



Staff Report

File #: 22-0074

REQUEST FOR CITY COUNCIL ACTION

DATE: 01/19/2022

TO: Honorable Mayor and City Council Members

FROM: Community Services Department

SUBJECT:

Accept and appropriate grant funding allocated by the federal government for the Corona Municipal Airport in response to the COVID-19 pandemic.

EXECUTIVE SUMMARY:

In an effort to implement protocols for Covid-19 safety and enhance the experience of airport users at the Corona Municipal Airport, the Community Services Department requests the authorization to accept, appropriate and administer the various grants allocated for the Corona Municipal Airport by the Federal Aviation Administration. The funds will be used to offset operations, personnel, cleaning, sanitization, and janitorial services to combat the spread of pathogens at the airport while ensuring a safe environment for airport lease holders, tenants, and users.

RECOMMENDED ACTION:

That the City Council:

- a. Accept the Federal Aviation Administration CARES Act Grant in the amount of \$30,000.
- b. Accept the Federal Aviation Administration Airport Coronavirus Response Grant in the amount of \$13,000.
- c. Authorize the City Manager, or his designee, to execute the Federal Aviation Administration Airport Rescue Grant Agreement in the amount of \$32,000 as the City of Corona's authorized representative.
- d. Authorize the City Manager, or his designee, to complete and submit all necessary forms and related reports for the CARES Act Grant, Airport Coronavirus Response Grant, and Airport Rescue Grant.
- e. Appropriate \$75,000 to the Airport operating budget and increase revenue estimates by the

same amount in the Airport Fund for Fiscal Year 2022.

- f. Authorize the Finance Director to approve additional budgetary adjustments as needed to administer the grants.

BACKGROUND & HISTORY:

In response to the Coronavirus 19 pandemic (COVID-19), the federal government signed and executed various acts to provide states and local jurisdictions funding to address and mitigate financial loss as a result of COVID-19.

The City of Corona has received to grants thus far for a total of \$43,000 and with City Council approval will accept and additional \$32,000 for a total of \$75,000 in grant monies to support the vital health safety adjustments and operational adjustments at the Corona Municipal Airport (CMA). The purpose of this report is to have the City Council officially accept the \$43,000 already received by the City of Corona and approve and authorize the City Manager or his designee to accept the final grant of \$32,000, which has not yet been received.

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Title XII of Division B of the CARES Act provides approximately \$10 billion to support U.S. airports experiencing severe economic disruption caused by the COVID-19 public health emergency. CARES Act funding is from the U.S. Treasury's General fund and the Federal Aviation Administration's (FAA) Office of Airports will administer and allocate these grant funds to airport sponsors via the CARES Act grant program. As a general airport, CMA was allocated a grant in the amount of \$30,000.

On December 16, 2020, City staff submitted the grant application as required to receive funding. CMA shall use these funds for operational and maintenance costs directly related to the airport.

On December 27, 2020, the President signed the Consolidated Appropriations Act, 2021. Division M of that Act is the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSA). Title IV of CRRSA provides approximately \$2 billion in economic relief to airports to prevent, prepare for, and respond to the COVID-19 pandemic. CRRSA funding is from the U.S. Treasury's General fund and the FAA's Office of Airports will administer and allocate these grant funds to airport sponsors via the Airport Coronavirus Response Grant Program (ACRG). As a general airport, the CMA was allocated a grant in the amount of \$13,000. On May 13, 2021, City staff submitted the grant application as required to receive funding. CMA shall use these funds for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. While these funds have been received they have not been formally accepted by the City Council. The staff recommendation to the City Council is to formally accept those funds for use at the CMA.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA) (H.R. 1319, Public Law 117-2). ARPA provides \$8 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the COVID-19 pandemic. The FAA will provide grants to all airports that are part of the national airport system, including the City of

Corona's public-owned general aviation airport. The FAA will distribute these grants via the Airport Rescue Grant Program (ARG). CMA shall use these funds for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. On July 20, 2021, the Corona Municipal Airport was notified of its eligibility to receive \$32,000 under the ARG. Subsequently, City of Corona staff submitted the grant application prior to the November 30, 2021, submittal deadline. Execution of the Airport Rescue Grant Agreement, Grant No. 3-06-0055-003-2022 is pending Council consideration and authorization.

ANALYSIS:

As a result of the urgency created from the COVID-19 pandemic, City staff executed two of the three grant agreements for the CARES and ACRG grants. These grants now need to be formally recognized and received by the City Council so that they can be allocated for use at the CMA. The Corona Municipal Code (CMC) 2.04.060, Section Y, which provides the authority for the City Manager to approve or delegate approval of such grant funds which is further supported by the City's COVID Emergency Resolution. With the receipt of the third grant and the shift of Airport oversight to the Community Services Department, staff is asking the City Council to formally accept and acknowledge the two previous grants, authorize the City Manager, and/or her his designee, to execute the Federal Aviation Administration Airport Rescue Grant Agreement in the amount of \$32,000, and authorize the City Manager, or his designee, to complete and submit all necessary forms and related reports for the CARES Act Grant, Airport Coronavirus Response Grant, and Airport Rescue Grant.

The timeline to complete the final grant agreement is very short. ARG Grant due to the FAA by January 20, 2022.

Staff prepared this report to process all required actions which include acceptance of the ARG grant and appropriation of all three grant funds into the airport operating budget to pay for eligible activities that prevent, prepare for, and respond to the COVID-19 pandemic. The City has four years to expend the grants. Staff is working to develop the timeline for the expenditure of these funds and has both operational and infrastructure expenditures identified for these grants. Staff will assure proper and timely use of the CARES, ACRG and ARG grant funding, submit annual financial reporting, and upon grant completion will submit a closeout report.

Staff recommends acknowledgement, authorization, acceptance and appropriation of the CARES, ACRG and ARG grant funding.

FINANCIAL IMPACT:

Approval of the recommended actions will appropriate \$75,000 and increase revenue estimates by the same amount in the Airport fund operational budget.

| Fund | 07/01/21 Est. Working Capital | Budgeted Revenues/ Sources | Budgeted Expenditures/ Uses | Working Capital Impacts | 06/30/22 Est. Working Capital |
|------------------|----------------------------------|----------------------------------|-----------------------------------|---|----------------------------------|
| Airport Fund 275 | \$927,988 | \$442,062 | (\$620,502) | Appropriation (\$75,000) Revenue +\$75,000 | \$749,548 |

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the action is not subject to CEQA. This action is to accept grant funds and authorize an operating budget appropriation, and there is no possibility that approval of the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: LAURA HUERTA

REVIEWED BY: ANNE K. TURNER

Attachments:

1. EXHIBIT 1 - CARES Act Grant Agreement, Grant No. 3-06-0055-001-2021
2. EXHIBIT 2 - ACRGP Grant Agreement, Grant No. 3-06-0055-002-2021
3. EXHIBIT 3 - Airport Rescue Grant Agreement, Grant No. 3-06-0055-003-2022