Agenda Item No.: **41.**

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: MARCH 18, 2009

DEPARTMENT: CITY MANAGER
DIRECTOR: ELIZABETH N. FRETWELL ☐Consent ☒ Discussion

SUBJECT:
ADMINISTRATIVE:

Report and possible action regarding the American Recovery and Reinvestment Act and its possible benefit to the City of Las Vegas - All Wards

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:
The American Recovery and Reinvestment Act, a.k.a., the stimulus bill, was signed into law on February 17, 2009. The bill proposes to invest an estimated $787 billion in federal funds in states and communities over 10 years. Priorities of the stimulus bill are infrastructure modernization; promoting clean, efficient energy; helping Americans hurt by the economy; supporting education and training; and transforming the economy through science and technology. The City of Las Vegas has formed an inter-departmental committee on how funds could be captured for city priorities and how best to benefit the citizens of Las Vegas.

RECOMMENDATION:
Receive report and direct staff accordingly.

BACKUP DOCUMENTATION:
Submitted after Meeting PowerPoint Presentation of American Recovery and Reinvestment Act Report by Staff

Motion made by GARY REESE to Accept the report

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 2
RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-STEVEN D. ROSS, DAVID W. STEINMAN)

Minutes:
In response to direction from CITY MANAGER ELIZABETH FRETWELL, SCOTT ADAMS, Director of the Office of Business Development, stated that he had coordinated the Citys efforts among the different departments to help the City access the funds available through the

American Recovery and Reinvestment Act (ARRA) recently approved the U.S. Congress. Using a PowerPoint presentation which was later submitted for the record, MR. ADAMS stated the ARRA provided $787 billion in funding opportunities for the entire nation with approximately $1.05 billion allocated for Nevada. The City could request funds through the federal government, the state government or receive direct funding from the federal government. The funding distributions formulas will be provided to the Council in an upcoming City Manager report. He pointed out the incredible size and scope of the ARRA and noted that details were not yet available as the federal agencies involved had not yet established the rules and regulations governing the process.

MR. ADAMS thanked ROMEO BETEA, Economic Development Manager, for his efforts in gathering the information presented in this report. MR. BETEA had been designated as the Citys ARRA Czar and was meeting with different representatives in Washington, D.C., to gather more information on obtaining and managing these funds.

The funds will be dispersed over a two to three year period by the federal government through increased funding to existing programs. The City could obtain funds through existing entitlements or competitive processes.

MAYOR GOODMAN wondered what options the City has in the event the Governor chooses to reject the funds, stating the City should seek as much of the funding as possible. MR. ADAMS responded that the Citys Grant Coordinating Committee would carefully examine each federal request to ensure that the City is not overextending itself financially by accepting the stimulus funds. CITY MANAGER FRETWELL clarified that each grant would be evaluated to ensure they align with the Councils initiatives and suggested this was the challenge facing many state governors.

MR. ADAMS informed COUNCILMAN WOLFSON that the calculations estimating what impact the stimulus funds would have on the Citys unemployment rate had not yet been done, but estimated that the construction unemployment could be reduced by half of a percentage point. The ARRA contains several tax provisions which grant favorable tax treatment if specific conditions are met. The City could also compete against other states and municipalities for grants. A Stimulus Grant Coordinating Committee had been formed to inventory key programs and identify competitive and non-competitive funding. A lead in each department had been selected in an effort to collaborate between departments and ensure the City is able to obtain as much funding as possible.

STEVE HARSIN, Director of Neighborhood Services, stated the Emergency Shelter Grant would allocate $2.1 million to the City for foreclosure intervention and emergency housing assistance. Another $30 million is available through a competitive funding process and would target communities affected by the foreclosure crises. The $30 million is a projected figure based on the changing dynamics of the foreclosure crisis. As an example, he noted that some

homeowners who had participated in previous foreclosure interventions were defaulting on their loans for a second time. As a result, the banks were changing their approach, forcing the City to also change its approach.
MR. HARSIN acknowledged that the City had received $20.6 million from the US Department of Housing and Urban Development (HUD) with the goal of getting the Homebuyer's Assistance Program off the ground. The programs should begin in April and be underway by May or June 2009.

Regarding Workforce Training, MR. HARSIN stated the City would be competing for approximately $8.5 million which would be targeted for youth/adult employment and dislocated workers. These programs would be developed in partnership with the Southern Nevada Workforce Investment Board. A direct allocation of $1.38 million was expected for the City for construction and infrastructure projects. Those projects would be considered by the City's Capital Improvement Projects Committee with final approval by the City Council.

JORGE CERVANTES, Director of Public Works, noted that transportation funding was being funneled through existing federal agencies. The $135 million allocated to the Nevada Department of Transportation had stipulations including the requirement that half of the monies must be spent within 120 days or it goes back to the federal government. The Regional Transportation Commission of Southern Nevada (RTC) will receive $25 million for projects that will directly benefit the City. The City will receive $10 million for rehabilitation projects such as traffic signals, repainting or repaving projects. He added that the City had several projects ready in the event funding becomes available as a result of other states' inability to utilize those funds.

TOM PERRIGO, Deputy Director of the Planning and Development Department, noted the ARRA provided funding for the Energy Efficiency and Conservation Block Grant and the City has already implemented several policies and programs aligned with the grants. Based on existing formulas, the City is projected to receive $3.5 to $5 million. Additional funding had been provided for the Clean Renewable Energy Bonds and Conservation Bonds. These three programs would help develop community energy projects, public facilities and reduce the Citys and the communitys energy consumption and greenhouse gas emissions.

MR. PERRIGO explained that the money for the Energy Block Grants goes to the Department of Energy and then flows to the City directly, based on existing entitlements. The formula is based on population as defined by law and he described in detail how the money would be distributed.

MR. ADAMS stated the Office of Business Development (OBD) was examining the new bond programs and how they could be applied to City projects. New Market Tax Credits were being examined for possible use in connection with the Mob Museum. Working with the Public Works Department, Economic Development Administration Funding would be examined for use in the Redevelopment Area. Staff would continue to work with STATE SENATOR STEVEN HORSFORD on his Green Jobs Bill for the development of a Green Jobs Incubator and a renewable energy improvements training and construction program.

MR. ADAMS noted that Federal Emergency Management Agency (FEMA) grants were available through the Department of Homeland Security and the City would be seeking those funds for new fire stations. Additionally, the State Fiscal Stabilization Fund would be examined as a possible source of funding for equipment and vehicles. Competitive grants would be examined as potential funding for expanding public computer centers capacity, Geographic Information Systems and inmate/relative connectivity web services. The City had been allocated $6.4 million in support of the criminal justice system and the City would work with the Las Vegas Metropolitan Police Department to coordinate the funding allocations.

MR. ADAMS stated the Coordinating Committee would be meeting on a bi-weekly basis as the funds become available. The ARRA programs would be closely monitored with information available on the City Intranet. The Grant Committee will review all requests prior to submittal to ensure that the funds result in a net benefit to the City and are aligned with the Councils priorities.