



Legislation Details (With Text)

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Report to Mayor and City Council

Tuesday, October 05, 2021

Consent

SUBJECT:

CONSIDER AN UPDATE ON AMERICAN RESCUE PLAN ACT FUNDING (CITY COUNCIL)

I. SUMMARY

The American Rescue Plan Act (ARPA) established the Coronavirus State Fiscal Recovery Fund that provided \$350 billion in assistance to eligible state, local, territorial, and Tribal governments to support COVID-19 economic recovery efforts. Based on the Treasury Department's allocation methodology for metropolitan cities, \$17,776,763 has been allocated to the City of Carson. The first half, \$8,888,382 was received on July 1st, 2021 and the second half is tentatively scheduled to be received by the City within twelve months.

II. RECOMMENDATION

Receive and File.

III. ALTERNATIVES

TAKE ANY other action the City Council deems appropriate.

IV. BACKGROUND

On March 11, President Joe Biden signed the American Rescue Plan Act 2021 (ARPA), which launched the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide \$350 billion in emergency funding for state and local governments. The American Rescue Plan Act of 2021 (ARPA) is a \$1.9 trillion economic stimulus bill. These funds can be spent by local governments to provide for healthier and safer indoor and outdoor environments for residents, visitors, and employees; assist with investments in outdoor spaces and programs that promote responsible public gatherings, help pay for essential affordable housing, broadband and other critical public infrastructure, and compensate for relevant first responder expenses. Of the \$350 billion economic stimulus bill, the City will receive \$17.8 million in direct one-time funding.

Through discussion guided by the City Manager, several categories of need have been identified. Each category is broad in scope, with more specific needs being identified as we continue to adjust to any updated guidelines coming from Treasury. Staff will return at a later date to propose to the City Council a framework and a spending plan for the use of ARPA funds, possibly along with a portion of the City's General Fund reserve. The City Council's adopted mission, vision and priorities will be the blueprint for prioritizing policy decisions and spending plan. The spending plan will be in alignment with the City Council's Priorities, which include:

1. Make quality of life improvements (infrastructure, maintenance, beautification)
2. Prioritize economic development
3. Adopt governance policies and procedures pertaining to districts
4. Promote housing development
5. Increase public safety
6. Make progress on development that provides community benefits in the long term
7. Maintain quality City programs and services
8. Advocate for funds from county, state, and federal government
9. Increase outreach and information to the community

This one-time funding will provide significant financial resources for health and safety across the City while also making investments that improve our residents' quality of life.

Funding will be received in two disbursements. The first \$8 million was received and this revenue will be held in a separate fund subject to quarterly and annual audits, with the second disbursement anticipated within the next 12 months. Finance staff are working with Information technology division to implement a dedicated website and email for specific communications, frequent mandated updates, including quarterly reporting on the use of the funds as part of the budget update (first to the Finance Commission and then the City Council). Funding opportunities are go-forward from March 3, 2021 and must be completed by December 31, 2026.

The permitted use of funds, as stated in the law (H.R. 1319, American Rescue Plan Act of 2021), are prescribed as follow:

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to

impacted industries such as tourism, travel, and hospitality.

- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers.
- For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- To make necessary investments in water, sewer, or broadband infrastructure.

Treasury has issued Guidance for spending under the Interim Final Rule, published on May 17, 2021. To facilitate review and discussion on the Guidance, the United States Conference of Mayors, along with other organizations, are continuing to host a series of meetings to collect public comments and address any potential revisions. The City continues to participate in these opportunities through staff attendance as well as partnering with our Federal advocates.

V. FISCAL IMPACT

There are no financial impacts to the City's General Fund. Staff will return to the City Council for a formal action appropriating ARPA funding.

VI. EXHIBITS

N/A.

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