

BUDGET AND FINANCE COMMITTEE REPORT relative to the grant closeout and reallocation of American Rescue Plan Act (ARPA) funding.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the reallocation of \$130,219.42 between ARPA projects, as detailed in Revised Table contained in the City Administrative Officer (CAO) Amendment dated October 6, 2026, attached to the Council file.

2. AUTHORIZE the Controller to:

a. Transfer appropriations in the total amount of \$93,138.92 into a new appropriation account within the ARPA Business Assistance Programs Fund No. 64N as follows:

Transfer From:

Fund No. 64N/22, Account No. 22Y842 – Contract Ready LA: \$25.36

Fund No. 64N/22, Account No. 22V5AC – LA Optimized Program: \$1,881.64

Fund No. 64N/22, Account No. 22V833 – JEDI Zone Program Business Assistance: \$91,231.92

Total: \$93,138.92

Transfer To:

Fund No. 64N/21, Account No. 21E121 – Community Investment (New): \$93,138.92

b. Increase appropriations up to \$93,138.92 within the Community Investment Department (CID) Fund No. 100/21, Account No. 001010, Salaries General, to be funded by the ARPA Business Assistance Program Fund No. 64N/21 for administrative costs relative to ARPA-funded programs.

c. Disencumber up to \$28,622.86 in Fiscal Year (FY) 2021-22 encumbered balances for Contract Nos. C-138702, C-138714, C-138723, C-138699, C-138609, and C-138610 within the ARPA Business Assistance Programs Fund No. 64N/22, Account No. 22V839, Business Assistance Program Costs, and process an early reversion of the disencumbered amount to the Reserve Fund No. 101/62.

d. Appropriate \$37,080.53 from the available Cash Balance within the Digital Inclusion Fund No. 65Q/50 to the Department of Public Works, Bureau of Street Lighting (BSL) Fund No. 100/84, Account No. 001010, Salaries General, to provide funding for administrative costs related to ARPA-funded programs.

3. AUTHORIZE the General Manager, CID, and the Director, BSL, or designee, to make technical corrections to transactions included in the CAO report dated September 15, 2026, attached to the Council file, subject to the approval of the CAO, to implement the Mayor and City Council intentions.

Fiscal Impact Statement: The CAO reports that there is no General Fund impact as a result of the recommendations in the report. The recommendations in the report will authorize the reallocation of ARPA funding in preparation for the final grant closeout.

Financial Policies Statement: The CAO reports that the recommendations in the report comply with the City's Financial Policies in that grant funds will be utilized for grant-eligible activities.

Community Impact Statement: None submitted

SUMMARY

At its meeting held on October 6, 2026, your Budget and Finance considered the CAO report, dated September 15, 2026, relative to the closeout of the ARPA grant and reallocation of project cost savings from the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund (SLFRF). The SLFRF savings will be reclassified for eligible purposes to other preexisting SLFRF projects, including staffing costs, by December 31, 2026. The CAO's Office requested an Amendment, which was accepted by Councilmember Blumenfield and seconded by Councilmember McOsker, to authorize an increased reallocation of \$130,219.42 between ARPA projects as detailed in the Revised Table contained in said Amendment. The revised transfer amount from Fund No. 64N/22, Account No. 22V833 – JEDI Zone Program Business Assistance was increased to \$91,231.92 by the Amendment, which increased the total transfer amount to \$93,138.92. The appropriations amount within CID Fund No. 100/21, Account No. 001010, Salaries General, to be funded by the ARPA Business Assistance Program Fund No. 64N/21 for administrative costs relative to ARPA-funded program, was also increased up to \$93,138.92 by the Amendment. After an opportunity for public comment was held, the Committee moved to approve the recommendations contained in the CAO report as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	ABSENT
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

AXB
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-NOT OFFICIAL UNTIL COUNCIL ACTS-