

**Council Meeting: April 21, 2009****SUBJECT: Federal Stimulus Funding Update (Information Only)**

The following questions and answers are designed to give the general public an overview of the Federal Stimulus Funding program, and what it means to the City of Sunnyvale in particular. While the basic framework of the program has been established, the Federal Government has yet to release a great deal of detail regarding this program.

**What is the “Federal Stimulus Funding Package”?**

What is being commonly referred to as the “Federal Stimulus Funding Package” is more formally known as the American Recovery and Reinvestment Act (ARRA) of 2009. It was signed into law by President Obama on February 17, 2009. The ARRA is intended to jumpstart our economy and create or save millions of jobs by providing federal money to states and municipalities.

**How much money are we talking about?**

The number varies, depending on whose figures you use. Regardless of the source, however, the number is close to \$800 billion. The state of California is expected to receive approximately \$85 billion over the next two years in stimulus funding, and numerous organizations have been allocated funds as well. Sunnyvale’s share will vary depending on the number of grants we decide to pursue.

**What can the money be used for?**

There is a common misconception that the Stimulus funds can be used for any City need, or in any manner a City desires. That is not the case. This money can only be used for specific purposes, and there are numerous restrictions on these funds.

The stimulus funding can not be used for the following:

- General municipal operating expenses or general fund support. In other words, stimulus monies can not be used to fund day to day services the City usually funds itself.
- Zoos, Aquariums, or Casinos (none of which the City of Sunnyvale operates)
- Golf courses

- **Swimming Pools**

Stimulus funding can be used for a variety of other City needs. However, the monies available are for targeted purposes (e.g. transportation projects, housing, etc.). In addition, there are specific project timelines and reporting requirements that must be met in order to qualify for stimulus funding.

### **How does the City of Sunnyvale get its fair share of the money?**

The City can receive stimulus funding in three ways:

- **Direct Formula:** A small portion of funding for programs and/or projects will be distributed directly to cities on a formula basis---the larger your population, the more money your city receives. This money is distributed automatically---that is, the City does not need to apply for it, or take any other action to receive it.
- **Formula Through Another Agency:** This is similar to direct formula, except that the Federal Government provides the funding directly to the State. Each state is then responsible for allocating the money to cities and regions on a formula basis. The City does not need to apply for these funds---they will be distributed automatically.
- **Competitive Funding:** The majority of funding available will be accessed through a competitive application process. These are dollars that the City of Sunnyvale must compete with other cities or regions to procure. This funding is being referred to as “competitive”, or “discretionary” funding.

### **When will Sunnyvale see the stimulus funding?**

We are already seeing some of the funds come in, but some stimulus funds will take longer than others. It depends on the Federal agency responsible for the funding and their process for distributing the funds. Many of the funds are not yet available because the funding agency is still developing program guidelines and/or application criteria.

### **Is the City staying abreast of new developments related to this program?**

Yes. The City Manager has placed a high priority on maximizing the benefits available to Sunnyvale through the Federal Stimulus program. The Assistant City Manager is directing related efforts, which involve numerous City Departments and a large number of City staff. He is also a member of the National League of Cities American Recovery and Reinvestment Act Coordinators and Advisors Network--a national network providing the opportunity to discuss ARRA implementation efforts with federal officials, share best practices, seek advice from peers on specific issues, and gain insights about how to take full advantage of the ARRA's funding opportunities.

**Is there a way for me to track the stimulus monies received by the City, and what they are being used for?**

Yes. This information will be posted to the City's Web site:

<http://sunnyvale.ca.gov/Departments/Finance/Recovery+Act.htm>

The section below, showing the monies which the City has applied for and/or received to date, will be updated continually. Many of the categories listed below are Formula Grants (defined above), for which the City has yet to associate with specific projects. As evaluation proceeds, and as application criteria become available, specific projects will be identified and listed on the website as well.

<b>Energy Efficiency and Conservation Block Grant—F*</b>	\$1,292,000
<b>Transit Grant – Wolfe Road Rehab--F</b>	\$2,200,000
<b>Surface Grants – Murphy Ave. Streetscape—C**</b>	\$1,000,000
<b>Community Development Block Grants--F</b>	\$332,405
<b>Homeless Assistance Grants--F</b>	\$508,191
<b>Byrne Justice Assistance Grants--F</b>	\$74,000
<b>Workforce Investment Act, Adults--F</b>	\$500,000
<b>Workforce Investment Act, Youth--F</b>	\$1,000,000
<b>Workforce Investment Act, Dislocated Workers--F</b>	\$1,400,000
<b>Total</b>	<b>\$8,306,596</b>

\* F = Formula Funding

\*\*C = Competitive Funding

**Is the City taking any other action in response to the current economic downturn?**

Yes. Two other major efforts are underway. First, Sunnyvale has launched its own innovative local "stimulus" program. As proposed by City Manager Gary Luebbers, *Sunnyvale Works!* will fund in excess of \$60 million in capital improvement projects on a highly-accelerated schedule. Where many government projects can take a year or more to move through the approval process, Sunnyvale has made a commitment to get the projects started as quickly as possible, with many beginning in as little as a few weeks. *Sunnyvale Works!* is expected to create as many as 600 private sector jobs.

Second, the City Manager has called for a sweeping review of all City programs in an effort to achieve millions of dollars in savings on an annual, ongoing

basis. Every department has been asked to prioritize services and to identify possible cost-cutting strategies. The City is taking a proactive approach to dealing with the current economic crisis, and by doing so expects to remain in a very positive position relative to other communities—all of which are facing the same national challenges.

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