 billion Economic Stimulus, the American Recovery and Reinvestment Act of 2009 (Recovery Act) was approved by both houses of Congress on February 13, 2009 and signed into law by President Obama on February 17, 2009.

The \$787 billion Recovery Act will infuse funds into infrastructure projects to rapidly create jobs in an effort to jumpstart the national economy during the recent downturn. The general provisions of the Act (Title XVI Section 1602) state that “in using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act. Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit.”

In addition to this short-term stimulus, the Recovery Act also seeks to modernize health care, improve schools, modernize infrastructure, and invest in clean energy technologies for the future. A breakdown of the broad categories of expenditures in the \$787 billion Recovery Act is depicted in the figure below.

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Recovery Act funds will be geared for performance and distributed through extraordinary transparency and accountability. The federal government has established a website (www.recovery.gov), specified by provisions in the Recovery Act, to track funds as they are dispersed and for recipients to report use.

The Recovery Act provides opportunities for the County, businesses and other local entities to receive significant funds in the form of grants and/or financing subsidies. The County may apply for these funding opportunities where appropriate:

Agriculture and Rural Development

- Wildfire mitigation and land management.
- Discretionary grants and loans for rural drinking water and wastewater treatment facilities.
- Loans to farmers.
- Competitive grants and loans for distance learning, telemedicine and broadband programs.
- Financing to local governments, nonprofit corporations and Indian Tribes for infrastructure projects, including health care facilities, emergency services, libraries and other community needs.

Commerce, Justice and Science

- Funding distributed by formula to regions and then by competitive grants within regions for economic development assistance.
- Competitive grants to state and local governments, nonprofits and public-private partnerships for broadband technology.
- Competitive grants to develop and implement statewide strategies to identify and track adoption and availability of broadband.
- Formula grants to state and local governments for Byrne Justice Assistance Grants.

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- Competitive peer-reviewed grants to state, local and tribal governments and national, regional and local non-profit organizations for Byrne Justice Assistance Competitive Grants.
- Competitive awards for drug enforcement and other law enforcement programs in rural states and rural areas, including hiring police officers.
- Competitive grants to local governments for hiring of additional law enforcement officers for Community Oriented Policing.
- Funds to state and local governments holding federal detainees.
- Competitive grants to state and local governments for investigations for Internet Crimes Against Children Task Force.
- Formula and competitive grants for state and local governments for STOP Violence Against Women Formula Grants and Transitional Housing Assistance.

Energy and Water Development

- Discretionary grants to accelerate ongoing work or begin new projects that can be completed in one year with Army Corps of Engineers.
- Discretionary grants for development, maintenance, management and restoration of water and related natural resources funding.
- Formula and competitive grants for Energy Efficiency and Conservation Block Grants.
- Formula and discretionary grants for State Energy Program.
- 30 pilot grants through the Clean Cities program to states, local governments, metropolitan transportation authorities, air pollution control districts or private and non-profit entities for the purchase of alternative fuel vehicles, fuel cell or hybrid vehicles, including buses for public transportation.
- Competitive grants for states, local governments and transportation agencies for qualified electrification projects that reduce emissions, including shipside electrification of vehicles, truck stop electrification, airport ground support equipment and cargo handling equipment.
- Formula grants to states with pass-through to local communities for weatherization assistance.

Financial Services

- Discretionary funding to Community Development Financial Institutions (community development banks, credit unions, venture capital funds, revolving loans) to invest in affordable housing, small businesses and community development in underserved communities.
- Expands existing loan programs to increase government financing of small businesses.

Homeland Security

- Formula grants to state and local governments to upgrade security for infrastructure assets, including transit, rail, Amtrak and port security.
- Competitive grants to fire departments for projects that support homeland security.

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- Loans to communities that have had their local economy significantly impacted when the President declares a disaster.

Environment and Interior

- Competitive grants to state and local governments for Brownfields environmental site assessment and cleanup.
- Funding for cleanup at existing superfund sites and to initiate construction at new sites.
- Grants to state and local governments through the Leaking Underground Storage Tank Trust Fund.
- Formula grants to states for Clean Water State Revolving Fund.
- Formula grants to states to capitalize the Drinking Water State Revolving Fund.
- Competitive grants and loans to state and local governments to reduce diesel emissions under Diesel Emissions Reduction Act (DERA).
- Improvements for parks, trails, and public lands.
- Funding to promote water conservation, improve energy efficiency, address aging water infrastructure, and meet endangered species requirements through improvements such as fish screens and fish passage projects.
- Funding to National Park Service to preserve and protect national icons and historic landscapes, improve energy efficiency and renewable energy use at park units throughout the nation, improve roads for more than 275 million visitors, remediate abandoned mines sites on park units, and provide historic preservation funding to protect and restore buildings at historically black colleges.
- Funding to US Fish & Wildlife Service to improve energy efficiency and renewable energy use on refuges and other facilities throughout the nation; restore wetlands, riparian habitat, endangered species habitat, and other important landscapes; and restore and rehabilitate facilities that are crucial to the management and restoration of wildlife and fisheries.
- Funding to Bureau of Indian Affairs to replace and upgrade Indian schools that will benefit the 47,000 Indian children who are educated in these schools.
- Funding to Bureau of Land Management to expand its capacity to authorize renewable energy development on public lands while ensuring environmental protection of these areas, remediate abandoned mines, restore native plants and animals including sage grouse habitat.
- Funding to US Geological Survey to restore and rehabilitate laboratories and research facilities, improve energy efficiency of facilities, and modernize stream gauges that are critical for monitoring streamflow and providing information that is extensively utilized by water managers and the public.

Labor, Health and Human Services

- Formula and discretionary grants to states for Job Training, YouthBuild, and worker training in high growth industries.

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- Formula and discretionary grants for construction and renovation of facilities and IT equipment for public health centers, including community health centers.
- Formula grants to states for Childcare Development Block Grants.
- Formula grants to states with a 90 percent pass-through to local community action agencies, for Community Services Block Grants.
- Formula Grants to states for Senior Nutrition Programs.
- Funding for the National Coordinator for Health Information Technology to invest in health IT architecture.

Education

- States receive funding based on a population formula to enhance local school budgets. Funds can be used for programs and school modernization/construction.
- Funding to states to provide assistance to schools not making adequate yearly progress for at least two years.
- Formula grants to states to make awards to local education agencies (LEAs), especially in high poverty areas, for local school performance improvement.
- Construction grants both by formula and competition to LEAs that educate federally-connected students or have federally-owned land.
- Formula grants to state education agencies (SEAs) that are required to pass-through 90 percent of the funding to LEAs to integrate technology into the curriculum.
- Formula grants to states for Education for Homeless Children and Youth
- Formula grants to states to provide special education and related services to children with disabilities.

Military Construction

- Funding for cleanup activities at closed defense base installations dating back to the 1988 round.

Transportation

- Discretionary grants for airport construction projects.
- Funds distributed by formula to states through Highway Program with a portion suballocated to metropolitan areas.
- Supplemental discretionary grants for surface transportation projects of national, regional, metropolitan area impact.
- Urbanized and rural formula grants to make transit systems more energy efficient.
- Discretionary grants for intercity passenger rail and high speed rail.

Housing and Urban Development

- Formula and discretionary grants for public housing authorities.
- Formula grants for Community Development Block Grants Program.
- Formula funding for state and local governments to expand supply of affordable housing to low- and very low-income people through Home Investment Partnerships.

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- Competitive grants to state and local governments and non-profit entities to redevelop abandoned and foreclosed homes.
- Funding for owners of property receiving Section 8, Elderly or Disabled Funds for Assisted Housing Stability and Energy and Green Retrofit Investments.
- Formula grants to state and local governments for short term rental assistance, housing relocation, and stabilization services for homeless families and those at risk of being homeless.
- Competitive grants to state and local governments for Lead-Based Paint Hazards.

The Recovery Act may provide billions of dollars statewide through various programs such as those listed above. Additional financing subsidies to support infrastructure projects, clean energy initiatives and general economic relief for local businesses are also included in the Recovery Act. Funding must be obligated swiftly to begin projects, or risks reverting to other states and local areas. Funding is anticipated to be infused into existing programs with no required match funds to expedite distribution. The County is establishing a multi-discipline team to coordinate efforts and to proactively seek efficiencies to expeditiously respond to funding opportunities. This is a request for approval to apply for and accept funding from Recovery Act programs to ensure that County programs are prepared to react quickly to funding solicitations and awards. Upon issuance of the various Notice of Funds Availability (NOFA) by federal, state and regional agencies, the County will develop and submit requests for specific projects related to the various programs. If funding is approved, staff will promptly complete contracts and related documents to accept the funds, return to the Board for any necessary related actions, and begin work on the local projects.

The proposed action includes a request to waive Board Policy B-29, *Fees, Grants, Revenue Contracts – Department Responsibility for Cost Recovery* because, while the policy authorizes departments to seek broad authority from the Board to seek grant funds, it also specifies that departments must identify the programs or projects for which grants will be sought, the amount of grant funds being sought, whether and in what form a local match will be required, implications for future staffing, operations and maintenance costs, and the overall value to the County and its residents if the grant funds were to be received. At this time, only the general categories of funding availability as listed above are known. It is anticipated that Recovery Act programs will not require a local match, but requirements will not be defined until the federal, state and regional administering agencies develop guidelines for each specific program and the County identifies specific projects. Early authorization to apply for and accept grant funding under the various Recovery Act programs will allow the County to be more competitive with other applicants for funding.

Environmental Statement

The action is not a project under California Environmental Quality Act (CEQA) because there is no guarantee that grant funding for any particular project will be approved. If grant funding is awarded for a specific project, staff will return to the Board to appropriate the grant funds. The

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appropriate CEQA review will be done before the Board appropriates the funds, and the Board will make the appropriate CEQA findings when the Board appropriates the funds.

Linkage to the County of San Diego's Strategic Plan

The passage of the Recovery Act to stimulate the national economy has the potential to provide the County with vital funds that further all three Initiatives: Kids, Environment, and Safe and Livable Communities. All residents of San Diego County will benefit from additional Recovery Act funds to the region.

Respectfully submitted,

DIANNE JACOB
CHAIRWOMAN
Supervisor, Second District

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AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

| | | |
|--|---|------------------------------|
| COUNTY COUNSEL REVIEW | <input checked="" type="checkbox"/> Yes | |
| Written Disclosure per County Charter Section 1000.1 Required | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| GROUP/AGENCY FINANCE DIRECTOR | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| CHIEF FINANCIAL OFFICER | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| Requires Four Votes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| COUNTY TECHNOLOGY OFFICE | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |
| DEPARTMENT OF HUMAN RESOURCES | <input type="checkbox"/> Yes | <input type="checkbox"/> N/A |

Other Concurrence(s): Department of Purchasing and Contracting

ORIGINATING DEPARTMENT: District 2, Board of Supervisors

CONTACT PERSON(S):

Bob Spanbauer

Name

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Phone

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A 500

Mail Station

E-mail

Name

Phone

Fax

Mail Station

E-mail

AUTHORIZED REPRESENTATIVE: _____

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AGENDA ITEM INFORMATION SHEET
(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

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FISCAL IMPACT STATEMENT

DEPARTMENT: [Click here and type]

PROGRAM: [Click here and type]

PROPOSAL: [Click here and type]

| | FUTURE YEARS ESTIMATED BUDGET OF PROPOSAL IF ADOPTED | | | | |
|----------------------------------|--|---|---|---------------------------|---------------------------|
| | (a) | (b) | (c) | (d) | (e) |
| | Budgeted Amount For Proposal | Proposed Change in Budgeted Amount | Proposed Revised Current Year Budget (a+b) | 1st Subsequent Year | 2nd Subsequent Year |
| Direct Cost | | | | | |
| Revenue/Other Offset | | | | | |
| NET GENERAL FUND COST | | | | | |
| Staff Years | | | | | |

Sources of Revenue/Other Offset for Proposed Change and Subsequent Years:

Space-Related Impacts: Will this proposal result in any additional space requirements? Yes N/A

Support/Other Departmental Impacts: Yes N/A

Remarks: Yes N/A